Intec Ltd

ABN 25 001 150 849

Superior and Sustainable Metals Production

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ASX code: INL

Companies Announcements Office
Australian Securities Exchange

28 May 2008

Fully Underwritten Renounceable Rights Issue

During 2007 and 2008, using cash revenues from the uptrending production of the Hellyer Zinc Concentrate Project, Intec Ltd (ASX Code: INL) made a series of capital investments in fixed and tangible assets to accelerate and secure Hellyer's long term future. These investments have principally included:

- the Hellyer tailings dam dredge vessel and contract buyout *($2.8m, for the further tailings mine life of six years)*;
- the Que River electricity substation refurbishment *($2.0m, extending its effective life for 20 years at a significantly enhanced capacity to cater for the Intec Metals Recycling Project)*;
- strategic investments in Hellyer regional miner/explorer Bass Metals Ltd *($3.9m, the present market value of Intec's interest in BSM being $6.3m)*; and
- Victorian and Tasmanian EPA bonds *($5.0m, securing $35m contained metals value in EAF dust and refundable upon treatment)*.

As may be seen, this capital expenditure (totalling $13.6m) directly maximises the profitability and longevity of the Hellyer Zinc Concentrate Project and the Intec Metals Recycling Project.

To replenish operational funds invested in these capital outlays, the Intec Board has decided to proceed with a fully underwritten 1 for 5 renounceable Rights Issue. Approximately 112m New Shares will be offered to Intec shareholders at 5 cents each, together with a free attaching New Option on a 1 for 1 basis (exercisable at 8 cents by end 2009). The Rights Issue will thus raise $5.6m (before costs) and includes a Shortfall Facility whereby existing Intec shareholders (on the register at 5pm on 6 June 2008) will have priority in applying for additional New Shares and attaching New Options in excess of their pro rata Entitlements.

Any remaining Shortfall will be allocated at the discretion of the Underwriter (Veritas Securities Limited) in consultation with the Intec Directors. Intec's recent powerpoint presentation to the Underwriter and prospective Sub-Underwriters is attached to this announcement.

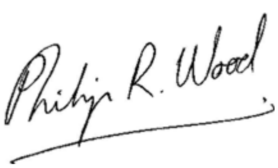
The Prospectus relating to the Rights Issue will be lodged today with the Australian Securities and Investments Commission (ASIC) and ASX. The Appendix 3B application for the quotation of the New Shares and the New Options on ASX is attached to this announcement.

Shareholders will receive their copy of the Prospectus very soon and they may apply using only the personalised Entitlement and Acceptance Form and the personalised Additional Share Application Form accompanying the Prospectus. A copy of the Prospectus will be available from today for review on the ASX website www.asx.com.au and on the Company's website www.intec.com.au

The following is an indicative timetable for the issue:

Lodgement of Prospectus with ASIC	28 May 2008
Notice to shareholders	30 May 2008
Rights trading commences on ASX (ex date)	2 June 2008
Record Date to identify Shareholders entitled to participate in the Rights Issue	6 June 2008
Dispatch of Prospectus and Entitlement and Acceptance / Additional Share Application Forms	10 June 2008
Last day of Rights trading on ASX	17 June 2008
Closing Date for the Rights Issue (5.00pm AEST)	24 June 2008
Allotment of New Shares and New Options	27 June 2008
Dispatch of holding statements	1 July 2008
Trading of New Shares and New Options expected to commence on ASX	2 July 2008

Yours faithfully
Intec Ltd



Philip R Wood
Managing Director & Chief Executive Officer

For further information, contact:

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Veritas Securities Limited
Mr Bryce Reynolds
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2008 Capital Raising

“Accelerating and Securing Hellyer’s Future”

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Corporate Profile

-Shares on issue:	560 million
-Market capitalisation	A$41 million (@ 7.3 cents)
-52 week high	21.0 cents
-52 week low	5.7 cents
-Average daily volume (2007-2008)	3.2 million
-Calendar 2007 P/E multiple (@ 5.0 cents)	7.5x
NTA backing per share	7.63 cents

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Rights Issue Details

- 1:5 renounceable rights issue at 5 cents to raise A$5.6m (before costs) by issue of 112 million New Shares
- Each New Share includes a free attaching New Option exercisable at 8 cents expiring on 31 December 2009
- New Shares and Options to be listed on ASX
- Fully underwritten by Veritas Securities Limited

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Why a Rights Issue?

