

Tuesday, 20 November 2007

InterMet Acquires Option Over Bonanza Grade Gold Projects

InterMet to Commence Gold Exploration in December 2007

Highlights

- InterMet signs Option Agreement over Union Mine and Percy West Mining Leases
- Rockchip results up to 197g/t Au at the Union Mine
- Union Mine historically very rich with bonanza gold grades up to 1,000g/t Au reported
- Union Mine also very rich in copper – historical grades ~20% Cu
- Rockchip values up to 390g/t Au at Percy West prospect.

InterMet Resources Limited (InterMet) (ASX:ITT) is pleased to announce it has signed an Option Agreement for two Mining Leases over very promising gold prospects in Queensland. The two Mining Leases are located in the Percyvale area, approximately 100km south of Georgetown (Figure 1).

The addition of these Leases is part of a major new exploration push by InterMet into a highly mineralised province in northern Queensland. Commenting on the gold projects, Managing Director Gary Ferris said “InterMet has been looking for advanced gold projects to add to its iron ore, copper and base metals projects recently acquired in northern Queensland. Securing granted Mining Leases provides InterMet with the ability to fast track exploration with a view to progressing these prospects through to mining if a resource can be established”.



Plate 1: Gold from the Percyvale area
Note: some of the gold is from the two leases, but all collected from within 5km of the leases – gold supplied by A Zabel, Leaseholder.

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Union Mine

The Union Mine is located south of the Georgetown township (Figure 1) and was historically a very rich mine with gold up to 1,000g/t and copper up to 20%. Much of the gold in this region was associated with sulphides preventing economical treatment of the ore; consequently most of the historical mining was within the oxide zone.

The group of workings contains three distinct lodes, the Union, Cranky Dick, and Walkers. Only the Union was worked extensively and was known for its bonanza grade with a sample from a stope reported to 96.46oz Au per tonne.

The average grade after hand sorting was 20-25% copper and 6.43oz Au and 13.5oz Ag. Coarse-gold is still collected from the surface (Plate 2) and sampling by InterMet reported gold up to 197.42g/t (Figure 1; Table 1).



Plate 2: Gold from Union Mine
Sample provided by A Zabe, Leaseholder

Total recorded production from this mine is 4,173 tonnes of ore yielding 4,729.18oz of bullion gold and a further 1965.05oz Au, 8216.38oz Ag and 59.7t Cu. It appears mining stopped due to the high percentage of sulphides within the ore and reaching the water table.

The mine was explored recently by Kidston Gold Mines Ltd targeting oxide ore to put through the gold plant at Kidston Gold Mine. Kidston undertook an IP survey which defined an IP anomaly to the north of the original ore body. This was not drilled by Kidston and represents a potential gold-sulphide mineralised zone. InterMet will model the IP data and plan to drill this conductive feature in early 2008.

Kidston excavated eight costeans at the Union Mine area to test the extent of mineralisation and define the structural orientation of the lodes. The costeaning showed the lodes dip to the north at ~40°. The best gold grades from the costeans are listed below:

- 32m @ 4.52 g/t Au (costean UC03)
- 8m @ 2.27 g/t Au (costean UC04)
- 2m @ 14 g/t Au (costean UC04)
- 44m @ 1.21 g/t Au (costean uC04).

Kidston drilled 12 holes for 1,152m in the search for oxide ore and the best intersections reported are listed below:

- 2m @ 24.3 g/t Au (hole PVRC2 44-46m)
- 2m @ 9.85 g/t Au (hole PVRC3 52-54m)
- 6m @ 4.77 g/t Au (hole PVRC8 6-12m)
- 2m @ 3.4 g/t Au (hole PVRC7 52-54m).

InterMet believes a deeper sulphide-rich ore body is located down-plunge from the original lode and is reflected as a significant conductive body on the IP survey. The bonanza grade of the sulphide ore makes this prospect a high priority for InterMet and the Company is planning surface mapping to assist with a planned drilling program in the first quarter of 2008.

Percy West

Percy West is located ~5 km from the Union Mine (Figure 1), and represents a different style of mineralisation from the Union Mine. Gold is hosted within either steeply dipping shear zones or thin surface gossans.

InterMet recently visited the area and collected 10 samples, with the gold values ranging from 0.47g/t to 390.61g/t (Figure 1; Table 2). This area has not received detailed exploration and InterMet plans to undertake surface mapping and sampling commencing in December to assist with a drilling program planned for early 2008.



