

Superior and Sustainable Metals Production

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Companies Announcements Office
Australian Stock Exchange Limited

Appendix 4C December 2003 Quarterly Report

Attached is the December 2003 Quarterly Report by Intec Ltd ('Intec', ASX code – INL) for Entities Admitted on the Basis of Commitments (Appendix 4C). Intec had A\$1,678,000 available cash at 31 December 2003.

On that date, Intec announced that IVNL Gold Pty Ltd (since renamed IVNL Hellyer Metals Pty Ltd ('IVNL')) had reached agreement with the Receivers and Managers of Western Metals Copper Limited (In Liquidation) for the purchase of the Hellyer Metals Project for A\$1,597,973. Formal completion of this transaction took place earlier today.

The Project has been on care and maintenance and comprises:

1. the Burnie metallurgical research and development facility;
2. the Hellyer mining and exploration tenements (including the Hellyer tailings dam);
3. the Hellyer mill which has a capacity of 1.5m tonnes per annum and associated infrastructure; and
4. the Mt Gordon Ferric Leach Process and related items of intellectual property.



Figure 1 The Burnie metallurgical research and development facility

1. As previously announced, the Burnie metallurgical research and development facility (part of which is shown in Figure 1) has today been transferred (for A\$270,000, being a portion of the Project consideration) to Ammtec Ltd (ASX Code – AEC, one of the world's largest metallurgical and minerals testing consultancies).



Figure 2 Hellyer tailings dam

2. In relation to the Hellyer tailings dam (Figure 2), sample material from it is currently being processed at the Intec Gold Process ('IGP') pilot plant (Figure 3) at AEC's facility at Brookvale in northern Sydney. The IGP pilot plant was constructed within time and budget, and a pre-commissioning campaign was successfully carried out, during the December 2003 quarter. The construction, commissioning and initial operation of the IGP pilot plant was, and continues to be, fully funded by the Ivanhoe Mines Ltd group (ASX code – IVN, itself a 23.2% shareholder in Intec) in return for Intec having granted to IVN an IGP technology licence on previously announced terms.



Figure 3 Intec Gold Process pilot plant

During February 2004, the current campaign using Hellyer tailings will optimise extraction of all contained payable metals (i.e. gold, zinc, lead, silver and copper). This will lead into the design, construction and operation by IVNL at AEC's newly-acquired Burnie facility of the Intec Polymetallic Process demonstration plant. The initial focus of this plant will be on Hellyer, but it will then become generically available for paid campaigns on polymetallic feeds from other producers currently being successfully tested in Intec's Sydney University laboratories.



Figure 4 The 1.5mtpa SAG mill at Hellyer



Figure 5 A partial view of the Hellyer flotation circuit

3. While the Project development work is proceeding and until commercial scale operations are commenced on the Hellyer tailings at minesite, the Hellyer mill (Figures 4 and 5) will continue under care and maintenance. During this period, IVNL will be actively seeking opportunities to employ the mill as a toll-treatment facility for regional ore producers.
4. The proprietary Mt Gordon Ferric Leach Process was acquired by IVNL as part of the Project, having already been successfully commercialised. Intec is aware of significant commercial interest from third parties regarding the acquisition and/or licensing of this technology.

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.

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")

31 December 2003

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from customers – test work fees	9	9
1.2 Payments for:		
(a) staff costs	(523)	(902)
(b) advertising and marketing	(7)	(45)
(c) research and development	-	(148)
(d) leased assets	-	(2)
(e) other working capital	-	
(f) administration and corporate costs	(396)	(644)
(g) cost of sales	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	28	31
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid)/received	-	246
1.7 Other (JV cash calls received)	375	500
Net operating cash flows	(514)	(955)

+ See chapter 19 for defined terms.

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Quarterly report for entities
admitted on the basis of commitments

		Current quarter \$A'000	Year to date (6 months) \$A'000
1.8	Net operating cash flows (carried forward)	(514)	(955)
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	(514)	(544)
	(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	(514)	(544)
1.14	Total operating and investing cash flows	(1,028)	(1,499)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares, options, etc.	-	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	(166)	(186)
	Net financing cash flows	(166)	2,443
	Net increase (decrease) in cash held	(1,194)	944
1.21	Cash at beginning of quarter/year to date	2,872	734
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	Cash at end of quarter	1,678	1,678

+ 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	253
1.25	Aggregate amount of loans to the parties included in item 1.11	Nil
1.26	<p>Explanation necessary for an understanding of the transactions</p> <div style="border: 1px solid black; padding: 5px;"> <p>The salary paid to the two executive directors and the directors' and consultancy fees paid to the three non-executive directors amounted to \$252,949.</p> </div>	

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.

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	38	34
4.2 Deposits at call	185	675
4.3 Bank overdraft	(69)	(137)
4.4 Other – bank negotiable certificates of deposit	1,524	2,300
Total: cash at end of quarter (item 1.23)	1,678	2,872

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~~ give a true and fair view of the matters disclosed.

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

Date: 30 January 2004

Print name: Robert J Waring

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Quarterly report for entities
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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.

+ See chapter 19 for defined terms.