Tuesday, 16 October 2007

InterMet Adds to its Impressive Portfolio of Queensland Base Metals Project

Rock Chip Assays Produce up to 26.7% Zinc and 198g/t Indium

InterMet Resources Limited (InterMet) (ASX:ITT) is pleased to announce that it has signed a purchase agreement for Mining Lease Application (MLA) 20424 in Queensland (Figure 1). The tenement is located approximately 10km north of the mining centre of Mount Garnet, some 105km southwest of Cairns.

The addition of this tenement is part of a major new exploration push by InterMet into a highly mineralised province in northern Queensland.

Managing Director, Gary Ferris commented that "InterMet has now acquired an interest in two projects in northern Queensland and is looking at other projects with a view to establishing a strong exploration presence in Queensland to complement its South Australian projects. The presence of massive sulphides in outcrop is very exciting and InterMet plans to drill this project as soon as practicable after the Lease is granted".

The "Ann" MLA covers an outcrop of massive sulphides zinc-lead-silver along the banks of a creek containing gossanous material. Approximately 300m from this massive sulphide is an old copper working, the Brilliant shaft. Linking the shaft and the mineralisation in the creek is a low ridge of brecciated and quartz veined quartzite and conglomerate with zones of malachite.

The massive sulphide layer within the creek is ~1m thick, but occurs at the base of the outcrop at creek level, so the vertical thickness is unknown but InterMet believes it extends to depth. The rocks above the massive sulphide layer still contain sulphides, and the gossanous material contains boxwork structures, evidence that it once contained sulphides. The mineralised outcrop is approximately 50m in length but the vertical and lateral extent is unknown and will need to be defined by geophysical methods (IP or EM) and drilling.

If the mineralisation within the creek continues with depth and along strike to the Brilliant pit, it could represent a significant deposit, which is ideally located approximately 10km north of the Kagara Zinc mine and processing plant at Mount Garnet. The estimated resource at Mount Garnet includes an inferred resource of 1,450,000 tonnes grading 6.5% Zn equivalent (ZnE); an indicated resource of 2,020,000 tonnes grading 6.8% ZnE, and a measured resource of 470,000 tonnes grading 7.3% ZnE (source Kagara prospectus).

The mineralisation at Mount Garnet occurs in steeply dipping calc-silicate skarn which was formerly a limestone and calcareous mudstone, similar to the lithologies at Ann. Mineralisation at Mount Garnet ranges from 2 to 23m wide and is dominated by sphalerite and magnetite with accessory chalcopyrite and galena.

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InterMet has signed an Option Agreement with the vendors and will undertake an IP survey followed by RC drilling to test the vertical and lateral extent of the mineralisation before deciding upon the final purchase of the project. The mineralisation is polymetallic with zinc-lead-silver and copper. The mineralisation also contains highly anomalous indium up to 198g/t. Indium is primarily used to form transparent electrodes in liquid crystal displays, such as LCD computer monitors and television screens. The price of Indium has increased from US$70/kilo in 2001 to over US$1000/Kilo in 2006.

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:

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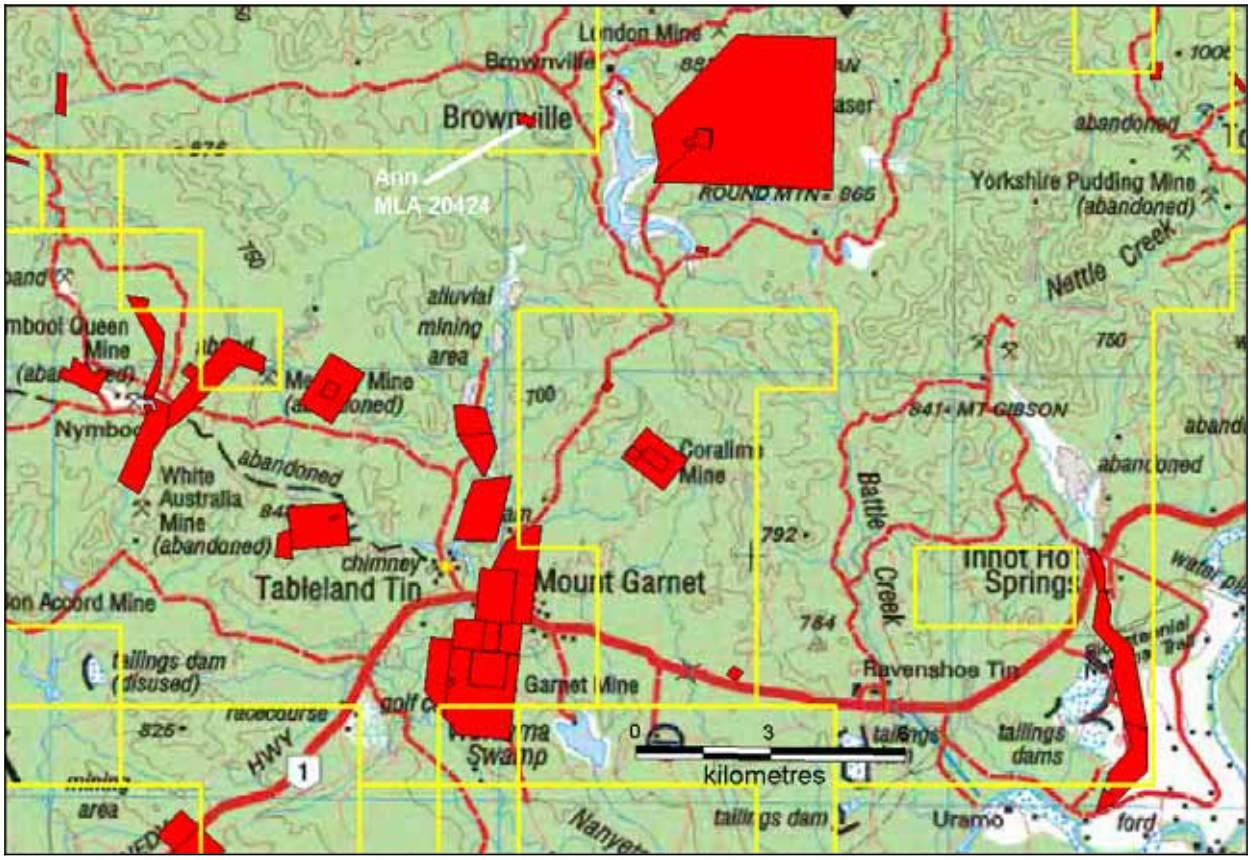

Figure 1: General location of MLA 20424

Plate 1: Zone of massive sulphides within creek at Ann Prospect

Plate 2: Boulder of massive sulphide mineralisation within the creek

Plate 3: Detailed view of galena rich boulder from creek at Ann Prospect

Plate 4: Brilliant pit – located ~300m from outcrop within creek – copper mineralisation