

Intec Ltd

ASX Code: INL
ABN 25 001 150 849

Superior and Sustainable Metals Production

Gordon Chiu Building J01
Department of Chemical Engineering
Maze Crescent
University of Sydney NSW 2006
Australia



Telephone: +612-9351-6741
Facsimile: +612-9351-7180
Email: mail@intec.com.au
Website: www.intec.com.au

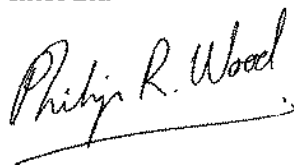
9 September 2004

Companies Announcements Office
Australian Stock Exchange Limited

Intec Ltd 2004 Annual Report

Attached for release is the Intec Ltd (ASX code: INL) 2004 Annual Report which was signed by INL and its auditor PricewaterhouseCoopers on 7 September 2004. The document is available on the Company's website at www.intec.com.au.

Yours sincerely
Intec Ltd

A handwritten signature in black ink, reading 'Philip R. Wood', with a horizontal line underneath.

Philip R Wood
Managing Director and Chief Executive Officer

Contents

2003 - the year in review
 2003 - the year in review
 2003 - the year in review

Shareholder information
 Shareholder information
 Shareholder information

Environmental information
 Environmental information
 Environmental information

34

back cover



2003 - the year in review
 2003 - the year in review
 2003 - the year in review

Shareholder information
 Shareholder information
 Shareholder information

Environmental information
 Environmental information
 Environmental information

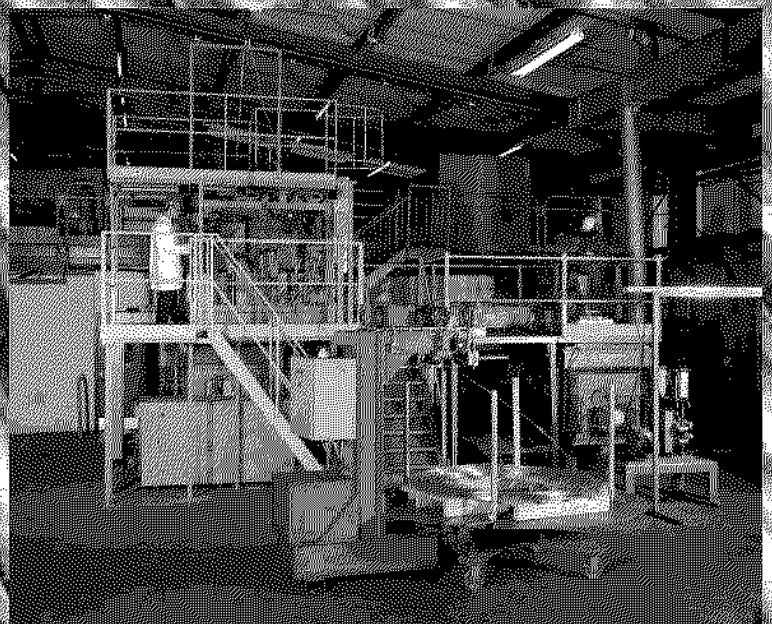
2003 - the year in review
 2003 - the year in review
 2003 - the year in review

The 2003 year in review
 The 2003 year in review
 The 2003 year in review

Shareholder information
 Shareholder information
 Shareholder information

Environmental information
 Environmental information
 Environmental information

2003 - the year in review
 2003 - the year in review
 2003 - the year in review



Superior and Sustainable Metals Production

Gordon Chiu Building J01
Department of Chemical Engineering
Maze Crescent
University of Sydney NSW 2006
Australia



Telephone: +612-9351-6741
Facsimile: +612-9351-7180
Email: mail@intec.com.au
Website: www.intec.com.au

7 September 2004

Dear Shareholders

Letter from the Chairman and Managing Director & Chief Executive Officer

This is Intec Ltd's third Annual Report since listing on the Australian Stock Exchange and includes its financial statements for the year to 30 June 2004.

During the last financial year the Company made significant progress towards the commercialisation of the Intec Process technology, by acquiring the Hellyer Metals Project (the Hellyer Project), where the application of its technology can overcome the Project's longstanding metallurgical challenge and thus generate a robust economic return.

Through the acquisition of the Project in January 2004, the Company has gained ownership of a large and valuable resource base that had eluded the efforts of others to economically extract the contained metal value. The successful completion by 11 August 2004 of the testwork program on Hellyer tailings at the Company's pilot plant in Brookvale, Sydney was closely followed on 23 August 2004 by H.G. Engineering's pre-feasibility study on the Project that demonstrated strong economic returns and validated the Company's decision to acquire the Project.

Beyond the 'Base Case' of processing the Hellyer tailings only, the Company has identified the 'Enhanced Case' to increase both Project life and economic returns, through the co-treatment of Hellyer tailings and other zinc-bearing residues such as electric arc furnace dust. Intec is currently progressing discussions with various potential suppliers of such residues, and has successfully treated a number of these at its pilot plant.

In addition, the Company acquired the significant fixed assets comprising the Hellyer mill and its associated facilities. These assets potentially have a 'market' value considerably above the acquisition price paid for the Hellyer Project and this will be optimised during the current year. Similarly, the Hellyer exploration properties and the Mt Gordon Copper Process have been reviewed and presented to a range of interested parties, a number of whom have already proposed corporate transactions to develop them.

Separately, the technical and economic merits of the Intec Gold Process are being increasingly recognised by industry following our successful laboratory testwork programs on refractory ores and concentrates from around the world and in the operation of the Intec Gold Process pilot plant. We are very pleased that Barrick Gold Corporation, the world's third largest gold producer, has committed to a five-week pilot plant campaign on one of its gold concentrates commencing in September.

In recognition of the factors referred to above and other achievements detailed in the enclosed Review of Operations, Intec's share price has performed well since this time last year. The Company is now embarking on a capital raising that, when successful, will provide a strong funding platform to generate increasing value in the Company's shares in the medium term.

Following a successful capital raising we believe that the outlook for your Company is very positive and look forward to the opportunity to discuss this with you further at Intec's Annual General Meeting, planned to be held in October 2004.

Yours faithfully

A handwritten signature in dark ink, appearing to read 'R.H. Jenkins'.

Richard H Jenkins
Chairman

A handwritten signature in dark ink, appearing to read 'Philip R. Wood'.

Philip R Wood
Managing Director & Chief Executive Officer

Review of Operations

Introduction

The principal activities of the Company during the last financial year were:

1. The acquisition of the Hellyer Project and the commencement of its development;
2. The continued development of the Intec Gold Process and in particular the construction and operation of Intec's pilot plant at Brookvale in Sydney; and
3. The completion of the Intec Copper Process Stage 2 Electrowinning Cell Program including the successful production from copper dendrites of copper wirerod and fine copper wire.

Acquisition of Hellyer Project

On 31 January 2004, Intec Hellyer Metals Pty Ltd (a wholly-owned subsidiary of Intec) completed the acquisition of the Hellyer Project from the Receivers and Managers of Western Metals Copper Limited (In Liquidation) for a total consideration of A\$1.597 million. In this transaction the following principal assets were acquired:

1. The Burnie Research Laboratory;
2. The Hellyer tailings dam;
3. The 1.5 mtpa Hellyer mill and associated facilities;
4. The Hellyer mining and exploration tenements; and
5. Certain items of intellectual property, most notably the Mt Gordon Copper Process.

As part of the acquisition, the Burnie Research Laboratory was transferred to Ammtec Ltd, Australia's largest metallurgical and minerals testing consultancy, for consideration of A\$270,000. Hence the net acquisition price that Intec paid for the Hellyer Project was A\$1.327 million.

Intec's major reason for acquiring these assets is to re-treat the Hellyer tailings, using the Intec Process to recover the contained base and precious metals. Significant progress is being made towards generating returns for the benefit of Intec's shareholders from all other Hellyer Project assets.

Hellyer Project

The Hellyer Project is based on the re-treatment of the Hellyer tailings dam (see Figure 1) to recover the significant quantities of contained base and precious metals.

The Hellyer tailings dam contains 10.9 million tonnes of material with grades and contained metal as shown in Table 1.

Element	Grade	Contained Metal
Gold	2.6 g/t	911,000 ounces
Zinc	2.80%	305,000 tonnes
Lead	3.00%	327,000 tonnes
Silver	88.0 g/t	30,839,000 ounces
Copper	0.16%	17,400 tonnes

Table 1: Grade and Contained Metal of Hellyer Tailings Dam



Figure 1: Hellyer Tailings Dam

The development schedule leading up to financial closure for the Project includes the following components:

1. Pilot plant program;
2. Pre-feasibility study;
3. Demonstration plant program; and
4. Bankable feasibility study.

Pilot Plant Program

Intec's pilot plant was constructed at Ammtec Ltd's Sydney facility during the latter months of calendar 2003. Major contributions to its capital cost were made by Ivanhoe Mines Ltd. (Ivanhoe is Intec's largest shareholder) and later by the Australian Government under its R&D Start Grant Program.

After acquisition of the Hellyer Project in January 2004, the pilot plant was temporarily re-configured from an Intec Gold Process flowsheet in order to undertake leach trials on the polymetallic Hellyer tailings. Approximately 4 tonnes of Hellyer tailings were processed through the pilot plant during a program that was completed on 11 August 2004. This included three steady-state campaigns solely on Hellyer tailings material and two steady-state campaigns on a blend of Hellyer tailings and zinc-bearing electric arc furnace (EAF) dust (see later discussion).

The pilot plant campaigns were focused on optimising leach extractions and did not operate all sections of the proposed Project flowsheet, which will be undertaken during the demonstration plant program. Table 2 below shows the average percentage metal extractions achieved over the three pilot plant campaigns on Hellyer tailings and the highest percentage metal extractions achieved during a single complete campaign on Hellyer tailings.

Element	In-situ A\$m value	Average % Extraction Over Three Campaigns	Highest % Extraction In Single Campaign
Lead	385	99.0	99.6
Zinc	505	98.8	99.0
Copper	67	93.5	97.0
Silver	278	91.2	94.8
Gold	506	32.8	49.3

Table 2: Results of Pilot Plant Campaigns on Hellyer Tailings

At current metal prices and US\$/A\$ exchange rate the Hellyer tailings dam contains approximately A\$1.75 billion of in-situ metal value. The metal extractions achieved during the pilot plant campaigns correspond to an average of 77.3% of in-situ metal extracted over the three pilot plant campaigns and 83.2% of in-situ metal extracted in the best-performing pilot plant campaign.

Electric Arc Furnace (EAF) Dust

More recently, two additional campaigns have been completed on a blend of Hellyer tailings with EAF dust. EAF dust is an inevitable waste product from the re-processing of scrap by steel mini-mills and typically contains 20-30% zinc plus small amounts of other valuable metals such as lead and silver.

The first pilot plant campaign on a blend of Hellyer tailings and EAF dust received from Smorgon Steel Group Ltd resulted in metal extraction levels from Hellyer tailings consistent with the extractions achieved in previous pilot plant campaigns and also resulted in an extraction level of 95% for the zinc contained in the Smorgon Steel EAF dust. The second campaign on a blend of another producer's EAF dust with Hellyer tailings resulted in an 85% zinc extraction level from that EAF dust.

In addition to high metal extractions, the successful pilot plant campaign on blended feed material also demonstrated that there are significant technical and economic benefits to the Hellyer Project from the co-treatment of Hellyer tailings with other zinc-bearing residues.

Project Pre-Feasibility Study

H.G. Engineering of Toronto, Canada undertook the Project pre-feasibility study, evaluating two cases:

1. A 'Base Case' that provides for the treatment solely of Hellyer tailings at the annual rate of 1.0 million tonnes per annum for an eleven year Hellyer Project life; and

2. An 'Enhanced Case' that provides for the co-treatment of Hellyer tailings and zinc-bearing residues such as EAF dust. The throughput rates for the 'Enhanced Case' assume the treatment of 0.5 mtpa of Hellyer tailings and the treatment of 0.1 mtpa of zinc-bearing residues. To support the economics of the 'Enhanced Case', Intec will be seeking to enter into commercial arrangements during the development phase of the Project with the owners and/or producers of zinc-bearing residues such as EAF dust, both in Australia and overseas.

The Intec Process flowsheet for the treatment of both Hellyer tailings and the co-treatment of Hellyer tailings with zinc-bearing residues (such as EAF dust) is shown in Figure 2 below.

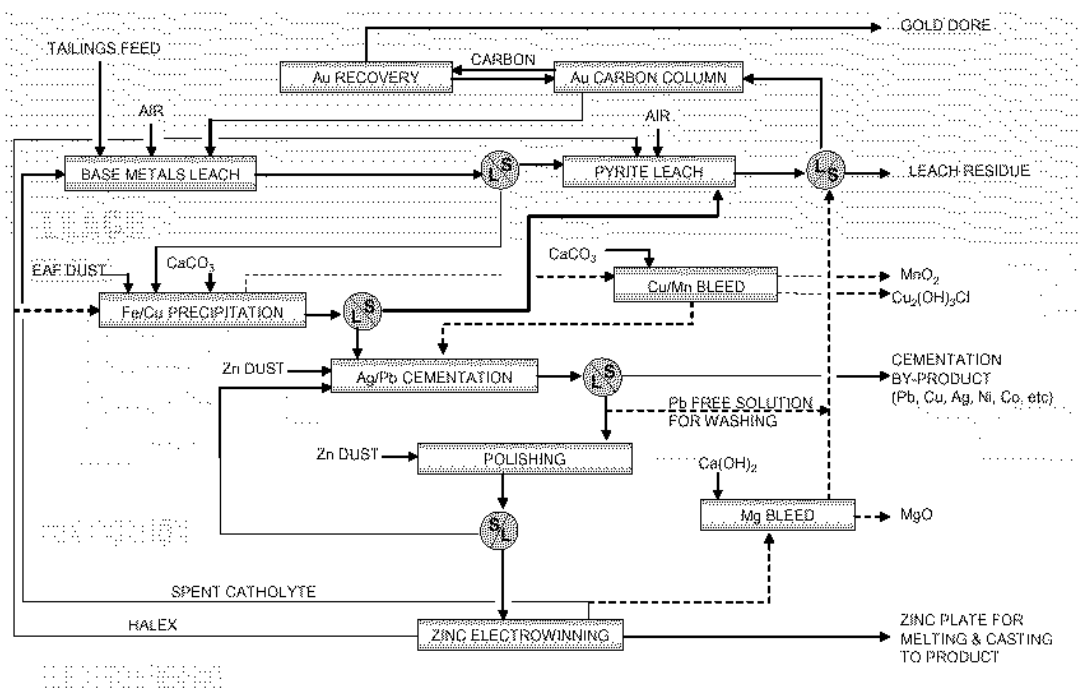


Figure 2: Hellyer tailings/EF² dust flowsheet

The Company has used the cost parameters established and described in the H.G. Engineering pre-feasibility study to evaluate the projected financial performance of the Hellyer Project on an indicative basis only.

