



**ASX Code: ITT**

**Quarterly Report For  
Period Ending 30 June 2007**

## **SUMMARY**

InterMet's Directors are pleased to present the June Quarterly Report. This quarter has seen InterMet consolidate its land holding at the highly prospective Lake Gilles Project with a strategic joint venture (EL 3204) and the granting of a new Exploration Licence (EL 3801). The June Quarter has also seen uranium exploration commence in earnest at both the Cocata and Watson Projects, with a 43 drill hole program completed at Cocata and an airborne electromagnetic (AEM) survey completed at the Watson Project. During the June Quarter, InterMet has ventured outside of the Gawler Craton with the application of five tenements within the highly mineralised Adelaide Fold Belt.

## **HIGHLIGHTS**

- Cocata drilling program over 2 of 6 gravity anomalies is due to commence in early August 2007 targeting IOCG style mineralisation.
- A 43 hole drilling program targeting palaeochannel uranium completed by Uranium Equities Ltd on Cocata Project identified anomalous total-count gamma logs confirming the presence of a suitable source rock.
- IP survey at Lake Gilles outlined four potential base metal sulphide bodies at the Triumph Prospect.
- Joint Venture with Vintage Exploration Pty Ltd signed for access to EL 3204 in the Lake Gilles area.
- Airborne EM survey completed over whole Watson Project.
- Uranium exploration has commenced on InterMet's Couлта Project following the successful listing of Uranoz Ltd.
- EL 3800 (Nullarbor East – Watson Project) and EL 3801 (Pickaxe Dam – Lake Gilles Project) were granted.
- InterMet has applied for 7 new ELA's within the Adelaide Fold Belt (6) and at Abminga (1).

**Exploration Office**  
1/22 Maple Avenue  
FORESTVILLE SA 5035

Ph: (08) 8351 3388  
Mob: 0423 259 488  
Fax: (08) 8351 0023

### **InterMet Resources Limited**

[garyferris@intermetresources.com.au](mailto:garyferris@intermetresources.com.au)

[info@intermetresources.com.au](mailto:info@intermetresources.com.au)

ACN 112 291 960  
ABN 66 112 291 960

[www.intermetresources.com.au](http://www.intermetresources.com.au)

**Registered Office**  
Level 41 Australia Square  
264-278 George Street  
SYDNEY NSW 2000

Tel: +61 2 8221 0404  
Fax: +61 2 8221 0407

## PROJECT REVIEW

InterMet has eight projects, all located within South Australia (Figure 1).

