



Tuesday, 4 December 2007

Base Metal and Copper Tenements Granted to InterMet

InterMet Plans to Commence Exploration in Early 2008 for Lead-Zinc, Copper and Gold Mineralisation within Adelaide Fold Belt

InterMet Resources Limited (ASX:ITT) is pleased to announce that it has been granted two new tenements within the highly prospective Adelaide Fold Belt, South Australia. EL 3992 (Rapid Bay) was granted on 26 November and EL 3966 (Leighton) was granted on 29 October 2007. These two tenements form part of InterMet's Adelaide Fold Belt project with a further three tenements expected to be granted by the end of the year.

This package of tenements has been applied for as a new project aimed at searching for base metals, stratiform copper and vein hosted/shear hosted gold mineralization within Cambrian and Adelaidean sediments deformed and intruded by granites during the Delamerian Orogeny.

Rapid Bay (EL 3992)

EL 3992 is located on the Fleurieu Peninsula south of Adelaide (Figure 1) and is primarily focussed on potential base metal deposits similar to the Angas and Wheal Ellen deposits. EL 3992 contains numerous old mines and prospects (see Table 1) with two types of mineralisation; base metal (lead-zinc-silver±copper) and gold-arsenic. Figures 2 and 3 show the location of base metal and gold prospects within EL 3992.

Lead-Zinc-Silver Mineralisation

Located within the southern part of EL 3992 is the Talisker mineral field centred on the Talisker lead-zinc-silver mine. The Talisker Mine is located approximately 5km east of Cape Jervis and was opened in 1862 and worked until 1872. The mineralisation occurs within quartz veins carrying sulphides and several deep shafts up to 130m deep were sunk. Ore totalling 1,590 tons was produced; representing 120,000oz silver, up to 1,000t of lead and 300t of arsenic.

The Angas zinc mine operated by Terramin Australia Ltd is located 2km from the township of Strathalbyn, 60km south-east of Adelaide (Figure 1). Current zinc resources in three shoots are 3.04Mt grading 11.1% Pb+Zn; 34g/t Ag and 0.5g/t Au. Mining reserves of 2.34Mt have been defined for an initial 7 year operation. Annual ore throughput at the Angas zinc mine, when fully operational in 2008 is expected to ramp up to 400,000t, producing at peak 65,000t zinc and 24,000t copper-lead concentrate annually (*source: Terramin Australia Ltd website*).

The Wheal Ellen prospect owned by Hillgrove Resources Ltd is located 40km east south east of Adelaide and 8km north of Strathalbyn, and 7km along strike from the Angas mine (see Figure 1). Wheal Ellen is named after the historic silver-lead-zinc mine at the centre of the

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tenement which was worked primarily in the 1850's and produced an estimated 75,000t at an overall grade of 25% zinc, 20% lead and 12oz/t silver (*source: Hillgrove Resources website*). Recent drilling by Hillgrove Resources has included:

- **5m at 4.55% lead, 4.94% zinc, 103g/t silver and 1.69g/t gold in WHRC031**
- **4m at 4.23% lead, 5.98% zinc, 120g/t silver and 1.21g/t gold in WHRC032.** This includes 1m @ 10.7% lead, 14.69% zinc, 363g/t silver and 1.57g/t gold
- **8m at 3.55% lead, 7.41% zinc, 92.13g/t silver and 1.52g/t gold in WHRC033.** This includes 2m at 9.46% lead, 20.64% zinc, 356.5g/t silver and 4.39g/t gold.

InterMet believes the southern Fleurieu Peninsula offers significant potential for further discoveries of lead-zinc-silver mineralisation along strike from the Talisker mineral field.

Gold Mineralisation

Within and just outside EL 3992 are several gold and gold-arsenic prospects. At Grundy Gold Mine (Figure 3), gold up to 6.79g/t was sampled by InterMet. Gold mineralisation is hosted within quartz-ironstone lodes and five samples all reported anomalous gold (6.79, 1.6, 2.11, 0.74 and 0.76 g/t Au) and one sample reported 1.82% Bismuth, suggesting a possible intrusion-related gold system. Plate 1 shows quartz-ironstone outcrop near the Grundy Mine.



Plate 1: Quartz-ironstone at Grundy Gold Mine

At Ropers Mine (located outside EL 3992), a narrow arsenic-rich vein is hosted within sediments (Plate 2). Assay results showed gold up to 44.99g/t and arsenic up to 34.7%. Complete gold assays included 10.3g/t, 1.95g/t, 2.99g/t and 11.77g/t and arsenic results included 29%, 17.5%, 10.6%, 20% and 16%. Although this is from a very small system and is located outside the tenement, this shows this area has potential for gold mineralisation. Limited soil sampling on the Fleurieu Peninsula has shown numerous lead and arsenic anomalies which InterMet will follow-up early in 2008.