The indicative financial analysis has been undertaken in real terms and does not incorporate the impact of financial leverage on cashflow forecasts. Metal prices and the US\$/A\$ exchange rate prevailing at 6 September 2004 have been employed to generate revenue forecasts. Summaries of the respective financial analyses for both cases are shown in Table 3.

Parameter	Base Case	Enhanced Case
Project Life	11 years	21 years
Capital Cost	A\$153 m	A\$137 m
Annual Net Sales Revenue	A\$103 m	A\$85 m
Annual Operating Cost	A\$35 m	A\$28 m
Net Annual Cashflow	A\$67 m	A\$56 m
Net Present Value: Pre-Tax *	A\$258 m	A\$317 m
Net Present Value: Post-Tax *	A\$165 m	A\$205 m
Internal Rate of Return: Pre-Tax	38.6 %	36.6 %
Internal Rate of Return: Post-Tax	30.1 %	29.3 %

* 10% discount rate

Table 3: Summary Hellyer Project Financial Analysis

As shown above, the financial evaluation of the Hellyer Project at the pre-feasibility stage appears very attractive. However, there can be no assurance that the pre-feasibility study operating and capital cost estimates will be confirmed in either the Hellyer Project bankable feasibility study or in practice. Furthermore, future movements in both metal prices and the US\$/A\$ exchange rate may impact either negatively or positively on the financial evaluation of the Hellyer Project. Therefore, the summary financial analyses presented in Table 3 should be considered to be indicative only of the future financial performance of the Hellyer Project.

Demonstration Plant Program

The Burnie Research Laboratory (see Figure 3) is now owned by Ammttec and fully active, styled as 'Hydrometallurgy Consultants and Flotation Technology Specialists'. Substantially all previous personnel have been re-hired under the leadership of Mr Geoff Richmond. This technical team was responsible for the development of the Mt Gordon Copper Process (now owned by Intec), which was the world's first commercial scale hydrometallurgical copper processing facility (see Figure 4). Intec has a strong relationship with the Burnie Research Laboratory and the technical team at Burnie will play an important part in the development of the Hellyer Project.

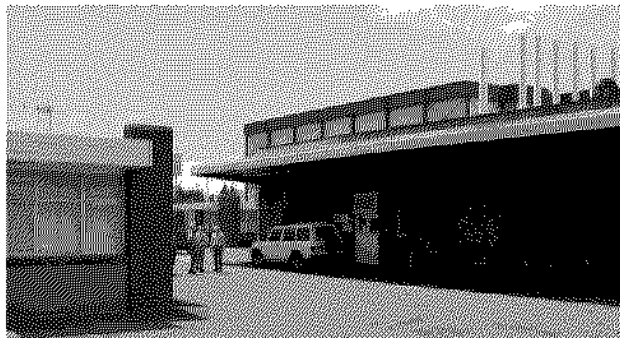


Figure 3: The Burnie Research Laboratory

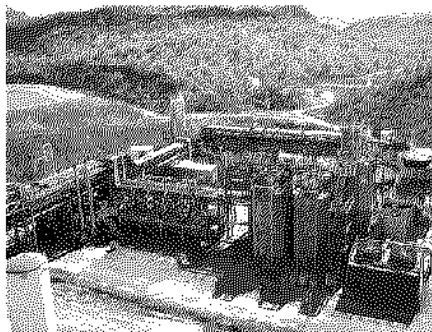


Figure 4: Mt Gordon Copper Process facility

Later this year, Intec intends to begin construction of a demonstration plant at the Burnie Research Laboratory in order to showcase the ability of the Intec Process to recover a suite of base and precious metals. The initial focus of this plant will be on the Hellyer Project itself, but it will then become available as a generic technology demonstration plant for paid campaigns on polymetallic feeds from other producers, a number of whose sample concentrates are presently being very successfully tested at Intec's laboratories at the University of Sydney. Thus, it is anticipated that Intec will be a cornerstone client of the Burnie Research Laboratory over the coming years. To this end, the Burnie Research Laboratory and Intec have already entered into a collaborative working arrangement on commercial terms.

Bankable feasibility study

This is intended to progress (almost immediately in relation to its long lead items such as environmental review) concurrently with the demonstration plant program.

The Hellyer mill

This 1.5 mtpa mill (see Figures 5 and 6) and associated infrastructure is in good order and continues under care and maintenance. The replacement cost of the mill is estimated to be in the region of A\$80 million. In addition, the mill, with the exception of a very small component, is not required for the operation of the Hellyer Project. Therefore, the mill represents a potentially significant asset of the Company and management is currently reviewing options to maximise the return on this asset. Essentially the options are:

1. Utilise the Hellyer mill as a toll treatment facility for regional metals producers;
2. Sale of the mill for a cash consideration; and
3. Sale of the mill in return for a project interest in a suitable base metals project.

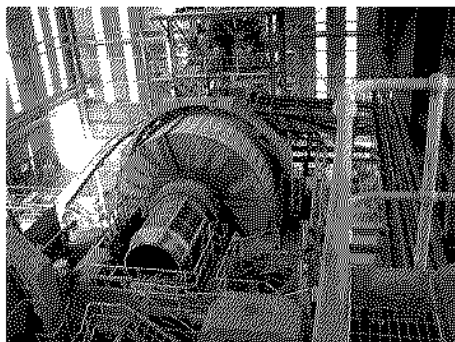


Figure 5: The 1.5 mtpa SAG mill at Hellyer

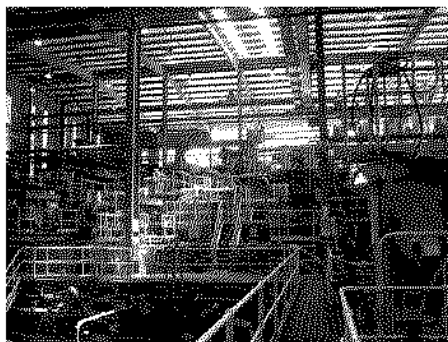


Figure 6: A partial view of the Hellyer flotation circuit

Because the mill is designed for differential flotation, Intec has been able to enter into discussions with three regional metals project owners, Allegiance Mining NL (owner of Melba Flats and Avebury nickel projects), Zeehan Zinc Limited (owner of Comstock lead-zinc-silver resource) and Zinifex Limited (owner of Rosebery lead-zinc province), each of whom may have a potential interest in the Hellyer mill as a toll-treatment facility (see Figure 7).

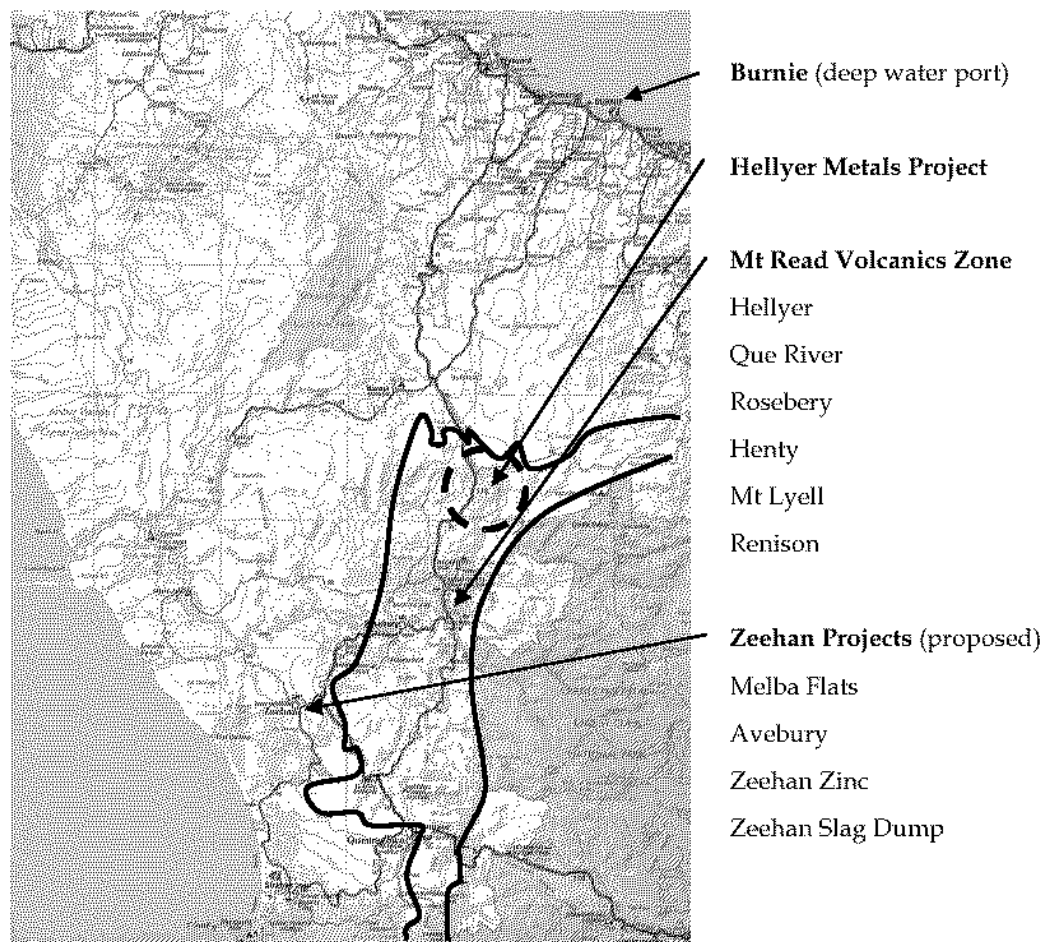


Figure 7: Northwestern Tasmania mining projects

However, given that the Hellyer mill is modern, well maintained and by industry standards relatively unused, Intec management is also considering the option of selling the mill for either a cash consideration or for an equity interest in an identified base metals project. The latter option may represent the best alternative for realising value for this significant but dormant asset of the Company. A determination on the best way forward will be made in the current financial year.

The Hellyer mining and exploration tenements

In May 2004 Intec completed a review and consolidation of its Hellyer and Que River mining and exploration tenements (see Figure 8). This process identified a number of prospective exploration targets that have been consolidated into an information memorandum entitled 'Hellyer Exploration Opportunities' and sent to about 30 interested parties. From these, a number of commercial proposals have been received that are currently under review.

The Hellyer Mining and Exploration Tenements

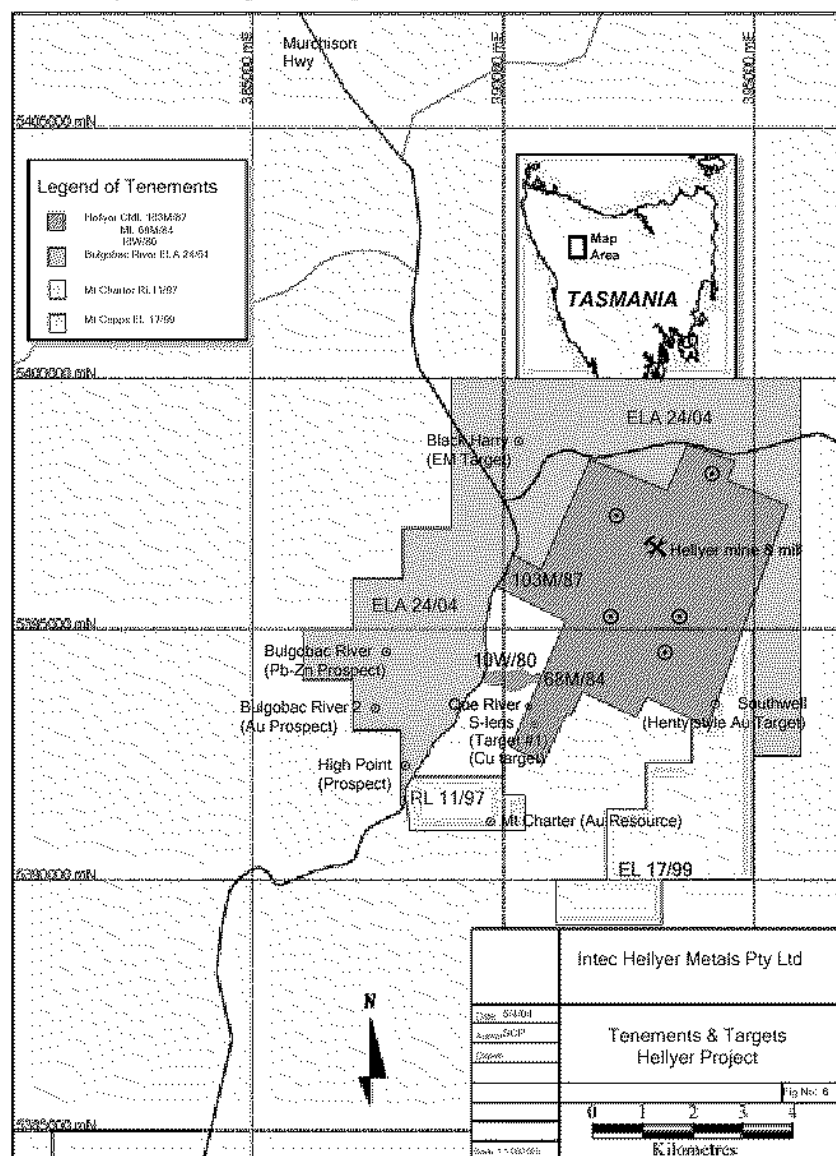


Figure 8: Hellyer and Que River Mining and Exploration Tenements

The Mt Gordon Copper Process

Intec acquired this intellectual property as part of the Hellyer Project, having already been successfully commercialised at the Mt Gordon copper (in chalcocite) mine in Queensland (see Figure 4 above) by the personnel now working at Burnie Research Laboratory. Intec has now provisionally patented the Mt Gordon Copper Process's related application to chalcopyrite and other copper-bearing primary sulphide ores. Intec has been approached by third parties regarding the acquisition and/or licensing of this technology and anticipates that these approaches will give rise to commercial agreements during the current year.