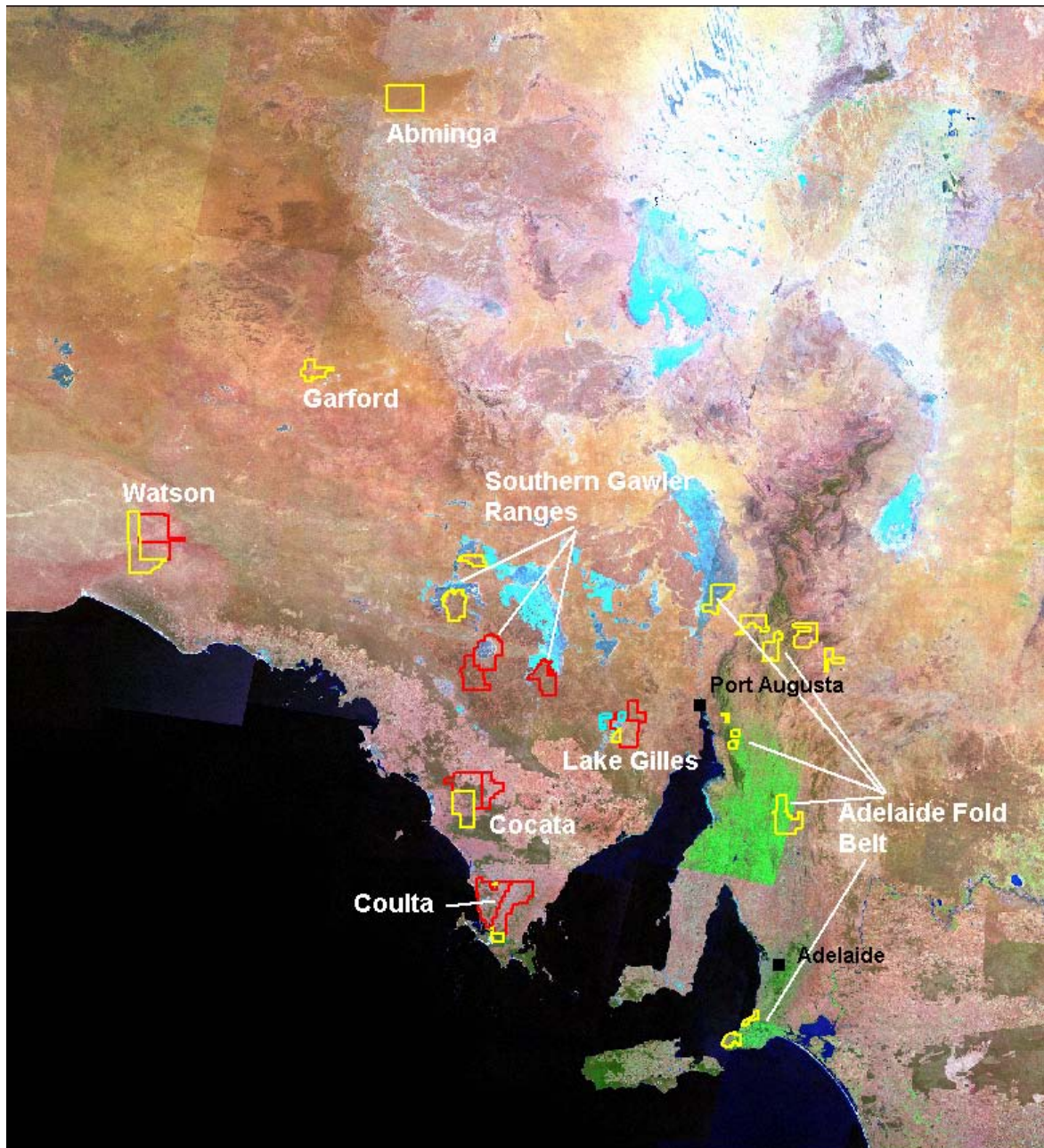


Figure 1 Location of InterMet Resources Projects

### InterMet Projects

1. Lake Gilles
2. Coulta
3. Cocata
4. Watson
5. Southern Gawler Ranges
6. Garford
7. Adelaide Fold Belt
8. Abminga

## LAKE GILLES PROJECT

(EL 3466, 3467 and EL 3801 – 100%. Hindmarsh Resources earning up to 80% of rights to unconformity-related uranium on EL 3467 only; InterMet earning up to 95% of EL 3204 from Vintage Exploration)

*Olympic Dam Cu-Au-U, Mesoproterozoic Orogenic/Epithermal Gold and Base Metals, Unconformity-related uranium*

### Gold and Base Metal Exploration

During the quarter, 250 soil samples were collected over outcropping NE-SW trending regional quartz veins which was designed to delineate potential drilling targets. In addition approximately 75 line km of ground magnetic data at the Triumph Prospect (Figure 2) was completed. The ground magnetic data was collected along the IP traverses to assist with locating exploration drill holes and assisting with determination of the dip of IP anomalies defined by the recent IP survey.

