

Superior and Sustainable Metals Production

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Companies Announcements Office
Australian Stock Exchange Limited

Appendix 4C September 2003 Quarterly Report

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

Intec's available cash at 30 September 2003 was A\$2,872,000. Expenditure during the quarter was in line with Intec's business plan on which the IPO Prospectus dated 19 December 2001 was based and as updated for the Entitlements Issue Prospectus dated 7 August 2003.

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

Corporate

On 17 September 2003 the Company announced the completion of an Entitlements Issue of three new Intec shares at A\$0.03 each for every five Intec shares held. The Issue closed fully subscribed and resulted in the issue of 87,623,490 new Intec shares and raised A\$2,628,705 (before costs). As a result of acting as priority sub-underwriter and applying for its own Entitlement, Orian Holding Corp. ("Orian"), wholly owned by Ivanhoe Mines Ltd. ("Ivanhoe"), increased its shareholding in the Company to 23.2%.

Following the increase in Orian's shareholding, Mr Ian Ross (a director of, and with executive responsibilities for, a number of operating subsidiaries in the Ivanhoe group) was appointed to the Intec Board. Mr Ross brings to the Intec Board his extensive experience in international corporate finance over several decades, including twenty years involvement in the mining sector of the People's Republic of China.

Intec Gold Process ("IGP")

Technical and commercial development work continued during the September 2003 quarter on the IGP. Engineering design work for the IGP pilot plant that is being constructed at the premises of Metcon Laboratories at Brookvale in northern Sydney was completed and initial equipment orders were placed. 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 IGP pilot plant site and provision of associated services.

Construction of the IGP pilot plant is currently proceeding on schedule to be completed before the end of the year with commissioning in early 2004. The construction, commissioning and initial operation of the IGP pilot plant is presently being fully funded by Orian in return for the Company having granted to Orian an IGP technology licence on previously announced terms. The initial drawdowns of funds under the terms of the agreement with Orian were made during September and October 2003.

It is anticipated that feedstocks from Ivanhoe's Bakyrchik gold project in Kazakhstan and from the Hellyer tailings dam (see below) will be the first materials campaigned through the plant. Additionally, based on successful laboratory testwork, discussions are underway with several further parties in relation to the supply of concentrate tonnages for campaign treatment through the IGP pilot plant during 2004. Intec also expects to source refractory gold concentrates through Ivanhoe's strategic alliance with China International Trust &

Investment Corporation (“CITIC”). CITIC Gold controls 15 operating mines in China, 70% of which country’s gold reserves are refractory in nature.

Hellyer Metals Project

Intec and Western Metals Limited (Receivers and Managers Appointed) (Administrators Appointed) (“Western Metals”) continued collaborative laboratory test work on material from the Hellyer Metals Project (“Hellyer”) during the September 2003 quarter. The test work is pursuant to the terms of an agreement between Intec and Western Metals announced on 30 June 2003. The test work has continued to confirm earlier indications that the IGP achieves gold and silver recoveries that are significantly higher than those delivered by conventional cyanide leaching methods.

The Receivers to the Western Metals group have very recently commenced a sale process for Hellyer and the other Tasmanian assets of Western Metals. Intec has formally expressed its interest in participation in the sale process.

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

Phase 2 of the copper EW cell test programme was completed during the September 2003 quarter. Two tonnes of the copper dendrites produced during the test programme were washed, dried, compacted and shipped as rhondelles to Rautomead International Limited in Dundee, Scotland. During November these rhondelles 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.

Outlook

The markets for base and precious metals improved considerably during the September 2003 quarter. This improvement is now finally beginning to lift the very low treatment and refining charges (“TC/RC’s”) applied to base metal concentrates in recent years and is also encouraging new project developments. Consequently Intec is presently receiving a very high level of mining industry enquiries, across the full range of base and precious metals. We expect these will continue to open up exciting process development and project participation opportunities for the Company.

Yours faithfully

Intec Ltd

A handwritten signature in black ink that reads "Philip R. Wood". The signature is written in a cursive style and is underlined with a single horizontal stroke.

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 September 2003

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from customers – test work fees	-	-
1.2 Payments for:		
(a) staff costs	(379)	(379)
(b) advertising and marketing	(38)	(38)
(c) research and development	(148)	(148)
(d) leased assets	(2)	(2)
(e) other working capital	-	-
(f) administration and corporate costs	(248)	(248)
(g) cost of sales	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid)/received	246	246
1.7 Other (JV cash calls received)	125	125
Net operating cash flows	(441)	(441)

+ 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)	(441)	(441)
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	(30)	(30)
(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	-	-
(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	(30)	(30)
1.14 Total operating and investing cash flows	(471)	(471)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	2,629	2,629
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	(20)	(20)
Net financing cash flows	2,609	2,609
Net increase (decrease) in cash held	2,138	2,138
1.21 Cash at beginning of quarter/year to date	734	734
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	2,872	2,872

+ 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	97
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 \$97,265.

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

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	34	5
4.2 Deposits at call	675	200
4.3 Bank overdraft	(137)	(31)
4.4 Other – bank negotiable certificates of deposit	2,300	560
Total: cash at end of quarter (item 1.23)	2,872	734

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: 30 October 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.