



Thursday, 20 September 2007

## **InterMet Acquires Queensland Copper, Gold & Base Metals Project Rock Chip Results up to 36.7% Copper**

### **Highlights**

- **InterMet acquires significant copper, gold and base metals project in Queensland**
- **Potential for large mineralised system**
- **Rock chip results up to 36.7% copper**
- **Potential for magnetite iron ore resource**

InterMet Resources Limited (InterMet) (ASX:ITT) is pleased to announce it has signed a purchase agreement for Exploration Permit Minerals (EPM) 15481, Mining Lease (ML) 3945 and a Mining Lease Application (MLA) 20426 in Queensland (Figure 1). The tenements are located approximately 15km west of the mining centre of Mount Garnet, which is 105km southwest of Cairns. InterMet has undertaken an extensive field investigation of the area, confirming good potential for economic mineralisation. In the Company's view, they have excellent potential for high grade copper, gold and base metals mineralisation.

The region is highly prospective for mineralisation ranging from the iron skarns and associated copper mineralisation to intrusion-related gold deposits. Recent research has reported similarities between known gold deposits in north Queensland; including Red Dome, Mt Leyshon and Kidston, which represent possible intrusion-related gold deposits. EPM 15481 represents a possible setting for intrusion related gold mineralisation related to Permo-Carboniferous granite within the region.

The Jessie Prospect (ML 3945) covers a copper rich magnetite skarn with potential for porphyry style copper mineralisation within the granodiorite. The mineralisation is exposed in a low hill approximately 50m above the surrounding plain. The summit of the hill is capped by a 10m thick layer of iron which grades >60% Fe (Table 1). Some of this also contains visible malachite along joints. Underlying the "ironstone" is an exposed zone approximately 30-40m thick of altered sediments and granodiorite with malachite dispersed throughout. InterMet interprets that the mineralisation extends to depth.

Recent sampling at the Jessie Prospect conducted by InterMet produced copper values

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(within the iron rich unit) up to 20.9% (Table 1). Within the copper rich zone of the sequence, copper assays ranged from 1.1% to 20.9%. Rock chip results provided by the Vendors to InterMet show the copper values are extremely high: up to 36.7% Cu with the majority of samples reporting >1% Cu (Table 1). The copper zone at the surface is approximately 170m in length by 40m wide and up to 30m thick at the summit of the hill.

Plate 1 shows copper within outcrop at Jessie and Plates 2 and 3 show copper rich samples (20.9% and 14.9% Cu respectively). A second iron rich outcrop was visited approximately 400m to the east of Jessie. This also contains bornite, suggesting there may be a bigger copper sulphide-rich system within the area.

InterMet plans to undertake a reconnaissance drilling program to test the regional copper prospects, as well as soil sampling along the prospective contact between the granite and sediments to define further drilling targets. InterMet plans to drill the Jessie Prospect upon granting, with a view to defining any potential resource within six months of grant.

InterMet is also looking at the potential for a small iron (magnetite) deposit at the Jessie Prospect and the surrounding outcrops. Inspection of the regional aeromagnetic data shows extensive areas of elevated magnetic intensity which may represent accumulations of magnetite-rich iron skarns (Figure 2). Four samples taken to test the iron content all report >61% Fe (Table 1) with low copper. InterMet will undertake further sampling including sulphur, phosphorous and silica content to test the quality of the iron.

Figure 2 shows other prospects within EPM 15481 on the regional aeromagnetic data. Prospective zones are located along the margins of the granite/sediment contact (granite is the blue body in the south east of the area and the red areas are sediments on the regional aeromagnetic image). The Jessie Prospect is located within Area #1 and two other copper prospects are located nearby. Area #2 comprises an elongate zone to the east of Area #1 along the margin of the granite. Area #3 contains the Paddy Prospect together with five other copper prospects.

The purchase agreement with local prospectors for EPM 15481, ML 3945 and MLA 20426 was signed this week for a consideration of \$300,000.

InterMet Resources' exploration strategy clearly states that the Company will "Undertake exploration principally for copper-gold-uranium, gold, nickel, uranium and base metals initially on the highly prospective Gawler Craton, then elsewhere in Australia". Consistent with our strategic intent we have undertaken to acquire projects in Queensland which will offer long term benefits to our shareholders.

