



# Intec Ltd

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*Superior and Sustainable Metals Production*

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## **February 2007 Progress at Hellyer**

Intec Ltd (ASX code: INL) is pleased to advise shareholders of the excellent progress during February 2007 towards steady state at targeted production levels for the Hellyer Zinc Concentrate Project ('HZCP').

During the final week of February, targets for zinc, lead and silver % head grades in the tailings dam, zinc % recovery in the Intec Hellyer Mill and concentrate production tonnage were all exceeded. Thus, 1,191 (dry) tonnes of bulk zinc concentrate, with an average (provisional) grade of 38.4% Zn, 6.9% Pb and 238g/t Ag were produced (at 62.3% Zn recovery from a 2.9% Zn head grade) in the seven days ending Wednesday 28th February. Remarkably, these results were achieved despite over 20 hours lost due to an electricity outage when lightning struck a site reticulation power pole and damaged the conductor.

This record production for the HZCP was the result of continuing improvements to the dredging of the Hellyer tailings dam (at an increased head grade in the current mining block) and optimisation of mill operations (which, apart from the power outage, again operated at 100% availability).

The HZCP concentrate storage bays at the Port of Burnie now hold over 3,800 tonnes of in-spec bulk zinc concentrate product, with the next (second) shipment expected in mid-March 2007. Payment to Intec for the first shipment of US\$1.86m (A\$2.36m) was finally received on 28 February after one-off delays caused by initiating shipping documentation and the Chinese New Year. These should not recur and, given the stable production rate of the HZCP and positive cash flows now being achieved, Intec does not intend in the future to notify the market concerning specific shipments and ensuing payments.

As previously notified to the ASX by Intec's 18.4% owned exploration partner Bass Metals Ltd (ASX code: BSM) on 27 February 2007, trial mining of high grade zinc-lead-silver ore at Que River has commenced. This crushed ore is expected to start being fed into the Intec Hellyer Mill as soon as practicable.

Similarly, zinc beneficiation trials on a range of Electric Arc Furnace Dust ('EAFD') type materials from Smorgon Steel, OneSteel and Ford Australia are well under way in Sydney, with the objective of blending the beneficiated EAFD with HZCP concentrate to increase overall saleable zinc units later this year.

Yours faithfully,  
Intec Ltd

Philip R Wood  
Managing Director & Chief Executive Officer