



Intec Ltd

ABN 25 001 150 849

Superior and Sustainable Metals Production

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Companies Announcements Office
Australian Securities Exchange

31 July 2008

Quarterly Activities Report: Appendix 4C June 2008

On behalf of Intec Ltd (ASX code: INL, or the Company), I now attach the June 2008 Quarterly Report for Entities Admitted on the Basis of Commitments (Appendix 4C).

Highlights

- *The Intec Hellyer Mill achieved record production of 15,392 tonnes of bulk zinc and lead concentrates during the June 2008 Quarter, building upon the previous quarter's record.*
- *Efforts are underway to augment the contained zinc and lead units in the Hellyer concentrate products to maintain revenues during the up-coming period of lower grade tailings feed to the Mill.*
- *Results from drilling to date by Bass Metals Ltd (23.2% owned by INL) have confirmed that high grade base metal, gold and silver mineralisation in the Fossey zone target has now been defined over a strike extent of at least 170 metres.*
- *Engineering for the Stage 1 & Stage 2 Intec Metals Recycling Project has advanced during the June 2008 Quarter. EAF dust receipt and stockpiling has continued in preparation for this Project.*
- *Pacific National (the monopoly rail transport provider in Tasmania) has announced that it intends to cease operating in the Stat, and Intec has been working actively with other bulk freight transporters and the State Government concerning future rail infrastructure opportunities.*
- *Compass Resources NL has narrowed down the range of processing options for the Browns Sulphide project. The Intec Process remains as part of one of these options.*
- *Despite successful testwork results, engineering and cost estimates for Buffalo Gold's project in Sardinia, the project report highlighted the lack of sufficient defined resources (at this stage) to provide a viable project life for an on-site Intec plant. At present prices, the high-arsenic copper-gold concentrate will be directly sold to smelter customers. Intec has however made significant advances in optimising leach recoveries of copper from (arsenic) enargite and (using combined chloride-iodide) gold from refractory feedstock.*
- *During the June 2008 Quarter, Intec signed a MoU with an Iranian company to jointly investigate a project using the Intec Copper Process.*
- *Following the successful completion of Phase I Laboratory testwork, UMMC has contracted Intec to proceed to a Phase II Engineering Study for the use of the Intec Process in a Russian project.*
- *Intec successfully completed a fully-underwritten 1:5 renounceable rights issue during the June 2008 Quarter, raising A\$5.6 million (before expenses).*
- *Intec's shares commenced trading as American Depositary Receipts on the US OTCQX trading platform. Intec's shares may now be traded 24 hours a day around the world.*
- *The total cash available at the end of the quarter was A\$5,243,000.*

Hellyer Zinc Concentrate Project (HZCP)

Strong Production Continued in the June 2008 Quarter

The Intec Hellyer Mill achieved record production of bulk zinc and lead concentrates during the June 2008 Quarter, building upon the previous quarter's record. Total product output was 15,392 tonnes, up 11% year-on-year from the June 2007 Quarter (the first quarter of full production for the restarted Intec Hellyer Mill). Total contained zinc was also up 11% year-on-year, while total contained lead and silver in product were up 41% and 36% year-on-year from the June 2007 Quarter.

Table 1: Production Results from the Hellyer Zinc Concentrate Project

	June 2007 Quarter	Sept 2007 Quarter	Dec 2007 Quarter	Mar 2008 Quarter	June 2008 Quarter
Tailings treated (tonnes)	240,626	247,874	366,513	271,144	243,819
Zinc (%)	3.5	2.8	2.1	3.0	3.4
Lead (%)	3.3	3.1	2.9	3.1	3.3
Silver (g/t)	89	78	71	83	71
Bulk zinc/lead conc. (dry tonnes)	13,813	11,820	11,250	14,691	15,392
Contained zinc (t)	5,248	4,021	4,113	5,383	5,775
Contained lead (t)	1,386	1,447	1,391	1,801	1,949
Zn recovery (%)	62	59	55	67	69
Pb recovery (%)	18	19	13	21	24
Contained Ag (kg)	2,101	2,152	2,161	3,269	2,778

