

## **2015 Annual General Meeting**

**2.00pm 27 NOVEMBER 2015**

**ZULU ROOM  
CHRISTIE CONFERENCE CENTRE  
LEVEL 4, 100 WALKER STREET NORTH SYDNEY NSW**

## **AGENDA**

**Chairman's Introduction & Address**

**Managing Director's Presentation**

**Meeting Resolutions**

## **Chairman's Introduction & Address**

## **Company Update - Kieran Rodgers, Managing Director**

- Shares on issue: 299.8 million
- Top 20 Shareholders: 56%
- Management & Board: 10%
- Cash at 30 September 2015: \$0.891 million
- 50% interest in Science Developments Pty Ltd (SciDev)
- Option to acquire the remaining 50% interest
- Other: Technology licensing agreement with Intec International Projects  
Ownership of Zeehan Slag dump  
2.5% NSR over certain tenements in Hellyer region



- SciDev established in 2001 to commercialise technologies developed in the area of organic wastewater treatment chemicals.
- Specific manufacturing focus is production of cationic coagulants and aqueous flocculent concentrates.
- Product range sold under 4 (registered) brands with DairyFlox® and MaxiFlox® being established brands while OptiFlox® and BioFlox® being recent product introductions.
- Breakeven result in 2014/15, however strong sales and profit growth in September quarter



## Review of 2014/15 SciDev's stated focus and achievements

- Maintenance of sales position in the agribusiness sector, principally dairy processing – **maintained**
- Further expansion in quarrying sector – **existing position maintained**
- Further expansion in industrial wastewater treatment, including in CSG sector – **existing position maintained**
- Roll-out of OptiFlox® system in the coal industry – **trial site commissioned at Peabody Energy**
- Leverage relationships with Alfa Laval Australia and Kemira – **Not yet achieved**
- Increase in sales resources internally and/or via distributors/re-sellers particularly for coagulant – **establishment of NZ sales agency and initial sales (principally coagulant) achieved to two sites**

## **Focus of SciDev's 2015/16 activities and business development**

- Dairy processing – participation first qtr. 2016, in a major tender for nation wide business with multi-national partner
- Sales into CSG sector likely to increase in 2016 as further water treatment plants come on-line
- Roll-out of OptiFlox® system in the coal industry
- Identification of opportunities for OptiFlox® system in other industries
- Potential international licensing of OptiFlox® system
- Development of New Zealand market

## OptiFlox® System



### The key development focus for SciDev in 2016

**What is it:** An on-line, real-time, automated system for the control of chemical dosing, particularly coagulants, in thickeners, filters etc., in order to maintain optimal flocculation in waste water treatment plants

**Why have we developed it:** Currently there is no present technology/method that allows for real-time decision making for changes to chemical dosing when there are regular variations in the feed material into thickeners etc.

**This is a recognised problem in:**

- thickeners attached to coal washing plants;
- thickeners attached to sewage plants;
- thickeners attached to iron ore beneficiation plants;
- etc., etc.

In the case of coal washing plants, current reliance on optical instrumentation, means that by the time a problem is evident, the coal washing plant in many instances needs to be shutdown resulting in lost production.



## OptiFlox® System



### For the customer:

- provides increased productivity i.e. no plant downtime
- reduces unit operating costs
- provides continuous performance reporting for both on-site and off-site management

### For SciDev:

- provides monthly licensing fees
- provides associated coagulant sales, which is our core product
- provides international growth opportunities

## OptiFlox® System



- **Current status of OptiFlox® System:**
  - 6-month commercial trial currently in progress
  - Trial site: Peabody Energy's Wilpinjong Coal Mine near Mudgee, NSW
  - Wilpinjong is a 11 Mtpa producer of thermal coal for domestic use and export
  - Commercial terms: monthly licence fee and sale of OptiFlox® coagulant
  - Peabody Energy operates a further 8 mines in Australia
  - SciDev currently undertaking OptiFlox® testwork on samples of coal slurry from three other Peabody Energy coal mines in Australia for possible future OptiFlox® System installations

## OptiFlox® System



### Intellectual property

- Provisional patent application lodged in September 2014, following extensive patent and literature search
- International PCT Patent Application made in September 2015
- provides 18-month period to determine in which countries patents will be lodged

### Business development strategy

- gain a better understanding of industry applications outside of coal industry;
- sewage, iron ore etc.; and
- identification of and engagement with potential international licensees during PCT period

## OptiFlox® System



Initial Mark-1 System installed at Wilpinjong

- cost and complexity of system will be materially reduced in subsequent versions



## **New Zealand Distributorship and Sales**

- NZ Distribution agreement with Apex Environmental Ltd (Apex) in June 2015
- Apex is a equipment supplier, project manager etc. for industrial waste water treatment plants
- Product shipments to NZ commenced in August and continue
- Limited market knowledge at this time with further business development required
- Initial indications are that high level of sales are likely to be seasonally based in the winter/autumn months with lower levels at other times

## Other Activities

Licensing agreement with Intec International Projects (IIP)

- 5% royalty on revenue generated by IIP in relation to Intec Process applications
- IIP recently completed pilot plant program in Malaysia for Monument Mining Ltd
- dependent upon milestone achievements, Monument will issue \$C3.5 million share value to IIP to which royalty will apply

Zeehan Slag Dump:

~420,000 tonnes at 14% Zn. Current low zinc prices negate any short term realisation strategies.

Hellyer Royalty

- Future value dependent upon exploitation of existing resources and exploration success

## **Intec 2015 Annual General Meeting**

**[www.intec.com.au](http://www.intec.com.au)**

*The results of this AGM will shortly be available on the Intec web site.*