*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.*

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**Table 1 Rock chip results from Jessie Prospect**

<b>Sample</b>	<b>Au (ppm)</b>	<b>Cu (%)</b>	<b>Zn (ppm)</b>	<b>Pb (ppm)</b>	<b>Ag (ppm)</b>	<b>Fe (%)</b>
43616	0.09	<b>3.6</b>	533	X	X	17.09
43617	<b>0.28</b>	<b>3.8</b>	400	X	X	10.18
43618	0.03	<b>1.1</b>	273	193	X	29.41
43619	<b>0.3</b>	<b>10.5</b>	370	X	X	9.59
43620	0.13	<b>3.1</b>	722	X	X	11.36
43621	0.02	0.1	852	X	X	<b>65.27</b>
43622	<b>0.84</b>	0.1	687	X	X	<b>62.95</b>
43623	0.1	<b>4.2</b>	710	360	X	26.18
43624	0.07	<b>3.7</b>	553	516	27	8.88
43625	0.09	<b>3.9</b>	2348	3048	X	38.42
43626	<b>0.48</b>	<b>5.7</b>	605	X	X	8.81
43627	0.01	<b>0.6</b>	114	X	X	3.03
43628	<b>0.43</b>	<b>20.9</b>	200	805	10	0.89
43629	0.18	<b>14.9</b>	208	X	63	1.48
43630	0.01	<b>0.3</b>	692	111	X	51.3
43631	X	<b>0.9</b>	127	X	X	3.46
43632	0.02	<b>0.7</b>	136	X	X	3.9
427934*	<b>0.52</b>	<b>1.62</b>	196	41	2	7.82
427935*	0.05	<b>4.56</b>	570	404	7.5	1.0
427936*	0.03	0.06	659	65	<0.5	<b>64.4</b>
427938*	0.07	<b>2.21</b>	612	398	1.5	48.9
427939*	0.02	0.56	617	450	0.5	<b>61.0</b>
JES 1*		<b>36.7</b>	365	173		
JES 2*		<b>25.0</b>	396	116		

\* rock chip results provided to InterMet by vendors



Figure 1 Location of EPM 15481

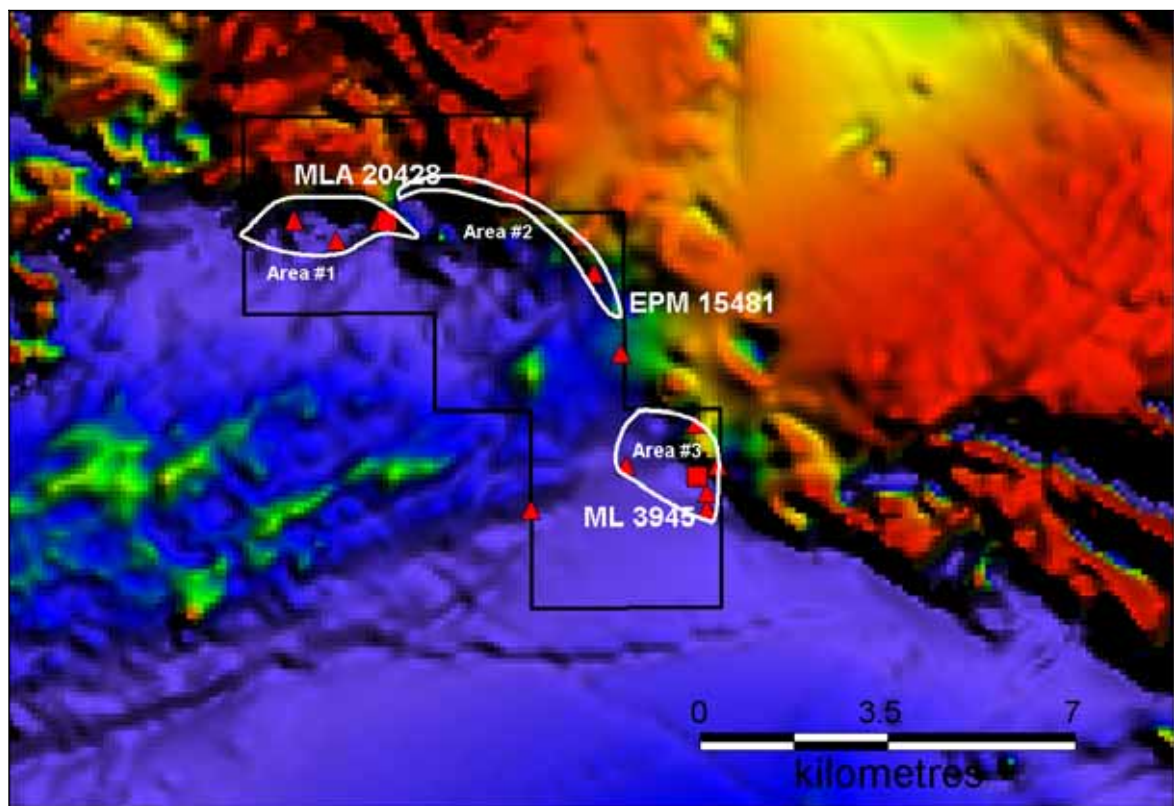


Figure 2 Regional aeromagnetic data showing location of prospective zones along the contact between the granite and sediments



**Plate 1 Copper (malachite) within granodiorite at Jessie Lease within EPM 15481**



**Plate 2 Sample 43628 which assayed 20.9% copper**



**Plate 3 Sample 43629, assaying 14.9% copper, is from the granodiorite near the base of the hill, suggesting possible depth to the mineralisation**