Intec Gold Process (IGP)

Laboratory testwork continues on the application of the IGP to various refractory gold concentrates currently in large scale commercial production. Recent subtle modifications to the IGP have resulted in some spectacularly high gold extractions (98+%) from these concentrates. It should be noted that the high-gold grade of these moderately refractory concentrates (~100 grams gold per tonne) readily justifies (with regard to capital and operating costs) longer leach residency times than would be economic for the very refractory low-gold (2.6 grams gold per tonne) and polymetallic Hellyer tailings.

The IGP is now projected to be both economically and environmentally advantageous relative to all other processes presently available for treating refractory gold ores. Accordingly, Intec has begun actively marketing the IGP in its application to gold concentrates with a view to earliest possible commercialisation.

Intec Gold Process Pilot Plant

The IGP pilot plant (see Figure 9) is located at Ammtec's site (named Metcon Laboratories) at Brookvale in northern Sydney.

The construction, commissioning and initial operation of the IGP pilot plant was funded during 2003-04 in the amount of A\$875,000 by Ivanhoe in return for the Company having granted to Ivanhoe an IGP technology licence on previously announced terms.



Figure 9: Intec Gold Process pilot plant

Having completed the Hellyer tailings campaigns, a five-week pilot plant campaign will shortly begin on a two-tonne sample of refractory gold material provided by Barrick Gold Corporation (Barrick), the world's third largest gold producer.

Favourable metallurgical results of a previous laboratory testwork phase on this material using the Intec Gold Process has resulted in interest for a pilot phase. The objective of the pilot plant campaign is to verify the laboratory gold recoveries at continuous pilot plant scale and to characterize the engineering aspects of the IGP. Technical personnel from Barrick will assist this phase of work. It will form part of an on-going evaluation by Barrick of the IGP as a treatment route for refractory materials.

Intec sees the upcoming pilot plant campaign on Barrick's material as a significant step in the development and definition of the IGP towards the objective of becoming a commercially viable alternative treatment route for refractory gold materials.

The Intec Copper Process: Rautomead and Phelps Dodge

Over two tonnes of compacted copper dendrites were transported at the end of calendar 2003 from Intec's electrowinning cell at the University of Sydney to Rautomead International plc in Dundee, Scotland. There, they were successfully upwards vertically cast into oxygen-free 8mm copper wire-rod by Rautomead (see Figure 10) and then sent on to Phelps Dodge Corporation in the USA where, during the March 2004 quarter, they were successfully drawn down to fine wire of 0.1mm thickness (see Figure 11). The feasibility of providing very high quality and value-added copper wire product via the Intec Copper Process has therefore now been comprehensively proven.

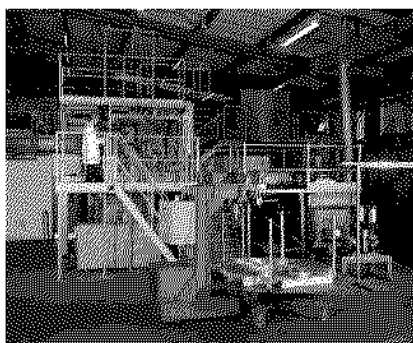


Figure 10: Intec copper product being cast into 8mm oxygen-free copper rod at Rautomead's test facility

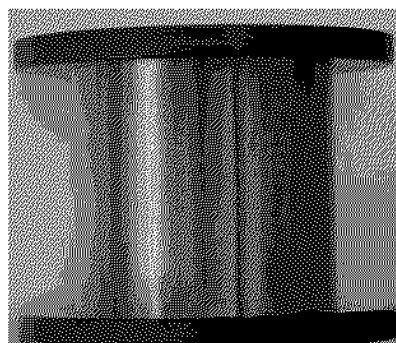


Figure 11: Spool of 0.1mm copper wire drawn by Phelps Dodge from Intec's copper product

The Intec Zinc Process (IZP)

Comsur S.A. Project

Comsur S.A. (Comsur) is the largest producer of zinc, lead and silver in Bolivia and is investigating hydrometallurgical processing routes to treat approximately 200,000 mtpa of zinc concentrate with high silver and indium content. Phase 1 of a multi-stage paid program of work to test the suitability of Comsur's concentrates to processing via the IZP has been successfully completed.

Phase 2 of the program is currently in progress and will validate all of the IZP unit operations, as a prelude to the construction of an IZP pilot plant in Bolivia.

Farallon Resources Project

Farallon Resources Ltd (Farallon) is the 100% owner of the Campo Morado Project in Guerrero State, Mexico that consists of a series of precious-metal-enriched, massive sulphide polymetallic deposits. A bulk flotation concentrate from this orebody can be produced that is very similar to that of the Hellyer tailings and initial leach trials have produced virtually identical results.

The Intec Nickel Laterite Process (INLP)

Intec lodged a provisional patent for the INLP in March this year. The INLP is based on hydrochloric acid leaching in the same high strength halide liquor developed for the IGP. High nickel and cobalt extractions have been achieved in preliminary laboratory trials, however much development work remains to be done.

Finance and Corporate Matters

On 20 February 2004, the Intec Board approved the placement to a small group of individual investors of 15 million Intec shares at A\$0.11 each to raise A\$1,650,000. There were no expenses associated with this placement.

In the same month, Intec's A\$1.42 million R&D Start Grant application in respect of the Intec Gold Process (IGP) pilot plant at Brookvale in northern Sydney was approved by the Australian Government's Industry Research and Development Board. To date, A\$1,133,190 grant funds have been drawn down.

Intec's share price on ASX and daily trading volume over the past year is shown in Figure 12. With 248,662,632 shares on issue, Intec now has a market capitalisation of just under A\$25 million.

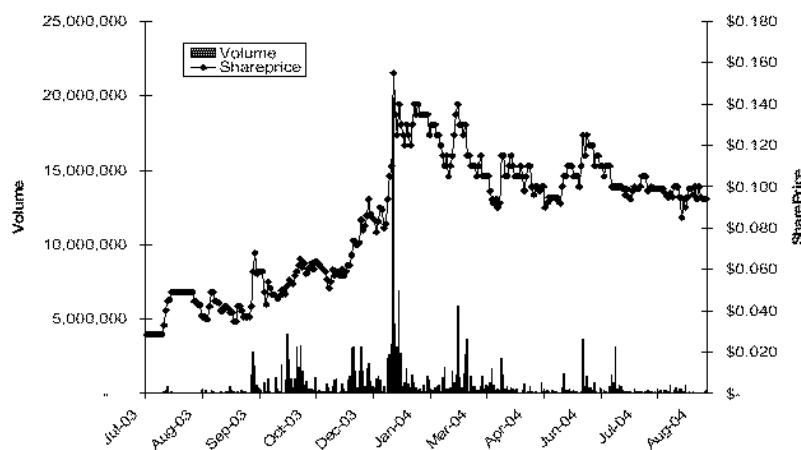


Figure 12: Share price daily trading volume

Outlook

Intec is looking for clear and early paths towards positive cashflows. In the case of a minerals processing technology company like Intec, this is best achieved by mining project acquisition and then enhancement of the value of that project using superior technology. Through the acquisition of the Hellyer Project, the Intec Board and management is intensely focussed on converting its technological excellence into a commercially attractive project outcome for the benefit of all shareholders.

The 2003-4 financial year have been very active and successful for Intec. The Directors are thus encouraged concerning Intec's immediate growth prospects on the various fronts described above and in relation to its near term capital raising requirements and other ongoing commercial negotiations.

Directors' report

Your Directors present their report on the consolidated entity, consisting of Intec Ltd (Intec or the Company) and the entities which it controlled at the end of, or during, the year ended 30 June 2004.

Information on Directors

The names and details of the Directors of the Company in office during the financial year and on the date of this report are set out below. All were Directors for the whole of the financial year except Mr Jenkins, who was appointed a Director on 22 March 2004 and Mr Ross, who was appointed on 19 September 2003 and they continue in office at the date of this report.

Name and special responsibilities	Experience
Richard H Jenkins Non-executive Chairman	Mr Jenkins was an Executive Director of Macquarie Bank Limited from 1986 to 2001 and served on the Macquarie Bank Limited Executive Committee from 1993. He was then appointed Head of Equities Group and subsequently co-headed Macquarie Investment Bank, formed by the merger of the Equities and Corporate Finance Groups. Mr Jenkins became a Non-executive Director of Intec on 22 March 2004 and was appointed Chairman on 25 May 2004.
Philip R Wood BA (Syd), LLB (Syd), ASIA Managing Director Chief Executive Officer	Mr Wood originally qualified as a legal and corporate adviser on local and international financial and commercial transactions. He has been a Director of the Company since 1993 and of Intec Copper since 1997. He was appointed Managing Director and Chief Executive Officer of the Company on 26 March 2001. He is responsible for implementation of corporate, financial and marketing strategies of the consolidated entity.
A John Moyes BA (Chem) (Macquarie) Technical Director	Mr Moyes has over 30 years of experience in the mining and metals industry, encompassing minerals analysis, laboratory management, hydrometallurgical and electrochemical research, process development, plant design and project management. He has been a Director of the Company since 1995 and of Intec Copper since 1998. He is presently the Technical Director of Intec and the Managing Director of Intec Copper.
J Philip Evans BSc (Met) (Birmingham UK), MCIMM Non-executive Director	Mr Evans is the President of H. G. Engineering, one of North America's leading metallurgical engineering firms. He was involved on behalf of H. G. Engineering in all phases of the successful Kennecott Utah Copper hydrometallurgical project owned by the Rio Tinto group. Mr Evans has led H. G. Engineering's close involvement with the Intec Copper Process since 1995 and has over 40 years of experience in the operation and design of hydrometallurgical plants. He was appointed a Non-executive Director of the Company on 26 March 2001. H. G. Engineering provides important engineering design services to the consolidated entity from its corporate headquarters in Toronto, Canada.
Ian W Ross Non-executive Director	Mr Ross, a director of, and with executive responsibilities for, a number of operating subsidiaries in the Ivanhoe group, has extensive corporate finance experience in Europe, North America, Africa, Australasia and Asia. He was a founding director of a group of mining companies located in the People's Republic of China (PRC) which was acquired by the Ivanhoe group in 1994. His ensuing senior executive roles with Ivanhoe Capital Corporation have included several years resident in the PRC as the Ivanhoe group's Director and as Vice Chairman of Shanghai Land Corporation. Mr Ross is now resident in Sydney and was appointed a Non-executive Director of the Company on 19 September 2003.
Kenneth J Severs BSc, C Eng, P Eng, FI Chem E Non-executive Director	Mr Severs is a senior chemical engineer with over 40 years of experience in the mining and metals industry. He has worked at all levels of management in extractive metallurgy including research and development, operations, projects, design, consultancy, marketing and executive functions. He has held senior executive positions with a number of large mining companies including nine years (1990-1999) for the Rio Tinto group as Group Metallurgical Executive and 24 years (1964-1988) for the Anglo American Group. Mr Severs was Managing Director of Intec Copper from 1995 to December 1998. He was appointed a Non-executive Director of the Company on 26 March 2001 and was Chairman from 10 October 2001 until 25 May 2004.
Gordon L Toll BE Mining (Hons), MSc, MAusIMM Non-executive Director	Mr Toll has for many years held senior executive positions with major international resource companies in the commercial and technical areas. He is currently Deputy Chairman and Director of Ivanhoe Mines Ltd. and a Director of Compass Resources N.L. He was appointed a Non-executive Director of the Company on 22 May 2002.

Directors' report (continued)

Meetings of Directors

The numbers of meetings of the Company's Board of Directors held and attended by each Director during the financial year ended 30 June 2004 were:

Director	Full Meetings of Directors ¹	Meetings attended
Richard H Jenkins (appointed 22 March 2004) ²	1	1
Philip R Wood	4	4
A John Moyes	4	4
J Philip Evans	4	4
Ian W Ross (appointed 19 September 2003) ²	3	3
Kenneth J Severs ²	4	4
Gordon L Toll	4	3

¹ Number of meetings held during the time the Director held office.

² Current members of the Audit Committee. During the financial year ended 30 June 2004, Audit Committee meetings were held on 12 September 2003 and 24 February 2004 and these meetings were attended by Mr Severs and Mr Ross, who was representing Mr Toll at the meeting held on 12 September 2003. A further Audit Committee meeting was held on 26 August 2004 and recommended that the Board approve the Financial Report for the year ended 30 June 2004. Mr Ross replaced Mr Toll on the committee on 19 September 2003. Messrs Jenkins, Ross and Severs are current members of the Remuneration Committee which was established on 19 September 2003, and are members of the Corporate Governance Committee, formed on 25 May 2004.

Principal Activities

The principal activities of the consolidated entity during the financial year were the continued technical development, marketing and commercialisation of its patented hydrometallurgical processes. During the year the Company continued to develop the Intec Gold Process for the treatment of refractory gold in an economically and environmentally advantageous manner. In addition, during the year the Company acquired a 100% interest in the Hellyer Project, which it intends to develop into commercial production through use of its patented processes.

No other significant changes in the nature of these activities occurred during the year.

Operating Results

The net loss of the consolidated entity after providing for income tax amounted to \$2,034,064 (2003 - loss \$3,201,983).

Dividends

No dividends were paid during the year and no recommendation is made as to payment of dividends.

Review of Operations

A review of the operations of the Company during the financial year and the results of those operations are contained in pages 2 to 7 in this report.

