

# ECO INVESTOR

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Investments That Solve  
Environmental Problems



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## Emerging Companies

### Big Step Forward for Intec Metal Process

Metals processing group Intec Ltd (ASX: INL) has taken a big step towards commercializing its environmentally friendly process for recycling and purifying metals with a \$20 million agreement to purchase a substantial metals processing plant at Newcastle in NSW. Intec said the purchase will position it as a major Australian metals producer using its patented Intec Process technology.

The acquisition of Delta EMD Australia Pty Ltd's integrated minerals processing plant includes nearly 9 hectares of land plus buildings, plant and equipment.

Intec said the purchase of the plant will give a significant acceleration and expansion to the Intec Metals Recycling Project as it will enable the short-term implementation of individual business units at a very competitive capital cost and generate early cash flows and profitability.

With manifest advantages in location, lowest-possible technical risk, and shortest-possible implementation times, this deal secures the optimum platform for implementing the Intec Metals Recycling Project, said the company.

"We have persevered over many months to secure this unique opportunity for Intec," said managing director and chief executive, Philip Wood. "There is more quality equipment on this site than we would have con-

**Front Cover: The massive Newcastle site where Intec hopes to commercialize its metals purifying technology.**

sidered putting into our first commercial project, and it is contractually available to us at a fraction of the cost. So now we have every opportunity to really prove what Intec can do."

"We are extremely pleased to be extending the life of this valuable asset, which has been contributing to the Newcastle economy for many years, but which otherwise would have been dismantled. We look forward to continuing Intec's practice of working closely with the community and local industry to maximise the benefits to everyone."

"On a wider scale, we are also very pleased that this facility offers us the platform to really demonstrate all of the environmental and economic benefits that the Intec Process can bring to industry. Starting from orphan mineral resources and industrial wastes and residues, we are talking about the clean, green recycling and production of high-quality metals, economically avoiding the disposal of tens of thousands of tonnes of material that would otherwise be dumped every year."

The Intec Process for sustainable metals production comprises a set of patented chloride-based hydrometallurgical processes that have been demonstrated to produce high purity base and precious metals from concentrates of sulphide and oxide ores, tailings and industrial wastes. Dave Sammut, Intec's corporate development manager, said the process has substantial environmental and cost advantages over conventional smelting and refining processes and other hydrometallurgical processes.

The plant features a hydrometallurgical unit suited to operating the Intec Process at full commercial scale, as well as a refractory unit to be brought quickly into operation for profitable recycling of Intec's stockpile of Electric Arc Furnace (EAF) dust.

Mr Wood said "Economic modeling shows that operation of the refractory unit for EAF dust recycling alone fully justifies the capital costs for the acquisition of the site, while providing an attractive return on investment for Intec's shareholders."

The plant was originally constructed in 1989 at a cost of over \$160 million and operated by BHP until being transferred to Delta in 1998. It is estimated to have a replacement cost of up to \$500 million in today's terms, said Intec.

The facility produced electrolytic manganese dioxide (EMD) for battery use until March 2008, when it was decommissioned due to low EMD prices worldwide. With legal agreement in place to prevent the site ever being reused for future EMD production, Intec says it is perhaps better placed than any other Australian company to utilise the extensive plant infrastructure.

Intec's hydrometallurgical unit will have the capacity to produce up to 15,000 tonnes per year of high grade copper and lead metals, as well as 10,000 tonnes per year of valuable zinc intermediates and silver, indium and other by-products.

The Intec Process can profitably treat 'orphan' or 'stranded' intermediate feedstocks that miners would otherwise dispose to tailings, without those miners interrupting existing high-grade concentrate supply agreements to smelter customers.

Intec said in anticipation of this deal it has been discussing project participation and/ or mineral feedstock supply with Australian mining and processing companies that have expressed strong levels of interest.

The site is alongside the Hunter River across from Kooragang Island and in immediate proximity to Newcastle's port loading and unloading facilities, and with



**A panorama of the massive former Delta EMD minerals processing plant at Newcastle.**

excellent rail and road access. The location simplifies delivery of copper, lead, zinc, silver and other metal feedstocks, which will be treated on either a project-participant or toll-treatment basis.

The site also offers significant additional capacity to that previously envisaged for the Intec Metals Recycling Project. It comprises a number of equipment units with both short-term and long-term opportunities for integrated but individually-operated profit centres – the primary Hydrometallurgical Unit, the Refractory Unit, Wastewater Unit, and Pilot Plant. These are well-supported by a range of Ancillary Units, some of which will be transferrable to the other profit centres, and the surplus remainder of which can be sold in an orderly and targeted manner for near-term cash receipts to offset in part the site's capital cost.

Intec says it now has a near five-month due diligence period to 15 April 2009, which it will also use to secure the capital for the site purchase, start-up of the Refractory and Wastewater Units, and working capital.

Mr Sammut said the capital requirement will likely

be in the order of \$25-30 million and could include both debt and finance from joint venture partners. Raising equity from shareholders is not a preferred option, he said.

If all goes as planned, the Refractory Unit could be in operation by mid 2009 and making a significant contribution to the company's revenue. The start-up of the Wastewater Unit and the main Hydrometallurgical Unit would follow.

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