

Superior and Sustainable Metals Production

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Companies Announcements Office
Australian Stock Exchange Limited

Appendix 4C June 2003 Quarterly Report

Attached is the June 2003 Quarterly Report by Intec Ltd for Entities Admitted on the Basis of Commitments (Appendix 4C).

Intec's available cash at 30 June 2003 was A\$734,000, which was approximately A\$200,000 less than forecast in the management budget underlying the IPO Prospectus dated 19 December 2001. The increase of actual expenditure over budget expenditure, while less than predicted in the March 2003 Quarterly Report, was a consequence of increased expenditure on Phase 2 of the electrowinning (EW) cell test programme and continuing technical and commercial development work on the Intec Refractory Gold Process (IRGP).

The Company's activities during the June 2003 quarter are set out below.

Intec Refractory Gold Process (IRGP)

Technical and commercial development work continued during the quarter on the IRGP. On 20 June 2003 the final provisional patent in relation to the IRGP was lodged, thereby completing the intellectual property portfolio for the IRGP. In addition, engineering design work commenced for the IRGP pilot plant that will be constructed in the second half of 2003 at the premises of Metcon Laboratories at Brookvale in northern Sydney. Metcon Laboratories is a wholly-owned subsidiary of Ammtec Limited, Australia's largest metallurgical and minerals testing consultancy, and on 28 July 2003 it entered into an agreement with Intec in relation to the IRGP pilot plant site and services.

During the June 2003 quarter laboratory test work was conducted on a number of refractory gold concentrates. The principal focus of the IRGP laboratory test work has been to refine and optimise the process flowsheet in support of the engineering design work for the proposed IRGP pilot plant.

Hellyer Metals Project

Intec previously announced its intention to build its market value as a project-oriented metals producing business. In pursuit of this intention, Intec and Western Metals Limited (WMT) jointly announced on 30 June 2003 an agreement in relation to the Hellyer Metals Project in Tasmania owned 100% by WMT. The Hellyer Metals Project involves the proposed re-treatment of the Hellyer tailings dam to recover precious and base metals. An integral part of the proposed project configuration is an IRGP plant to recover the significant quantities of gold and silver contained in the Hellyer tailings dam. The agreement between Intec and WMT provides for a staged work programme commencing with laboratory test work and financial modelling. It was also agreed that should the Hellyer Metals Project proceed through to production, Intec would be granted project equity in return for providing an IRGP licence to the Hellyer Metals Project.

Subsequent to the end of the June 2003 quarter, WMT announced the appointment of Voluntary Administrators (17 July) and later, Receivers and Managers (22 July). Intec is in discussions with WMT and its Receivers and Managers concerning the status of the agreement in relation to the Hellyer Metals Project, which is expected presently to proceed.

Phase 2 of the Copper Electrowinning (EW) Cell Test Programme

Phase 2 of the copper EW cell test programme continued during the June 2003 quarter. After originally operating continuously during February/March 2003 the operation was shut down in order to undertake mechanical modifications to the cathode wiping mechanism. Continuous operations recommenced in June 2003 and the test programme was subsequently successfully completed in July 2003 and met all programme objectives. This outcome has been verified by an independent consultant, Mendip Metallurgy, commissioned by Intec to review the test work. The conclusions of the report by Mendip Metallurgy will be included in the Rights Issue documentation provided to Intec's shareholders.

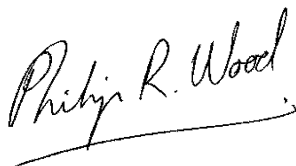
Currently some two tonnes of the copper dendrites produced during the test programme are being washed, dried and compacted in preparation for shipment to Rautomead International Limited in Dundee, Scotland. There the copper dendrites will be upwardly vertically cast into oxygen-free copper wirerod using Rautomead's pilot plant in order to demonstrate the joint Intec-Rautomead copper concentrates-to-rod technology package.

Corporate

On 17 June 2003 the Company announced a renounceable rights issue of three new Intec shares at A\$0.03 each for every five Intec shares held (the Rights Issue). Fully subscribed, the Rights Issue will result in the issue of 87,623,490 new Intec shares raising A\$2,628,705. Subsequent to the end of the June 2003 quarter, the Company announced the appointment of Taylor Collison Limited and Grange Securities Limited as joint underwriters for the whole of the Rights Issue. In further support of the Rights Issue, Oriam Holding Corp. (Intec's largest shareholder) has agreed to subscribe for its full entitlement of Intec shares under the Rights Issue (A\$522,000) and additionally to sub-underwrite the first A\$978,000 of any shortfall, for a total commitment of up to A\$1.5 million.

Preparation of documentation for the Rights Issue is at an advanced stage and is expected to be sent to Intec shareholders in early August 2003. The principal use of the funds raised from the Rights Issue will be firstly to develop and market the IRGP and secondly for working capital in relation to Intec's other proprietary base metals technologies.

Yours faithfully
Intec Ltd



Philip R Wood
Managing Director and Chief Executive Officer

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/3/2000. Amended 30/9/2001

Name of entity

Intec Ltd

ABN

25 001 150 849

Quarter ended ("current quarter")

30 June 2003

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from customers – test work fees	27	126
1.2 Payments for:		
(a) staff costs	(401)	(1,712)
(b) advertising and marketing	(30)	(205)
(c) research and development	(133)	(338)
(d) leased assets	(2)	(9)
(e) other working capital	-	(2)
(f) administration and corporate costs	(199)	(594)
(g) cost of sales	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	17	133
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	(721)	(2,599)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	(721)	(2,599)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(48)	(425)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	13
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
Net investing cash flows	(48)	(412)
1.14 Total operating and investing cash flows	(769)	(3,011)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other – share issue expenses	-	(3)
Net financing cash flows	-	(3)
Net increase (decrease) in cash held	(769)	(3,014)
1.21 Cash at beginning of quarter/year to date	1,503	3,748
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	734	734

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	181
1.25	Aggregate amount of loans to the parties included in item 1.11	Nil

1.26 Explanation necessary for an understanding of the transactions

The salary paid to the two executive directors and the directors' and consultancy fees paid to the three non-executive directors amounted to \$144,423. In addition \$36,337 was paid to HG Engineering Ltd, a metallurgical engineering firm of Toronto, Canada, of which Mr JP Evans is President, for engineering work on copper precipitation removal system, dendritic copper wiper system and basic engineering design of copper plant.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Not applicable

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	5	24
4.2 Deposits at call	200	158
4.3 Bank overdraft	(31)	-
4.4 Other – bank negotiable certificates of deposit	560	1,321
Total: cash at end of quarter (item 1.23)	734	1,503

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity	Not Applicable	Not Applicable
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here: ***Robert J Waring***
 (~~Director~~/Company Secretary)

Date: 31 July 2003

Print name: Robert J Waring

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.