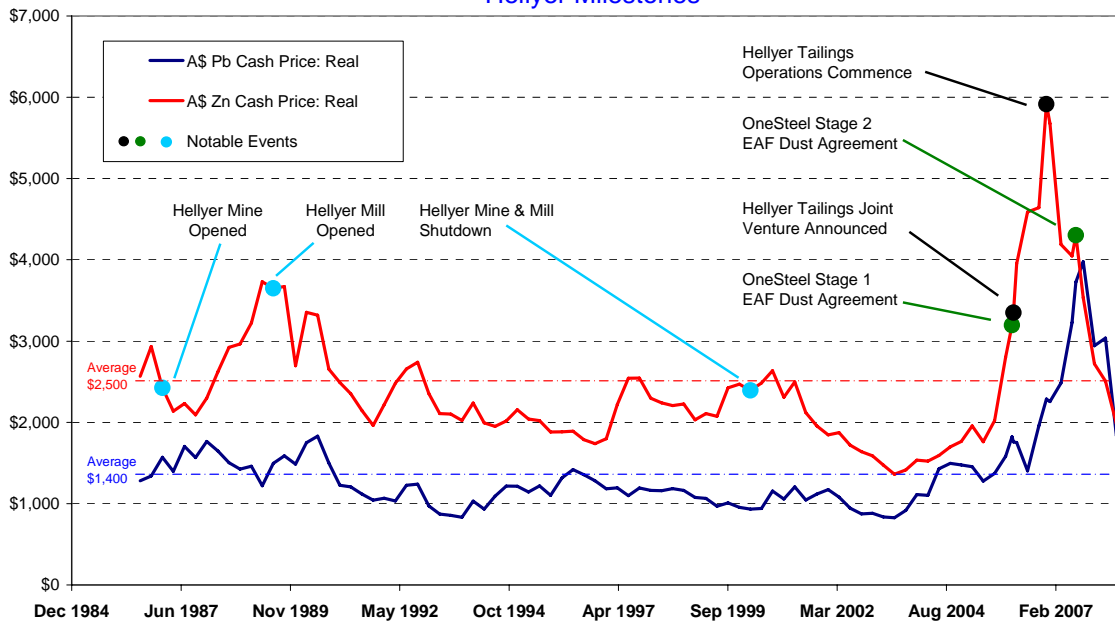
Importantly, average metal recovery from the feedstock to the product continued to improve, at least partly due to the higher average zinc and lead grades in the feed from targeted dredging operations. However, the dredge is scheduled to move into commence a new 'upper-level' cut in August 2008, which will result in lower-grade feedstock being delivered to the mill, and therefore lower rates of concentrate production.

Prices Weak During the June 2008 Quarter

Australian dollar zinc and lead prices weakened considerably during the June 2008 Quarter. Zinc dropped over 20% to ~A\$1,990/t, while lead dropped almost 40% to ~\$1,840/t. This price weakness offset the benefit of the solid quarterly production.

The following chart demonstrates that the recent Australian dollar zinc price is well below the 20-year average in real terms (i.e. allowing for inflation) and close to its all-time low in real terms, particularly if one bears in mind the massive escalation in Australian mining site costs (well above the CPI) in recent years.

A\$ LME Zinc and Lead Cash Price History
Hellyer Milestones



As indicated in the March 2008 Quarterly report, input costs at the Hellyer Zinc Concentrate Project, such as sea freight, power, reagents and smelter charges have increased materially since last year. The net result was that the Hellyer Zinc Concentrate Project remained cash positive (albeit very modestly) at the average Australian dollar zinc and lead prices and rates of production achieved during the June 2008 Quarter.

Intec is negotiating two additional opportunities to augment the contained zinc and lead in the bulk zinc/lead concentrate product after the operations return to dredging the lower-grade zones of the Hellyer tailings dam in early August 2008. Either or both of these options would help maintain and extend the profitability of the Hellyer Zinc Concentrate Project during the coming period of dredging low-grade tailings with an historically low A\$ zinc price (in real terms).

