

Intec Ltd

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Company Announcements Office
Australian Securities Exchange

21 October 2015

Quarterly Activities Report: Appendix 4C – September 2015

Attached is the September 2015 Quarterly Report for Entities Admitted on the Basis of Commitments (Appendix 4C) for Intec Ltd (ASX Code: INL; Intec or the Company).

Science Developments Pty Ltd

Intec owns a 50% interest in Science Developments Pty Ltd (SciDev) and holds an option to increase its ownership to 100% based on an agreed formula related to the future profitability of SciDev. SciDev is a manufacturer and supplier of coagulants and flocculents for wastewater treatment and sludge dewatering.

SciDev achieved strong sales and profit growth during the quarter. In comparison with the June quarter of 2015, sales increased by approximately 116%. Assuming that sales are maintained at the same level as occurred during the quarter for the remainder of the 2015/16 financial year; sales would increase by 53% over the prior financial year. The increase in sales and profit was accompanied by an associated increase in working capital. The sales growth during the quarter was a result of:

- Increased sales to existing Australian customers;
- The acquisition of new Australian customers; and
- Initial product sales to New Zealand as a result of the previously announced distribution agreement with Apex Environmental Ltd.

In addition, SciDev also recorded a small level of export sales to Vietnam.

The first Optiflox® system has been installed at a large New South Wales thermal coal mine and is currently being commissioned as part of an agreed 6-month commercial trial with the customer. The initial test site is one of a number of Australian coal mines under the same ownership and it is expected that following a successful trial further roll-outs of the OptiFlox® system will occur at a number of these other sites.

Corporate

Intec continues to investigate other acquisition opportunities, principally those either complementary or supplementary to SciDev. Intec also continues to investigate options for realising value from its wholly-owned Zeehan Slag dump.

During the quarter the Company sold a significant portion of its shareholding in Bass Metals Ltd.

The 2015 Annual General Meeting of Intec Ltd will be held on Friday, 27 November 2015:

Time: 2.00pm (Sydney time)
Place: Zulu Room, Christie Corporate
Level 4, 100 Walker Street
North Sydney, NSW, 2060

A Notice of Meeting will be released to ASX and sent to shareholders next week.

The attached Appendix 4C, including the consolidated statement of cash flows, represents a consolidation of the cash flows of Intec, its wholly-owned subsidiaries and SciDev. The consolidated cash balance at 30 September 2015 was \$0.891 million.

Intec Ltd



Kieran Rodgers
Managing Director

Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Name of entity

Intec Ltd

ABN

25 001 150 849

Quarter ended
("current quarter")

30 September 2015

Consolidated statement of cash flows

| | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|---|-------------------------------|---------------------------------------|
| Cash flows related to operating activities | | |
| 1.1 Receipts from product sales and related debtors | 462 | 462 |
| 1.2 Payments for | | |
| (a) advertising and marketing | - | - |
| (b) zinc bearing concentrate cost of sales | - | - |
| (c) hydrometallurgical process development | - | - |
| (d) payments to suppliers & corporate overheads | (451) | (451) |
| (e) employee costs | (176) | (176) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | 7 | 7 |
| 1.5 Interest and other costs of finance paid | (9) | (9) |
| 1.6 Income tax paid/receipt | - | - |
| 1.7 Royalty income | - | - |
| 1.8 Other Income | - | - |
| Net Operating Cash Flows | (167) | (167) |
| Cash flows related to investing activities | | |
| 1.9 Payment for acquisition of: | | |
| (a) businesses | - | - |
| (b) equity investments | - | - |
| (c) intellectual property | - | - |
| (d) physical non-current assets | (1) | (1) |
| (e) other non-current assets | - | - |
| 1.10 Proceeds from disposal of: | | |
| (a) businesses | - | - |
| (b) equity investments | 145 | 145 |
| (c) intellectual property | - | - |
| (d) physical non-current assets | - | - |
| (e) other non-current assets | - | - |
| 1.11 Loans to other entities | - | - |
| 1.12 Loans repaid by other entities | - | - |
| 1.13 Other | - | - |
| Net investing cash flows | 144 | 144 |
| 1.14 Total operating and investing cash flows | (23) | (23) |

Appendix 4C (Continued)

Quarterly report for entities admitted on the basis of commitments

| | Current quarter \$A'000 | Year to date (3 months) \$A'000 |
|--|-------------------------------|---------------------------------------|
| Cash flows related to financing activities | | |
| 1.15 Proceeds from issues of shares, options, etc. | - | - |
| 1.16 Proceeds from sale of forfeited shares | - | - |
| 1.17 Proceeds from borrowings | - | - |
| 1.18 Repayment of borrowings | (12) | (12) |
| 1.19 Dividends paid | - | - |
| 1.20 Other (provide details if material) | - | - |
| Net financing cash flows | (12) | (12) |
| Net increase (decrease) in cash held | (35) | (35) |
| 1.21 Cash at beginning of quarter/year | 926 | 926 |
| 1.22 Exchange rate adjustments to item 1.20 | - | - |
| 1.23 Cash at end of quarter/year | 891 | 891 |

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

| | |
|---|----|
| 1.24 Aggregate amount of payments to the parties included in item 1.2 | 82 |
| 1.25 Aggregate amount of loans to the parties included in item 1.10 | - |

1.26 Explanation necessary for an understanding of the transactions

| |
|---|
| Directors' fees are at normal commercial rates. |
|---|

Non-cash financing and investing activities

| | |
|--|-----|
| 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows | Nil |
| 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest | Nil |

Appendix 4C (Continued)

Quarterly report for entities admitted on the basis of commitments

Financing facilities available

Add notes as necessary for an understanding of the position.

| | Amount available \$A'000 | Amount used \$A'000 |
|----------------------------------|--------------------------------|---------------------------|
| 3.1 Loan facilities ¹ | 250 | 223 |
| 3.2 Credit standby arrangements | Nil | Nil |

1. Trade finance facility

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

| | Current quarter \$A'000 | Previous quarter \$A'000 |
|--|-------------------------------|--------------------------------|
| 4.1 Cash on hand and at bank | 83 | 46 |
| 4.2 Deposits at call | 308 | 380 |
| 4.3 Bank overdraft | - | - |
| 4.4 Term Deposits | 500 | 500 |
| Total: cash at end of quarter (item 1.23) | 891 | 926 |

Acquisitions and disposals
of business entities

- 5.1 Name of entity
- 5.2 Place of incorporation or registration
- 5.3 Consideration for acquisition or disposal
- 5.4 Total net assets
- 5.5 Nature of business

| Acquisitions (Item 1.9(a)) | Disposals (Item 1.10(a)) |
|-------------------------------|-----------------------------|
| | |
| | |
| | |
| | |
| | |
| | |

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does/~~does not~~ give a true and fair view of the matters disclosed.

Sign here:



Date: 21 October 2015

(Director/~~Company secretary~~)

Print name: **Kieran Rodgers**

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.