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Superior and Sustainable Metals Production

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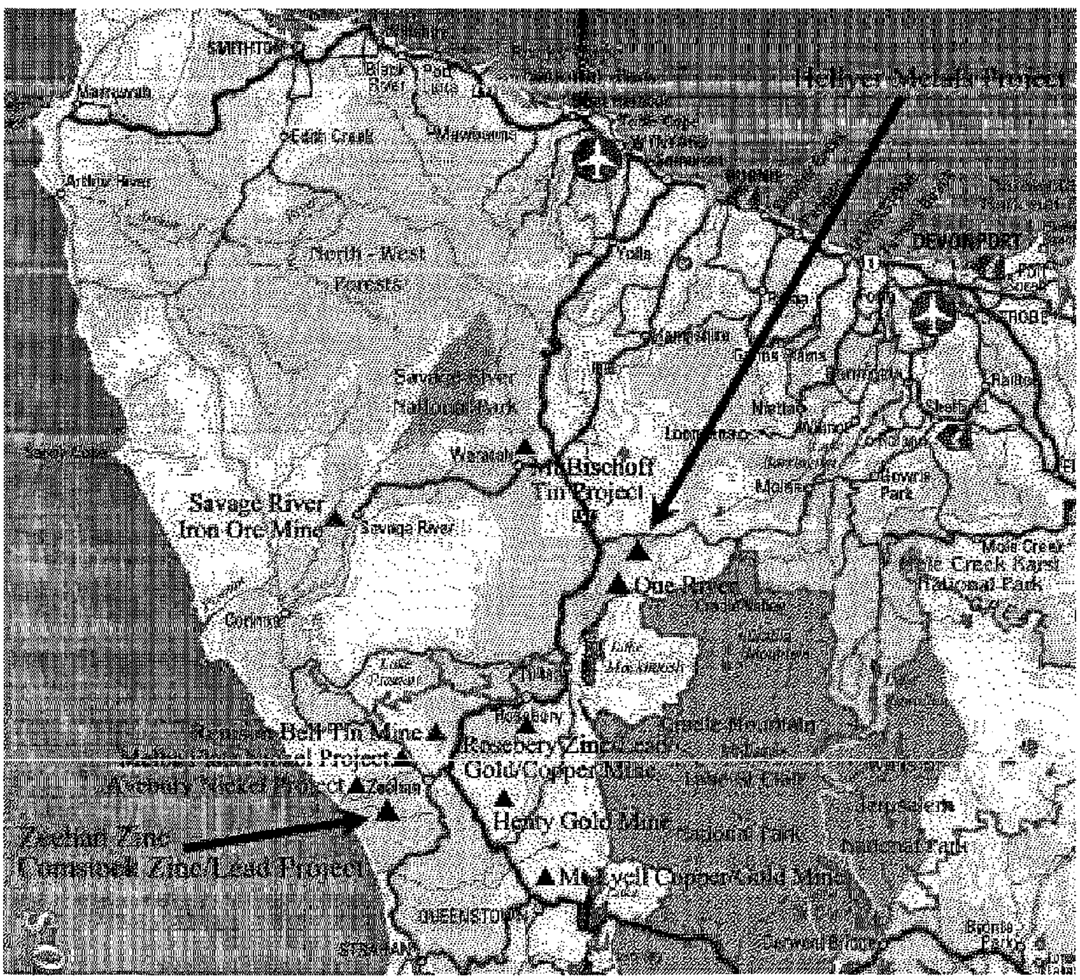
ASX Announcement
Company Announcement Office

Intec Ltd (ASX Code – INL) advises that it has entered into an agreement with Zeehan Zinc Limited (Zeehan Zinc) to jointly undertake a study to assess the technical and economic merits of Zeehan Zinc using Intec's recently purchased 1.5 mtpa Hellyer mill to produce commercial quantities of zinc and lead concentrates.

Zeehan Zinc is an unlisted Tasmanian public company that has mining and exploration tenements in the historical Comstock mining field near Zeehan in western Tasmania where it has delineated a lead-zinc-silver resource. However, the resource may be of insufficient size to support a stand-alone mill and therefore the Hellyer mill, which is within easy trucking distance of Zeehan, represents an alternative project development route.

Principal Mining Operations and Projects in Western Tasmania



Zeehan Zinc and Intec are investigating a project involving the mining of 200,000 tpa of lead-zinc-silver ore which would then be pre-concentrated by gravity methods on-site prior to transportation to the Hellyer mill where commercial grade zinc and lead concentrates would be produced under a toll treatment arrangement with Intec.

Zeehan Zinc's Comstock Project Area

View looking over Comstock Mine
Background: Mt Zeehan; Centre: Gravity Plant; Left: Allison's Pit; Right: South Comstock Open Pit

The joint study will commence immediately and include the review and assessment of all factors required to determine whether the treatment of material supplied by Zeehan Zinc to the Hellyer mill is technically and economically feasible.

Intec's Hellyer mill is centrally located in the Mount Read volcanic belt, a highly prospective region of Tasmania that has yielded orebodies such as Mount Lyell, Rosebery, Henty, Que River and Hellyer. Therefore the Hellyer mill, which has a replacement value of A$100 million, is ideally situated as a source of milling and flotation capacity for regional metals producers. Access to the Hellyer mill by regional producers will be supplementary to, and will not impact upon, Intec's tailings re-treatment project at Hellyer.

The initiative with Zeehan Zinc represents the first step in a deliberate strategy by Intec to generate returns from its Tasmanian assets that are additional to the core Hellyer Metals Project. In support of this strategy, Intec is (1) also pursuing discussions with other regional project owners in relation to their respective toll treatment plans; (2) has commenced a review of the exploration potential of its Tasmanian tenement portfolio and (3) has initiated negotiations with interested third parties relating to certain items of intellectual property acquired in the Hellyer transaction.

Yours sincerely

Philip R Wood

Philip R Wood
Managing Director and Chief Executive Officer.