2007-8 operating revenues used on capital outlays for Hellyer

- **Hellyer Tailings Dam dredge vessel and contract buyout: $2.8m***
  - Further tailings mine life of six years
- **Que River electricity substation refurbishment: $2.0m****
  - Effective life ~20 years including significantly enhanced capacity for Intec Metals Recycling Project
- **Bass Metals Ltd strategic investments: $3.9m**
  - Market value of Intec's interest: $6.3 million
- **Victorian & Tasmanian EPA bonds: $5.0m**
  - Securing $35 million metals values in EAF dust and refundable on treatment

Total Outlay	**$13.6 million**

* 50% paid by Polymetals subject to an adjustment at conclusion of the joint venture
** 50% paid by Polymetals subject to an adjustment at conclusion of the refurbishment

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Key Valuations for Rights Issue

- Intec has current Net Tangible Assets of $42.7m (31/12/2007) i.e. NTA backing per INL share is 7.63 cents
- Rights Issue pricing of 5 cents values Intec at pre-Rights market cap of $33.6m (31.5% discount to current $40.9m market cap at 7.3 cents)
- Post-Rights Issue NTA backing of 7.13 cents (5 cents Rights Issue price represents 29.9% discount to NTA)
- Added free 1-for-1 option at 8 cents

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Results for 2006-2007

Half Yearly Results

	6 months to 31/12/06 $m	6 months to 30/06/07 $m	6 months to 31/12/07 $m
Revenue	$0.1	$13.6	$14.0
Expenses	($5.3)	($11.1)	($12.9)
Pre-Tax Profit (Loss)	($5.2)	$2.5	$1.2
After-Tax Profit (Loss)	($5.2)	$4.1	$1.2

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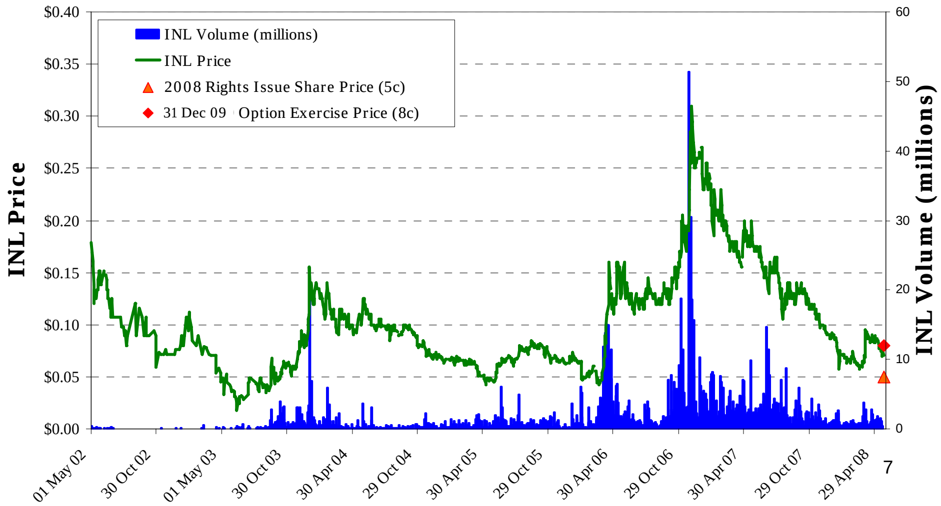
Intec Share Price and Trading Volumes since ASX Listing



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Overview of Intec's operations

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Intec's Interests in Northwestern Tasmania

- **Hellyer Zinc Concentrate Project**
  - 100% ownership of 1.5 Mtpa mill and infrastructure (replacement value >$150m)
  - 50/50 joint venture with Polymetals (ending 30/11/10, then 100% Intec)
  - Producing 60,000 tpa bulk zinc/lead concentrate from Hellyer tailings
- **Intec Metals Recycling Project (Hellyer)**
  - Stage 1: recycling electric arc furnace dust
  - Stage 2: processing intermediate lead concentrate from Hellyer tailings
  - Stages 1 & 2: regulatory approvals received and strong synergies to combine
- **Intec Research Facility (Burnie)**
  - Office, Demonstration Plant & Laboratory
  - Third party testwork revenues
- **Bass Metals Ltd**
  - 23.2% owned by Intec
  - Exploration on the Hellyer lease, including the nearby Fossey Zone
  - High-grade mining operation at Que River
- **Future Resources for Treatment (Northwestern Tasmania)**
  - Intec Zeehan Residues and others