Bass Metals Ltd (ASX code: BSM)

Bass Metals Ltd (23.5% owned by Intec Hellyer Metals Pty Ltd) announced on 1 July and 17 July 2008 further drilling results for the Fossey Zone (formerly known as the Southern Barite Zone), which is located within a few hundred metres of the Intec Hellyer Mill. These included diamond drill hole HLD967 intersected 12.75 metres at 18.5% zinc, 8.8% lead, 273g/t silver and 2.83g/t gold from 243.1 metres downhole. Short intercepts (0.1-2.2m) of up to 36% Zn+Pb were also encountered. Diamond drill hole HLD969 intersected 20.0 metres at 8.7% zinc, 5.5% lead, 44g/t silver and 1.05g/t gold, 174 metres downhole.



Bass Metals has been operating two diamond core drill rigs at the Fossey Zone since early May 2008, with the aim of:

- drilling in detail the central Fossey area with the aim of an early mining start; and
- testing for the northern and southern extents of the Fossey Zone mineralisation.

Bass Metals concluded its 1 July 2008 announcement as follows: “Results received from BSM’s drilling to date indicate that the target high grade base metal, gold and silver mineralisation has now been defined over a strike extent of at least 170 metres.” The indications were then confirmed in the 17 July 2008 announcement, which noted that “the system remains ‘open’ down plunge”. BSM’s June 2008 Quarterly Report further noted that there have been “positive early indications from metallurgical testwork as mining study progresses.”

From the 1 July 2008 announcement: “[Bass Metals], in a difficult market environment, is on track and performing well across all of its current activities; mining high grade polymetallic (Cu, Pb, Zn, Ag, & Au) ore at its Que River Mine, feasibility study activities at its Hellyer Mine project and early stage exploration on its large regional ground position, which will shortly include a third drill rig on Bass Metals’ tenements...”

Intec Metals Recycling Project

Investment Proposal

Intec received in late April 2008 the multi-volume final report from GHD Australia (GHD) on its estimated capital and operating costs for Stage 1 of the Intec Metals Recycling Project at Hellyer. An important outcome of this report has been to highlight the significant opportunity to enhance the Project economic and environmental outcomes beyond those originally envisaged for Stage 1. This would encompass the simultaneous development of both Stage 1 (EAF dust recycling) and Stage 2 (lead/zinc/silver intermediate concentrate processing) of the Intec Metals Recycling Project.

This proposal was considered at the May meeting of the Intec Board, which decided that the potential benefits of accelerating Stage 2 were sufficiently compelling to warrant further investigation as an urgent priority. During the intervening weeks, the Intec technical team has been very active in working on the engineering of the combined Stage 1 & Stage 2 Intec Metals Recycling Project. They have developed a revised process flowsheet, and have then carefully gone through the proposed flowsheet to consider the engineering consequences of each proposed alteration.

The Intec technical team are now testing a number of process elements associated with the revised flowsheet, as well as developing the engineering to the point that it can be passed over to GHD and ACSI for work-up and delivery of an independently-verified engineering and cost model to be used for Project financing.

Following substantive development of the Intec Metals Recycling Project during the May-July 2008 period, the company anticipates the further announcement of highly significant (pre-financing) Project information during August 2008.

Intec Metals Recycling Project Site Developments

Intec continued to receive contracted supplies of high-grade EAF dust throughout the June 2008 Quarter. This continued to be received to the dedicated receiving shed before being conditioned for storage and transferred to the adjacent bunker. As at the 30 June 2008, the Hellyer EAF dust stockpile had grown to just under 6,000 tonnes.

Where practicable, quantities of higher-grade EAF dust (>40% Zn + Pb) are being set aside in preparation for blending with the bulk zinc/lead concentrate product from the Hellyer Zinc Concentrate Project, in anticipation of successful marketing efforts for the blended product.



Burnie Demonstration Plant

Following the completion of primary campaign operations, Intec's technical team has been mostly deployed back to the Sydney head office for laboratory/pilot testwork and desktop engineering of Intec's multiple projects (including the Intec Metals Recycling Project, the Compass Browns Sulphide Project, UMMC Project, the Buffalo Gold Sardinia Project, etc.). The Burnie Demonstration Plant has continued minor engineering operations associated with the testing of newly-developed materials of construction that may offer cost advantages over those previously tested.

