



# ENCORE METALS NL

ABN 77 084358814

## ANNUAL REVIEW

### RETENTION LICENCE RL3/1996

#### Summary of Activities Completed

- The Encore owned 450,000 tonne zinc, silver, lead and indium bearing Zeehan slag dumps contains in excess of A\$300,000,000 of metals at prevailing metals prices.
- During the period of review the owners of Encore investigated a number of metallurgical and commercial options for the recovery of valuable metals from the Zeehan resource.
- As a consequence, ownership of Encore Metals NL, owner of RL3/1996, pursuant to a Sale Agreement was transferred in October to Intec Hellyer Metals Pty Ltd, a wholly owned subsidiary of ASX listed company, Intec Limited and owner of the Hellyer mine site, infrastructure and tailings resource.
- Intec intends to blend crushed Zeehan slag with purchased electric arc furnace dusts to recover zinc and other valuable metals using its proprietary Intec process, a chloride based hydrometallurgical recovery technology.
- Extensive bench-scale test work on slag samples at the Intec Burnie demonstration plant was very encouraging and provided reliable and definitive performance data for input into an overall project feasibility study. This work cost in the order of \$200,000.
- A 20 tonne representative sample was taken and shipped to Western Australia for specialist crushing. It was then shipped back to Burnie (cost \$60,000) for input into the Burnie.

#### Proposed Activities

- Encore proposes to continue studies to optimise and commercialise the recovery of metals from crushed slag and EAF dusts using the Intec process
- Encore estimates that it will incur costs of at least \$60,000 over the next annual review period.

**Stephen Stone**

**Director – Encore Metals NL**

**11<sup>th</sup> January 2007**

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Stone, S.

RL3/1996