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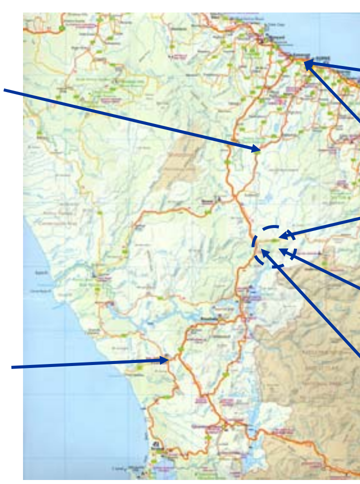
Intec's Interests in Northwestern Tasmania



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Hellyer Zinc Concentrate Project

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Hellyer Zinc Concentrate Project

- 50:50 unincorporated joint venture with Polymetals
- 4-year term expiring December 2010 (thereafter 100% Intec)
- Pre-production costs funded by Polymetals ($6M)
- 1.2 Mtpa with 6-8 Mt resource remaining
- JV producing 60,000tpa zinc-lead-silver concentrates
  - JV project profit before tax: $20m pa
  - JV annual gross sales: $63m
- Planned expansion treating external ores

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Original Hellyer Tailings Resource – (10.8Mt)

Element	Grade	Quantity	In-situ US$m*	% of metal value
Zinc	2.8 %	305,000t	666	23%
Lead	3.0 %	330,000t	699	24%
Silver	88 g/t	30,850,000 ozs	549	19%
Gold	2.6 g/t	910,000 ozs	841	29%
Copper	0.16%	17,400t	146	5%
Total			**US$2,901**	**100%**

* US$ metal prices at 21 May 2008

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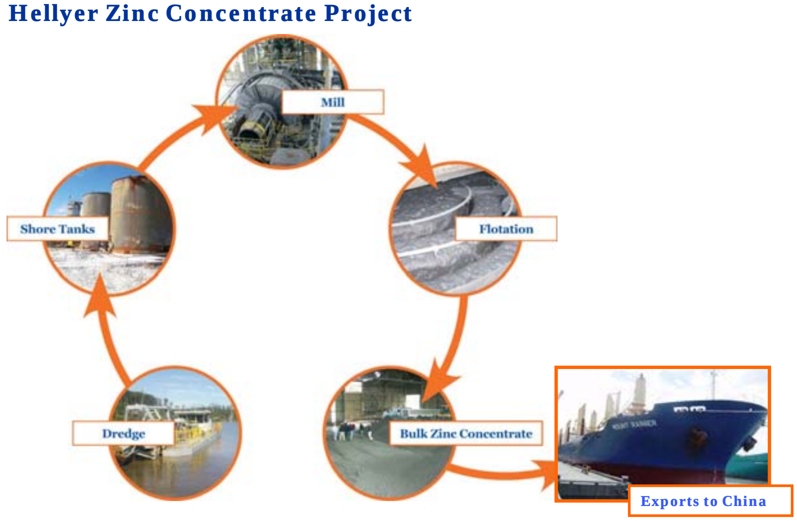
Hellyer Zinc Concentrate Project



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Hellyer Zinc Conc. Project – Expertly dredging the tailings dam

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1.5 Mtpa Hellyer Mill – Grinding circuit

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1.5 Mtpa Hellyer Mill – Flotation circuit

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Combined Hellyer/Que River Projects – Electricity substation

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Hellyer Zinc Concentrate Project - Production Statistics

	Dec 2006 Quarter (one month only)	March 2007 Quarter	June 2007 Quarter	Sept 2007 Quarter	Dec 2007 Quarter	Mar 2008 Quarter
Tailings treated (tonnes)	131,324	324,389	240,626	247,874	366,513	271,144
Zinc (%)	2.2	2.5	3.5	2.8	2.1	3.0
Lead (%)	2.2	2.6	3.3	3.1	2.9	3.1
Silver (g/t)	96	138	89	78	71	83
Bulk zinc/lead concentrate (dry tonnes)	2,878	10,401	13,813	11,820	11,250	14,691
Contained zinc (t)	1,131	4,049	5,248	4,021	4,113	5,383
Contained lead (t)	279	700	1,386	1,447	1,391	1,801
Zn recovery (%)	39	51	62	59	55	67
Pb recovery (%)	9.6	8.3	18	19	13	21
Contained silver (kg)	660	2,289	2,101	2,152	2,161	3,269

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Intec Metals Recycling Project

Moist EAF dust from OneSteel's Laverton Mill, stored in drums prior to campaign at Burnie Demonstration Plant.

