



Intec Ltd

ABN 25 001 150 849

Superior and Sustainable Metals Production

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31 October 2006

Companies Announcements Office
Australian Stock Exchange Limited

Quarterly Activities Report: Appendix 4C September 2006

On behalf of Intec Ltd (ASX code: INL, or the Company), I now attach the September 2006 Quarterly Report for Entities Admitted on the Basis of Commitments (Appendix 4C).

Annual Report

INL published its annual report on 29 September 2006, outlining the financial year's progress on the Hellyer Zinc Concentrate Project (HZCP), the Burnie demonstration plant (BDP), the treatment of electric arc furnace dust (EAFD), and other technical advancements and projects. The Annual General Meeting will be held at 5:30pm on Wednesday, 15 November 2006, in 'The Partners Room', Allens Arthur Robynson Lawyers, Level 28, Deutsche Bank Place, corner of Hunter and Phillip Streets, Sydney, NSW, Australia.

Hellyer Metals Project

The immediate value of INL's assets at the Hellyer tailings dam, EAFD stockpile in western Melbourne and (as recently announced) Zeehan Slags resource is being significantly enhanced by the widely publicised surge in metal prices (especially zinc), which has continued throughout the September 2006 quarter. At the close of business on 27 October 2006, zinc prices were up almost US\$1,000 per tonne (approximately 30%) over the price as at the 30 June 2006.

Activities at the BDP have concluded after successful 'steady state' operation, and the BDP is currently on a high-level care and maintenance programme, with the intention of re-configuring the BDP for commercial production of either zinc metal or high-quality zinc oxide. This is the Stage 2 Zinc Intermediates Project described in the Fourth Quarter Report, 31 July 2006.

Samples from the BDP have been sent for external testwork, with the results to be combined with data from the 'steady state' BDP operations to contribute to the updated feasibility study (FS). INL is working with WorleyParsons and other service providers to advance the FS, with the study expected to be completed during the first half of 2007.

Hellyer Zinc Concentrate Project (HZCP) joint venture with Polymetals

INL was pleased to announce on 20 October 2006 that pursuant to the recommendation of the Tasmanian Department of Primary Industries, Water and Environment, Waratah-Wynyard Council had issued its Planning Permit for the HZCP, a 50/50 joint venture between INL and Polymetals (Hellyer) Pty Ltd.

The HZCP's dredge has been launched on the Hellyer tailings dam, and is now in place. The shore tanks have been water commissioned, and work on the plant refurbishment is complete. Slurry commissioning of the plant is scheduled for 2 November 2006, with first production of concentrates due in the following two weeks, at the annualised rate of not less than 65,000 tonnes per annum (approximately 26,000 tonnes per annum contained zinc metal).



Above - First water from the tailings dam Shore Tanks arriving at Hellyer Mill
- 4pm Friday 27th October 2006



Above – HZCP’s dredge on the Hellyer tailings dam

Acquisition of Encore Metals NL and Zeehan Slags Project

INL was pleased to announce on 25 October 2006 binding agreement for the acquisition of Encore Metals NL and its Zeehan Slags resource. Containing over 60,000 tonnes of zinc, nearly 7,000 tonnes of lead and 780,000 ounces of silver, this resource is expected to generate significant cash flow when co-treated with EAFD using Intec’s proprietary chloride leach technology.

Corporate

The Company’s cash balance at 30 September 2006 was A\$2,828,000.

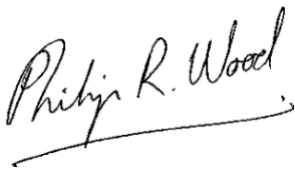
In August 2006, INL participated in a capital raising by Bass Metals Ltd (ASX code: BSM) in recognition of BSM’s progress to date and in order to maintain Intec’s pro-rata shareholding in BSM.

The Company anticipates that its available cash and debt facility are sufficient for its working capital requirements (inclusive of the HZCP) through to positive cash flow by early 2007.

During the September 2006 quarter Mr Ian Ross was confirmed as Chairman of INL, having performed as Acting Chairman since March 2006.

Under the terms of the Intec Option Plan and pursuant to the recommendation of its Remuneration Committee, the Board of INL approved the grant of 5,050,000 options as recognition and incentive for INL staff and key consultants (excluding Directors), who have advanced the technical, project and corporate progress of INL during the 18 month period 1 January 2005 to 30 June 2006. The options are exercisable at A\$0.11 (11 cents) for a period of five years expiring on 30 June 2011.

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

Rule 4.7B

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 2006

Consolidated statement of cash flows

Cash flows related to operating activities

	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for		
(a) staff costs	(675)	(675)
(b) advertising and marketing	(30)	(30)
(c) research and development	(28)	(28)
(d) bankable feasibility study	(1,859)	(1,859)
(e) other working capital	(45)	(45)
(d) administration and corporate costs	(265)	(265)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	86	86
1.5 Interest and other costs of finance paid	-	-
1.6 Income tax rebate received		
1.7 Other income -	5	5
Net Operating Cash Flows	(2,811)	(2,811)
1.8 Total operating cash flows (carried forward)	(2,811)	(2,811)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

1.8 Total operating cash flows (brought forward)	(2,811)	(2,811)
Cash flows related to investing activities		
1.9 Payment for purchases of:		
(a) prospects		
(b) equity investments	(807)	(807)
(c) other fixed assets	(38)	(38)
1.10 Proceeds from sale of:		
(a) prospects		
(b) equity investments		
(c) other fixed 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	(845)	(845)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc.	-	-
1.15 Proceeds from sale of forfeited shares		
1.16 Proceeds from borrowings		-
1.17 Repayment of borrowings	-	-
1.18 Dividends paid		
1.19 Other (provide details if material)- share issue costs	(9)	(9)
Net financing cash flows	(9)	(9)
Net increase (decrease) in cash held	(3,665)	(3,665)
1.20 Cash at beginning of quarter/year	6,493	6,493
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at end of quarter	2,828	2,828

+ 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

1.23 Aggregate amount of payments to the parties included in item 1.2	145
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Salaries, Directors fees and consultancy fees at normal commercial rates.

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

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

3.1 Loan facilities

3.2 Credit standby arrangements

Amount available \$A'000	Amount used \$A'000
2,500	Nil
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.

4.1 Cash on hand and at bank

Deposits at call

Bank overdraft

Other - 30 day bank bills

	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	407	1,072
Deposits at call	121	121
Bank overdraft	-	-
Other - 30 day bank bills	2,300	5,300
Total: cash at end of quarter (item 1.22)	2,828	6,493

+ See chapter 19 for defined terms.

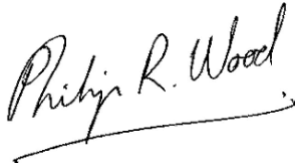
Acquisitions and Disposals

- 5.1 Name of entity
- 5.2 Place of incorporation or registration
- 5.3 Consideration for acquisition or disposal
- 5.4 Total net assets
- 5.5 Nature of business

Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
Not Applicable	Not Applicable

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 Oct 2006

Print name: Philip R Wood

+ 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.