Earnings per share

	2004	2003
	Cents	Cents
Basic earnings per share (loss)	(0.92)	(2.19)
Diluted earnings per share (loss)	(0.92)	(2.19)

Likely Developments and Expected Results of Operations

Steps to commercialise the Intec technology on potentially suitable projects have been advanced considerably during the financial year and subsequent to year end particularly in relation to the Hellyer Project and the Intec Gold Process. However the Directors wish to emphasise that several years will elapse until such projects have achieved successful commercial operation.

Directors' report (continued)

Significant Changes in the State of Affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year not otherwise disclosed in this report or the financial report.

Matters Subsequent to the End of the Financial Year

No matters or circumstances have arisen since 30 June 2004 that have significantly affected or may significantly affect the consolidated entity's operations in future financial years, the results of those operations in future financial years or the consolidated entity's state of affairs in future financial years.

Environmental Regulation

The consolidated entity's operations are presently subject to environmental regulation under the laws of the Commonwealth of Australia and the State of New South Wales. Intec is licensed to operate under Section 55 of the *Protection of the Environment Operations Act 1997* (NSW Environment Protection Authority) and the associated *Protection of the Environment Operations (General) Regulation 1998*. The consolidated entity is at all times in full environmental compliance with the conditions of its licence.

Share Options

At 30 June 2004 the Company had granted options over 1,275,000 unissued shares to former Directors and a former employee with an exercise price of \$0.49625 payable in full on or before 30 June 2009. These options were issued in 1999 and 2000.

At 30 June 2004 the Company had granted 2,775,175 five year options to employees and certain key consultants and 4,281,947 options to Directors which are exercisable at any time until expiry on 16 July 2007 at an option exercise price of \$0.24625.

On 26 November 2003 the Company approved the granting of 4,626,008 options to employees and certain key consultants and the Company's Directors which are exercisable at any time until expiry on 26 November 2008 at an option exercise price of \$0.10. The following options were issued to directors

Mr Philip R Wood	Managing Director and Chief Executive Officer	570,263
Mr A John Moyes	Technical Director	753,537
Mr J Philip Evans	Non-executive Director	115,044
Mr Kenneth J Severs	Non-executive Director	140,302
Mr Gordon L Toll	Non-executive Director	115,044

These options were granted to Directors in respect of past performance and were approved by the Company's shareholders at its 2003 Annual General Meeting.

The Directors have reviewed the value of these options using the Black and Scholes option valuation methodology. On this basis the \$0.10 options have a value of approximately \$0.0247 each at 30 June 2004. Accordingly the total of these options values are included in the remuneration of Directors and senior executives as set out in this Directors' Report.

No options were exercised during or since the end of the financial year.

Directors' Interests

The relevant interest of each Director (including their associates) in the share capital of the Company as at 30 June 2004 are set out in note 30 to the financial statements.

Directors' report (continued)

Directors' and Executives' Emoluments

Executive remuneration and other terms of employment are reviewed annually. As well as a base salary, remuneration packages include superannuation. The Board determined that there will be no increases in Directors' or executives' remuneration during the 2003-04 financial year. In the future, executive remuneration will be determined by the Board upon consideration of the recommendations of the Remuneration Committee which was established on 19 September 2003 and currently comprises Messrs Jenkins, Severs and Ross (Non-executive Directors).

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing and enhancing the consolidated entity's operations. Remuneration of individual Non-executive Directors is determined by the Board and may be varied from time to time but always such that the aggregate (currently \$195,000 per annum) is within the maximum amount (currently \$200,000 per annum) for which prior approval of the shareholders has been received.

Details of the nature and amount of each element of the emoluments of each of the Directors of Intec and each of the five senior executives of the Company and the consolidated entity who received the highest emoluments during the year ended 30 June 2004 are set out in the following tables.

Directors of Intec	Directors' Fees	Salaries	Consulting fees	Superannuation Contributions	Options	Total
	\$	\$	\$	\$	\$	\$
Richard H Jenkins	10,217	-	-	920	-	11,137
Philip R Wood	-	215,490	-	19,394	14,085	248,969
A John Moyes	-	115,750	-	75,000	18,612	209,362
J Philip Evans	37,500	-	5,925	-	2,842	46,267
Ian W Ross	34,404	-	-	3,096	-	37,500
Kenneth J Severs	44,180	-	16,380	-	3,465	64,025
Gordon L Toll	37,500	-	-	-	2,842	40,342
Other senior executives of the consolidated entity						
Kieran G Rodgers		160,000	-	14,400	10,627	185,027
Chung Ho Lam		125,000	-	11,250	16,575	152,825
Jean-Louis Huens		125,000	-	11,250	12,847	149,097
Frank Houllis		125,000	-	11,250	10,858	147,108
Robert J Waring		-	55,160	-	2,629	57,789

A recent ASIC guidance release has clarified the treatment of options for inclusion in directors' and executives' remuneration. In accordance with this release the amounts disclosed above for remuneration relating to options are assessed fair value of options at the date they were granted. Fair values have been assessed using the Black and Scholes option valuation methodology which takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the options, the current price and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The total fair value is allocated to this reporting period since the options vest immediately on grant date. This amount has not been expensed in the profit and loss account.

Insurance of Officers

The Company has, by Deed of Access, Indemnity and Insurance, paid a premium to insure the Directors and Company Secretary of the consolidated entity in respect of certain legal liabilities, including costs and expenses in successfully defending legal proceedings, whilst they remain as Directors and for seven years thereafter. The insurance contract prohibits the disclosure of the total amount of the premiums and a summary of the nature of the liabilities.

Directors' report (continued)

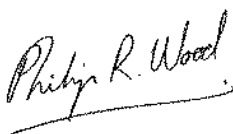
Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

Signed on 7 September 2004 in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, reading "Philip R. Wood", with a horizontal line underneath.

Philip R Wood
Managing Director & Chief Executive Officer

Statements of financial performance

for the year ended 30 June 2004

	Note	Consolidated		Intec Ltd	
		2004	2003	2004	2003
		\$	\$	\$	\$
Revenue from ordinary activities	3	1,868,559	270,922	4,195,090	2,579,921
Administration expense		(425,154)	(314,829)	(417,636)	(314,353)
Depreciation and amortisation expenses		(122,515)	(49,536)	(89,983)	(49,536)
Employee benefits expenses		(2,278,461)	(1,890,474)	(2,278,370)	(1,890,474)
Engineering and other consultants expenses		(159,783)	(154,197)	(159,783)	(154,197)
Hellyer mill costs		(227,323)	-	-	-
Occupancy expense		(219,247)	(181,276)	(219,247)	(181,276)
Marketing expense		(180,549)	(17,845)	(180,549)	(17,845)
Provision against advances to controlled entity		-	-	(2,303,429)	(2,711,972)
Provision against investments in controlled entity		-	-	11,030	(30,764)
Research and development expenses		(428,274)	(588,568)	(428,273)	(185,597)
Written down value of asset disposals		-	(10,418)	-	(10,418)
Other expenses from ordinary activities		(406,273)	(265,762)	(319,304)	(265,761)
Loss from ordinary activities before income tax expense	4	(2,579,020)	(3,201,983)	(2,190,454)	(3,232,272)
Income tax (expense) benefit relating to ordinary activities	5	544,956	-	156,390	-
Net loss attributable to members of Intec Ltd	24	<u>(2,034,064)</u>	<u>(3,201,983)</u>	<u>(2,034,064)</u>	<u>(3,232,272)</u>
Basic and diluted earnings (loss) per share (cents per share)	8	<u>(0.92)</u>	<u>(2.19)</u>		

The above statements of financial performance should be read in conjunction with the accompanying notes.

Statements of financial position

as at 30 June 2004

		Consolidated		Intec Ltd	
	Note	2004	2003	2004	2003
		\$	\$	\$	\$
Current assets					
Cash assets	9	1,104,495	733,591	1,071,481	728,853
Receivables	10	67,624	44,908	47,266	44,908
Other current assets	11	9,509	3,564	9,509	3,564
Total current assets		1,181,628	782,063	1,128,256	777,325
Non-current assets					
Receivables	12	239,500	-	1,467,046	-
Investments	13	-	-	15,770	4,740
Exploration and evaluation cost	15	30,000	-	30,000	-
Property, plant and equipment	16	1,688,435	101,174	432,994	101,174
Intangible assets	17	10,000	-	10,000	-
Total non-current assets		1,967,935	101,174	1,955,810	105,914
Total assets		3,149,563	883,237	3,084,066	883,239
Current liabilities					
Payables	18	515,902	341,927	450,405	341,927
Provisions	19	101,034	89,218	101,034	89,218
Total current liabilities		616,936	431,145	551,439	431,145
Non-current liabilities					
Payables	20	-	-	-	2
Provisions	21	64,646	42,962	64,646	42,962
Total non-current liabilities		64,646	42,962	64,646	42,964
Total liabilities		681,582	474,107	616,085	474,109
Net assets		2,467,981	409,130	2,467,981	409,130
Equity					
Contributed equity	22	33,844,159	29,751,244	33,844,159	29,751,244
Accumulated losses	24	(31,376,178)	(29,342,114)	(31,376,178)	(29,342,114)
Total equity		2,467,981	409,130	2,467,981	409,130

The above statements of financial position should be read in conjunction with the accompanying notes.

Statements of cash flows

for the year ended 30 June 2004

	Note	Consolidated		Intec Ltd	
		2004	2003	2004	2003
		\$	\$	\$	\$
Cash flows from operating activities					
Receipts from customers (inclusive of GST)		54,384	122,673	39,255	122,673
Payments to suppliers and employees (inclusive of GST)		(4,151,145)	(3,209,347)	(3,873,056)	(3,208,871)
Interest received		72,099	133,212	70,253	133,211
Income Tax refund		544,956	-	156,390	-
Shareholder contributions received		875,000	-	875,000	-
Government grants received		870,929	-	860,022	-
Other Receipts		1,042	-	-	-
Net cash (outflow) from operating activities	31 (c)	(1,732,735)	(2,953,462)	(1,872,136)	(2,952,987)
Cash flows from investing activities					
Payments for property, plant and equipment		(1,709,776)	(74,140)	(421,805)	(74,140)
Proceeds from sale of property, plant and equipment		-	13,202	-	13,202
Payments for tenement security deposits		(239,500)	-	-	-
Payments to controlled entities		-	-	(1,416,346)	-
Payments for exploration cost		(30,000)	-	(30,000)	-
Payments for intangible assets		(10,000)	-	(10,000)	-
Net cash (outflow) from investing activities		(1,989,276)	(60,938)	(1,878,151)	(60,938)
Cash flows from financing activities					
Proceeds from share issues		4,278,705	-	4,278,705	-
Share issue costs		(185,790)	(450)	(185,790)	(450)
Net cash inflow (outflow) from financing activities		4,092,915	(450)	4,092,915	(450)
Net increase (decrease) in cash held		370,904	(3,014,850)	342,628	(3,014,375)
Cash at the beginning of the financial year		733,591	3,748,441	728,853	3,743,228
Cash at the end of the financial year	31 (a)	1,104,495	733,591	1,071,481	728,853
Non-cash financing and investing activities	31 (b)				
Financing arrangements	31 (d)				

The above statements of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements for the year ended 30 June 2004

1. Statement of significant accounting policies

(a) Financial reporting framework

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the consolidated entity of Intec Ltd (the Company or parent entity) and its controlled entities, and Intec Ltd as the parent entity. Intec Ltd is an ASX listed public company, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and, except where stated, does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The Company and controlled entities generated operating losses of \$2,034,064 and cash outflows from operations of \$1,732,735 in the year ended 30 June 2004 as the Company continues to work towards the commercialisation of the Intec Processes. As of balance date, the Company and controlled entities had net assets of \$2,467,981 and cash balances of \$1,104,495. The continuing viability of the consolidated entity and its ability to continue as going concerns and meet their debts as they fall due in future years are dependent upon:

- (i) the Company being successful in negotiating and obtaining additional funding; and
- (ii) success in advancing its business plan and in proving and commercialising the Intec Processes.

As a result of these matters, there is significant uncertainty as to whether the Company and its Controlled entities will continue as going concerns, and therefore, whether assets will be realised and liabilities and commitments settled in the normal course of business and at the amounts stated in the financial report.

The Company is currently undergoing a capital raising to finance its operations for the coming year, including the construction and operation of its Hellyer demonstration plant in Tasmania.

However, the Directors believe that the consolidated entity will be successful in the above matters and, accordingly, have prepared the financial report on a going concern basis. The Directors regularly monitor the Company's cash position and on an on-going basis consider a number of strategic and operational plans and initiatives to ensure that adequate funding continues to be available for the Company to meet its business objectives.

At this time, the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 30 June 2004. Provisions have been made in the financial report relating to the recoverability of the asset carrying amounts, including the Company's investment in, and amount receivable from, its controlled entities, Intec Copper Pty Ltd and Intec Hellyer Metals Pty Ltd (refer notes 12 and 13). No other adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the consolidated entity not continue as a going concern.

Significant accounting policies

Accounting policies are selected and applied in a manner which ensures that the resultant financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions and other events is reported.

The Company has adopted relevant new and revised accounting standards and pronouncements with no material impact.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

Notes to the financial statements for the year ended 30 June 2004

1. Statement of significant accounting policies (continued)

(b) Adoption of new accounting standards

The Australian Accounting Standards Board (AASB) is adopting International Financial Reporting Standards (IFRS) for application to reporting periods beginning on or after 1 January 2005. The AASB will issue Australian equivalents to IFRS, and the Urgent Issues Group will issue abstracts corresponding to International Accounting Standards Board (IASB) interpretations originated by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee. The adoption of Australian equivalents to IFRS will be first reflected in the consolidated entity's financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006.

Entities complying with Australian equivalents to IFRS for the first time will be required to restate their comparative financial statements to amounts reflecting the application of IFRS to that comparative period. Most adjustments required on transition to IFRS will be made, retrospectively, against opening retained earnings as at 1 July 2004.

