

Superior and Sustainable Metals Production

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Companies Announcements Office
Australian Stock Exchange Limited

Appendix 4C September 2004 Quarterly Report

Attached is the September 2004 Quarterly Report by Intec Ltd (ASX code – INL, or the Company) for Entities Admitted on the Basis of Commitments (Appendix 4C).

Corporate

On 17 September 2004 Intec announced that it had appointed Grange Securities and RFC Corporate Finance as Joint Lead Managers in relation to its forthcoming A\$15 million capital raising. The capital raising took the form of a “book build”, eventually comprising a A\$7 million institutional placement and an underwritten A\$5 million shareholder purchase plan (SPP). Additionally A\$3 million funding is anticipated from a separate corporate party. Resolutions required to put these fundraising plans in place were passed by shareholders at the Intec Annual General Meeting held on 28 October 2004. It is now expected that the institutional placement will be finalised in the coming week and that details of the underwritten SPP will be announced at that time.

INL had A\$335,000 available cash at 30 September 2004.

Activities during the Quarter

Highlights of the company’s activities for the quarter were presented to shareholders at the Annual General Meeting and were released to ASX on 28 October 2004. During the quarter H. G. Engineering of Toronto, Canada completed a Pre-Feasibility Study on Intec’s Hellyer Project in Tasmania. This indicated that the Project has very attractive economics and the current capital raising will be used for the completion, over an approximate 15 month period, of a bankable feasibility study for, and financing of, a full scale processing facility at Hellyer.

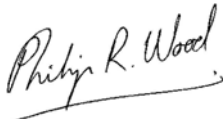
Very positive results were achieved during the quarter on the use of Electric Arc Furnace (EAF) dust as supplemental feed for the Hellyer project. The pilot plant campaign on a blend of Hellyer tailings and Smorgon Steel EAF dust resulted in extraction of 95% of the zinc contained in the dust which graded 31% zinc. The co-treatment of Hellyer tailings and EAF dust forms the basis for the ‘Enhanced Case’ in the pre-feasibility study completed by H.G. Engineering and released to the ASX on 7 September 2004. The financial evaluation of the ‘Enhanced Case’ demonstrates significant technical and economic advantages over an already very robust ‘Base Case’ (for the treatment of Hellyer tailings only). INL and Smorgon Steel have held discussions regarding the latter’s interest in the Hellyer Metals Project as a site for the co-treatment of EAF dust and the resultant recovery as pure metal of the significant quantities of zinc contained in this material. The discussions have resulted in it providing INL with a Letter of Understanding (released to the ASX on 26 October 2004) in relation to the Hellyer Metals Project whereby Smorgon Steel has confirmed its interest in continuing discussions with Intec for a potential participation in the development and commercialisation of the Project.

On 28 October 2004, Barrick Gold (the world's third largest gold producer) completed a highly successful 5-week campaign treating its refractory gold material at the Intec Gold Process (IGP) pilot plant. The IGP has now shown itself to be economically very competitive and environmentally attractive. Comprehensive pilot plant, laboratory testwork and desktop studies on the IGP were therefore undertaken during the quarter by a range of companies and these continue.

Outlook

Overall the September quarter was another very active and successful one for Intec. The Directors expect that the current capital raising has underpinned progress towards a commercial Intec plant to recover metals from the Hellyer tailings and EAF dust and towards commercialisation of the IGP.

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 September 2004

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	20	20
1.2 Payments for:		
(a) staff costs	(450)	(450)
(b) advertising and marketing	(14)	(14)
(c) research and development	(333)	(333)
(d) leased assets	-	-
(e) other working capital	-	-
(f) administration and corporate costs	(326)	(326)
(g) cost of sales	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	13	13
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid)/received	-	-
1.7 Other (JV cash calls received)	2	2
Net operating cash flows	(1,088)	(1,088)

+ 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 (3 months) \$A'000
1.8	Net operating cash flows (carried forward)	(1,088)	(1,088)
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	(29)	(29)
	(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	(29)	(29)
1.14	Total operating and investing cash flows	(1,117)	(1,117)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares, options, etc.	-	-
1.16	Proceeds from R&D Start Grant	347	347
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other – share issue expenses	-	-
	Net financing cash flows	347	347
	Net increase (decrease) in cash held	(770)	(770)
1.21	Cash at beginning of quarter/year to date	1,105	1,105
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	Cash at end of quarter	335	335

+ 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	104
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 five non-executive directors who held office throughout the quarter amounted to \$103,817.

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

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	194	61
4.2 Deposits at call	141	275
4.3 Bank overdraft	-	-
4.4 Other – bank negotiable certificates of deposit	-	769
Total: cash at end of quarter (item 1.23)	335	1,105

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: ***Philip R Wood***
(Director/~~Company Secretary~~)

Date: 29 October 2004

Print name: Philip R Wood

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.