Tuesday, 7 August 2007

New Eyre Peninsula Tenement

Highlights

- EL 3862 (Mount Wedge) granted targeting uranium, gold, base metals and mineral sands.
- New $1 million joint venture with Uranium Equities Ltd for unconformity-related uranium and palaeochannel hosted uranium on the Mount Wedge tenement.

Summary

InterMet Resources Limited (InterMet) (ASX:ITT) is pleased to announce the granting of EL 3862 (Mount Wedge) of 700km². InterMet now has 16 granted tenements and three tenement applications covering 10,462km^2 located on the highly prospective Gawler Craton, and seven Exploration Licence Applications within the highly mineralised Adelaide Fold Belt.

EL 3682 is located on the western Eyre Peninsula and expands InterMet's Cocata Project acerage to 1,910km^2 (Figure 1).

Mount Wedge is a prominent topographic feature and is composed of Mesoproterozoic Blue Range Beds, a sequence of conglomeratic sandstones which unconformably overly interpreted Archaean basement.

InterMet believes the environment is right for **unconformity-related uranium** mineralisation. The Archaean basement rocks contain beds rich in carbonaceous material providing a suitable trap site while the Blue Range Beds contain clasts of Gawler Range Volcanics which are moderately enriched in uranium. The Itildoo Basin has undergone subsequent tectonic movement in the Permian Period (some several hundred million years ago) producing the Polda Basin, a deep sedimentary basin extending across central Eyre Peninsula.

InterMet believes Mount Wedge is also highly prospective for **Archaean hosted base metals**, iron oxide copper gold and gold only deposits and is planning magnetic and gravity surveys to define basement targets for drilling. The area is vastly under explored for basement hosted mineralisation and recent work to the south has outlined Archaean iron and base metal mineralisation hosted within Archaean sediments and volcanics.

To the south of EL 3862, drillhole BLDD04 at the Oakdale North prospect intersected 19.2m @ 1.77% zinc, 0.86% lead and 3.5ppm silver from 141.0m to 160.2m. This zone was underlain by 3.1m @ 4.92% zinc, 3.3ppm silver and 0.12ppm gold from 172.6m to 175.7m. The mineralisation occurred within a 92.3m zone averaging 0.67% zinc from 84.3m to 175.7m. Drillholes BLDD02 and BLDD03 at the Oakdale prospect intersected massive exhalative iron sulphides containing anomalous zinc. Drilling at Bramfield (BLDD06) intersected skarn iron mineralisation with a zone of 37.8m @ 40.4% iron from 87.3m to 125.1m. Figure 2 shows the location of these prospects in relation to EL 3862.

Operations Office
Unit 1
22 Maple Avenue
FORRESTVILLE SA 5035

Tel: +61 8 8351 3388
Fax: +61 8 8351 0023

InterMet Resources Limited
garyferris@intermetresources.com.au
info@intermetresources.com.au
ACN 112 291 960
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

Groundwater sampling by a previous explorer showed several interesting results. Two samples recorded high zinc to the east of Mount Wedge with values of 116 and 13 mg/l (Figure 3). These samples are from a zone of very acid groundwater which may be due to oxidising sulphides. This anomalous area may reflect sulphides along the margins of the Polda Trough. Previous exploration has reported galena, sphalerite and chalcopyrite within the heavy mineral fraction within samples collected for diamond exploration in the vicinity of Mount Wedge.

Tertiary sediments within the Polda Basin are considered prospective for **sandstone hosted rollfront uranium mineralisation.** Previous company drilling for coal within the Polda basin has intersected a thick sequence of interbedded sands and lignites. These sediments have not been extensively tested for uranium mineralisation.

In summary, the Mt Wedge tenement is prospective for the following mineralisation styles:

1. Mesoproterozoic unconformity-related uranium mineralisation
2. Archaean hosted base metals and gold mineralisation and related deposits
3. Base metals associated with the margins of the Polda Basin
4. Tertiary sandstone-hosted uranium mineralisation within upper sediments of the Polda Basin
5. Mineral sand mineralisation within Tertiary shorelines.

A recent gravity survey on EL 3462 and EL 3463 (Cocata Project) to the north has highlighted six potential **iron oxide copper-gold** (IOCG) targets and Silver Swan Group (ASX:SWN) are currently drilling two potential IOCG targets. The current regional gravity shows several potential gravity features on the Mount Wedge Tenement which may also represent IOCG targets. Figure 4 shows the regional gravity data for the Mt Wedge area with up to four interesting gravity features which require more detailed gravity data.

