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## Intec in the pink

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Noel Dyson

### **MINERAL processing technology group Intec has become the sixth Australian company to join the United States-based OTCQX market.**

As of May 6, Intec's American Depository Receipts started to trade on the new market, which is an offshoot of the over-the-counter trading regime.

That regime is characterised by its pink share certificates and run by a company called Pink OTC Markets.

Besides Intec, the other Australian resources players on the OTCQX are Oxiana, Linc Energy and Pryme Oil and Gas.

Pharmaceutical players Starpharma and Phospagenics have also taken the over-the-counter option.

The mineral processing player has opted to bundle 20 of its shares into an ADR. That prices its ADRs at \$1.74, based on its May 7 share price of 8.7c.

Its ADRs will trade under the symbol ICLJY. In Oxiana's case, it has bundled five of its shares into an ADR that trades under OXFLY.

Intec managing director Philip Wood said the OTCQX offered most of the benefits of a US listing without the huge compliance costs of joining the New York Stock Exchange. There are no SEC filings or Sarbanes Oxley compliance to contend with.

Indeed, Wood asserts that the OTCQX listing beats other overseas listing options such as London's Alternative Investment Market and the Toronto Stock Exchange.

He said it cost £750,000 (\$A1.56 million) to list on AIM and there were a range of other hurdles such as needing British-based directors and having to visit London regularly.

"Effectively OTCQX is a zero cost compliance regime," Wood said. "All the OTCQX is saying is if you, Intec, comply with the ASX then you can trade your shares in the US.

"Why wouldn't you access the deepest capital market in the world if you don't have to pay any compliance costs?"

There are still some hurdles to clear. For instance, to take part in OTCQX, an Australian company needs to take on a Principal American Liaison.

Intec's PAL is San Francisco-based merchant bank Merriman Curhan Ford & Co.

In keeping with the acronym theme, the OTCQX also has DADs, or Designated Advisors for Disclosure. They are modelled on the Nominated Advisors, or NOMADS of AIM.

The OTCQX, which started in 2007, is not just for small players. According to the exchange's website, listed companies include Adidas, BASF, Akzo Nobel and Air France-KLM.

Wood said Intec would be playing up the technology side of its business to US investors.

"Americans love technology. They don't know that much about mining but they are comfortable investing in technology," he said.



Intec has a proprietary hydrometallurgical process that allows it to recover metals from concentrates of sulphide and oxide ore, tailings and industrial wastes. It operates a "traditional" operation processing tailings at the old Hellyer mine in Tasmania.

The company is also working on a plant at Hellyer to treat 35,000 tonnes per annum of electric arc furnace dust to recover zinc. That plant is due to be in operation in the 2008-09 financial year.

On the Australian bourse, shares in Intec were last trading at 8.6c, down 0.1c.

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