



Friday, 16 November 2007

Queensland Project Update

Highlights

- **InterMet to assess the potential for iron mineralisation at Jessie Lease, to add to iron mineralisation at Paddy lease**
- **Drilling of copper on Jessie Lease planned for January-February 2008**
- **Drilling of iron at Paddy Lease planned for January-February 2008**
- **Geochemical sampling program to explore 12km of highly prospective contact zone on EPM 15481**
- **Scoping study planned to investigate economic factors and metallurgical properties of iron at Paddy, Mt Ruby, Mt Lucy and Jessie Prospects to assist fast tracking projects**
- **Beaks Mountain (EPM 16596) granted to InterMet**
- **InterMet applies for tenement near Beaks Mountain EPM**
- **InterMet relinquishes EPM application in the North Palmer River area (EPM 16742)**

Introduction

The Directors of InterMet Resources (ASX:ITT) are pleased to announce details of the expanding portfolio of projects in northern Queensland and short-term exploration program. The location of InterMet's current Queensland project portfolio is presented in Figure 1. InterMet is looking at commencing drilling in January-February 2008 to define potential iron mineralisation at Paddy and copper mineralisation at Jessie Leases. InterMet will also be undertaking regional exploration on the newly granted Beaks Mountain tenement in the search for porphyry copper-molybdenum mineralisation.

EPM 15481 (including ML 3945 "Paddy" and MLA 20428 "Jessie")

InterMet has previously announced stellar geochemical results for the area, including iron up to 69% at the Paddy Lease, copper up to 36% at the Jessie Lease, and gold up to 7.8 g/t together with anomalous zinc (1.2%) and lead (2.4%) from an area to the north of the Paddy Lease (Plates 1 and 2).

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InterMet is now focused on planning drilling programs aimed at:

- Defining depth and extent of iron mineralisation within ML 3945;
- Defining copper mineralisation at MLA 20428;
- Testing anomalous gold rock chip results from north of ML 3945;

InterMet is preparing a major soil sampling program across EPM 15481 to further define copper, gold and base metal anomalies for future drilling.



Plate 1 Small magnetite pit, Paddy Prospect

A detailed aeromagnetic/radiometric over most of the EPM is also planned to assist in defining the full extent of the iron at the Paddy and Jessie leases as well as assisting with structural and exploration models of the region.



Plate 2 Skarn copper outcrop, Jessie Prospect

InterMet will assess the potential of the iron mineralisation at the Jessie Lease, adding further resources to the iron at the Paddy Lease. Initial iron sampling at the Jessie Lease shows values between 61-64.4% Fe.

InterMet will drill up to 10 holes to define the full thickness and depth of the iron at Jessie to define a potential iron resource for this area. A recent field visit discovered an outcrop of iron 500m south of the Paddy Lease which suggests that the iron mineralisation is more widespread than previously interpreted.

Mt Ruby (MLA 20414)

The Mt Ruby iron prospect is located approximately 21km south-southwest of the town Herberton and 25km northeast of Mt Garnet (Figure 1).

The Mining Lease Application covers a hill of outcropping ironstone surrounded by a zone of magnetite-rich float. The iron at Mt Ruby comprises a magnetite skarn and the iron assays up to 69.48% Fe with low phosphorous and silica (Plate 3).



Plate 3: Magnetite at Mount Ruby

Previous ground magnetic data shows a magnetic anomaly larger than the observed outcrop suggesting a greater zone of mineralisation. InterMet is planning a helicopter based aeromagnetic survey (helimag) to define the extent of the magnetite body and assist in the planning of a drilling program. InterMet will undertake bulk sampling to define metallurgical properties of the magnetite upon the granting of a Mining Lease.

Mt Lucy (MLA 20488)

Mt Lucy is located approximately 112km northwest of Mount Garnet and 5km west of the town Almaden (Figure 1).