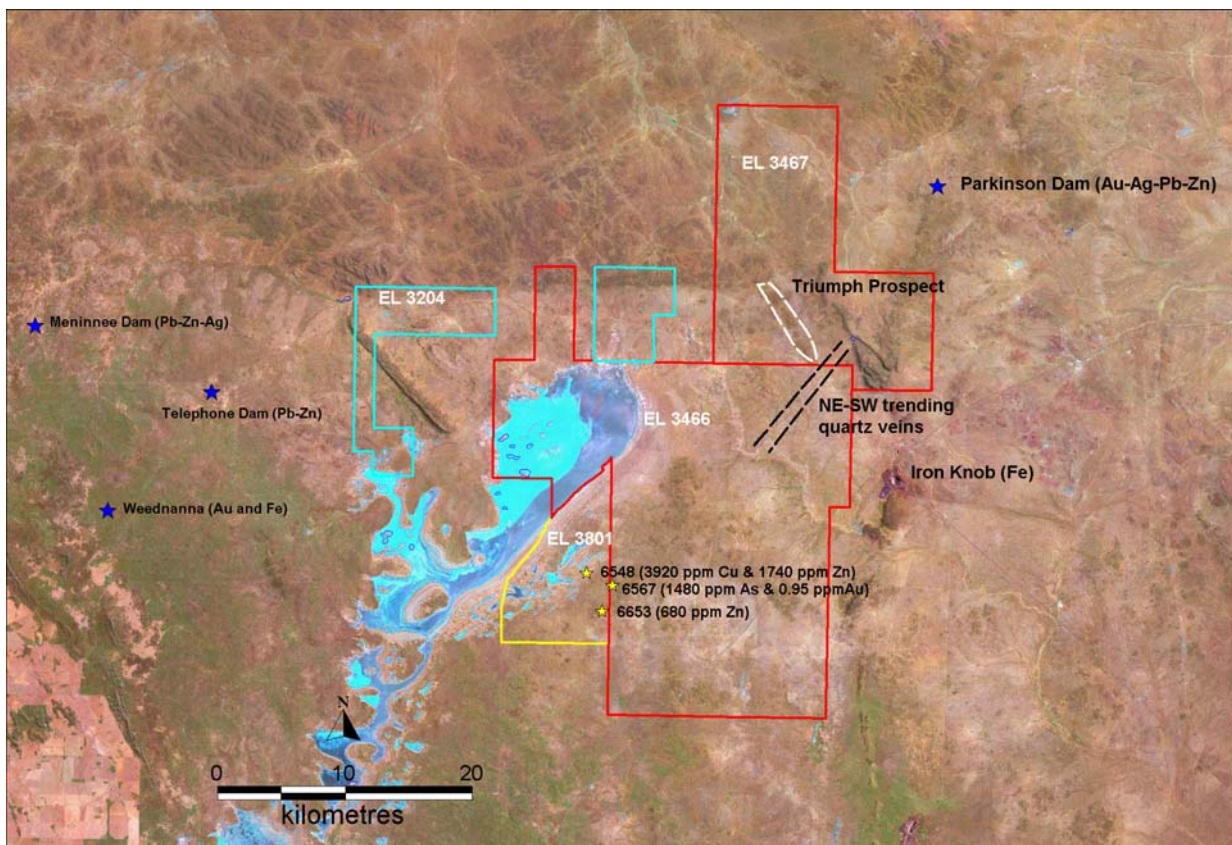
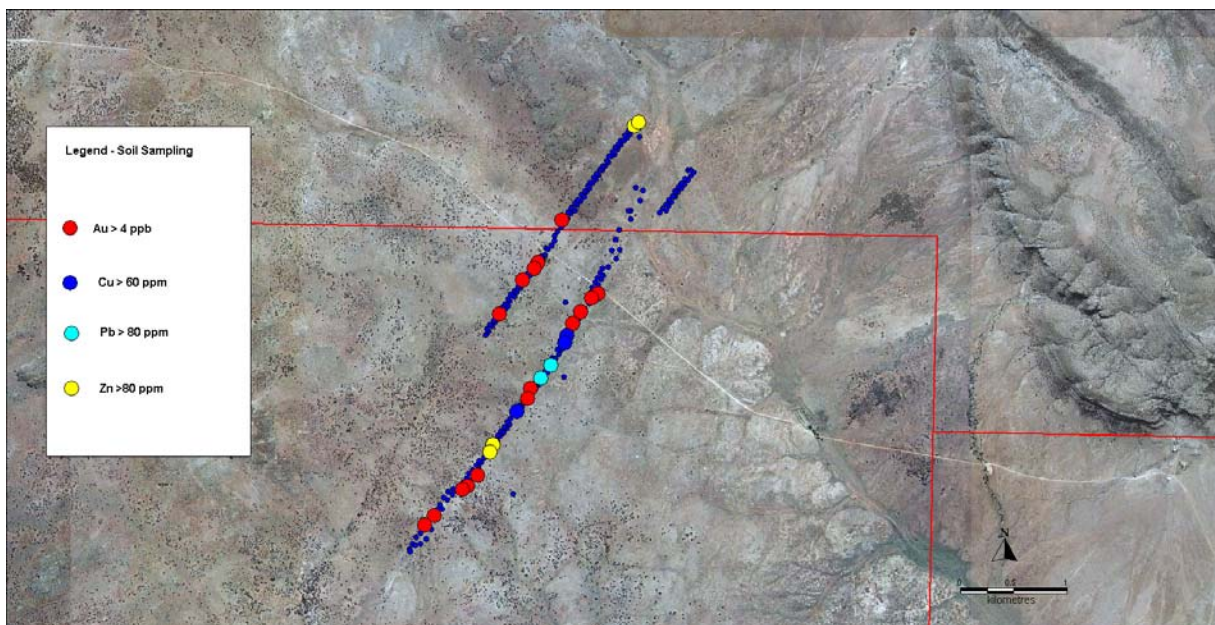


Figure 2 Location of Lake Gilles Project

Results of the soil sampling show zones of gold anomalism and discrete but unrelated zones of copper, lead and zinc anomalism (Figure 3). The best results are outlined below and shown on Figure 3:

- Au – 7 ppb
- Cu – 88 ppm
- Pb – 146 ppm
- Zn – 90 ppm
- As – 18.9 ppm



**Figure 3 Anomalous soil samples collected over NE-SW trending veins**

The IP survey over the Triumph Prospect has been completed. The survey defined four high priority chargeable anomalies, one of which is a highly chargeable body, which the survey suggests has a strike length of over 500m in what appears to be a very favourable structural setting (Table 1).

Traverse (northing)	Easting	Description
6385000n	693580e	Chargeable body within resistive basement. The body has a strike length in excess of 500m and strikes in a NNE direction (i.e. cross cutting NW regional trend)
6388000n	692725e	Highly chargeable body within resistive basement. Striking parallel with NW regional trend minor increase in cover above indicating potential preferential sulphide weathering
6389000n	692500e	Strongly chargeable body coincident with conductive feature. Very limited strike extent (<250m)
6389500n	691980e	Strongly chargeable body coincident with resistive basement margin/ major fault cross cutting NW regional trend in a NE orientation

**Table 1: High priority IP anomalies defined by recent IP Survey**

EL 3801 (formerly ELA 537/06) was granted during the quarter and forms part of the Lake Gilles Project and increases InterMet's landholding and exploration tenure to 1,057km<sup>2</sup> within the highly prospective Lake Gilles area (Figure 2).