The consolidated entity management has analysed most of the Australian equivalents to IFRS and has identified a number of accounting policy changes that will be required. In some cases choices of accounting policies are available, including elective exemptions under Pending Accounting Standard AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*. Some of these choices are still being analysed to determine the most appropriate accounting policy for the consolidated entity.

Major changes identified to date that will be required to the consolidated entity's existing accounting policies include the following:

(i) Income tax

Under the Australian equivalent to IAS 12 *Income Taxes*, deferred tax balances are determined using the balance sheet method which calculates temporary differences based on the carrying amounts of an entity's assets and liabilities in the statement of financial position and their associated tax bases. In addition, current and deferred taxes attributable to amounts recognised directly in equity are also recognised directly in equity.

This will result in a change to the current accounting policy, under which deferred tax balances are determined using the income statement method, items are only tax-effected if they are included in the determination of pre-tax accounting profit or loss and/or taxable income or loss and current and deferred taxes cannot be recognised directly in equity.

(ii) Equity-based compensation benefits

Under the Australian equivalent to IFRS 2 *Share-based Payment*, equity-based compensation to employees will be recognised as an expense in respect of the services received.

This will result in a change to the current accounting policy, under which no expense is recognised for equity-based compensation.

The above should not be regarded as a complete list of changes in accounting policies that will result from the transition to Australian equivalents to IFRS, as not all standards have been analysed as yet, and some decisions have not yet been made where choices of accounting policies are available. For these reasons it is not yet possible to quantify the impact of the transition to Australian equivalents to IFRS on the consolidated entity's financial position and reported results.

(c) Accounts payable

Trade payables and other accounts payable are recognised when the consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services. The amounts are unsecured and are normally repayable within 30 days of recognition.

Notes to the financial statements

for the year ended 30 June 2004

1. Statement of significant accounting policies (continued)

(d) Acquisition of assets

Assets acquired are recorded at the cost of acquisition, being the fair value of assets given up, shares issued or liabilities undertaken, determined as at the date of acquisition plus costs incidental to the acquisition.

In the event that settlement of all or part of the cash consideration given in the acquisition of an asset is deferred, the fair value of the purchase consideration is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

(e) Cash

For the purpose of the statement of cash flows, cash includes:

- cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts; and
- investments in money market instruments with less than 60 days to maturity.

(f) Comparative figures

Where required comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(g) Depreciation

Depreciation is provided on plant and equipment.

Depreciation provided on plant and equipment is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life. The following estimated useful lives are used in the calculation of depreciation:

Computer equipment	2-3 years
Office furniture and equipment	3-8 years
Plant and equipment	4-7 years

(h) Employee entitlements

Provision is made for the consolidated entity's liability for employee entitlements, including on-costs, in respect of wages and salaries, annual leave and long service leave arising from service rendered by employees to balance date.

Provisions made in respect of wages and salaries, annual leave, and long service leave expected to be settled within 12 months, are measured at the amounts expected to be paid when the liability is settled.

Provisions made in respect of other employee entitlements which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to the reporting date and take into account the expected future wages, experience of departures, periods of service and market yields.

Contributions are made by the consolidated entity to employee superannuation funds and are charged as expenses when incurred.

The Company operates an informal ownership based remuneration plan, details of which are provided in note 27 to the financial statements. No accounting entries are made in relation to the Intec Employee Option Plan until options are exercised at which time the amounts receivable are recognised in the statement of financial position as share capital.

Notes to the financial statements for the year ended 30 June 2004

1. Statement of significant accounting policies (continued)

(i) Exploration and Development Cost

Exploration, evaluation and development cost incurred are accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(j) Foreign currency

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Amounts receivable and payable in foreign currencies at balance date are translated at the rates of exchange ruling on that date.

Exchange differences relating to amounts payable and receivable in foreign currencies are brought to account as exchange gains or losses in the statement of financial performance in the financial year in which the exchange rates change.

(k) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- (a) Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (b) For receivables and payables which are recognised inclusive of GST.

The gross amounts of GST recoverable from, or payable to, the taxation authority are included as part of receivables or payables.

(l) Income tax

The economic entity adopts the income statement liability method of tax-effect accounting whereby the income tax expense is based on the profit from ordinary activities adjusted for any permanent differences.

Timing differences, which arise due to the different accounting periods in which items of revenue and expense are included in the determination of accounting profit and taxable income, are brought to account as either a provision for deferred income tax, or as a future income tax benefit at the rate of income tax applicable to the period in which the benefit will be received, or the liability will become payable.

Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit.

The amount of benefits which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the tax legislation.

Notes to the financial statements for the year ended 30 June 2004

1. Statement of significant accounting policies (continued)

(m) Intangible assets

(i) Intellectual property

Costs incurred in respect of intellectual property are capitalised to the extent that it is expected that the asset may be realised in the future.

(ii) Research and development

Costs incurred on research and development are written off in the year in which they are incurred.

No value has been attributed to the Company's patents or the Company's underlying proprietary technologies, because their values are presently difficult to quantify.

(n) Investments

Non-current investments in controlled entities are measured on the cost basis. The carrying amount of non-current investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the underlying net assets for other non-listed investments. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

(o) Loss per share

Basic and diluted loss per share are determined by dividing the net loss after income tax attributable to members of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted number of ordinary shares outstanding during the financial year. No adjustment has been made to the basic loss per share for any options issued by the Company as outlined in note 8 as they are not considered potential ordinary shares at reporting date and are not therefore dilutive.

(p) Principles of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the consolidated entity, being the Company (the parent entity) and its controlled entities as defined in Accounting Standard AASB 1024 'Consolidated Accounts'. A list of controlled entities appears in note 14 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

The consolidated financial statements include the information and results of each controlled entity from the date on which the Company obtains control and until such time as the Company ceases to control such entity.

In preparing the consolidated financial statements, all intercompany balances and transactions, and unrealised profits arising within the consolidated entity, are eliminated in full.

(q) Receivables

Trade receivables and other receivables are recorded at amounts due less any provision for doubtful debts as they are due for settlement no more than 30 days from recognition.

(r) Recoverable amount of non-current assets

The recoverable amount of an asset is the net amount expected to be recovered through the cash inflows and outflows arising from its continued use and subsequent disposal.

The carrying amounts of non-current assets are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower value. In assessing recoverable amounts of non-current assets the relevant cash flows have not been discounted to their present value, except where specifically stated.

Notes to the financial statements for the year ended 30 June 2004

1. Statement of significant accounting policies (continued)

(s) Revenue recognition

(i) Sale of Goods and Disposal of Assets

Revenue from the sale of goods and disposal of other assets is recognised when the consolidated entity has passed control of the goods or other assets to the buyer.

(ii) Interest Income

Interest income is recognised on an accrual basis, taking into account the interest rates applicable to financial assets.

(iii) Management Fees

Management fees are charged to controlled entities on a cost basis for services provided.

(iv) Consulting services

Revenue from consulting services are recognised using the percentage-of-completion method for fixed-fee arrangements or as the services are provided for time-and-materials arrangements.

(v) General

All revenue is stated net of goods and services tax (GST).

2. Segment information

The consolidated entity operates in one business segment and one geographical segment only being research, development and commercialisation of its hydrometallurgical technology in Australia.

	Consolidated		Intec Ltd	
	2004	2003	2004	2003
	\$	\$	\$	\$
3. Revenue				
Revenue from operating activities				
Management fees – controlled entity	-	-	2,354,129	2,309,000
Consulting fees	49,489	124,508	35,686	124,508
	<u>49,489</u>	<u>124,508</u>	<u>2,389,815</u>	<u>2,433,508</u>
Revenue from outside the operating activities				
Interest – other entities	72,099	133,212	70,253	133,211
Government grants received	870,929	-	860,022	-
Shareholder contributions received	875,000	-	875,000	-
Proceeds from sale of plant and equipment	-	13,202	-	13,202
Other income	1,042	-	-	-
	<u>1,819,070</u>	<u>146,414</u>	<u>1,805,275</u>	<u>146,413</u>
Total revenue from ordinary activities	<u>1,868,559</u>	<u>270,922</u>	<u>4,195,090</u>	<u>2,579,921</u>

Notes to the financial statements

for the year ended 30 June 2004

4. Loss from ordinary activities

Loss from ordinary activities before income tax has been determined after charging/(crediting) the following net gains or expenses:

	Consolidated		Intec Ltd	
	2004	2003	2004	2003
	\$	\$	\$	\$
Expenses				
Depreciation of non-current assets:				
Computer equipment	33,103	30,132	33,103	30,132
Office furniture and equipment	436	3,008	436	3,008
Plant and equipment	88,976	16,396	56,444	16,396
Total Depreciation	122,515	49,536	89,983	49,536
Transfers to (from) provisions:				
Annual leave	11,816	42,983	11,816	42,983
Long service leave	21,684	31,120	21,684	31,120
Advances to controlled entities	-	-	2,303,429	2,711,972
Diminution of investments	-	-	(11,030)	30,764
Operating lease rental expenses	213,881	177,992	213,881	177,992
Research and development	428,274	471,707	428,273	68,736
Net gains				
Net gain (loss) from disposal of plant and equipment	-	2,784	-	2,784

5 Income tax

(a) The prima facie income tax on pre-tax operating loss reconciles to the income tax expense/benefit in the financial statements as follows:

Loss from ordinary activities before income tax	(2,579,022)	(3,201,983)	(2,190,454)	(3,232,272)
Prima facie income tax benefit calculated at 30% (2003 – 30%) of operating loss	(773,707)	(960,595)	(657,136)	(969,682)
Tax effect of permanent differences:				
Provision for diminution of investments	-	-	(3,309)	9,230
Other non allowable items	1,727	9,083	1,727	9,083
Future income tax benefits not recognised	771,980	951,512	658,718	951,369
Refund of R&D tax offset	544,956	-	156,390	-
Income tax benefit attributable to operating loss	544,956	-	156,390	-

(b) Future income tax benefit not recognised

The potential future income tax benefit calculated at 30% (2003 – 30%) arising from tax losses and timing differences has not been recognised as an asset because recoverability is not virtually certain.

Revenue tax losses	8,969,816	8,229,992	1,389,024	1,372,749
Timing differences (net)	282,023	115,918	4,320,888	1,778,733
Total	9,251,839	8,345,910	5,709,912	3,151,482

The taxation benefits of tax losses and timing differences not brought to account will only be obtained if:

- the Company and the consolidated entity derive further assessable income of a nature and of an amount sufficient to enable the benefit from the deductions to be realised;

Notes to the financial statements for the year ended 30 June 2004

5 Income tax (continued)

- ii) the Company and the consolidated entity continue to comply with the conditions for deductibility imposed by the tax legislation; and
- iii) no changes in tax legislation adversely affect the Company's and the consolidated entity's ability in realising the benefit from the deductions for the losses.

Tax consolidation legislation

At the date of the report, the directors have not yet made a formal decision to adopt the tax consolidation legislation.

While the company has carried forward tax losses, no future income tax benefit has been recognised in relation to those losses. No adjustment is therefore required as a result of the mandatory provisions of the tax consolidation legislation. Should the company not elect to adopt the legislation, the future income tax benefit in respect of tax losses not brought to account will only be obtained if the company itself derives future assessable income to recoup these losses, continues to comply with the conditions for deductibility imposed by tax legislation and no changes in tax legislation adversely affect the company in realising the benefit.

6. Remuneration of Directors and executive officers

(a) Directors

		Consolidated		Intec Ltd	
		2004	2003	2004	2003
		\$	\$	\$	\$
The aggregate of income, including superannuation and retirement benefits, paid or payable, or otherwise made available, in respect of the financial year, to all directors, of each entity in the consolidated entity, directly or indirectly, by the entities in which they are directors or by any related party		657,602	606,474	657,602	606,474
	Primary	Other benefits	Post	Equity	
	Director's	Consulting	Employment	Options	Total
	Salary	Fees	Superannuation		
	\$	\$	Contributions	\$	\$
2004					
Mr RH Jenkins Chairman (22/03/04 – 30/06/04)	-	10,217	-	920	-
Mr KJ Severs Non-executive Director	-	44,180	16,380	-	3,465
Mr PR Wood Managing Director Chief Executive Officer	215,490	-	-	19,394	14,085
Mr AJ Moyes Technical Director	115,750	-	-	75,000	18,612
Mr JP Evans Non-executive Director	-	37,500	5,925	-	2,842
Mr GL Toll Non-executive Director	-	37,500	-	-	2,842
Mr IW Ross Non-executive Director (19/09/03 – 30/06/04)	-	34,404	-	3,096	-
	331,240	163,801	22,305	98,410	41,846
					657,602

Notes to the financial statements

for the year ended 30 June 2004

6. Remuneration of Directors and executive officers (continued)

2003

Mr KJ Severs						
Chairman	-	45,000	24,672	-	1,069	70,741
Mr PR Wood						
Managing Director						
Chief Executive Officer	224,603	-	-	19,348	7,417	251,368
Mr AJ Moyes						
Technical Director	116,266	-	-	75,434	6,365	198,065
Mr JP Evans						
Non-executive Director	-	37,500	7,217	-	663	45,380
Mr GL Toll						
Non-executive Director	-	40,920	-	-	-	40,920
Mr IW Ross						
Non-executive Director	-	-	-	-	-	-
	340,869	123,420	31,889	94,782	15,514	606,474

(b) Executive officers

	Consolidated		Intec Ltd	
	2004	2003	2004	2003
	\$	\$	\$	\$

The aggregate of income paid or payable, or otherwise made available, in respect of the financial year, to all executive officers of the Company, directly or indirectly, by the Company or by any related party.

