

Superior and Sustainable Metals Production

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Companies Announcements Office
Australian Stock Exchange Limited

Quarterly Activities Report: Appendix 4C September 2005

On behalf of Intec Ltd (ASX code: INL, or the Company), I now attach the September 2005 Quarterly Report for Entities Admitted on the Basis of Commitments (Appendix 4C).

DEMONSTRATION PLANT

Intec Hellyer Metals Pty Ltd (IHM), the wholly-owned subsidiary of INL, owns and operates the 4 tonnes per day Hellyer Metals Project demonstration plant at Burnie, Tasmania which is currently being progressively and successfully commissioned.

Leach extraction efficiencies on Hellyer tailings alone as feedstock have already confirmed earlier expectations derived in 2004 from INL's Sydney pilot plant. 76.4% of the weighted metal value comprised in the Hellyer tailings is being leached at this point, with specific metal extractions as follows:

Metal	%
Zinc	96
Lead	97
Copper	85
Silver	85
Gold	30

Based on technical experience, these leach extraction efficiencies are anticipated to continue to improve incrementally over the next months.

In terms of product recovery:

- Zinc is being electrowon as 'super-jumbo' cathodes in the electrowinning cell at a current density steadily increasing towards our target of 600amps/m². Melting tests have been successfully conducted to enable production of zinc ingots for sampling by industry users.
- Lead/silver cement is being produced and stockpiled for briquetting to provide samples to lead/silver refinery consumers.
- Copper oxychloride is being precipitated and will be sent to Ammtec (ASX Code: AEC) in Perth for processing via ion exchange into copper sulphate, the market value of which is several times that of pure copper.
- Loading of gold onto enclosed carbon columns will proceed at the demonstration plant over the next months until being sent to the AJ Parker Centre in Perth for recovery as bullion.

The demonstration plant has recently commenced co-treating both Hellyer tailings and Electric Arc Furnace dust (supplied by each of Smorgon Steel Group Limited (ASX Code: SSX) and Onesteel Limited (ASX Code: OST)). Additionally, 20 tonnes of 'Zeehan Slag' has been excavated and is currently en route via ship to AEC in Perth for fine grinding in preparation for treatment at Burnie alongside the Hellyer tailings and EAF dust feedstocks.

BANKABLE FEASIBILITY STUDY (BFS)

Data generated from the demonstration plant in 'steady state' (towards which the plant is progressing during the current quarter) is the single most important input into the Hellyer Metals Project BFS, which is being undertaken by WorleyParsons (ASX Code: WOR) with the assistance of qualified sub-consultants. In addition to the demonstration plant, the following components of the BFS are now well advanced:

WorleyParsons (WOR): Tailings Recovery Options Study

A review of options for the recovery of tailings from the Hellyer tailings dam was completed by WOR. This study concluded that conventional dredging, either by a single dredge or with dual dredges, was the optimal recovery method.

AMC Consultants (AMC): Tailings Resource Confirmation

AMC has undertaken a review of previous drilling and sampling programs conducted on the Hellyer tailings dam in order to confirm a JORC-standard resource estimate. This work is near completion and will include the production of a 3-D model of the tailings dam, which will then be employed by AMC in the development of a tailings recovery plan.

GHD Pty Ltd (GHD): Geotechnical Investigations

GHD commenced geotechnical investigations on the proposed site for a new residue disposal dam and also on the proposed site for the process plant.

Caloundra Environmental Pty Ltd (Caloundra): Environmental

The Tasmanian Department of Primary Industries, Water and Environment has provided Caloundra with the final project-specific guidelines for the production of a Development Proposal and Environmental Management Plan (DPMP) for the Hellyer Metals Project. To support the production of the DPMP, Caloundra has commenced appropriate baseline surveys and consultations with relevant community groups.

H.G. Engineering (HGE): Process Engineering Design

Aspects of the process engineering design commenced and/or completed by HGE (present in person in Burnie for the past month) include process flow diagrams, development of preliminary equipment list, pipe and instrument diagrams, and specification and data sheets for significant equipment items.