Plate 2: Narrow arsenic-rich sulphide vein with gold up to 44.99g/t

Leighton EL 3966



Plate 3: Small copper-rich pit with elevated gold located on EL 3966

EL 3966 is located approximately 200km north of Adelaide and 5km west of the historic Burra Copper Mine (Figure 1). This tenement was selected to target copper and gold mineralisation hosted with Burra Group sediments. A small pit located within the northern part of the tenement contains visible copper (malachite, azurite – see Plate 3) and geochemical analysis reported copper up to 29.74% and gold up to 3.93g/t. Other copper values included 20.25%, 9.95% and 6.6% and two other samples reported gold >1 g/t (2.84 g/t and 1.31 g/t).

The copper pit above is located within a strong aeromagnetic feature and InterMet plans to undertake soil sampling within this area to define potential drill targets. Initial exploration will comprise a major regional high-resolution aeromagnetic survey over all tenements in conjunction with soil sampling to provide targets for drilling planned for mid-late 2008.

Summary

InterMet has recognised that the Adelaide Fold Belt represents a major exploration province which is highly mineralised, evidenced by the abundant old mines and prospects. The granting of EL 3966 and EL 3992 opens up a new opportunity for the Company to make a major discovery within an area which has not received major modern exploration. The majority of the mines and prospects within the Adelaide Fold Belt are sited on outcropping zones of mineralisation and the region was extensively explored by prospectors during the 1800's. The Adelaide Fold Belt has not been extensively drilled away from the major mines and represents a new exploration target for InterMet.

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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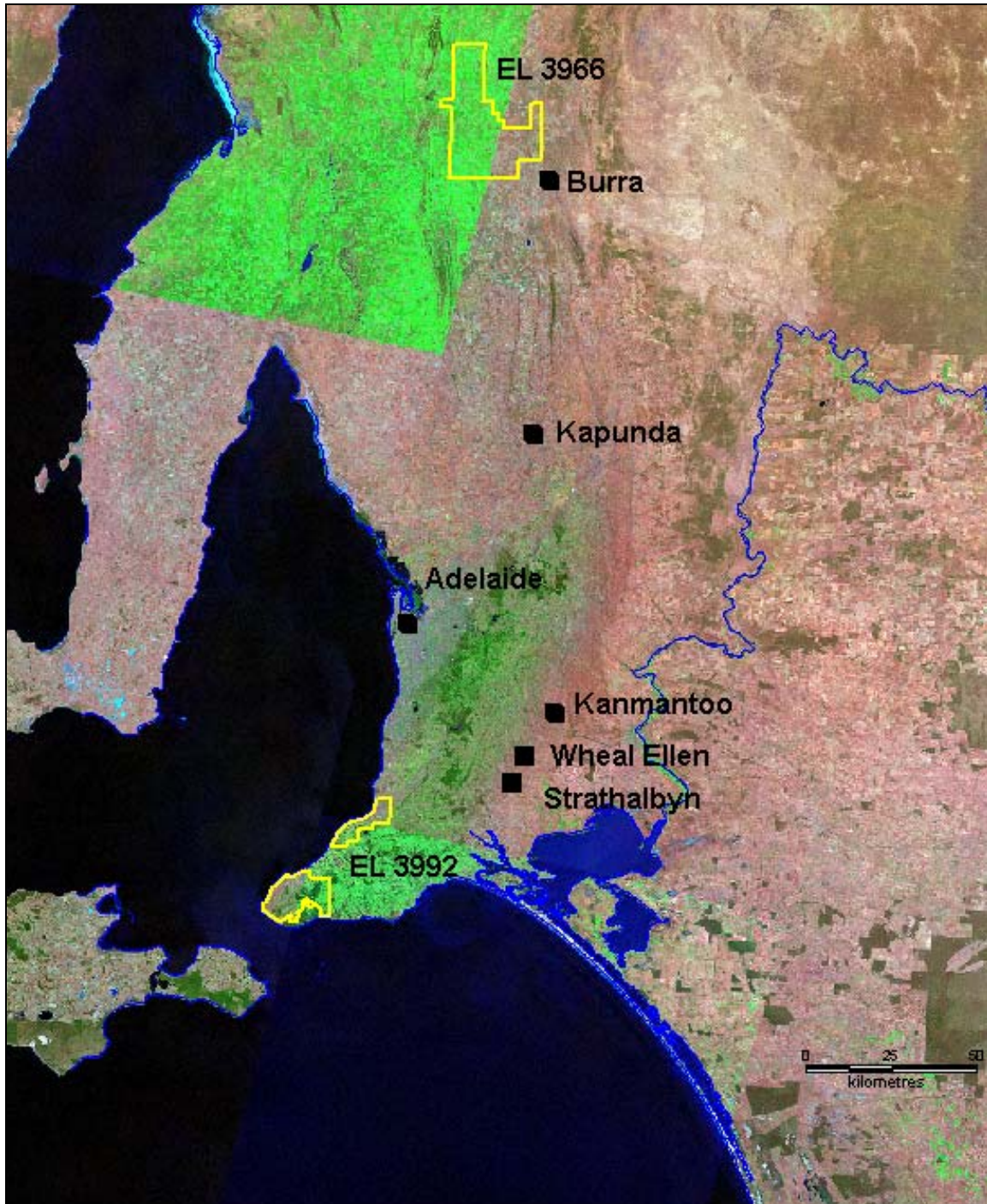