			772,336	669,052	186,601	669,052
	Primary	Other benefits	Post	Equity		
	Salary	Consulting	Employment	Options	Total	
	\$	Fees	Superannuation		\$	\$
			Contributions			
2004						
Mr KG Rodgers						
Chief Financial Officer	160,000	-	14,400	10,627	185,027	
Mr CH Lam						
Senior Process Engineer						
IT Manager	125,000	-	11,250	16,575	152,825	
Mr JL Huens						
Chief Operating Officer	125,000	-	11,250	12,847	149,097	
Dr F Houllis						
Process Development Manager	125,000	-	11,250	10,858	147,108	
Mr RJ Waring						
Company Secretary	-	55,160	-	2,629	57,789	
	535,000	55,160	48,150	53,536	691,846	
2003						
Mr KG Rodgers						
Chief Financial Officer	159,998	-	14,390	2,078	176,466	
Mr JL Huens						
Chief Operating Officer	127,813	-	11,473	-	139,286	
Mr CH Lam						
Senior Process Engineer						
IT Manager	124,999	-	11,243	1,635	137,877	
Mr F Houllis						
Process Development Manager	124,999	-	11,243	1,493	137,735	
Mr RJ Waring						
Company Secretary	-	76,300	-	1,388	77,688	
	537,809	76,300	48,349	6,594	669,052	

Notes to the financial statements for the year ended 30 June 2004

6. Remuneration of Directors and executive officers (continued)

(c) General

Options are granted to Directors and executive officers under the Intec Option Plan details of which are included in note 27. Details of options granted to Directors during the year ended 30 June 2004 are set out in note 30. The value of options granted has been determined using the Black & Scholes option valuation methodology.

	Consolidated		Intec Ltd	
	2004	2003	2004	2003
	\$	\$	\$	\$
7. Remuneration of auditors				
Remuneration of the auditor of the parent entity for PricewaterhouseCoopers – Australian firm – audit or review of the financial reports	39,500	30,000	39,500	30,000
Other services				
Taxation services	12,193	1,700	12,193	1,700
Other assurance services	2,500	-	2,500	-
	54,193	31,700	54,193	31,700
8. Loss per share	2004	2003		
Basic and diluted earnings (loss) per share (cents per share)	(0.92)	(2.19)		
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted earnings (loss) per share	221,713,953	146,039,142		
The options outlined in note 23 are not considered potential ordinary shares at reporting date and are not therefore dilutive.				
Loss used in calculation of basic and diluted loss per share is the net loss for the financial year:	(2,034,064)	(3,201,983)		
9. Cash assets				
Cash at bank and on hand	335,177	174,008	302,164	169,270
Bank accepted bills and deposits at call	769,318	559,583	769,317	559,583
	1,104,495	733,591	1,071,481	728,853
10. Current receivables				
GST receivables	46,124	22,229	25,766	22,229
Other receivables	21,500	22,679	21,500	22,679
	67,624	44,908	47,266	44,908
11. Other current assets				
Prepayments	9,509	3,564	9,509	3,564
	9,509	3,564	9,509	3,564
12. Non-current receivables				
Amount due from wholly owned controlled entities	-	-	9,313,191	5,542,716
Provision for diminution in value (refer note 30)	-	-	(7,846,145)	(5,542,716)
Tenement securities deposits	239,500	-	-	-
	239,500	-	1,467,046	-

Notes to the financial statements

for the year ended 30 June 2004

	Consolidated		Intec Ltd	
	2004	2003	2004	2003
	\$	\$	\$	\$
13. Non-current investments				
Unlisted investments - at cost				
Shares in controlled entities (refer note 14)	-	-	6,035,504	6,035,504
Provision for diminution in value (refer note 30)	-	-	(6,019,734)	(6,030,764)
	-	-	15,770	4,740

14. Investments in controlled entities

Name of controlled entity	Country of incorporation	Class of shares	Ownership interest 2004 (%)	Ownership interest 2003 (%)
Intec Copper Pty Ltd	Australia	Ordinary	100	100
Intec Hellyer Metals Pty Ltd (formerly IVNL Gold Pty Ltd)	Australia	Ordinary	100	100

	Consolidated		Intec Ltd	
	2004	2003	2004	2003
	\$	\$	\$	\$
15. Exploration and evaluation cost				
Movement for year:				
Balance at beginning of year	-	-	-	-
Costs carried forward in respect of areas of interest in exploration and evaluation phases	30,000	-	30,000	-
Balance at end of year	30,000	-	30,000	-

At 30 June 2004 this expenditure relates to mining properties associated with the Hellyer tailings dam project. The recoupment of expenditure carried forward in respect of mining properties depends on the successful development and commercial exploitation or sale of mineral resources which have been, or may be discovered in those properties.

	Consolidated		Intec Ltd	
	2004	2003	2004	2003
	\$	\$	\$	\$
16. Property, plant and equipment				
Computer equipment				
at cost	122,594	94,195	122,595	94,195
accumulated depreciation	(81,510)	(48,407)	(81,510)	(48,407)
	41,084	45,788	41,085	45,788
Office furniture and equipment				
at cost	13,887	13,887	13,887	13,887
accumulated depreciation	(11,963)	(11,527)	(11,963)	(11,527)
	1,924	2,360	1,924	2,360
Plant and equipment				
at cost	1,802,785	121,408	514,811	121,408
accumulated depreciation	(157,358)	(68,382)	(124,826)	(68,382)
	1,645,427	53,026	389,985	53,026
Total property, plant and equipment	1,688,435	101,174	432,994	101,174

Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial years are set out below:

Notes to the financial statements for the year ended 30 June 2004

16. Property, plant and equipment (continued)

	Computer equipment \$	Office furniture and equipment \$	Plant and equipment \$	Total \$
2004				
Consolidated				
Balance at 30 June 2003	45,788	2,360	53,026	101,174
Additions	28,399	-	1,681,377	1,709,776
Depreciation Expense	(33,103)	(436)	(88,976)	(122,515)
Disposals	-	-	-	-
Balance at 30 June 2004	41,084	1,924	1,645,427	1,688,435
Intec Ltd				
Balance at 30 June 2003	45,788	2,360	53,026	101,174
Additions	28,400	-	393,403	421,803
Depreciation Expense	(33,103)	(436)	(56,444)	(89,983)
Disposals	-	-	-	-
Balance at 30 June 2004	41,085	1,924	389,985	432,994
2003				
Consolidated				
Balance at 30 June 2002	51,187	2,768	33,033	86,988
Additions	35,151	2,600	36,389	74,140
Depreciation Expense	(30,132)	(3,008)	(16,396)	(49,536)
Disposals	(10,418)	-	-	(10,418)
Balance at 30 June 2003	45,788	2,360	53,026	101,174
Intec Ltd				
Balance at 30 June 2002	51,187	2,768	33,033	86,988
Additions	35,151	2,600	36,389	74,140
Depreciation Expense	(30,132)	(3,008)	(16,396)	(49,536)
Disposals	(10,418)	-	-	(10,418)
	45,788	2,360	53,026	101,174
	Consolidated	Consolidated	Intec Ltd	Intec Ltd
	2004	2003	2004	2003
	\$	\$	\$	\$
17. Intangible assets				
Intellectual property	10,000	-	10,000	-
18. Current payables				
Unsecured:				
Trade payables	224,033	170,626	183,811	170,626
Other creditors	289,414	171,301	264,136	171,301
Unearned interest	2,455	-	2,458	-
	515,902	341,927	450,405	341,927
19. Current provisions				
Employee benefits (refer note 27)	101,034	89,218	101,034	89,218
20. Non-current payables				
Amount due to wholly owned controlled entity	-	-	-	2

Notes to the financial statements

for the year ended 30 June 2004

	Consolidated		Intec Ltd	
	2004	2003	2004	2003
	\$	\$	\$	\$
21. Non-current provisions				
Employee benefits (refer note 27)	64,646	42,962	64,646	42,962

22. Contributed equity

248,662,632 fully paid ordinary shares (2003 – 146,039,142)	33,844,159	29,751,244	33,844,159	29,751,244
--	------------	------------	------------	------------

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Movement in ordinary share capital

Balance at beginning of year	29,751,244	29,751,694	29,751,244	29,751,694
Shares issued during year				
15,000,000 (2003 – nil) issued in placements to institutional and other investors at 11 cents per share	1,650,000	-	1,650,000	-
87,623,490 (2003 – nil) issued pursuant to a three for five rights issue at 3 cents per share	2,628,705	-	2,628,705	-
Transaction costs relating to share issues during the year.	(185,790)	(450)	(185,790)	(450)
Balance at end of year	33,844,159	29,751,244	33,844,159	29,751,244

23. Options

Consolidated and parent entity

Unlisted – 2004

Issue Date	Expiry Date	Exercise Price	Number on issue 30 June 2003	Granted during year	Lapsed during year	Exercised during year	Number on issue 30 June 2004
16.07.2002	16.07.2007	\$0.24625	3,020,009	-	244,834	-	2,775,176
20.11.2002	16.07.2007	\$0.24625	4,281,947	-	-	-	4,281,947
26.11.2003	26.11.2008	\$0.10	-	4,626,008	-	-	4,626,008
1999 to 2000	30.06.2009	\$0.49625	1,275,000	-	-	-	1,275,000
Total Options on issue			8,576,956	4,626,008	244,834	-	12,958,130

Unlisted – 2003

Issue Date	Expiry Date	Exercise Price	Number on issue 30 June 2002	Granted during year	Lapsed during year	Exercised during year	Number on issue 30 June 2003
16.07.2002	16.07.2007	\$0.24625	-	3,020,009	-	-	3,020,009
20.11.2002	16.07.2007	\$0.24625	-	4,281,947	-	-	4,281,947
1999 to 2000	30.06.2009	\$0.49625	1,275,000	-	-	-	1,275,000
Total Options on issue			1,275,000	7,301,956	-	-	8,576,956

The options expiring in 2007 and 2008 have been issued pursuant to the Intec Option Plan (Refer note 27).

The options expiring in 2009 were issued pursuant to specific contracts with former Directors and a former employee.

Notes to the financial statements for the year ended 30 June 2004

	Consolidated		Intec Ltd	
	2004	2003	2004	2003
	\$	\$	\$	\$
24. Accumulated losses				
Accumulated losses at beginning of financial year	(29,342,114)	(26,140,131)	(29,342,114)	(26,140,131)
Net loss for year	(2,034,064)	(3,201,983)	(2,034,064)	(3,201,983)
Accumulated losses at end of financial year	(31,376,178)	(29,342,114)	(31,376,178)	(29,342,114)

25. Commitments for expenditure

(a) Capital expenditure commitments

There are no capital commitments at the end of the financial year.

(b) Tenement commitments

The minimum expenditures required to maintain the Company's exploration tenements in good standing are:

Exploration Tenements	91,467	-	91,467	-
-----------------------	--------	---	--------	---

26. Contingent liabilities

Patents

The Company has an agreement with Intec Copper Pty Ltd, a wholly owned subsidiary, to pay half the ongoing international patent costs associated with the Intec Copper Process by use of hydrometallurgical leaching purification and electrowinning. The consolidated entity's liability for patent costs is expected to be in the vicinity of \$329,000 each year for the next two years.

R&D Start Grant repayable component

The consolidated entity has received an R&D Start grant from the Federal Government which is partly repayable contingent upon the successful commercialisation of the technology for which the R&D Start grant was made. The contingent liability that may be repaid is \$1,832,085. The repayment rate is set at 30% of the revenues generated from the technology annually until the repayable component has been repaid. Interest is currently accruing on this amount, and the current contingent liability including interest is \$2,276,906.

27. Employee benefits

Employee benefit and related on cost liabilities

Included in current provisions (note 19)	101,034	89,218	101,034	89,218
Included in non-current provisions (note 21)	64,646	42,962	64,646	42,962
Aggregate employee benefit and related on cost liabilities	165,680	132,180	165,680	132,180

Employee numbers

The economic entity had 20 employees at year end - average 16 (2003 - 12 employees at year end - average 12.)

Notes to the financial statements

for the year ended 30 June 2004

27. Employee benefits (continued)

Intec Option Plan

The establishment of the Intec Option Plan was approved by shareholders at the 1999 Annual General Meeting. All employees, Directors and key consultants are eligible to participate in the plan.

Options are issued under the plan for no consideration. Options issued have a five year exercise period and vest immediately.

Options issued under the plan carry no dividend or voting rights.

When exercisable, each option is converted into one ordinary share.

The exercise price of options is based on the weighted average price at which the Company's shares are traded on the Australian Stock Exchange during the five trading days immediately before the options are issued or at a higher exercise price if so determined by the Directors.

Amounts receivable on the exercise of options are recognised as share capital.

Details of options issued and exercised during the year are shown in note 23.

28. Events subsequent to reporting date

No matters or circumstances have arisen since 30 June 2004 that have significantly affected or may significantly affect the consolidated entity's operations in future financial years, or the results of those operations in future financial years, or the consolidated entity's state of affairs in future financial years.

29. Financial instruments

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which revenues and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

(b) Interest rate risk

The consolidated entity has not entered into interest rate hedging transactions. The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

	Note	Weighted average interest rates	Floating interest rates	Fixed interest Maturing in 1 year or less	Non- interest bearing	Total
2004						
Financial assets						
Cash	9	5.3%	335,177	769,318	-	1,104,495
Receivables	10,12		-	-	307,124	307,124
Total assets			335,177	769,318	307,124	1,411,619
Financial liabilities						
Payables	18		-	-	515,905	515,905
Provisions	27		-	-	165,680	165,680
Total liabilities			-	-	681,585	681,585
Net financial assets (liabilities)			335,177	769,318	(374,461)	730,034
2003						
Financial assets						
Cash	9	4.8%	174,008	559,583	-	733,591
Receivables	10,12		-	-	44,908	44,908
Total assets			174,008	559,583	44,908	778,499
Financial liabilities						
Payables	18		-	-	341,927	341,927
Total liabilities			-	-	341,927	341,927
Net financial assets (liabilities)			174,008	559,583	(297,019)	436,572

Notes to the financial statements for the year ended 30 June 2004

29. Financial instruments (continued)

(c) Foreign exchange risk

Given the minimal exposure to foreign currencies, it is the current policy of the consolidated entity not to hedge foreign exchange risk.

(d) Credit risk

There is negligible credit risk on financial assets, excluding investments, of the consolidated entity since there is no exposure to individual customers or countries and the economic entity's exposure is limited to the amount of cash, short term deposits and receivables which have been recognised in the balance sheet and is minimised by using recognised financial intermediaries as counterparties.

