

Intec Ltd

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Company Announcements Office
Australian Securities Exchange

29 July 2016

Quarterly Activities Report: Appendix 4C – June 2016

Attached is the June 2016 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 profitability of SciDev. The option to increase Intec's ownership to 100% expires on 31 August 2016. Discussions with the owners of the other 50% of SciDev are currently in progress in relation to an extension of the option period for Intec to acquire the remaining 50% of SciDev.

SciDev achieved growth in both sales and profit during the quarter. The quarter saw the re-commencement of product sales to a dairy processing facility on the South Island of New Zealand. As advised previously, sales to this site will principally occur in the winter and spring months and are undertaken via SciDev's distributor, Apex Environmental Ltd.

The commercial trial of the Optiflox® system, including the controlled dosing of SciDev coagulant, continued at Peabody Energy's Wilpinjong coal mine. As the agreed trial period will soon be completed, SciDev and Peabody Energy are currently in discussions regarding a two-year contract for the continued supply of both the Optiflox® system and associated coagulant product at Wilpinjong.

During the commercial trial at Wilpinjong various modifications and adjustments have been made to the installed Optiflox® system. This has led to a revised design for a Mark II Optiflox® system. This re-design has now been completed and results in a material reduction in both complexity and installation footprint. Consequent upon agreement regarding certain commercial matters, SciDev is likely to soon place an order for a number of Optiflox® systems.

Also during the quarter a successful trial of SciDev chemicals was completed at another Peabody Energy coal mine in NSW. A proposal for the supply of an Optiflox® system and associated chemical product to this site will be submitted shortly. Further trials of SciDev chemicals are also scheduled to take place at Peabody Energy coal mines in both NSW and Queensland during the current quarter.

During the current quarter, SciDev is also scheduled to undertake a trial at a major dairy processing facility in Victoria.

Corporate

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

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 June 2016 was \$0.479 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 June 2016

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	461	1,671
1.2 Payments for		
(a) advertising and marketing	-	-
(b) zinc bearing concentrate cost of sales	-	-
(c) hydrometallurgical process development	-	-
(d) payments to suppliers and corporate overheads	(524)	(1,589)
(e) employee costs	(171)	(679)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	6	19
1.5 Interest and other costs of finance paid	(6)	(26)
1.6 Income tax paid/receipt	(87)	(100)
1.7 Royalty income	-	-
1.8 R & D Tax Offset	163	163
Net Operating Cash Flows	(158)	(541)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses	-	-
(b) equity investments	-	-
(c) intellectual property	-	(15)
(d) physical non-current assets	(22)	(58)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses	-	-
(b) equity investments	25	208
(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	3	135
1.14 Total operating and investing cash flows	(155)	(406)

Appendix 4C (Continued)

Quarterly report for entities admitted on the basis of commitments

	Current quarter \$A'000	Year to date (12 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	(10)	(41)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	(10)	(41)
Net increase (decrease) in cash held	(165)	(447)
1.21 Cash at beginning of quarter/year	644	926
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter/year	479	479

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.

- 3.1 Loan facilities ¹
3.2 Credit standby arrangements

1. Trade finance facility

Amount available \$A'000	Amount used \$A'000
250	197
Nil	Nil

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.

- 4.1 Cash on hand and at bank
4.2 Deposits at call
4.3 Bank overdraft
4.4 Term Deposits

Current quarter \$A'000	Previous quarter \$A'000
35	85
444	59
-	-
-	500
479	644

Total: cash at end of quarter (item 1.23)

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

- 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.
- This statement does/~~does not~~ give a true and fair view of the matters disclosed.

Sign here:



Date: 29 July 2016

(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.