Rail Infrastructure

Pacific National, the sole rail infrastructure operator in Tasmania, announced in June 2008 that it intends to cease operating in the state. The Tasmanian Government and industry representatives such as the Tasmanian Minerals Council (including Intec) are now in active discussion and we anticipate that favourable opportunities will emerge later this year.

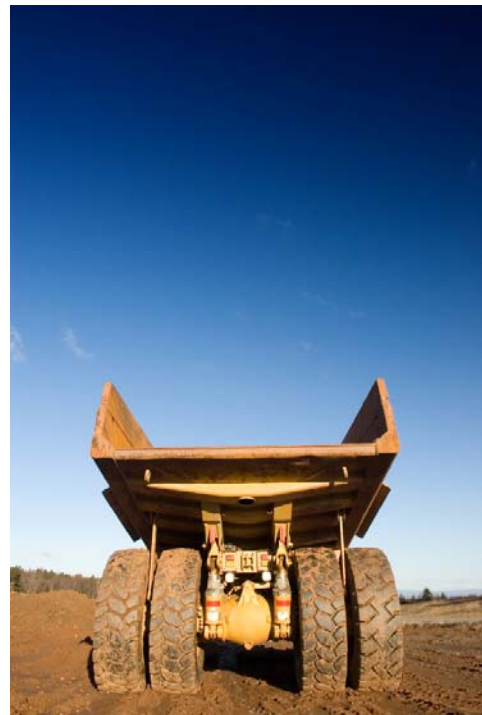
Future Strategic Developments

Compass Resources' Browns Sulphide Project

Following from the 'Browns Sulphide Processing Options Workshop' hosted by Compass Resources and Ausenco in Perth in early March 2008, Intec has continued to test samples of concentrate provided by Compass in our Sydney laboratory. Compass and Intec worked together to refine the process options put forward for the Project, resulting in the finalisation of a "Phase II Scoping Study" for the Browns Sulphide Project in late June 2008. This study narrowed the range of processing options to six routes, for which the Intec Process formed part or all of each option.

Intec produced $\pm 50\%$ cost estimates for the capital and operating expense of its portion within each option, as well as conceptual layouts, heat and mass balances, equipment selection and sizing, process flow diagrams, and other engineering data.

Compass Resources and their engineering contractor, Ausenco, held an internal process workshop for the Project in mid-July 2008. At the conclusion of the workshop, Compass has narrowed the process options down to two, one of which involves the use of the Intec Process in conjunction with other conventional technologies for the low-risk recovery of lead, nickel, cobalt, and copper. The second option does not involve the Intec Process, and has been introduced subsequent to the March 2008 process options workshop.



Sardinia Project

During the June 2008 quarter, Intec submitted to Buffalo Gold Ltd (Canadian owner of the Furtei mine in Sardinia) the testwork results and engineering report for the processing of that company's enargite copper-gold resource in Sardinia.

The Furtei resource is largely composed of refractory minerals (copper-bearing) enargite and pyrite, with free (liberated) gold. Due to the refractory nature of the resource and the environmental sensitivity of the arsenic content, conventional minerals processing technologies have been shown to be unattractive. The six-month fully-funded study developed an Intec Process flowsheet to maximise the recovery of copper, gold, silver and minor metals from 30,000tpa of concentrate, to produce approximately 6,000tpa copper intermediates, over 35,000 oz pa gold, and over 160,000 oz pa silver without the use of cyanide.

The economic analysis included in the report demonstrated a favourable outcome for initial beneficiation of the ore to form a mineral concentrate, followed by use of the Intec Process to extract and recover the copper and gold. While the figures remain commercial-in-confidence, the economic modelling suggests revenues at a healthy multiple of the operating costs of the Intec Process plant. Importantly, the Intec Process component of the overall operating costs (mining, milling, flotation, and then Intec Process hydrometallurgical recovery) represented less than one third of the total.

