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Uranium Groundwater Sampling Program Completed at Coultas Project

High-Resolution Radiometric and Aeromagnetic Survey Completed at Wanilla

Highlights

- A total of 108 groundwater bores sampled at Wanilla to test for uranium within palaeochannels on the Coultas Project, South Australia.
- High-resolution radiometric and aeromagnetic survey completed at Wanilla (EL 3702) to assist in defining basement structures which may have an influence on the morphology of palaeochannels within the region.
- Airborne electromagnetic survey planned for palaeochannels on Coultas Project to assist in defining the morphology of the palaeochannels and in targeting areas conducive for uranium deposition.

Introduction

InterMet Resources Limited (InterMet) (ASX:ITT) is pleased to announce the completion of a major groundwater sampling program and the completion of a high-resolution radiometric and aeromagnetic survey on EL 3702 (Wanilla). InterMet has a joint venture over EL 3314 and EL 3702 comprising ~2,000km of land which contains the Cummins, Wanilla and an unnamed palaeochannel (Figure 1) with Uranoz Ltd (ASX:URO). Uranoz can earn a 51% interest in uranium by spending \$750,000 in two years.

Groundwater Sampling Program

Uranoz has completed a groundwater sampling program on the Coultas Project aimed at defining zones of anomalous uranium within groundwater. Sampling groundwater is a cost effective method of delineating areas worthy of follow-up work, including drilling. Groundwater sampling allows the sampling of areas in which transported sediments do not allow the sampling of overlying surface media, which is the case on much of western Eyre Peninsula.

Previous studies on the effectiveness of groundwater sampling for uranium have shown that characteristics which distinguish ore environments from non-mineralised zones include neutral pH, equilibrium with carbonate minerals and a high degree of decomposition and wide distribution of associated carbonaceous matter (Giblin, 1987).

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A total of 108 water bores were sampled and all samples have been submitted to a groundwater laboratory for analyses. Uranoz have engaged Dr Neil Rutherford, principal of Rutherford Mineral Resource Consultants to oversee the analyses and interpret the results. Rutherford Mineral Resource Consultants provide specialist services in the application of groundwater geochemistry for uranium exploration.

Radiometric and Aeromagnetic Survey

A high-resolution, 100m spaced radiometric and aeromagnetic survey has just been completed on EL 3702 (Wanilla). This survey will provide high-quality data which will assist in defining surface radiometric anomalies and assist in defining basement structures which may have an influence on the morphology of palaeochannels within the region.

An earlier radiometric survey over EL 3314 defined a prominent uranium anomaly to the east of Lake Malata (Figure 2). Previous exploration by Uranerz (Australia) Pty. Limited and Endeavour Oil NL just to the south of this radiometric anomaly highlights the prospectively of the Coultas area for uranium mineralisation within Tertiary palaeochannels:

- Drilling by Endeavour Oil 5km to the south of the radiometric anomaly reported a maximum reading in hole KAPI 26A of 990cps, which is theoretically equivalent to 790ppm U or 930ppm U_3O_8 . Maximum assay value from drill samples was 130ppm (153ppm U_3O_8). Endeavour considered the disequilibrium between the gamma log results and the assays as poor representation of the side wall samples from the drill hole suggesting that the results understate the true uranium content.
- Uranerz undertook a regional exploration program and drilled 24 holes on southern Eyre Peninsula. All holes were gamma logged with four holes recording anomalous uranium, one of 200cps (Note: 200cps represents ~0.025% eU_3O_8). Hole U22 located near hole KAPI 26A described above recorded anomalous gamma but only the base of the hole was sampled (and hence, not tested). Both drill holes described above are shown on Figure 1.

Previous exploration provides encouragement that these palaeochannel sequences on the Coultas Project potentially contain significant uranium within the system and have suitable chemical sediments to provide a potential trap site. No detailed exploration has been undertaken to follow-up these results.

The groundwater sampling program together with information from the radiometric and aeromagnetic surveys will greatly assist in defining areas of anomalous uranium and direct future exploration within the region.

AEM Survey

Uranoz is planning a major airborne electromagnetic (AEM) survey to further assist in defining the morphology of the palaeochannels to assist in targeting areas conducive for uranium deposition.

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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Reference cited in text

Gilblin, A.M., 1987. Applications of groundwater geochemistry to genetic theories and exploration methods for Early Tertiary sediment-hosted uranium deposits in Australia. *Uranium*, 3, p165-186.