Mt Lucy is comprised of an ironstone hill approximately 300m long and rising roughly 100m above the plain. The ironstone unit extends approximately 800m from the top of Mt Lucy to a small rise near the highway. The iron at consists of coarse-grained magnetite with magnetite cubes up to 5cm across (Plate 4). The magnetite is very high-grade with iron up to 70.18% Fe and very low phosphorous (generally 0.01 ppm) and silica. InterMet is targeting defining a potential high-grade magnetite deposit up to 10Mt based on a thickness of 80m.



Plate 4: Coarse grained magnetite, Mount Lucy

InterMet is planning a helimag survey over the tenement to delineate the magnetite body to assist drilling. InterMet will also undertake bulk sampling of the iron once the Mining Lease has been granted.

Mt Lucy is also prospective for gold and base metals along the western edge of the skarn contact zone. A geochemical program will be carried-out to further assess its potential.

Ann (MLA 20424)

Ann (MLA 20424) is located approximately 10km north of the mining centre of Mount Garnet, which is located 105km southwest of Cairns (Figure 1). The “Ann” MLA covers an outcrop of massive sulphides zinc-lead-silver within a creek, with rock chip results up to 26.7% zinc and 198g/t Indium. The mineralised outcrop is approximately 50m in length but the vertical and lateral extent will need to be defined by geophysical methods (IP or EM) and drilling.

Exploration Applications (EPM's)

EPM 16578 Beaks Mountain

Beaks Mountain (EPM 16578) is InterMet's first EPM to be granted in Queensland. The area is considered highly prospective for porphyry copper-molybdenum mineralisation with a recent field visit showing the area to contain visible copper and molybdenum. InterMet is planning a major soil sampling and regional mapping program with a view to drilling by mid-2008.

EPM 16742 North Palmer River

InterMet has relinquished its application for this tenement. Investigation of access and the geological setting downgraded the potential of this area to host an economic gold deposit.

EPM 16743 Font Hills

InterMet is awaiting the grant of this tenement to commence on-ground exploration. InterMet believes this area is highly prospective for vein-hosted gold and tin-tungsten mineralisation associated with the intrusion of granites into sediments of the Hodgkinson Formation. The Hodgkinson Basin also contains numerous alluvial gold mines with gold being sourced from such mineralisation. The Font Hills area incorporates a large granite intrusion displaying a prominent contact aureole suggesting a major thermal and possible mineralising event.

There is also a major northwest trending shear zone within the EPM and InterMet will be undertaking soil sampling, stream sediment sampling and geological mapping programs once the tenement is granted.

EPM 16758 Mt Madden

Mt Madden is located approximately 25km to the northwest of Font Hill (EPM 16743) in a location InterMet considers to be prospective for vein-hosted gold and tin-tungsten mineralisation associated with the intrusion of granite into sediments. Pan sampling within creeks around Mt Madden has reported both gold and tungsten, making this area highly prospective. InterMet will be undertaking soil sampling, stream sediment sampling and geological mapping programs once the tenement is granted.

EPM 16935 Louisa Mountain

Louisa Mountain is located approximately 85km southeast of Townsville (Figure 1) and comprises 33 sub-blocks. This EPM is located close to Beaks Mountain (EPM 16578) and contains porphyry intrusives considered prospective for epithermal gold-silver and copper molybdenum mineralisation.

Summary

InterMet Resources is preparing to commence exploration on several fronts in northern Queensland. InterMet is planning a major drilling program at the Paddy Lease to delineate the depth and extent of the magnetite mineralisation due to commence in January/February 2008. A mapping and soil sampling program is planned at the newly granted Beaks Mountain EPM in the search for copper-molybdenum and gold mineralisation.

InterMet is also planning helimag surveys over the magnetite prospects at Mount Lucy, Mount Ruby, as well as Paddy to define the trend of the magnetite and assist with locating drillholes with respect to dip of the magnetite bodies. InterMet is currently awaiting the final assignment of EPM 15481 and once finalised will undertake drilling at the Jessie copper prospect. InterMet is hopeful the assignment of EPM 15481 will occur within the coming weeks and can undertake the drilling at Jessie in conjunction with the planned drilling at the Paddy prospect.

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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