

Intec gives its shareholders some zing for their portfolios

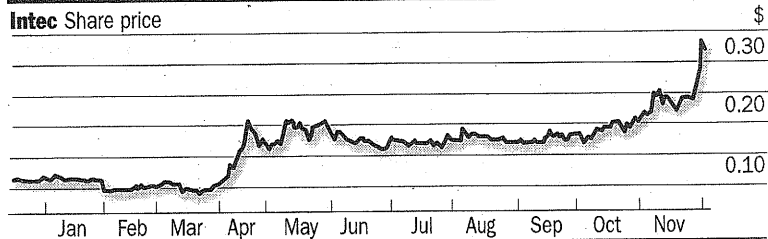
Intec is a company in the right place at the right time, holding the distinction of having just commissioned the first and only new zinc operation to go into production this year.

Intec shares shot up last week after the company announced the formal commencement of commercial production of bulk zinc concentrate from its half-owned Hellyer project in north-western Tasmania (Polymetals is its partner helping to convert the tailings), purchased from the receivers of Western Metals in 2004.

With Zinifex expected to go into the S&P/ASX 50 Index mid-month, zinc remains one of the places to be in the commodities boom.

Intec has a humble market capitalisation of about \$160 million. According to the company, at current metal prices, exchange rates and

TASMANIAN TIGER



Source: Bloomberg

base case throughput forecasts, the project should generate annual revenue of \$128 million and earnings before interest, tax, depreciation and amortisation of \$70.5 million.

Throughput at the mill can be increased from 1.5 million to 2 million tonnes without additional capital investment, with the additional

feedstock coming from the nearby Que River mine, which will be brought into production early next year.

One party enjoying the rise is Macquarie Bank, which took \$500,000 worth of shares at 6.9¢ each last year. Intec shareholders just approved the issue of another 20 million 8¢ options.