Previous company exploration on EL 3801 highlighted three highly anomalous soil samples. Bulk samples comprising 5 samples collected at 200m intervals were submitted for geochemical analyses with maximum results of 3,920ppm Cu, 1,740ppm Zn, 1,480ppm As, 0.95 ppm Au, and 680ppm Zn (not same sample).

InterMet is planning further soil sampling to confirm these results with a possible drilling program planned for late 2007. InterMet will be drilling the recently presented IP anomalies on the Lake Gilles Project in the next quarter and based on results of detailed sampling on EL 3801, anomalies generated will be drilled at the completion of the above program.

## Uranium Exploration

No further uranium exploration has been undertaken during the quarter, but results from the IP survey will be made available to Hindmarsh Resources to enable drill hole targeting for follow-up drilling.

### COULTA PROJECT

**(EL 3314, EL 3671, EL3702 & ELA 82/07 – 100%, WPC Uranium (Uranoz Ltd) earning 80% in uranium on EL3314 and EL 3702)**

***Komatite hosted nickel, Volcanic Hosted Massive Sulphide, Archaean orogenic gold and Palaeochannel Hosted Rollfront Uranium.***

A detailed aeromagnetic survey over the newly granted EL 3702 is due to commence in late August-early September to assist in defining potential uranium, base metal and gold targets.

## Uranium Exploration

InterMet has a joint venture with WCP Uranium for palaeochannel hosted uranium mineralisation on EL 3314 and EL 3702, which together comprise almost 2,000km<sup>2</sup> of very prospective ground for uranium mineralisation. WCP Uranium vended the tenements into a new IPO Uranoz Ltd (ASX:URO), who listed on the ASX on 12 June 2007 after raising \$12M.

Uranoz has commenced exploration activities on the Couлта Project. New geochemical data, along with historical drilling results, show elevated levels of uranium in palaeochannel lithologies of the Wanilla channel similar to that found in proximity to known uranium deposits in the Frome Embayment located in north-eastern South Australia.

Uranoz has undertaken geochemical analysis of samples acquired by recent and historic drilling across palaeochannels that are prospective for sedimentary-style uranium within the Couлта Project. Selected holes taken from regional drilling programs undertaken by the South Australian Department of Primary Industry and more recently by InterMet have been sampled and assayed (mostly for the first time) for uranium and other indicator minerals.

Furthermore, these results, combined with recent interpretations of groundwater characteristics in the region, indicate that favourable environments may exist in the lower reaches of the Wanilla Palaeochannel that are suitable for the formation of uranium deposits.

Uranoz is commencing an exploration program consisting of sampling of groundwater from existing water bores along and across the axis of the Wanilla and Cummins palaeochannels to define suitable geochemical host environments for uranium precipitation. Groundwater geochemistry offers a rapid, cost effective method for delineating favourable geochemical settings for the accumulation of uranium. Areas with anomalous changes in geochemistry will be targeted by more detailed exploration and systematically tested by drilling to locate any mineralised host rocks.

An aeromagnetic/radiometric survey planned over EL3702 (Wanilla) is on schedule for completion in the September Quarter 2007. This survey will complement an existing aeromagnetic/radiometric survey over EL 3314 which has greatly assisted in delineating palaeochannels and surface radiometric anomalies for future uranium exploration programs.

## COCATA PROJECT

(EL 3462 and 3463 – InterMet 100%, Uranium Equities Ltd earning 80% in palaeochannel hosted and unconformity-related uranium; Silver Swan Group earning 80% in all minerals with the exception of palaeochannel hosted and unconformity-related uranium; ELA 690/06 Uranium Equities Ltd earning 80% in palaeochannel hosted and unconformity-related uranium)

*Rollfront Uranium, IOCG and Orogenic Lode Gold*

### Rollfront Uranium Exploration

Seven traverses comprising 43 holes for 2,637m (Figure 4) were drilled at approximate 1km spacing to investigate the suitability of the sedimentary environment to host uranium mineralisation. Two palaeochannels were initially targeted; the well-known Yaninee channel (mineralised further upstream) in the centre of the project area and an eastern channel system recently identified from newly-acquired satellite imagery and ground gravity data.

Drilling has confirmed the presence of both channels and, in addition, discovered another palaeochannel in the west of the project area. Anomalous total-count gamma (up to 3-4 times background) was encountered in holes completed within relatively unweathered Hiltaba Suite granitic basement confirming the presence of a suitable source rock.

All three palaeochannels display up to 90m of channel fill, with fluvial and lignitic sequences up to 20-30m thick both above and below a regionally extensive sedimentary sequence. Some total-count gamma anomalism was detected at the boundary between these various sequences in addition to oxidised and reduced facies within them. Selected samples have been submitted for geochemical analyses and UEQ is reviewing the significance of the geophysical results as well as assessing the data in relation to the regional geological context.

