



# Intec Ltd

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## **Re-structure of Hellyer Processing Royalty**

Intec Ltd (ASX: INL) (Intec or the Company) announces that it has reached agreement with Bass Metals Ltd (ASX: BSM) (Bass) in relation to a re-structuring of the Hellyer Processing Royalty (the Royalty). The Royalty formed part of the consideration for the sale of the Hellyer Assets to Bass in late 2008. Initially, the Royalty was set at \$2.50 per tonne of ore processed through the Hellyer Mill capped at a total payment of \$5 million.

In November 2011, Intec reached agreement with Bass to forgo cash royalty payments in relation to completed and anticipated minerals processing until the end of calendar 2011 at the Hellyer Mill, in exchange for receiving 3.1 million Bass shares at \$0.15 per share (each with a free attached 3-year listed option exercisable at \$0.20). The nominal face value of these foregone 2011 royalty payments was discounted to the \$465,000 investment amount, with ensuing royalties of \$3.50 per tonne of ore processed, to a \$5.725 million maximum (inclusive of foregone royalties).

In May 2012, Intec received payment of \$345,056 under the Royalty from processing activities at the Hellyer Mill during the March 2012 quarter. Intec will receive approximately \$454,000 during the current quarter for ore processed at the Hellyer Mill during the June 2012 quarter.

Having regard to announcements during 2012 by Bass in relation to activities at Hellyer (including placing the Hellyer Mill on care and maintenance and investigating a sale of the Mill) and its financial position, it became apparent that the residual value of the Royalty was increasingly imperilled. Hence, an agreement to re-structure Royalty arrangements is in each party's interests.

Intec has now agreed with Bass to a re-structure of the Royalty as follows:

- Intec will be granted a 2.5% Net Smelter Return Royalty (NSR Royalty) in relation to base metals extracted from the following tenements:
  - RL11/1997: Mt Charter Retention Licence;
  - EL48/2003: Mt Block Exploration Licence;
  - EL24/2004: Bulgobac River Exploration Licence;
  - CML103M/1987: Hellyer Mine Lease; and
  - ML68M/1984: Que River Mine Lease (the Tenements);
- The NSR Royalty will be uncapped and Bass will have no first right of refusal (or pre-emptive rights) over the NSR Royalty as was previously the case with the Royalty; and

- Intec will be issued 15 million shares in Bass. Intec currently holds 3.1 million Bass shares and 3.1 million Bass options exercisable at \$0.20.

The re-structuring of the Royalty results in Intec receiving a potentially valuable NSR Royalty over the Hellyer-Que River mineral field in North-West Tasmania and an increased shareholding in Bass. Base metal deposits, as defined under the JORC Code, on the Tenements as most recently announced by Bass (30 June 2011) are as follows:

**Table 1: Combined Base Metal Massive Sulphide Mineral Resources (as at 30 June 2011 – 5% Pb+Zn cut-off)\***

Location	JORC Classification	Tonnes '000	Copper %	Lead %	Zinc %	Silver g/t	Gold g/t
Fossey**	Measured	286	0.6	7.4	14.2	137	2.9
	Indicated	108	0.4	6.8	11	120	1.8
	Inferred	66	0.3	4.7	8.4	94	2.1
	<b>Total</b>	<b>460</b>	<b>0.5</b>	<b>6.9</b>	<b>12.6</b>	<b>127</b>	<b>2.5</b>
Fossey East	Indicated	140	0.5	5.2	11	83	1.9
	Inferred	110	0.3	3.3	6.6	60	1.7
	<b>Total</b>	<b>250</b>	<b>0.4</b>	<b>4.4</b>	<b>9.1</b>	<b>73</b>	<b>1.8</b>
Hellyer Remnants	Indicated	640	0.4	4	6.8	83	1.3
	Inferred	110	0.2	4.9	8.1	107	1.5
	<b>Total</b>	<b>750</b>	<b>0.3</b>	<b>4.1</b>	<b>7</b>	<b>87</b>	<b>1.3</b>
Que River base metals	Indicated	160	0.2	3.8	6.5	96	1.2
	Inferred	140	0.3	4.2	7.4	104	1.2
	<b>Total</b>	<b>300</b>	<b>0.2</b>	<b>4</b>	<b>6.9</b>	<b>100</b>	<b>1.2</b>
Que River S-lens	Measured	60	1.7	0.7	2.1	69	0.3
	Indicated	260	1.9	1.6	4.3	68	0.3
	Inferred	60	2.5	0.2	0.6	33	0.15
	<b>Total</b>	<b>380</b>	<b>2</b>	<b>1.3</b>	<b>3.4</b>	<b>63</b>	<b>0.3</b>
<b>Total</b>	Measured	346	0.8	6.4	12.4	127	2.5
	Indicated	1,308	0.7	3.9	7.2	86	1.2
	Inferred	486	0.5	3.7	6.6	85	1.4
	<b>Total</b>	<b>2,140</b>	<b>0.6</b>	<b>4.2</b>	<b>7.8</b>	<b>92</b>	<b>1.4</b>

\* Source: Bass Metals Ltd 2011 Annual Report for the year ended 30 June 2011, Section 2.4.2, page 9. Also refer to Competent Persons Statement: Section 2.5.3, page 15.

\*\* Fossey resource depleted by mining activities since 30 June 2011.

The NSR Royalty would apply to the above deposits when and if they are developed and also to any as yet un-discovered base metal deposit on the Tenements. The NSR Royalty does not apply to gold and silver deposits on the Tenements and also excludes the Hellyer tailings dam.

**Intec Ltd**



**Kieran Rodgers**  
Managing Director

For further information on Intec Ltd, visit the Company's website: [www.intec.com.au](http://www.intec.com.au) or contact:  
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