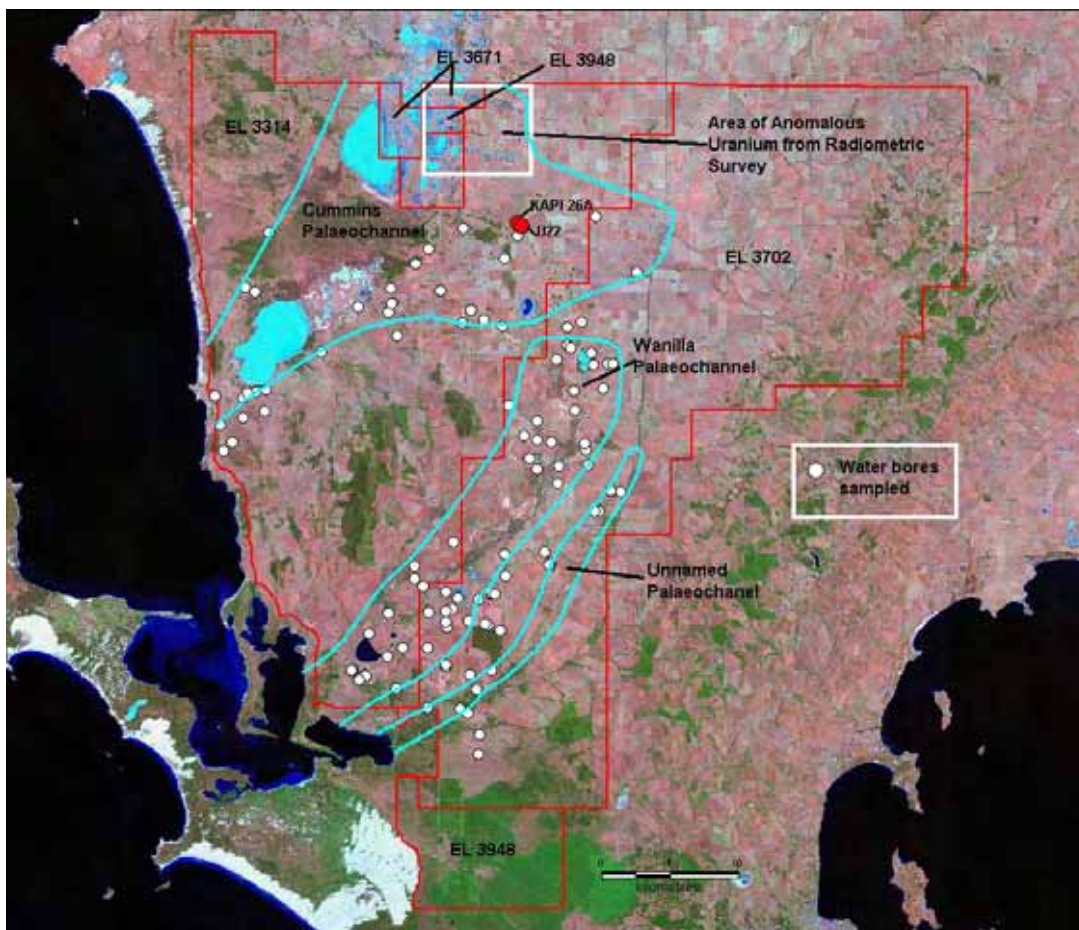


Figure 1: Location of InterMet's Coultla project on Southern Eyre Peninsula showing location of water bores sampled.

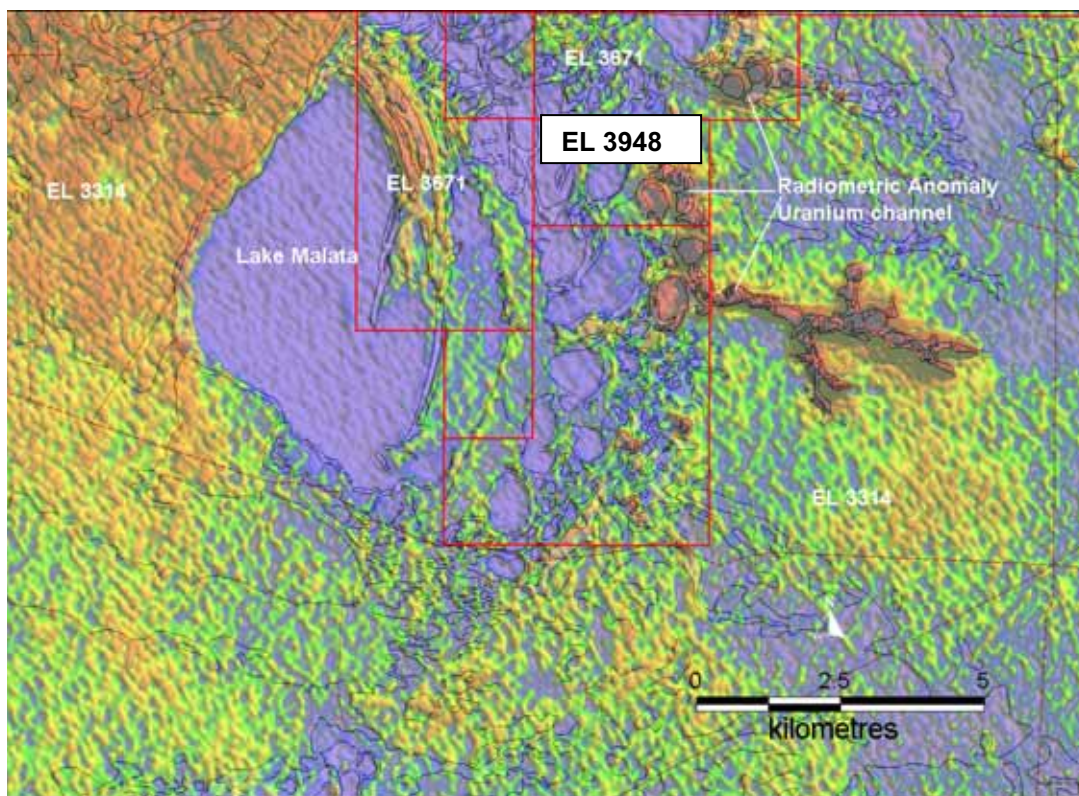


Figure 2: Uranium radiometric anomaly delineated by radiometric survey over EL 3314 flown by InterMet.