Plate 3: Gold within quartz from Percy West Lease
Sample supplied by A Zabel, Leaseholder

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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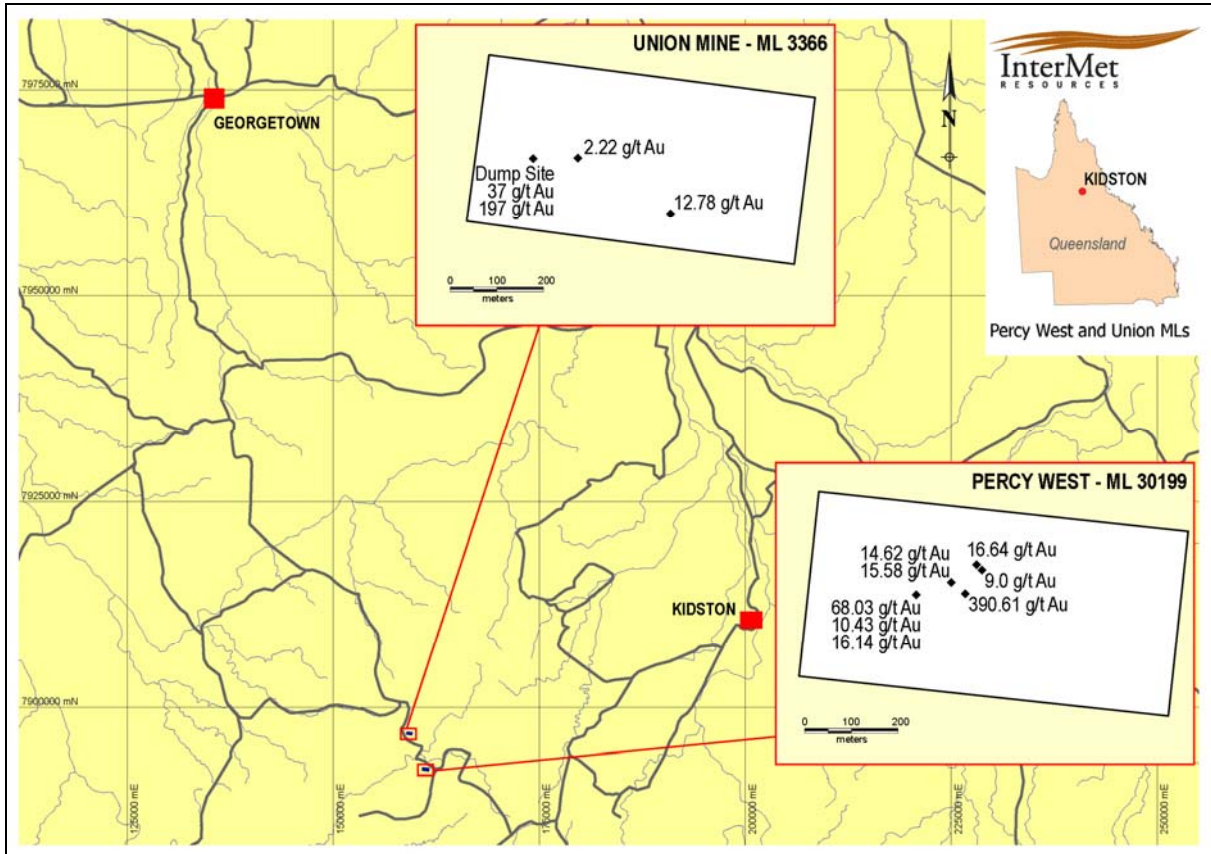


Figure 1: Location of Union Mine (ML 3366) and Percy West (ML 30199) Mining Leases and location of samples collected by InterMet

Table 1: Gold assay results from the Union Mining Lease

Sample No	Easting	Northing	Description	Au (ppm)
124999	790760	7897700	chalcopryrite ore from dump site	37.25
125000	790760	7897700	galena rich ore from dump	8.81
RV001	790760	7897700	Ferruginous quartz	34.98
RV002	790858	7897698	malachite ore	2.22
RV003	790858	7897698	quartz- with minor iron	0.1
RV004	790858	7897698	quartz with boxworks (ex-sulphides)	0.93
RV005	791052	7897572	small pit - country rock	0.21
RV006	791052	7897572	country rock	0.12
RV007	791052	7897572	country rock with vein	12.78
RV008	791052	7897572	Quartz – minor iron	0.77
RV009	791052	7897572	Quartz – minor iron	0.82
RV010	791268	7897457	gossan sample from small pit	0.25
RV011	791227	7897428	gossan with minor quartz	1.37
RV014	791227	7897428	Dump sample – abundant chalcopryrite	197.42
Union1	790760	7897700	oxidised copper and qtz and chalcopryrite	82.26
Union2	790760	7897700	chalcopryrite ore from dump	45.49
Union3	790760	7897700	Oxidised white sulphide and quartz	88.71

Table 2: Gold assay results from the Percy West Lease

Samp No	Easting	Northing	Description	Au (ppm)
RV015	792740	7893420	Fe-gossan - hosted within rhyolite	4.06
RV016	792740	7893420	Fe-quartz gossan	390.61
RV017	792710	7893446	small pit - quartz vein layer	14.82
RV018	792710	7893446	small pit - quartz vein layer	15.58
RV019	792635	7893422	quartz gossan vein	0.47
RV020	792635	7893404	Thin layer quartz gossan	68.03
RV021	792635	7893404	Thin layer quartz gossan	10.43
RV022	792635	7893404	Thin layer quartz gossan	16.14
RV023	792778	7893470	quartz gossan with minor stockworks	9
RV024	792767	7893483	quartz gossan with stockworks	16.64