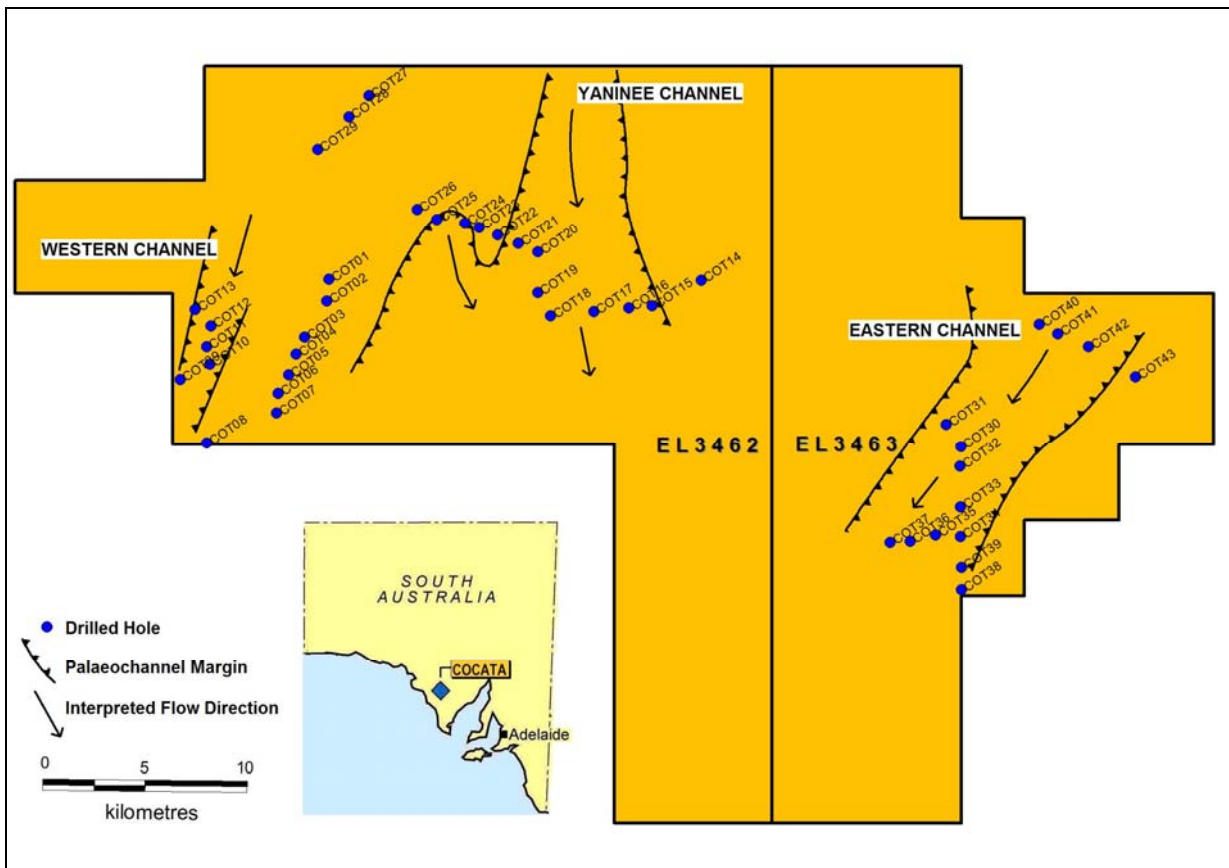


Figure 5 Cocata Drill Holes and preliminary interpretation of Tertiary palaeochannels

## IOCG Exploration

Drilling of two of the six gravity anomalies defined by the recent gravity survey is due to commence in early August, 2007. Detailed ground magnetic surveys for anomalies 1 and 2 are planned to further define potential drill targets and will be completed and interpreted by late July 2007. Silver Swan (SWN) intends to fly detailed aeromagnetic surveys over anomalies 3 to 6 inclusive, this work is currently scheduled for October 2007

### Anomaly 1

Anomaly 1 is located in the SW corner of the tenements and represents a ~3.25mGal gravity anomaly (Figure 6) which trends roughly NW. The anomaly was infilled to 200 x 200m spaced gravity data to better resolve the gravity feature. Anomaly 1 is oriented within regional NW trending faults which were active during the Hiltaba Suite tectonothermal event and is located near the margin of the Mesoproterozoic Itildoo Basin. This basin is a major zone of extension and may have played an important role in the intrusion of Hiltaba Suite granites into the area. The Blue Range Beds contain clasts of Gawler Range Volcanics suggesting a source of volcanics near the basin.

Two drill holes are planned to test this feature. The rock density ranges from 2.89 - 3.46g/cc (g/cc = gram per cubic centimetre) and depth to top of the feature is estimated to be between 140 - 300m. The gravity anomaly is coincident with a moderate magnetic anomaly. Modelling of the gravity data shows the rock body dips moderately to the north.

