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Superior and Sustainable Metals Production

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Intec – Ausmelt MOU

Intec Ltd (ASX code: INL) is pleased to announce that it has signed a Memorandum Of Understanding (MOU) with Ausmelt Limited to evaluate a potential transaction with respect to Ausmelt's Whyalla facility.

Intec owns a stockpile of approximately 35,000 tonnes of electric arc furnace (EAF) dust, a residue from the steel recycling industry. This contains an average >27% zinc and a total contained metal value of >A\$20 million at current metals prices.

Ausmelt's Whyalla Resource Recovery Facility began processing zinc-bearing residues from Nyrstar's (formerly Zinifex's) Risdon smelter in June 2008. It had just commenced production of zinc oxide product under a toll smelting arrangement with Nyrstar, but was negatively impacted by declining zinc prices and rising coal prices, and operations were suspended in September 2008.

However, in combination with the significantly higher zinc content of EAF dust (and therefore potential lower operating cost per tonne of product), there is a possibility that EAF dust and other potential feedstocks may be profitably recycled at the Whyalla facility. Discussions to date indicate that the plant can be optimised for the recycling of EAF dust and other zinc oxide feedstocks, although this will involve some capital expenditure.

Today's MOU provides a framework and three month exclusivity period for the advancement of the necessary engineering and associated processes required to progress this opportunity. The MOU also provides a framework for negotiating the commercial terms upon which Ausmelt's facilities would be employed.

Yours faithfully

Intec Ltd

Philip R. Wood

Managing Director and Chief Executive Officer



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