Thursday, 29 November 2007

Results Confirm Iron Potential at Paddy Prospect

Highlights

- **Rock chip results show iron values between 59.8 – 68.2% Fe**
- **All samples low in Phosphorous**
- **Heli-mag survey planned to define extent of magnetite**
- **Drilling planned for January-February 2008**

InterMet Resources Limited (ASX:ITT) advises that geochemical assay results from recent reconnaissance mapping and sampling at the Paddy Prospect, located near Mt Garnet have been received. The results confirm the high-grade nature of the iron at the surface with results between 59.8 and 68.2% Fe (Table 1). Eighteen samples were collected from surface outcrops to determine the grade of iron across the prospect. The average grade reported is 65.7% Fe.

Only three samples reported <65% Fe (124824, 124831 and 124837) and these samples reflect either weathered samples or samples with accessory garnet (Table 1). The presence of small zones of garnet is not envisaged as a problem with the iron grading ~60% Fe. It is envisaged that the garnet would be readily removable by magnetic separation, thereby improving the grade. The current pit at Paddy shows the weathering zone is very shallow (~1m deep).

InterMet has a drill rig booked for January-February 2008 to undertake a preliminary drilling program aimed at defining the depth and extent of the iron mineralisation. Initial drilling will include between 20-40 holes down to 100m which will assist in defining the thickness and shape of the mineralisation.

InterMet is also planning to take a bulk sample of iron from the Paddy pit for full metallurgical testing to assist with marketing if sufficient depth is defined by the drilling. InterMet is also planning a helicopter based aeromagnetic survey (Heli-mag) over the Paddy, Mt Ruby and Mt Lucy iron prospects to assist in defining the extent of iron mineralisation on these projects.

Several rock chip samples were collected from the granite located near the Paddy prospect to test for the presence of gold, base metals and tin-tungsten mineralisation. A sample from near the pit assayed 0.44% tin and 0.24% tungsten. This result is seen as encouraging and InterMet will undertake further sampling aimed at investigating the tin-tungsten potential of the ground surrounding the Paddy iron prospect. The Mount Garnet area is a rich tin area with numerous hard rock occurrences of tin and several large alluvial tin fields.

InterMet will also be drilling between 10-20 holes in the Jessie copper prospect located approximately 10km northwest of Paddy at the completion of the drilling there. The drilling program is aimed at defining the thickness of the copper mineralisation and to test the thickness

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of the magnetite at the Jessie prospect. InterMet has previously reported copper up to 36% and iron up to 64.4% Fe from the Jessie 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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Table 1: Assay results for rock chip samples from Paddy Iron Prospect

Samp No.	Easting	Northing	Fe	Fe	Fe2O3	P2O5	SiO2	LOI
			XRF78S	ICP40Q	XRF78S	XRF78 S	XRF78 S	XRF78 S
			0.01	100	0.01	0.01	0.05	-10
			%	(ppm)	%	%	%	%
124823	287666	8044445	**68.2**	705000	97.5	0.02	2.01	0.126
124824	287680	8044451	60.9	569000	87.0	0.03	7.51	1.71
124825	287687	8044451	**65.6**	629000	93.8	0.04	3.06	1.08
124826	287687	8044451	**67.6**	677000	96.7	0.03	1.87	0.456
124827	287690	804446	**65.8**	647000	94.1	0.07	3.2	0.966
124828	287687	8044470	**65.7**	692000	93.9	0.04	3.05	0.772
124829	287733	8044553	**65.6**	626000	93.8	0.06	3.32	1.93
124831	287749	8044508	59.8	659000	85.5	0.18	11.2	1.35
124834	287727	8044550	**67.2**	596000	96.1	0.02	2.67	0.771
124836	287696	8044561	**66.9**	565000	95.7	0.03	2.27	1.26
124837	287696	8044561	61.7	616000	88.3	0.06	8.85	2.04
124843	287643	8044539	**68.1**	565000	97.3	0.02	1.83	0.633
124844	287643	8044539	**67**	624000	95.8	0.02	2.45	0.678
124845	287639	8044510	**66.3**	712000	94.8	0.02	2.9	0.158
124846	287536	8044619	**68.1**	730000	97.4	0.02	2.18	0.376
124847	287524	8044635	**66.1**	708000	94.5	0.06	2.81	0.882
124848	287586	9044569	**65.2**	679000	93.3	0.03	3.94	0.865
124849	289695	8044536	**67.5**	722000	96.5	0.02	2.73	0.441