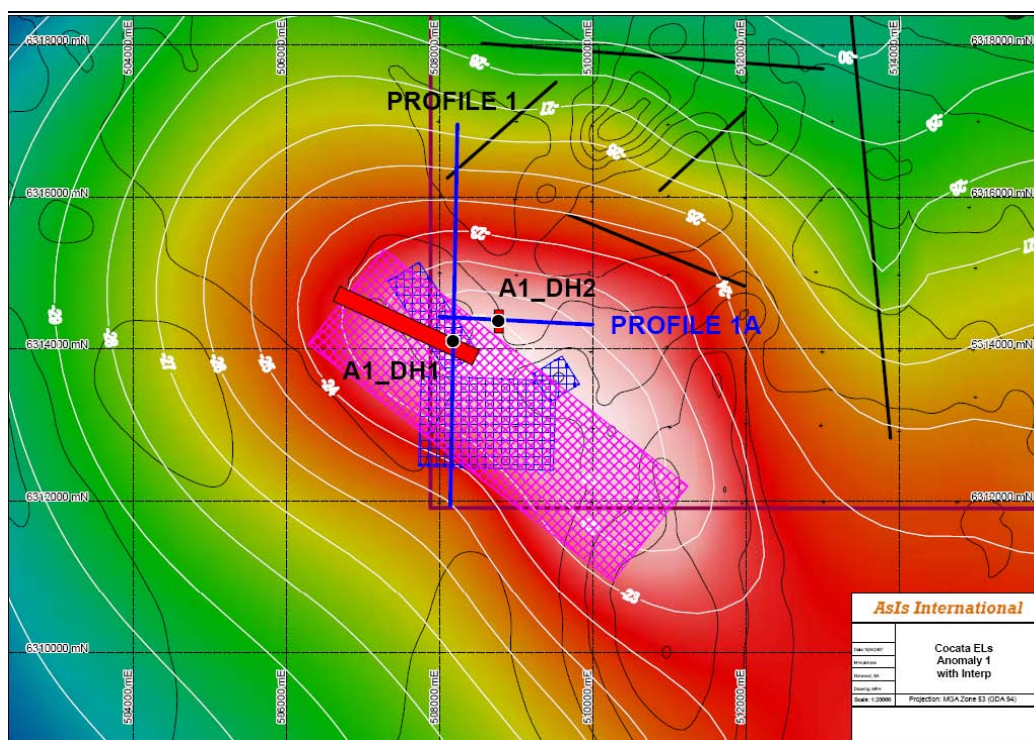


Figure 6 Gravity Anomaly 1 with model showing location of two proposed drill holes

### Anomaly 2

Anomaly 2 (Figure 7) is an isolated ~1.25mGal anomaly near outcropping Hiltaba Suite granite at Pordia Hill. Two sets of linear structures are apparent in the data defining rhombohedral bedrock blocks indicative of a tensional structural regime. The gravity high appears to be related to a diamond shaped block of higher density rocks. A subsidiary anomaly on the southwest margin of the overall gravity anomaly has the highest density at 3.6g/cc and based upon current data, hole A2-DH1 is planned to test this feature.

Anomalies 3 -6 are planned to be drilled at the end of the calendar year after the current crops are harvested.

