

Superior and Sustainable Metals Production

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Companies Announcements Office
Australian Stock Exchange Limited

Appendix 4C December 2004 Quarterly Report

Attached is the December 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 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 INL’s Annual General Meeting held on 28 October 2004. The institutional placement was finalised in November 2004 and the underwritten SPP which raised A\$5 million, was finalised in January 2005.

INL had A\$10.3 million available cash at 31 December 2004. An additional amount of A\$96,430.74 being the balance of funds from the SPP was received in January 2005.

At the end of December 2004 quarter, Mr Gordon Toll retired from all formal positions he held within the Ivanhoe mines group, INL’s largest shareholder. He earlier stepped down from the INL board whilst agreeing to act as Alternate Director for Mr Ian Ross. The Company is extremely grateful for Mr. Toll’s contribution in recent years, particularly in assisting with corporate funding and the development of the Intec Gold Process and its related pilot plant.

Sydney Pilot Plant

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, including further progress development work with Barrick Gold.

Towards the end of December 2004 quarter, the pilot plant again treated Hellyer tailings, based on an optimised process flowsheet and in order to refine iron precipitation performance. This campaign also included the successful treatment of zinc ferrite residues.

Burnie Demonstration Plant

A very suitable site for the demonstration plant was identified immediately adjacent to Ammtec’s Burnie Research Laboratory, a long-term lease was entered into and the relevant zoning approvals and operating permits were obtained from the Burnie City Council and the Tasmanian Department of Infrastructure, Primary Industries, Water and Environment. SEMF, the highly regarded Tasmanian-based engineering firm, was appointed as project engineer for the demonstration plant. Honeywell will be supplying the automated control system for the demonstration plant, which will be transferable to the eventual commercial plant. The

process engineering design has been completed, all major equipment items have been ordered and civil construction has just recently commenced.

The zinc electrowinning cell is currently being constructed at the University of Sydney for commissioning prior to its installation at the Burnie demonstration plant.

Hellyer Exploration Assets

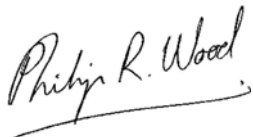
As announced to the ASX on 15 December 2004, the Company has vended its exploration licences in the vicinity of Hellyer into RF&I Pty Limited. Mr Michael Rosenstreich has been appointed Managing Director of RF&I, which has commenced drafting the prospectus for its IPO in the first half of 2005.

Outlook

Overall the December quarter was another very active and successful one for Intec. The Directors advise that the recently completed capital raising has underpinned the Company's funding requirements for construction and operation of the Burnie demonstration plant, completion of the Bankable Feasibility Study for the Hellyer Metals Project and progress 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")

31 December 2004

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	14	34
1.2 Payments for:		
(a) staff costs	(801)	(1,251)
(b) advertising and marketing	(32)	(46)
(c) research and development	(233)	(566)
(d) leased assets	-	-
(e) other working capital	(526)	(526)
(f) administration and corporate costs	(230)	(556)
(g) cost of sales	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	61	74
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid)/received	-	-
1.7 Other (JV cash calls received)	1	3
Net operating cash flows	(1,746)	(2,834)

+ 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 (6 months) \$A'000
1.8	Net operating cash flows (carried forward)	(1,746)	(2,834)
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	(153)	(182)
	(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	(153)	(182)
1.14	Total operating and investing cash flows	(1,899)	(3,016)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares, options, etc.	12,021	12,021
1.16	Proceeds from R&D Start Grant	230	577
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other – share issue expenses	(350)	(350)
	Net financing cash flows	11,901	12,248
	Net increase (decrease) in cash held	10,002	9,232
1.21	Cash at beginning of quarter/year to date	335	1,105
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	Cash at end of quarter	10,337	10,337

+ 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	219
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 during the quarter amounted to \$219,482. On 16 December 2004 Gordon Toll resigned as a Director of the Company.

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	660	194
4.2 Deposits at call	57	141
4.3 Bank overdraft	-	-
4.4 Other – bank negotiable certificates of deposit	9,620	-
Total: cash at end of quarter (item 1.23)	10,337	335

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: 31 January 2005

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.