WorleyParsons (WOR): General

In addition to the management of sub-consultants to the BFS, WOR has commenced a transport logistics study, finalised overall site layout, commenced design of the zinc casting house and identified key equipment suppliers.

ASX LISTING OF RFI SHARES AND OPTIONS

Shares and options in Resource Finance and Investments Ltd (ASX Codes: RFI and RFIO respectively) commenced trading on ASX on 20 October 2005. INL is RFI's largest shareholder with 8,000,000 (22.1%) of its issued shares and 2,250,000 (19.87%) of its issued options (all of which securities are escrowed for two years). Furthermore, a substantial number of INL shareholders exercised their Priority Entitlements to subscribe in RFI's IPO.

INL is therefore pleased that RFI has now successfully commenced life as an ASX-listed company, expresses considerable confidence in the directors, management, assets and business plan of RFI and considers that RFI is well-placed to achieve notable exploration success alongside INL's operations in Tasmania.

CORPORATE**Cash Balance**

The Company's cash balance at 30 September 2005 was A\$1,268,000.

Equity Issue and Working Capital Facility Agreement signed with Macquarie Bank Limited

On 21 October 2005, the Metals and Energy Capital Division of Macquarie Bank Limited (ASX Code: MBL), INL and IHM formally executed the secured A\$2,500,000 Working Capital Facility Agreement (the "Agreement") and associated legal documentation.

In consideration of MBL entering into the Agreement, INL issued call options to MBL for the purchase of 15,000,000 INL shares at 8 cents per share, expiring 30 June 2008. A further issue of 10,000,000 options, on the same terms, will be made to MBL on first drawdown under the Agreement (which has not yet occurred).

Additionally, MBL has invested A\$500,000 to purchase 7,246,377 INL shares, issued to MBL at 6.9 cents per share.

Both equity and debt funding will be applied principally towards completion of the BFS by WOR.

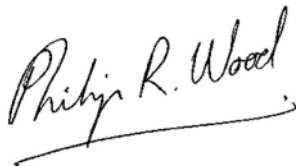
MBL, as intending lead manager of the Hellyer Metals Project financing, has recently appointed Behre Dolbear Australia to carry out the first stage of technical due diligence on MBL's behalf in relation to the Burnie demonstration plant. This has now commenced.

Additional Funding

Following earlier advice to ASX, certain regulatory approvals have recently been obtained that will now enable finalisation by INL of an additional non-dilutive funding arrangement with a corporate party.

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 2005

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		
1.2 Payments for:		
(a) staff costs	(638)	(638)
(b) advertising and marketing	(48)	(48)
(c) research and development	(404)	(404)
(d) leased assets	-	-
(e) other working capital	(754)	(754)
(f) administration and corporate costs	(274)	(274)
(g) cost of sales	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	35	35
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid)/received	-	-
1.7 Other	1	1
Net operating cash flows	(2,082)	(2,082)

+ 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)	(2,082)	(2,082)
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	(1,195)	(1,195)
	(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	(1,195)	(1,195)
1.14	Total operating and investing cash flows	(3,277)	(3,277)
Cash flows related to financing activities			
1.15	Proceeds from issues of shares, options, etc.	-	-
1.16	Proceeds from R&D Start Grant	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other – share issue expenses	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(3,277)	(3,277)
1.21	Cash at beginning of quarter/year to date	4,545	4,545
1.22	Exchange rate adjustments to item 1.20	-	-
1.23	Cash at end of quarter	1,268	1,268

+ 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	157
1.25	Aggregate amount of loans to the parties included in item 1.11	

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 four non-executive directors who held office during the quarter amounted to \$157,000.

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	2,500	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	44	428
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other – bank negotiable certificates of deposit	1,222	4,117
Total: cash at end of quarter (item 1.23)	1,268	4,545

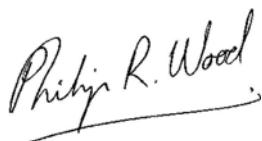
Acquisitions and disposals of business entities

	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:



(Director/Company Secretary)

Date: 31 October 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.

+ See chapter 19 for defined terms.