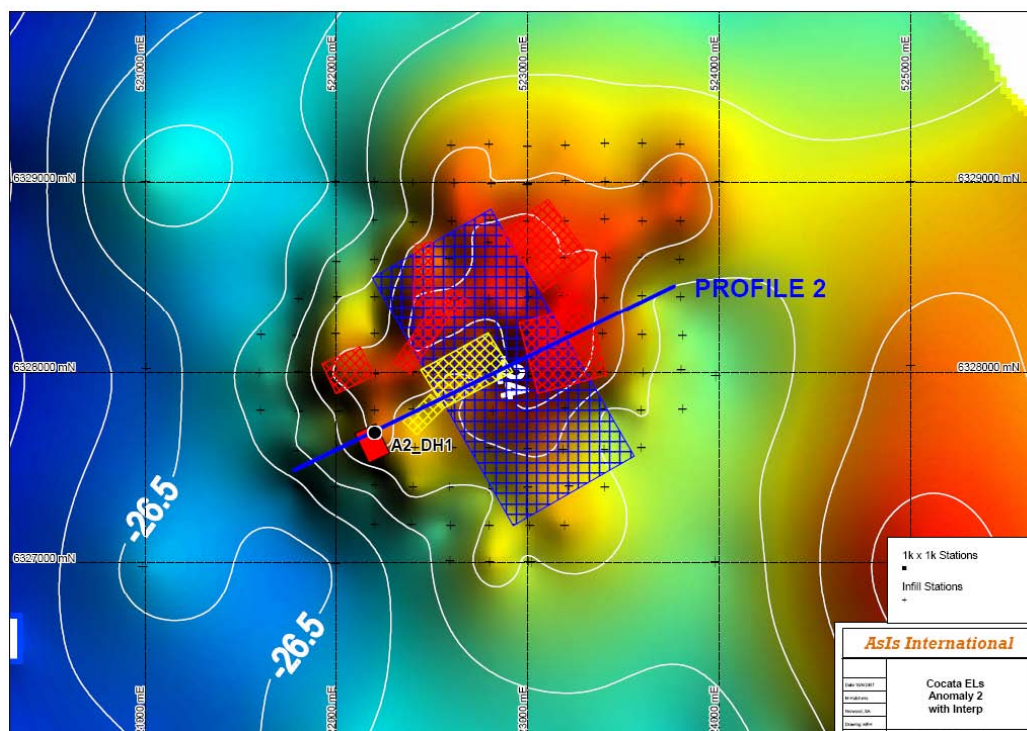


Figure 7 Gravity Anomaly 2 with model showing location of proposed drill hole

## WATSON PROJECT

(EL 3313 and 3323, ELA 379/06 – InterMet 100%, Uranium Equities Ltd earning 80% in uranium; Silver Swan Group earning 80% in all minerals with the exception of uranium)

***Rollfront Uranium, Nickel and Gold Targets***

### Uranium Exploration

An airborne electromagnetic (EM) survey over the Watson Project area has been completed. The survey was commissioned by InterMet's joint venture partners Uranium Equities Ltd (ASX:UEQ) to delineate palaeochannels for uranium exploration.

The survey was undertaken by Fugro Airborne Surveys Ltd and comprised approximately 2126 line km at 1km spacing. The survey will add to the previously flown EM data which covers a small part of EL 3323. Exploration drilling based on the initial EM survey returned anomalous uranium within the groundwater (up to 602ppb U) and elevated uranium within drill hole cuttings (max 70ppm U) is planned for next quarter.

## SOUTHERN GAWLER RANGE VOLCANIC PROJECT

(EL 3461, 3598 and 3612; ELA 83/07)

***IOCG and Orogenic/Epithermal Gold***

No exploration was undertaken during the quarter. InterMet is planning a regional 1 x 1km gravity survey.

## **GARFORD PROJECT**

**(ELA 683/06)**

***Archaean Lode Gold (Challenger Style) and IOCG***

ELA 683/06 has been offered by PIRSA and is currently being advertised and is expected to be granted within the next month. InterMet is currently working on the approvals to undertake detailed calcrete sampling once the tenement is granted.

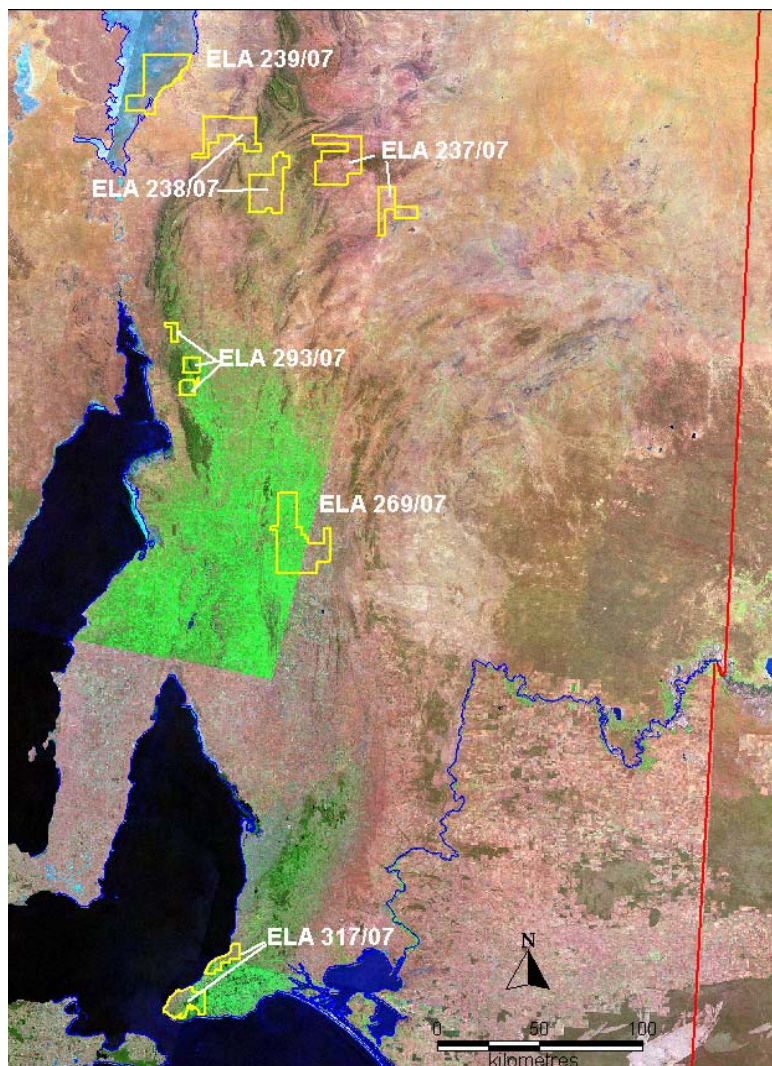
## **ADELAIDE FOLD BELT PROJECT**

**(ELA 239/07, 238/07, 239/07, 269/07, 293/07 and 317/07)**

***IOCG and Orogenic/Epithermal Gold***

InterMet Resources Limited (InterMet) (ASX:ITT) is pleased to announce that it has increased its tenement holdings with the recent application for six exploration licence applications (ELA's) within the highly prospective Adelaide Fold Belt (Figure 8). The Adelaide Geosyncline has a long history of mining with major copper mines opened at Kapunda (1842), Burra (1845) and Kanmantoo-Callington (1846).