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Intec Metals Recycling Project: Stage 1

EAF Dust

- Residue from steel recycling
- Ongoing production:
  - ~28, 000tpa in Australia & NZ, average >35% zinc
  - ~6Mtpa globally
- Supply Agreement with OneSteel has secured 65,000 tonnes for Intec at no cost

Products

- Zinc/lead/silver sulphide, calcium sulphate

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Burnie Demonstration Plant

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Intec Metals Recycling Project

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EAF Dust Storage at Footscray, Victoria (27,000 tonnes)

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EAF Dust Storage Bunker at Hellyer – commenced operating February 2008

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EAF Dust Alternative: Blending

- -EAF dust and HZCP zinc/lead concentrate are very similar
  - -Zn+Pb: up to 46% (EAF dust), 48% (concentrate)
  - -Particle size comparable
- -Federal Department of Environment and Heritage has approved blending of EAF dust with HZCP zinc/lead concentrate for international sale
- -Potentially up to 6,000tpa additional free payable zinc (+lead)
- -Customers currently being approached with blended product

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Intec Metals Recycling Project: Stage 2

Intermediate Lead Concentrate from Hellyer tailings

-Fine lead to be separated from the cleaner tails of the Intec Hellyer Mill

-56,000tpa Intermediate Lead Concentrate stream containing ~15% Pb, 5% Zn, 200g/t Ag and est. 2.5g/t Au

-This would be fed into the Intec Metals Recycling Project for increased recovery of lead and other metals

Products

-Lead/zinc/silver sulphide, calcium sulphate

Synergies with Stage 1

-Pyrite available for roasting to generate sulphuric acid

-Economies of scale

-Common site and workforce

-Recycles existing residue stream from Intec Hellyer Mill

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Intec's Advantages For Treatment of EAF Dust

-Highest zinc recovery (95+%) of competing technologies

-Full lead and silver recoveries

-Low energy consumption

-Environmentally stable residue

-Potential for 'zero waste' solution through sale of haematite residue

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Future Tasmanian Resources for Treatment at Hellyer

Intec Zeehan Residues Pty Ltd

-450,000 above-ground tonnes at 19% zinc equivalent

Other Regional Zn/Pb Explorers

-Fossey Zone/Hellyer Resource (Bass Metals)
-Tasman Crown, Mt Lyell (Copper Mines of Tasmania)
-Comstock and Oceana deposits (Zeehan Zinc)
-Professor Zinc Project (Icon Resources)
-Stonehenge Base Metals Project (Stonehenge Metals Ltd)
-Wilson River, Temma projects (Jaguar Minerals)
-Regional exploration tenements (ASF, China)

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Exploration: Bass Metals Ltd

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Mining at Que River

	Meas.	Indic.	Infer.
Tonnes	56	486	194
Zn %	2.1	6.2	5.3
Pb %	0.7	3.1	2.9
Cu %	1.7	1.1	0.9
Ag g/t	69	87	79
Au g/t	0.3	1.0	0.93

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BSM's Que River Mining Area

BSM's Fossey Zone
Multiple high-grade intercepts include 57.5 m at 9.2% Zn, 4.7% Pb, 94 g/t Ag & 2.9 g/t Au

Closed Hellyer Mine Remnant resource of
0.75 Mt at 7.0% Zn, 4.1% Pb, 0.3% Cu, 87 g/t Ag & 1.3 g/t Au

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Compass Resources NL: Browns Sulphide Project

- -Substantial polymetallic resource
- -36.7Mt: 4.77% Pb, 0.11% Co, 0.09% Ni, 0.46% Cu, 13g/t Au
- -Compass hosted "Browns Sulphide Processing Options Workshop" in March 2008
- -Intec Process featured in all 6 processing options under consideration
- -Participation by Outotec under collaboration agreement with Intec

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Future Tasmanian Resources Treatment

Government Participation - Rail

- -Federal Government has announced an $11.7m upgrade of the Western Rail Line, for the Hellyer spur line and extension from Melba Flats to Zeehan
- -Potential to remove over 175,000tpa of feedstock, reagent and product transport from the road for the Hellyer Projects
- -Future benefit for transport of 460,000t stockpile of Intec's Zeehan Residues and other northwestern Tasmanian resources

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The Future

Intec's future is to secure Hellyer as a profitable, long life and integrated mining and processing facility, while also becoming a minerals processing technology provider worldwide.

Intec will continue to participate in base and precious metals projects wherever our corporate capabilities and the Intec Process enhance economic and environmental outcomes.