(e) Net fair value of financial instruments

Monetary financial assets and financial liabilities not readily traded in an organised financial market are determined by valuing them at the present value of contractual future cash flows on amounts due from customers (reduced for expected credit losses) or due to suppliers. The carrying amounts of cash, accounts receivable, accounts payable approximate net fair value.

The net fair value of investments in unlisted shares in controlled entities is determined by reference to the underlying net assets of the respective corporations.

30. Related party disclosures

(a) Directors

The Directors of Intec Ltd during the year were Richard H Jenkins (appointed 22 March 2004) Kenneth J Severs, Philip R Wood, A John Moyes, J Philip Evans, Ian W Ross (appointed 19 September 2003) and Gordon L Toll.

(b) Directors' remuneration

Details of Directors' remuneration are disclosed in note 6 to the financial statements.

(c) Directors' interests in shares and share options

The relevant interests of Directors and their Director-related entities in shares and share options of the Company as at 30 June 2004 were:

	Ordinary Shares	Options
Richard H Jenkins	- ⁽¹⁾	-
Philip R Wood	875,013	2,617,298
A John Moyes	1,332,114	2,510,286
J Philip Evans	- ⁽²⁾	298,034
Ian W Ross	100,000	-
Kenneth J Severs	1,326,999	435,475
Gordon L Toll	- ⁽³⁾	115,044

⁽¹⁾ Mr Jenkins is the Managing Director of Kizoz Pty Ltd, trustee of a superannuation fund which has a relevant interest in 12,184,611 shares in Intec Ltd.

⁽²⁾ Mr Evans is the President of H. G. Engineering Ltd., a company which has a relevant interest in 2,600,000 shares in Intec Ltd.

⁽³⁾ Mr Toll is the Deputy Chairman and Director of Ivanhoe Mines Ltd., a company which has a relevant interest in 54,141,586 shares in Intec Ltd.

Notes to the financial statements for the year ended 30 June 2004

30. Related party disclosures (continued)

	RH Jenkins	PR Wood	AJ Moyes	JP Evans	IW Ross	KJ Severs	GL Toll
Fully paid ordinary shares							
At 30 June 2003	-	583,539	832,571	-	-	829,374	-
Acquired during the year	-	291,474	499,543	-	100,000	497,625	-
At 30 June 2004	-	875,013	1,332,114	-	100,000	1,326,999	-
Intec Option Plan							
Options expiring 16 July 2007							
At 30 June 2003		2,047,035	1,756,749	182,990		295,173	-
Issued during the year		-	-	-		-	-
At 30 June 2004		2,047,035	1,756,749	182,990		295,173	-
Options expiring 16 July 2008							
At 30 June 2003	-	-	-	-	-	-	-
Issued during the year	-	570,263	753,537	115,044	-	140,302	115,044
At 30 June 2004	-	570,263	753,537	115,044	-	140,302	115,044
Total options issued	-	2,617,298	2,510,286	298,034	-	435,475	115,044
						Consolidated	
						2004	2003
						\$	\$

(d) Other transactions with Directors and Director-related entities

Consulting fees

Amounts paid to H. G. Engineering Ltd, a metallurgical engineering firm of Toronto, Canada, of which Mr J Philip Evans is a director, for consulting engineering work on the Company's copper precipitation removal system, dendritic copper wiper system, the Queensland project feasibility study and the Intec Gold Process, based on normal commercial terms and conditions. These amounts have been excluded from remuneration of Directors.

24,033 **61,243**

Directors loan

During the year Mr Ian Ross provided the Company with a non-interest bearing loan of \$100,000. This was repaid by the Company prior to 30 June 2004.

(e) Equity interests in controlled entities

Details of the percentage of ordinary shares held in controlled entities are disclosed in note 14 to the financial statements.

Intec Ltd
2004 **2003**
\$ \$

(f) Transactions within wholly-owned group

Management fees

Intec Ltd oncharged certain expenses to its controlled entities. The amounts charged were determined on the basis of an allocation of costs to projects specifically concerned with the activities of those controlled entities.

2,354,129 **2,309,000**

Notes to the financial statements for the year ended 30 June 2004

30. Related party disclosures (continued)

	Intec Ltd	
	2004	2003
	\$	\$
(g) Aggregate amounts receivable from controlled entities		
Receivables - Non-Current	9,313,191	5,542,716
Provision for doubtful debts	(7,846,145)	(5,542,716)
	<u>1,467,046</u>	<u>-</u>

The amount due from controlled entities at balance date relates to consulting and other services provided by Intec Ltd to Intec Copper Pty Ltd and Intec Hellyer Metals Pty Ltd. The Directors have made a provision for the amount due from Intec Copper Pty Ltd and Intec Hellyer Metals Pty Ltd, and also against its investment in the controlled entity, to reflect the fact that the commercialisation of a new technology is uncertain and has risks. The parent entity has therefore made sufficient provisions to reduce its total investment and loans to the controlled entity to equate to the net tangible assets of the controlled entity.

	Intec Ltd	
	2004	2003
	\$	\$
(h) Aggregate amounts payable to controlled entities		
Payables - Non-Current	-	2
(i) Aggregate amounts included in the determination of loss from ordinary activities before income tax that resulted from transactions with entities in the wholly-owned group		
Write down of receivables	2,303,429	2,711,972
Write down of investments (written back)	(11,030)	30,764

31. Notes to statements of cash flows

(a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled in the related items in the statement of financial position as follows:

	Consolidated		Intec Ltd	
	2004	2003	2004	2003
	\$	\$	\$	\$
Cash	335,177	174,008	302,164	169,270
Short term deposits	769,318	559,583	769,318	559,583
	<u>1,104,495</u>	<u>733,591</u>	<u>1,071,482</u>	<u>728,853</u>

(b) Non-cash financing and investing activities

Acquisition of shares in controlled entity
Intec Hellyer Metals Pty Ltd (formerly
IVNL Gold Pty Ltd).

	-	-	-	2
--	---	---	---	---

Notes to the financial statements for the year ended 30 June 2004

31. Notes to statements of cash flows (continued)

	Consolidated		Intec Ltd	
	2004	2003	2004	2003
	\$	\$	\$	\$
(c) Reconciliation of operating loss after income tax to net cash outflow from operating activities				
Operating loss after income tax	(2,034,064)	(3,201,983)	(2,034,064)	(3,232,272)
Non cash items and non operating cash flows included in profit and loss		-		-
Depreciation and amortisation	122,515	49,536	89,983	49,536
Diminution - investments	-	-	(11,030)	30,764
Diminution - loans to controlled entities	-	-	2,303,429	2,711,972
Expense recovery from controlled entity	-	-	(2,354,129)	(2,711,972)
Net (profit) loss on sale of plant and equipment	-	(2,784)	-	(2,784)
	(1,911,549)	(3,155,231)	(2,005,311)	(3,154,756)
Changes in assets and liabilities				
Decrease/ (Increase) in receivables	(22,716)	(12,987)	(2,358)	(12,987)
Decrease/ (Increase) in prepayments	(5,945)	(3,564)	(5,945)	(3,564)
Increase/ (decrease) in other creditors	-	124,201	-	124,201
Increase/ (decrease) in trade creditors	173,975	20,016	107,478	20,016
Increase/ (decrease) in employee entitlements	33,500	74,103	33,500	74,103
Net cash (outflow) from operating activities	(1,732,735)	(2,953,462)	(1,872,136)	(2,952,987)

(d) Financing arrangements

The Company and its controlled entities do not have any financing arrangements in place.

Directors' declaration

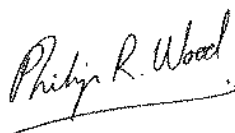
The Directors declare that:

- (a) the attached financial statements and notes thereto comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
- (b) the attached financial statements and notes thereto give a true and fair view of the financial position as at 30 June 2004 and performance for the financial year ended on that date of the Company and the consolidated entity.

In the Directors' opinion,

- (c) the attached financial statements and notes thereto are in accordance with the Corporations Act 2001; and
- (d) with reference to Note 1(a), there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors and on their behalf.



Philip R Wood
Managing Director & Chief Executive Officer

Sydney
7 September 2004



Independent audit report to the members of Intec Ltd

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
DX 77 Sydney
Australia
www.pwcglobal.com/au
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999

Audit opinion

In our opinion, the financial report of Intec Ltd:

- gives a true and fair view, as required by the *Corporations Act 2001* in Australia, of the financial position of Intec Ltd and the Intec Ltd Group (defined below) as at 30 June 2004, and of their performance for the year ended on that date, and
- is presented in accordance with the *Corporations Act 2001*, Accounting Standards and other mandatory financial reporting requirements in Australia and the *Corporations Regulations 2001*.

This opinion must be read in conjunction with the rest of our audit report.

Inherent Uncertainty Regarding Continuation as a Going Concern

Without qualification to the opinion expressed above, attention is drawn to the following matter.

As a result of the matter described in note 1(a) to the financial statements, there is significant uncertainty whether the Intec Ltd and the Intec Ltd Group will be able to continue as a going concern and therefore whether they will realise their assets and settle their liabilities and commitments in the normal course of business and at the amounts stated in the financial report.

Scope

The financial report and directors' responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Intec Ltd (the company) and the Intec Ltd Group (the consolidated entity), for the year ended 30 June 2004. The consolidated entity comprises of both the company and the entities it controlled during that year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's and consolidated entity's financial position, and of their performance as represented by the results of their operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

When this audit report is included in an Annual Report, our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

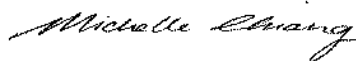
Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.



PricewaterhouseCoopers



MW Chiang
Partner

Sydney

7 September 2004

Liability is limited by the Accountant's Scheme under the Professional Standards Act 1994 (NSW)

Stock Exchange information

This information was applicable as at 31 August 2004.

Substantial Shareholder (extracts from Substantial Shareholder Register)	Shareholding
Ivanhoe Mines Ltd. Group (Orian Holding Corp.)	54,141,586
Invia Custodian Pty Limited (controlled by CIBC Australia Limited)	15,283,720
Excel Mining Ltd	12,633,752

Distribution of Shareholders	Number of	Ordinary
Number of ordinary shares held	Holders	Shares
	Shares	
1 - 1,000	14	7,877
1,001 - 5,000	64	253,128
5,001 - 10,000	157	1,410,496
10,001 - 100,000	602	24,868,847
100,001 - and over	225	222,122,284
Total Shares	1,062	248,662,632

At the prevailing market price of shares (\$0.094), there were 84 shareholders with less than a marketable parcel of \$500 (being 5,319 shares).

Top 20 Shareholders as at 31 August 2004	Shares	% Shares Issued
Orian Holding Corp	54,141,586	21.773%
Invia Custodian Pty Limited < CIBC A/C >	15,283,720	6.146%
Excel Coal Limited	13,633,752	5.483%
Kizoz Pty Ltd <Superfund A/C>	12,184,611	4.900%
Mr Peter Kenneth Everett	9,770,000	3.929%
Ms Michelle Joy Everett	5,234,350	2.105%
Mosheva Pty Ltd	5,000,000	2.011%
Grizzly Holdings Pty Ltd	3,840,236	1.544%
Mr Ian William Hodgson	3,600,000	1.448%
Mr William E Conway	2,900,972	1.167%
ANZ Nominees Limited	2,732,057	1.099%
H G Engineering Ltd	2,600,000	1.046%
Clodene Pty Ltd	2,271,800	0.914%
Beach Partners LP	2,130,168	0.857%
Smacer Pty Ltd	2,007,661	0.807%
R O I Pty Ltd	2,000,000	0.804%
Reach Out Pty Ltd	1,922,460	0.773%
Plymouth Holdings Inc	1,793,173	0.721%
Bluestar Management Pty Ltd <Super Fund A/C>	1,700,000	0.684%
Mr Bryce Russell	1,600,000	0.643%
Total of Top 20 share holdings	146,346,546	58.853%
Other shareholders	102,316,086	41.147%
Total ordinary shares	248,662,632	100.000%

Restricted securities – unquoted shares

23,965,992 unquoted ordinary shares were subject to ASX imposed restriction for a period of 24 months until 2 May 2004. All 248,662,632 ordinary shares on issue are now free trading.

Stock Exchange information (continued)

Summary of options issued

	No of options	No of holders	Options held	% Options Issued
Options expiring 30 June 2007 with an exercise price of \$0.24625				
Options expiring 30 June 2007 with an exercise price of \$0.24625	7,301,956	17		
Option holders with more than 20% of class				
Philip Ronald Wood			2,047,035	28.03%
Anthony John Moyes			1,756,749	24.06%
Options expiring 26 November 2008 with an exercise price of \$0.10	4,626,008	17		
Option holders with more than 20% of class			Nil	
Options expiring 30 June 2009 with an exercise price of \$0.49625	1,275,000	6		
Option holders with more than 20% of class				
Steven Joseph Koroknay			400,000	31.37%
Denis Michael Hanley			400,000	31.37%

Statement under ASX Listing Rule 4.10.19

From the date of admission of the Company's shares on ASX (2 May 2002) to the date of this Annual Report, the Company has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. Expenditures have been in line with Prospectus estimates and focussed initially on project feasibility studies – particularly the studies for initial 25,000 tonnes of copper per annum plants in Queensland and Port Hardy, British Columbia and the targeted marketing of the Intec Processes elsewhere in Australia and internationally. In the financial year ended 30 June 2004 the emphasis of expenditure was on the acquisition of the Hellyer Project, finalisation of the design and operation of the new copper electrowinning cell and the development of the Intec Gold Process.

Voting rights

There are no restrictions on voting rights. On a show of hands every member present or by proxy shall have one vote and upon a poll each share shall have one vote. Option holders have no voting rights until the options are exercised.

Corporate governance statement

The Directors of Intec are responsible to the shareholders for the performance of the Company in both the short and the longer term and seek to balance these sometime competing objectives in the best interests of the Company as a whole. Their principal focus is to enhance the interests of shareholders and to ensure that the Company, including its controlled entities, is properly managed. The Board draws on relevant best practice principles, particularly those issued by the ASX Corporate Governance Council. At its September 2003, May and August 2004 meetings the Board examined the Intec corporate governance practices compared to the best practice principles proposed by the ASX Corporate Governance Council. While Intec will align itself with the principles proposed by ASX, it is mindful that there may be some instances where compliance is not practicable for a company of Intec's current small size. The Corporate Governance Committee, made up of Messrs Jenkins, Severs and Ross, met in August 2004 to review and amend this statement.