Mount Wedge Joint Venture

InterMet has executed a joint venture with Uranium Equities Ltd (ASX:UEQ) for unconformity-related mineralisation and palaeochannel hosted uranium on the Mt Wedge tenement . Under the joint venture, UEQ can earn up to an 80% interest in unconformity-related and palaeochannel uranium only from InterMet by spending $1M within four years on uranium exploration. **InterMet may elect to contribute pro-rata to expenditure once UEQ has earned a 51%** interest upon expenditure of $0.5M.

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

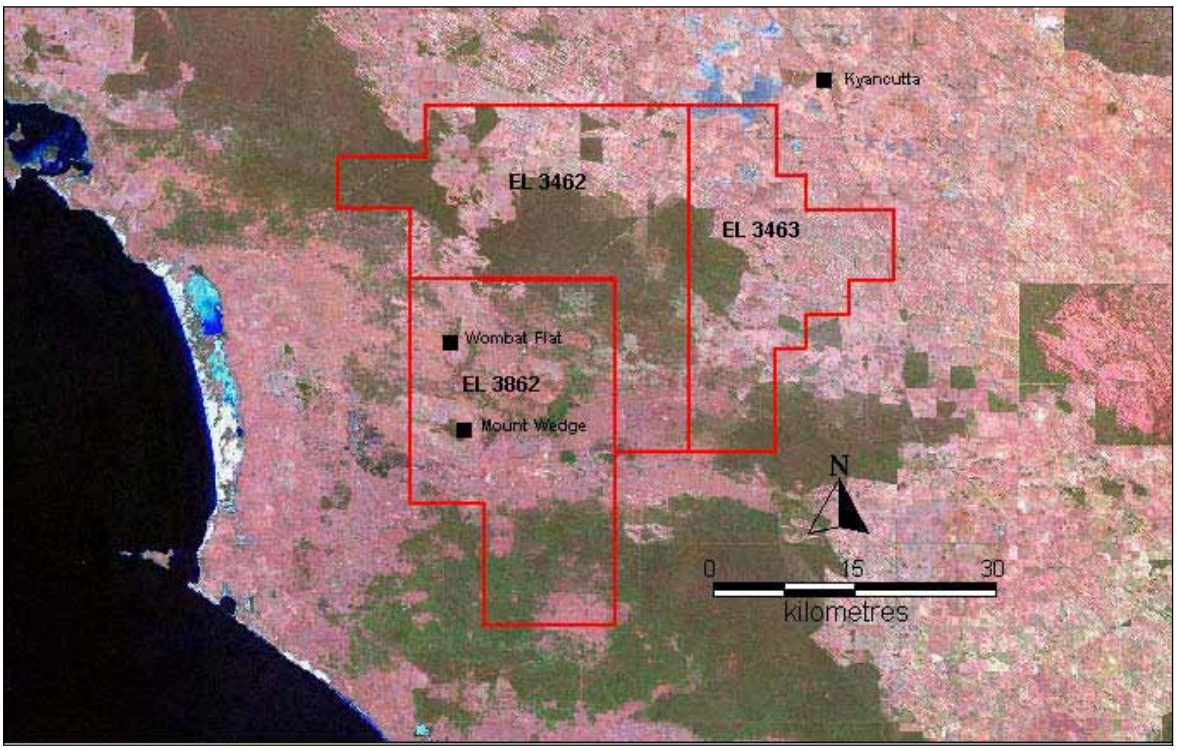

Figure 1 Location of EL 3862

