



Intec Ltd

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Superior and Sustainable Metals Production

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Burnie Demonstration Plant Update

Intec Ltd (ASX code: INL) is pleased to announce the success of early campaign operations at the Burnie Demonstration Plant.

Reconfigured in mid-2007, the demonstration plant was restarted on schedule in September 2007. Since that time, a number of campaigns have been conducted to prove engineering aspects of the Hellyer Residues Project that had been developed via laboratory and pilot-scale campaigns. Results to date include:

By-Product Production and Testing

8-10 tonnes of high-grade calcium sulphate (CaSO_4) have been successfully produced and separated in the acid regeneration circuit. Consideration is being given to the potential sale of this material as a direct by-product of the Hellyer Residues Project.

Concurrently, large-scale external trials are also being conducted (using equipment that would be purchased, if appropriate, for the Project) for the conversion of this material into high-grade calcium sulphide (CaS). As an alternate by-product, calcium sulphide would act as both a potential reagent and a potential source of revenue for the Hellyer Residues Project. It could be sold for use in tailings water and wastewater treatment, and could potentially allow Intec to offer value-added services for the recycling of resulting heavy metal sulphide wastes.



View along the Intec Process leaching circuit of the Burnie demo plant



ASX code: INL

Feedstock Preparation and Leaching

Better-than-expected results were achieved during commercial-scale magnetic separation trials of electric arc furnace (EAF) dust, the primary feedstock to the Hellyer Residues Project. This aids in achieving maximum extraction of zinc, lead and silver in the aggressive, hydrometallurgical Intec Process leach circuit.

Magnetically-separated EAF dust was leached to generate zinc-bearing 'pregnant' liquor for subsequent tests. Although leaching using the Intec Process has been thoroughly demonstrated during previous operations of the Burnie demonstration plant, it is a necessary step to yield pregnant electrolyte, and the operations continued to deliver engineering data for the specific application of the Intec Process to the leaching of EAF dust.



The high-zinc, low-iron non-magnetic fraction of EAF dust after magnetic separation

Zinc-Intermediate Production, Testing and Marketing

Approximately 40,000 litres of pregnant electrolyte were successfully treated, with no mechanical or physical handling issues, to generate 6-8 tonnes of zinc oxychloride, an intermediate zinc product. This material is being sent for external conversion to zinc oxide, a commonly-traded zinc commodity.

Concurrently, potential buyers of zinc oxide (as one of two alternative products from the Hellyer Residues Project) have been contacted to establish draft commercial terms for the sale of this product.

Zinc Sulphide Production, Testing and Marketing

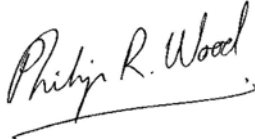
As an alternative to zinc oxide, zinc sulphide production was also successfully tested. 2-4 tonnes of zinc sulphide were produced, generating product for marketing and engineering data for the settling and filtration of the product. As expected given that this was the first large-scale testing for this product, minor physical handling issues were encountered and were readily resolved.

Summary

In summary, the campaigns to date have demonstrated most of the unit operations of the Intec Process as it is intended to be applied at the Hellyer Residues Project. It is expected that further campaigns will continue this month and into the new year as these operations are optimised.

Based on feedback from the external product/by-product trials and from potential clients of these products, Intec intends to refine the preliminary Hellyer Residues Project economics published at our Annual General Meeting in November 2007. It is expected that an economic model based on engineering to $\pm 20\%$ accuracy will be available in the first quarter of 2008, enabling Intec to arrange debt and finance for the construction of the Hellyer Residues Project.

Yours faithfully,
Intec Ltd

A handwritten signature in black ink, reading "Philip R. Wood". The signature is written in a cursive style with a long horizontal line extending from the end.

Philip R Wood
Managing Director & Chief Executive Officer

Background Notes

The Intec Hellyer Mill, the Hellyer tailings resource and the associated assets are 100% owned by Intec Ltd. The Mill was restarted as the Hellyer Zinc Concentrate Project in December 2006 in joint venture with Polymetals, one of Australia's largest unlisted mining groups. Under the terms of this 50/50 joint venture agreement, Polymetals will operate the Intec Hellyer Mill for four years (expiring 1 December 2010) or until 6 million tonnes of tailings have been processed, whichever comes first. At the end of the agreement, Intec has the right to purchase Polymetals' half share for A\$1.

Intec Hellyer Metals Pty Ltd is also in the process of implementing at Hellyer the first commercial project utilising the Intec Process, a patented Australian hydrometallurgical technology for the recovery of base and precious metals from a range of different feedstocks. Scheduled for construction in 2008 and operation in 2009, the Hellyer Residues Project to recycle EAF dust (a zinc-bearing waste from steel recycling) will share the Hellyer site, offering a number of synergies between the two operations.