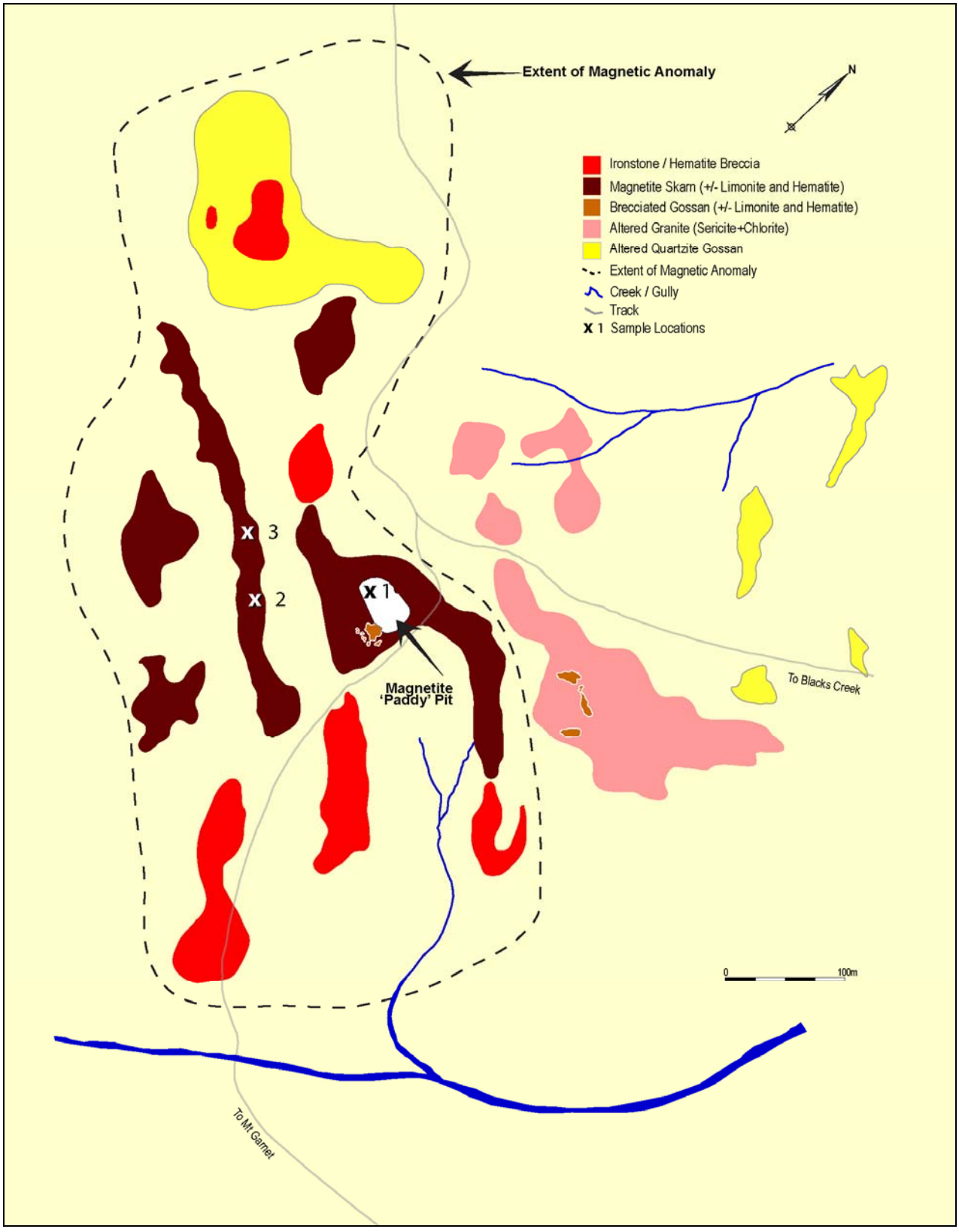

Figure 1: Geological plan of Paddy Prospect
(sample assays Site 1:65.7-67.2% Fe; Site 2: 67-68.1% Fe; Site 3: 66.1-68.1% Fe)

Plate 1: Iron from Paddy Pit – site 1 on Figure 1

Plate 2: Iron from near site 3 on Figure 1. Massive crystalline magnetite