Since announcing the new tenements on 13 June, InterMet has added ELA 317/07 to the Project. ELA 317/07 covers base metal mineralisation in the Rapid Bay area and the Sellicks Beach area.



**Figure 8 Location of the Adelaide Fold Belt Project**

**ABMINGA PROJECT**

**(ELA 236/07)**

***IOCG and Orogenic/Epithermal Gold***

InterMet has applied for a large tenement which covers an area of 983km<sup>2</sup> on the northern margin of the Gawler Craton. Very little exploration has been undertaken in the region and InterMet will undertake a 1 x 1km regional gravity survey when the tenement is granted in the search for gravity features which may represent potential IOCG targets.

*The information in this report that relates to Exploration Results is based on information compiled by Mr Gary Ferris, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Ferris is the Managing Director of InterMet Resources and has sufficient relevant experience to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Gary Ferris consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

For further information, contact:

Mr Gary Ferris  
Managing Director  
InterMet Resources  
Tel: +61 8 8351 3381  
Mob: 0423 259 488

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

INTERMET RESOURCES LIMITED

ABN

66 112 291 960

Quarter ended ("current quarter")

30 June 2007

### Consolidated Statement of Cash Flows

#### Cash flows related to operating activities

- 1.1 Receipts from product sales and related debtors
- 1.2 Payments for (a) exploration and evaluation  
(b) development  
(c) production  
(d) administration
- 1.3 Dividends received
- 1.4 Interest and other items of a similar nature received
- 1.5 Interest and other costs of finance paid
- 1.6 Income taxes paid
- 1.7 Other (provide details if material)

#### Net Operating Cash Flows

#### Cash flows related to investing activities

- 1.8 Payment for purchases of: (a) prospects  
(b) equity investments  
(c) other fixed assets
- 1.9 Proceeds from sale of: (a) prospects  
(b) equity investments  
(c) other fixed assets
- 1.10 Loans to other entities
- 1.11 Loans repaid by other entities
- 1.12 Other (provide details if material)

#### Net investing cash flows

- 1.13 Total operating and investing cash flows (brought forward)

	Current quarter \$A'000	Year to date (12 months) \$A'000
	(510)	(1,312)
	(129)	(418)
	34	178
	48	48
	(557)	(1,504)
	(18)	(45)
	(18)	(45)
	(575)	(1,549)

+ See chapter 19 for defined terms.

1.13	<b>Total operating and investing cash flows (brought forward)</b>	(575)	(1,549)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	6	15
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings	0	0
1.18	Dividends paid		
1.19	Other (provide details if material)	0	0
	<b>Net financing cash flows</b>	6	15
	<b>Net increase (decrease) in cash held</b>	(569)	(1,534)
1.2	Cash at beginning of quarter/year to date	2,544	3,509
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	1,975	1,975

**Payments to directors of the entity and associates of the directors**

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	77
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

**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

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

+ See chapter 19 for defined terms.

### 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		
3.2 Credit standby arrangements		

### Estimated Cash Outflows for Next Quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	
<b>Total</b>	500

### 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
5.1 Cash on hand and at bank	1,975	2,544
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)	1,975	2,544

### Changes in Interests in Mining Tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2		Interests in mining tenements acquired or increased		

+ See chapter 19 for defined terms.

### Issued and Quoted Securities at End of Current Quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	40,295,500	21,695,500		
7.4 Changes during quarter (a) Increases through issues Listed Options Exercised Restricted Ordinary Shares  b) Decreases through returns of capital, buy-backs	- 250,000	- Nil		
7.5 <b>+Convertible debt securities</b> Unlisted Unsecured Convertible Notes converting on or before				
7.6 Changes during quarter (a) Increases through issues				
7.7 <b>Options</b> Listed Unlisted ESOP Options ESOP Options	9,955,000 21,000,000 400,000 600,000	9,955,000 Nil Nil Nil	<i>Exercise price</i> \$0.20 \$0.20 \$0.33 \$0.30	<i>Expiry date</i> 30/11/2007 23/05/2010 19/12/2011 13/6/2012
7.8 Issued during quarter ESOP Options	600,000	Nil	<i>Exercise price</i> \$0.30	<i>Expiry date</i> 13/6/2012
7.9 Exercised during quarter Listed				
7.10 Expired during quarter				
7.11 <b>Debentures</b> (totals only)				
7.12 <b>Unsecured notes</b> (totals only)				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

\_\_\_\_\_  
Company Secretary

Date: 30/7/2007

Print name:

\_\_\_\_\_  
Ian Kirkham

## 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 "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **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.

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+ See chapter 19 for defined terms.