Despite the strongly positive results for the Intec Process as applied in this instance, however, the economic analysis highlighted the lack of defined mineral resources at the Furtei mine to sustain a viable project life. This has combined with a change in the copper-gold concentrates market that allows the previously unsaleable (high arsenic, 6-10%) Furtei gold concentrate to be blended with other feedstocks to smelter customers, albeit with associated contaminant penalties. As such, the decision was made by Buffalo to discontinue development of this project.

The fully-funded development work for the Sardinian project has proven a success for Intec, despite the decision not to proceed. The work has yielded important successes for the extraction and recovery of gold (using patented mixed halide (chloride-iodide) lixiviant) from previously untested refractory resources, and has highlighted a range of opportunities for the Intec Copper/Gold Process to unlock value from enargite feedstocks. Additionally, the independent Canadian engineering firm (Wardrop Engineering) employed by Buffalo Gold to assess the applicability of the Intec Process was sufficiently impressed with the capabilities of the technology that they have opened discussions with Intec about the potential application of the technology in other projects with which they are involved worldwide.

Iranian Project

Intec announced in June 2008 that it has signed a memorandum of understanding with a major established Iranian mining and minerals processing company related to a large project in Iran. The details of the Iranian company and the project remain confidential at this stage.



Under the terms of the agreement, Intec and the Iranian company will jointly investigate the potential to utilise the Intec Copper Process to extract and recover metals from a substantial resource in Iran. It is expected that that Intec will do a range of testwork over the second half of 2008 to confirm that the Intec Copper Process can economically and environmentally unlock value from this resource that is unavailable to conventional technology, but any project would still years away from implementation.

Russian Project

Following the successful completion of Phase I Laboratory testwork, Intec has signed an agreement with Ural Mining and Metallurgical Company (UMMC) to proceed to a Phase II Engineering Study for the use of the Intec Process technology in Russia.

UMMC is a large diversified Russian industrial company with over 75,000 employees producing 40% of domestic Russian copper output. UMMC's core metal product is copper, however attention is now being focussed on complex polymetallic ores under a policy of diversification.

UMMC is proposing to process 300,000 tpa of a sulphide complex concentrate containing 6-8% Cu, 8-10% Pb, 18-22% Zn and 250g/t Ag. The Phase I testwork programme successfully demonstrated high lead, zinc, copper and silver extractions (96-99%) applying the Intec Polymetallic Process to this very high value but previously metallurgically challenging feedstock. A preliminary process flowsheet was also developed to produce high grade separate metalliferous products.

The Phase II Engineering study will include:

- Process heat and mass balance
- Process flow diagrams
- Reagents flow diagram
- Sizing of equipment
- Equipment list
- Plant layout to outline the process facilities
- ±50% capital and operating cost estimates

At a total cost to UMMC of US\$150,000, the Phase II report is scheduled for delivery at the end of September 2008.

Corporate

Successful Renounceable Rights Issue

During June 2008, Intec concluded a fully underwritten one for five renounceable rights issue to shareholders of 111,919,975 new shares at the price of A\$0.05 per share, together with 111,919,975 free attaching options (exercisable at A\$0.08 by 31 December 2009), to raise approximately A\$5.6 million.

A total of 89,821,975 new shares, representing over 80% of shareholder entitlements, were applied for, leaving a total shortfall of just 22,098,180 new shares (under 20%). The Directors particularly

thank the Company's shareholders, both large and small, local and overseas, for their strong support of this rights issue, particularly in the context of the recent weak performances of both the Australian share market and Australian dollar zinc and lead prices.

The shortfall was fully underwritten by Veritas Securities Limited and its sub-underwriters, and Intec greatly appreciated their support and commitment throughout the rights issue period. The company also congratulates Registries Limited on its characteristically thorough and professional efforts as Intec's share registry to complete this rights issue expeditiously within the tight timeframe.

The funds from the rights issue will be used to replenish operational funds invested in a number of identified 2007/2008 capital outlays at Hellyer.

Following the finalisation of the rights issue, the new options were also listed on the Australian Securities Exchange, trading under the code INLO.

OTCQX Listing

In May 2008, Intec's commenced trading in the United States as American Depository Receipts (ADRs), providing the opportunity for the company and its unique minerals processing and metals recycling technologies to further access world investment markets.