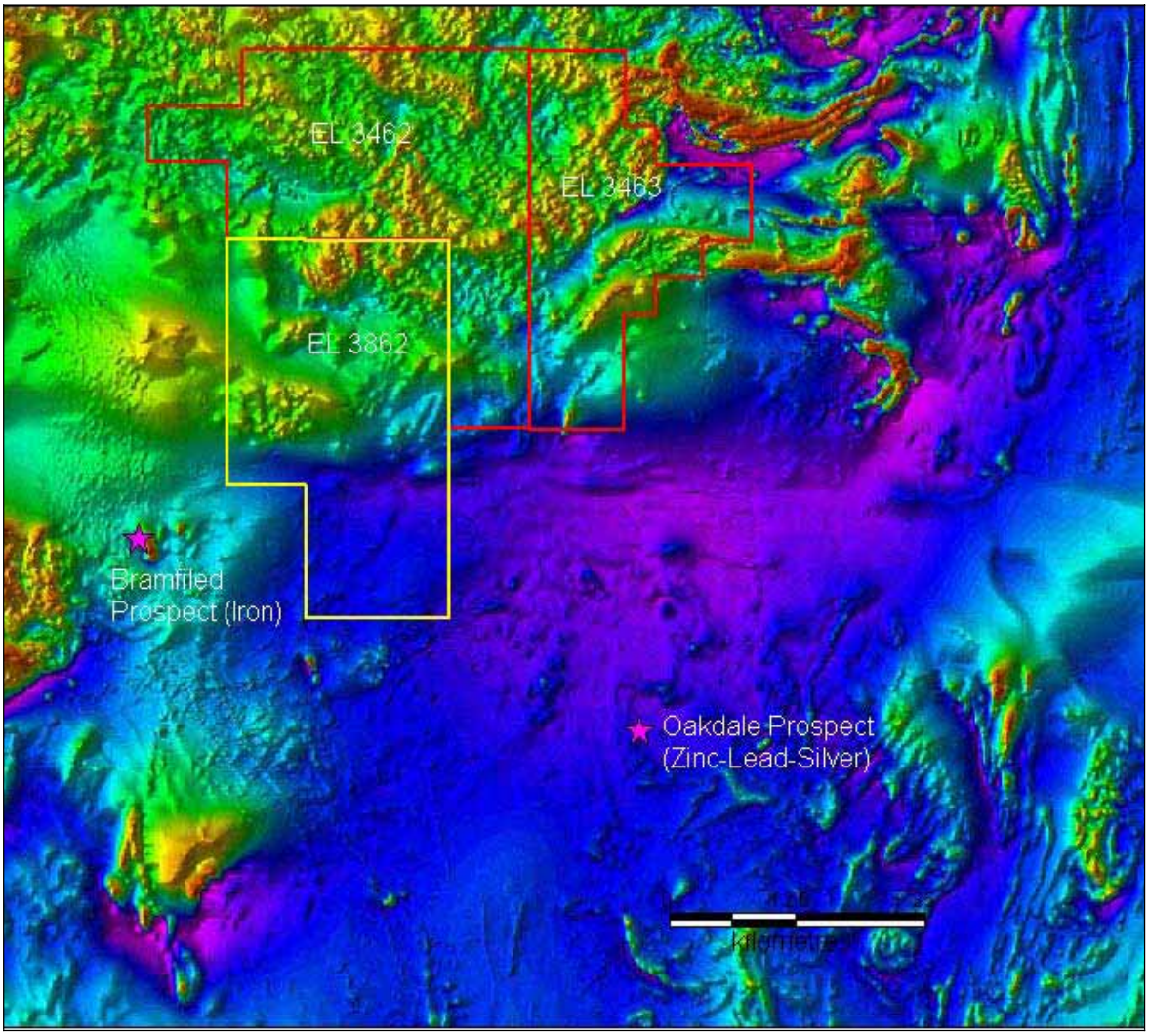

Figure 2 Location of anomalous drilling in the vicinity of EL 3862

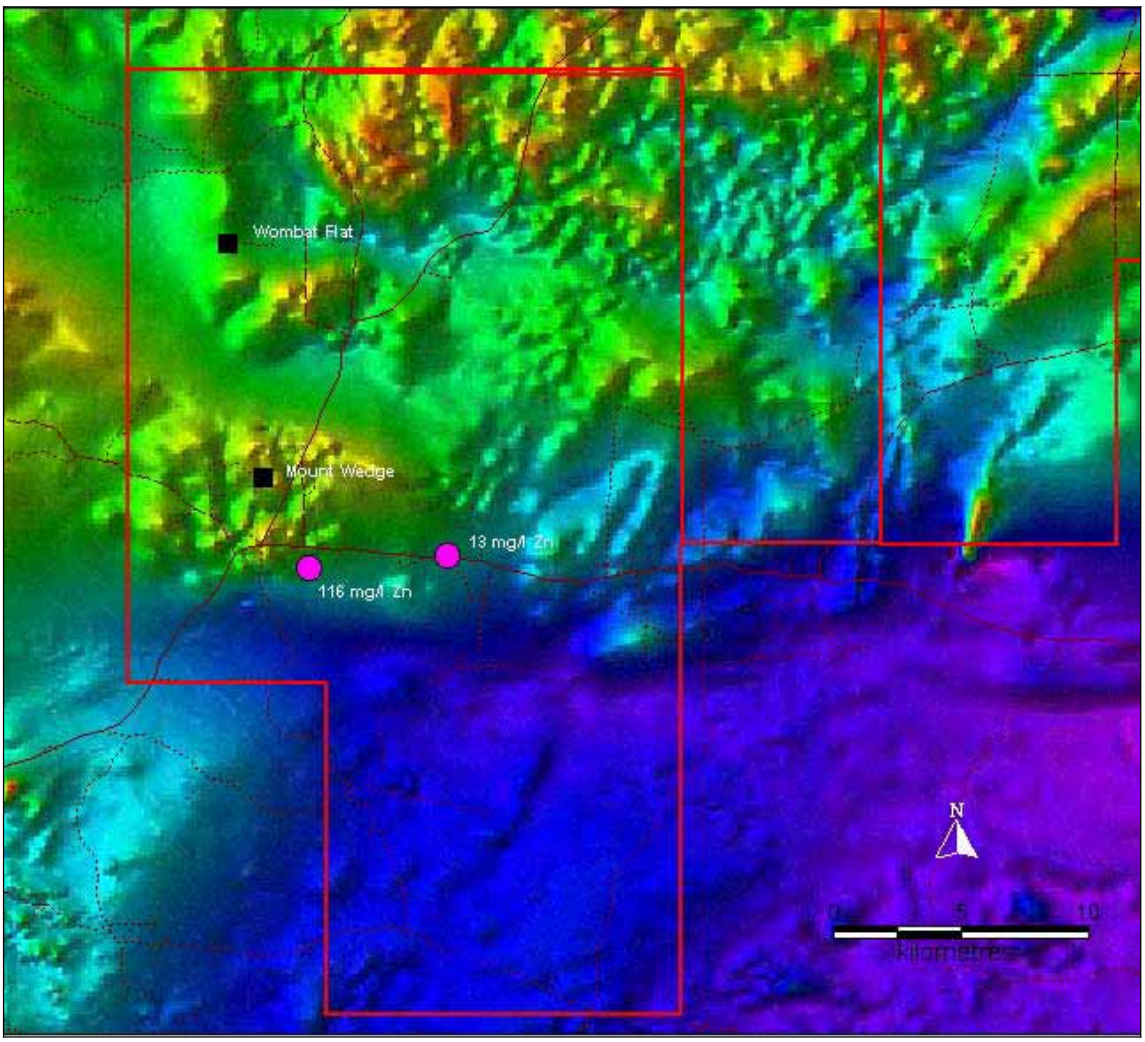

Figure 3 Location of two highly anomalous zinc groundwater samples

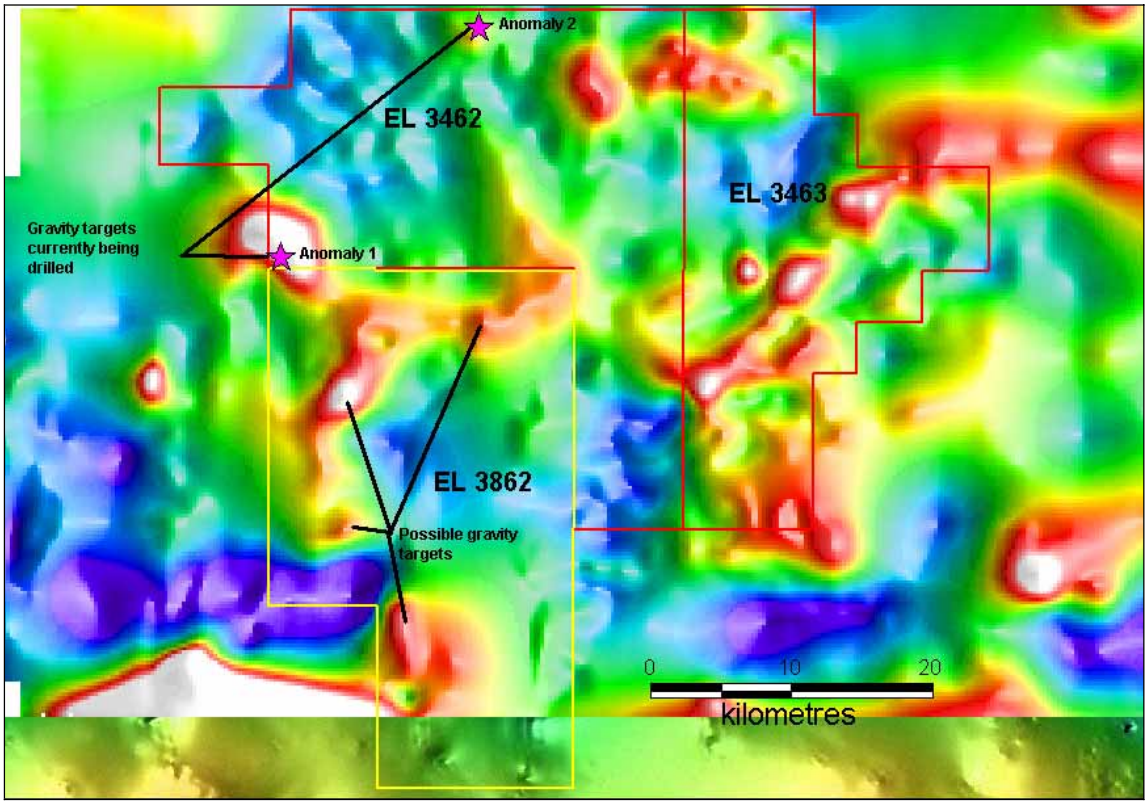

Figure 4 Regional gravity data for the Cocata Project