Philip R Wood
Managing Director & CEO
Email: philip@intec.com.au

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Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

Intec Ltd

ABN

25 001 150 849

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

1	+Class of +securities issued or to be issued	**Fully paid ordinary shares and options.**
2	Number of +securities issued or to be issued (if known) or maximum number which may be issued	**111,919,975 ordinary shares and 111,919,975 options**
3	Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)	**Fully paid ordinary shares and options having an exercise price of $0.08 and an expiry date of 31 December 2009.**
4	Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities? If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	**The fully paid ordinary shares will rank equally with Intec's currently quoted fully paid ordinary shares.** **There are currently no quoted options.**

5	Issue price or consideration	**Entitlements under the rights issue will be determined on the basis of one new Intec share for every five existing Intec shares held at the record date at an issue price of $0.05 per share, payable in full on application, together with a one-for-one, free attaching and ASX-listed option.**
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	**As set out in the attached letter and as detailed more fully in Section 2 of the Prospectus.**
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	**1 July 2008**

		Number	+Class
8	Number and +class of all +securities quoted on ASX (*including* the securities in clause 2 if applicable)	**671,519,848**	**Fully Paid Ordinary Shares**

		Number	+Class
9	Number and +class of all +securities not quoted on ASX (*including* the securities in clause 2 if applicable)	**45,000,000**	**30 June 2008 Options – exercise price $0.08**
		3,177,916	**26 November 2008 Options – exercise price $0.10**
		1,275,000	**30 June 2009 Options – exercise price $0.49625**
		111,919,975	**31 December 2009 Options – exercise price $0.08**
		5,869,014	**24 February 2010 Options – exercise price $0.069**
		7,210,000	**30 August 2011 Options – exercise price $0.11**
		4,700,000	**25 September 2012 Options – exercise price $0.15**
		6,350,000	**25 September 2012 Options – exercise price $0.15** The options will not vest, and may not be exercised, until the Trigger Price Threshold of $0.25 is met. To meet the Trigger Price Threshold, the price of Intec Ltd shares traded on the Australian Securities Exchange must have closed above $0.25 for 20 consecutive trading days or Intec Ltd must have received a bona fide offer for a majority or all of its shares whether by takeover or scheme of arrangement.

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	**No**
12	Is the issue renounceable or non-renounceable?	**Renounceable**
13	Ratio in which the +securities will be offered	**The renounceable rights issue is one share and one option for every five shares held on the record date.**
14	+Class of +securities to which the offer relates	**The options are to subscribe for ordinary shares at an exercise price of $0.08 and are exercisable until expiry on 31 December 2009.**
15	+Record date to determine entitlements	**6 June 2008**
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	**Yes**
17	Policy for deciding entitlements in relation to fractions	**Fractions will be rounded up.**
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	**Australia and New Zealand and as set out in Section 1.11 of the Prospectus dated 28 May 2008.**
19	Closing date for receipt of acceptances or renunciations	**5.00pm AEST on 24 June 2008**
20	Names of any underwriters	**Veritas Securities Limited**
21	Amount of any underwriting fee or commission	**Refer to Section 8.1 of the Prospectus dated 28 May 2008.**
22	Names of any brokers to the issue	**None**
23	Fee or commission payable to the broker to the issue	**Not applicable**

24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	**None**
25	If the issue is contingent on +security holders' approval, the date of the meeting	**Not applicable**
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	**10 June 2008**
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	**Notices were sent to option holders on 27 May 2008.**
28	Date rights trading will begin (if applicable)	**2 June 2008**
29	Date rights trading will end (if applicable)	**17 June 2008**
30	How do +security holders sell their entitlements in full through a broker?	**Refer to Section 4.6 of the Prospectus dated 28 May 2008.**
31	How do +security holders sell part of their entitlements through a broker and accept for the balance?	**Refer to Section 4.7 of the Prospectus dated 28 May 2008.**
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	**Refer to Section 4.9 of the Prospectus dated 28 May 2008.**
33	+Despatch date	**1 July 2008**

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(*tick one*)

(a) [√] Securities described in Part 1

(b) [ ] All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35	☐	If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
36	☐	If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories 1 - 1,000 1,001 - 5,000 5,001 - 10,000 10,001 - 100,000 100,001 and over
37	☐	A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 to 42	Number of securities for which +quotation is sought	**Questions 38 to 42 are not applicable**

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

  Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Philip R. Wood Date: 28 May 2008

(Director/~~Secretary~~)

Print name: Philip R Wood

Appen3B rights issue 28 May 08

Rule 2.7, 3.10.3, 3.10.4, 3.10.5