For a number of years the Company, the Board and senior management, have taken a pro-active role to corporate governance matters. In many areas the Company has adopted corporate governance measures which are more comprehensive than those required by statutory legislation.

In March 2003, the Australian Stock Exchange Corporate Governance Council published 'Principles of Good Corporate Governance and Best Practice Recommendations'. This document is for guidance purposes, however all listed companies are required to disclose the extent to which they have followed the recommendations; to identify any recommendations that have not been followed; and reasons for not doing so.

The Company's Board of Directors has reviewed the recommendations. In many cases the Company was already achieving the standard required. In other cases the Company will have to consider new arrangements to enable compliance.

In a limited number of instances, the Company may determine not to meet the standard set out in the recommendations, largely due to the recommendation being considered by the Board to be unduly onerous for a company of this size.

The following paragraphs set out the Company's position relative to each of the 10 principles contained in the ASX Corporate Governance Council's report.

Principle 1: Lay solid foundations for management and oversight

The Company has not yet formalised and disclosed the functions reserved to the Board and those delegated to management. However, the Company has a small Board (five non-executive directors plus the Managing Director and Chief Executive Officer and Technical Director) and a small management team, so roles and functions have to be flexible to meet specific requirements.

Principle 2: Structure the Board to add value

The Company complies with most of the recommendations within this area as the Chairman is independent; separate from the Managing Director and Chief Executive Officer. The Company may not comply with the recommendation that a majority of directors should be independent. The Company does not have a Board nomination committee.

While five of the Company's seven directors are non-executives, one of the non-executives (J P Evans) has undertaken 'material' consultancy work for the Company within the past three years. This consultancy work has been undertaken on normal commercial terms and payments are disclosed within the Quarterly Reports and the Directors' Reports. The use of non-executive Directors for consultancy work reflects their expertise and knowledge. In the absence of these directors, the Company would have to use 'external' consultants, which may result in increased costs.

K J Severs has been a director of the Company and of Intec Copper Pty Ltd since 1995, a period of time, which in the words of the ASX document, 'could be perceived to materially interfere with 'his' ability to act in the best interests of the Company'. K J Severs acts in a part-time capacity as the Company's marketing representative for Europe.

The Board does not believe that the consultancy work undertaken by Messrs Severs and Evans, nor Mr Severs' period of tenure as a Director, compromise their independence.

I W Ross and G L Toll represent the Company's major shareholder Ivanhoe on the Intec Board.

Each Director of the Company has the right to seek independent professional advice at the expense of the Company. Prior approval of the Chairman is required, but this will not be unreasonably withheld.

Corporate Governance statement (continued)

Principle 3: Promote ethical and responsible decision-making

The Company has a policy concerning trading in its securities by Directors, management, staff and significant consultants which is set out in the Annual Report.

The Company does not have a formal code of conduct, again reflecting the Company's size and the close interaction of individuals throughout the organisation.

Principle 4: Safeguard integrity in financial reporting

The Company is reviewing its procedures to ensure compliance with the recommendations set out under this principle. Senior management confirms that the financial reports represent a true and fair view and are in accordance with relevant accounting standards. The Managing Director and Chief Executive Officer and the Chief Financial Officer state in writing to the Board that the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and Group and are in accordance with relevant accounting standards.

The Company has an Audit Committee with a formal charter, which has been approved by the Board. The Audit Committee consists of the three non-executive Directors Messrs Jenkins, Severs and Ross with the most applicable expertise and skills for this Committee. Two of these directors (K J Severs and I W Ross) may not meet the ASX's guidance regarding independence (see note under Principle 2).

The Company's auditor, PricewaterhouseCoopers (PwC) was appointed in 1999. PwC's policy is to rotate the engagement partner every seven years.

Principle 5: Make timely and balanced disclosure

The Company, its Directors and staff are acutely aware of the ASX's continuous disclosure requirements and operate in an environment where strong emphasis is placed on full and appropriate disclosure to the market. Whilst the Company does not have formal written policies regarding disclosure, it uses strong informal systems underpinned by experienced individuals.

Principle 6: Respect the rights of shareholders

All information disclosed to the ASX is posted on the Company's website as soon as it is disclosed to the ASX. When analysts are briefed on aspects of the Group's operations, the material used in the presentation is released to the ASX and posted on the Company's website. Procedures have also been established for reviewing whether any price sensitive information has been inadvertently disclosed, and if so, this information is also immediately released to the market.

Whilst the Company does not have a communications strategy to promote effective communication with shareholders, as it believes this is excessive for small companies, the Company does communicate regularly with shareholders.

For many years the Company has requested the external auditor to attend general meetings and this has been supported by the Company's audit partners at PwC.

Principle 7: Recognise and manage risk

The Company is a small, technology company and does not believe that there is significant need for formal policies on risk oversight and management of risk.

Risk management arrangements are the responsibility of the Board of Directors and senior management collectively and this matter is a standing agenda item at Board meetings.

Principle 8: Encourage enhanced performance

The Company has established a Remuneration Committee, to meet as and when required, to review performance matters. There has been no formal performance evaluation of the Board during the past financial year, but will be carried out in the 2004-05 financial year.

The directors work closely with management and have full access to all the Company's files and records.

Corporate Governance statement (continued)

Principle 9: Remunerate fairly and responsibly

A Remuneration Committee was set up in September 2003. Directors believe that the size of the Company makes individual salary negotiation more appropriate than formal remuneration policies.

The Committee will seek independent external advice and market comparisons as necessary.

In accordance with Corporations Act requirements, the Company discloses the fees or salaries paid to all Directors, plus the five highest paid officers.

The Company has an Employee Share Option Plan (Intec Option Plan), which was introduced in May 2000.

Principle 10: Recognise the legitimate interests of stakeholders

Due to the Company's size and relative level of operational activity which makes legal compliance a less onerous task than with larger companies, the Company does not have a formal code of conduct to guide compliance with legal and other obligations.

The Board of Directors continues to review the situation to determine the most appropriate and effective operational procedures.

Functions of the Board

The functions of the Board include:

- review and approval of corporate strategies, the annual budget and financial and business plans;
- overseeing and monitoring organisational performance and the achievement of the Company's strategic goals and objectives;
- monitoring financial performance, including approval of the annual and half-year financial reports and liaison with the Company's auditor;
- appointment of, and assessment of the performance of, the Managing Director and Chief Executive Officer and the other members of the senior management team. The Board's Remuneration Committee is made up of three non-executive Directors who oversee this function;
- ensuring that there are effective management processes in place and approving major corporate initiatives;
- enhancing and protecting the reputation of the Company;
- ensuring that the significant risks facing the Company and its controlled entities have been identified and appropriate and adequate control, monitoring and reporting mechanisms are in place; and
- ensuring that shareholders are appropriately informed of the progress of the Company.

Securities Trading and Trading Windows Policy

Directors, employees and key consultants must consult with the Chairman or the Managing Director and Chief Executive Officer before dealing in shares of the Company. Purchases or sales in the Company's shares by Directors, employees and key consultants should preferably be carried out during the 'window' period commencing two days following and ending 30 days following the date of announcement of the Company's annual or half yearly results or a major announcement leading, in the opinion of the Board, to an informed market. However, Directors, employees and key consultants are prohibited from buying or selling Intec shares at any time if they are aware of price sensitive information that has not been made public.

For further information on Corporate Governance policies adopted by Intec Ltd, refer to the Intec website ([www.intec.com.au/html/Corporate Information/Corporate Governance.shtm](http://www.intec.com.au/html/Corporate%20Information/Corporate%20Governance.shtm)).

\$ means Australian dollars, except where other currencies are indicated.

Corporate directory

Robson, J. & Co. Pty Ltd
 100 Pitt Street
 Sydney NSW 2000
 Telephone (02) 9231 1111
 Facsimile (02) 9231 1112
 Email info@robson.com.au
 Website www.robson.com.au

Robson, J. & Co. Pty Ltd
 100 Pitt Street
 Sydney NSW 2000
 Telephone (02) 9231 1111
 Facsimile (02) 9231 1112
 Email info@robson.com.au
 Website www.robson.com.au

Robson, J. & Co. Pty Ltd
 100 Pitt Street
 Sydney NSW 2000
 Telephone (02) 9231 1111
 Facsimile (02) 9231 1112
 Email info@robson.com.au
 Website www.robson.com.au

Pilot Plant
 16 Einfeld Avenue
 Brookvale NSW 2100
 Telephone (02) 937 3860

John Hellyar Metals Pty Ltd
 51 West Road
 Burnside SA 5064
 Telephone (08) 61 31 41 333
 Facsimile (08) 64 21 620

The Hellyer Mine
 Corda Mountain Park Road
 Warragul Warburton Council District TAS 7245
 Australia

Robson, J. & Co. Pty Ltd
 100 Pitt Street
 Sydney NSW 2000

Robson, J. & Co. Pty Ltd
 100 Pitt Street
 Sydney NSW 2000
 Telephone (02) 9231 1111
 Facsimile (02) 9231 1112
 Email info@robson.com.au
 Website www.robson.com.au

Robson, J. & Co. Pty Ltd
 100 Pitt Street
 Sydney NSW 2000
 Telephone (02) 9231 1111
 Facsimile (02) 9231 1112
 Email info@robson.com.au
 Website www.robson.com.au

Robson, J. & Co. Pty Ltd
 100 Pitt Street
 Sydney NSW 2000
 Telephone (02) 9231 1111
 Facsimile (02) 9231 1112
 Email info@robson.com.au
 Website www.robson.com.au

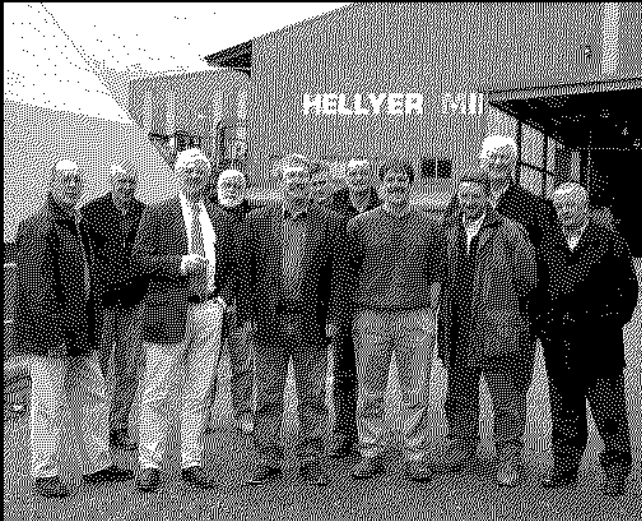
Patent Attorneys
 100 Pitt Street
 North Sydney NSW 2060
 Australia

Audith
 100 Pitt Street
 North Sydney NSW 2060
 Australia



Australian Stock Exchange Listing

InterLife shares are listed on the Australian Stock Exchange under the code INL. The home office is Sydney.

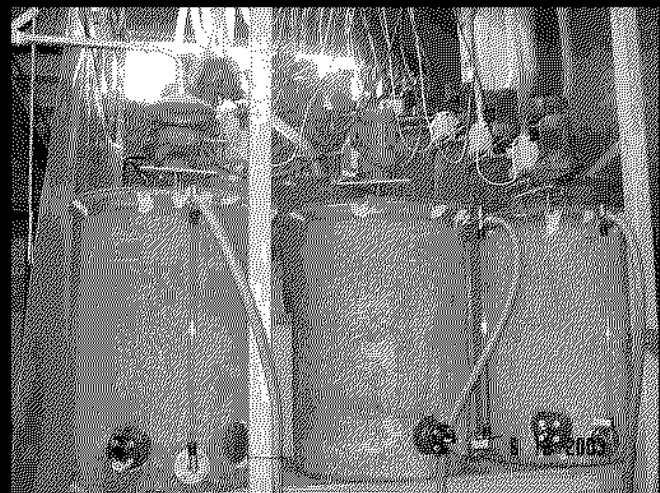


The Hellyer Mill, a Tasmanian Department of infrastructure, Energy and Resources visited the Hellyer Group.

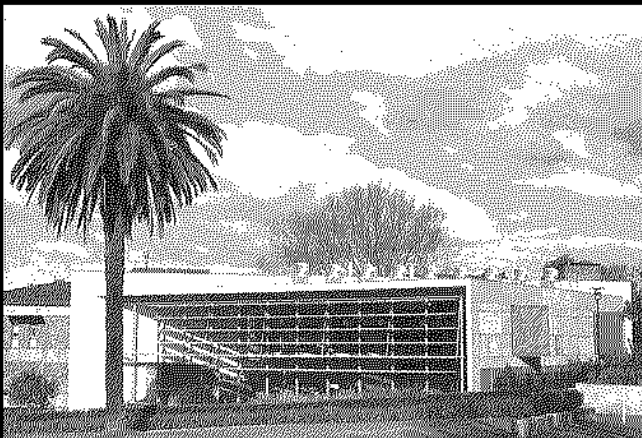
Visiting with the Hellyer Mill
to business.

David Ross, Hellyer Mill
(Managing Director & CEO, Hellyer Mill)
John Ross, Hellyer Mill (Managing Director)
(Managing Director & CEO, Hellyer Mill)

Samuel Ross, Hellyer Mill (Managing Director)
David Ross, Hellyer Mill (Managing Director)



The Hellyer Mill, a Tasmanian plant of
infrastructure in Sydney.



Hellyer Mill, a
Tasmanian plant of infrastructure

Hellyer Mill, a
Tasmanian plant of infrastructure
Hellyer Mill, a
Tasmanian plant of infrastructure

Hellyer Mill, a
Tasmanian plant of infrastructure
Hellyer Mill, a
Tasmanian plant of infrastructure

Intec Ltd

ASX Code: INL
ABN 25 001 150 849

Superior and Sustainable Metals Production