Intec ADRs now trade on the International OTCQX, the leading electronic inter-dealer quotation, trader technology and financial information system for over-the-counter (OTC) securities, provided by Pink OTC Markets Inc. Intec's ADRs trade under the symbol "ICLJY" where each ADR represents twenty ordinary Intec shares.

Merriman Curhan Ford & Co., the San Francisco-based investment bank, serves as Intec's Principal American Liaison (PAL) on International OTCQX.

As expected, trading volumes during the early months of the listing have been relatively minor, pending a presentation by Philip Wood at the 5th annual Merriman Curhan Ford Investor Summit in September 2008.



Intec Investor Q&A Forum

Intec's online Investor Q&A Forum continues to receive regular comments, questions and suggestions. The Forum has recently been updated to a more user-friendly web-based format, and now includes a search function encompassing all of the discussions to date.

There are now over 200 submissions covering the full breadth of Intec's activities, which may be viewed at www.intec.com.au/?/Investor_Information/Forum

Company Presentations

Intec continued its ongoing programme of investor and industry marketing throughout the June 2008 Quarter, including presenting at conferences in Strahan and Launceston, Tasmania; Perth and Brisbane. These presentations may be viewed via Intec's web site:

www.intec.com.au/?/Investor_Information/Presentations_2008

Videos of the presentations may also be found via the Intec web site and via Boardroom Radio:

www.brr.com.au/asx/INL

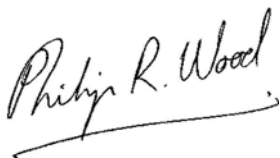
Cash Position

The Company's cash balance at 30 June 2008 was A\$5,243,000.

The Directors consider that the Company's available cash, receivables, securities and other liquid current assets, income from the HZCP and debt facility with Macquarie Bank are sufficient for its working capital requirements (inclusive of the HZCP).

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 June 2008

Consolidated statement of cash flows

Cash flows related to operating activities

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	5,530	23,317
1.2 Payments for		
(a) advertising and marketing	(2)	(38)
(b) hydrometallurgical process development	(1,399)	(5,490)
(c) HZCP joint venture costs	(4,115)	(11,945)
(d) administration costs and corporate overheads	(952)	(3,268)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	71	261
1.5 Interest and other costs of finance paid	(47)	(151)
1.6 Income tax rebate received		
1.7 Other income	11	83
Net Operating Cash Flows	(903)	2,769
1.8 Net Operating Cash Flows (brought forward)	(903)	2,769
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses		
(b) equity investments		(1,698)
(c) intellectual property		
(d) physical non current assets	(1,115)	(6,017)
(e) other non current assets		
1.10 Proceeds from disposal of:		
(a) businesses		
(b) equity investments		
(c) intellectual property		
(d) physical non current assets		
(e) other non current assets		
1.11 Loans to other entities	(10)	(11)
1.12 Loans repaid by other entities		
1.13 Other (provide details if material) - security deposits		(3,950)
Other (provide details if material) - security deposits repaid		3,950
Net investing cash flows	(1,125)	(7,726)
1.14 Total operating and investing cash flows	(2,028)	(4,957)

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

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	5,510	5,510
1.16 Proceeds from sale of forfeited shares		
1.17 Proceeds from borrowings		5,669
1.18 Repayment of borrowings	(369)	(3,950)
1.19 Dividends paid		
1.20 Other (provide details if material)- share issue costs		
Net financing cash flows	5,141	7,229
Net increase (decrease) in cash held		
	3,113	2,272
1.21 Cash at beginning of quarter/year	2,130	2,971
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter/year	5,243	5,243

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

1.24 Aggregate amount of payments to the parties included in item 1.2	130
1.25 Aggregate amount of loans to the parties included in item 1.10	-

1.26 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.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	5,000	5,000
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.

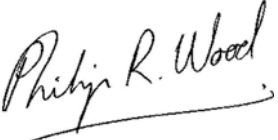
	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	5,243	5,243
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other - 30 day bank bills	-	-
Total: cash at end of quarter (item 1.23)	5,243	5,243

Acquisitions and disposals
of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
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		

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 July 2008

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.