Figure 1: Location of EL 3992 (Rapid Bay) and EL 3966 (Leighton)

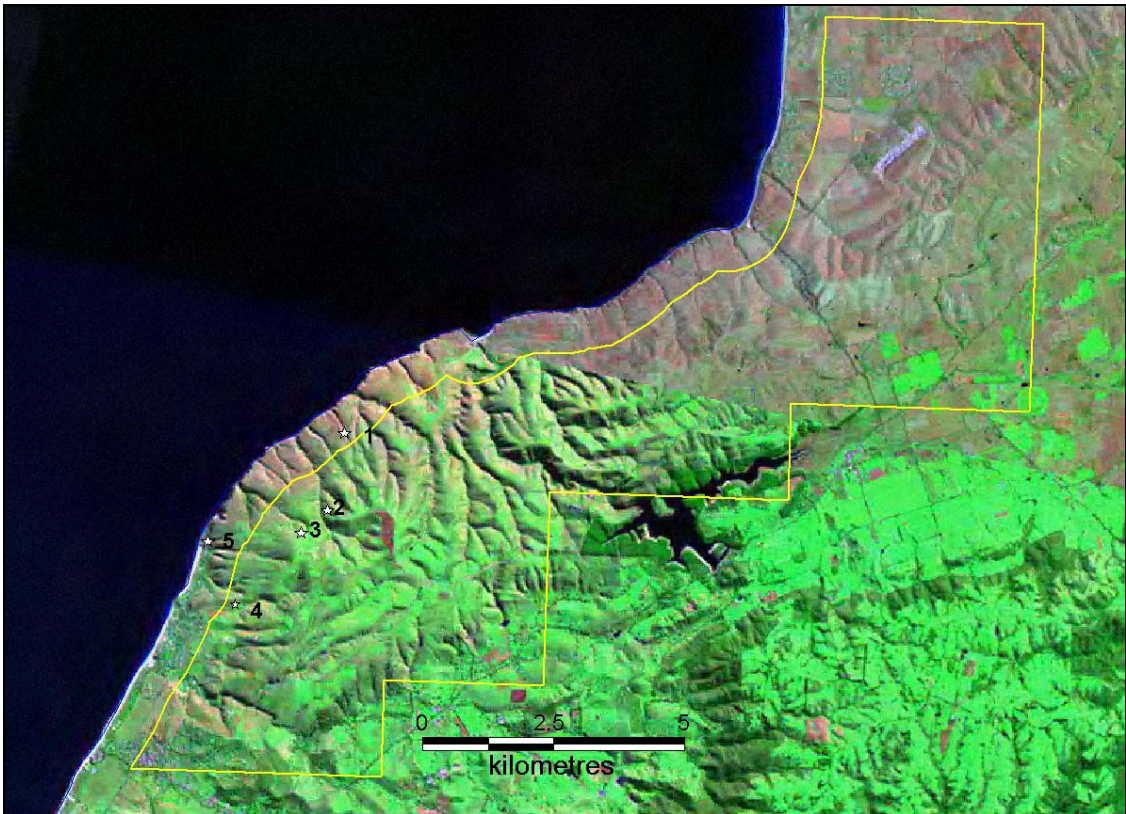


Figure 2: Location of mines/prospects on northern part of EL 3992

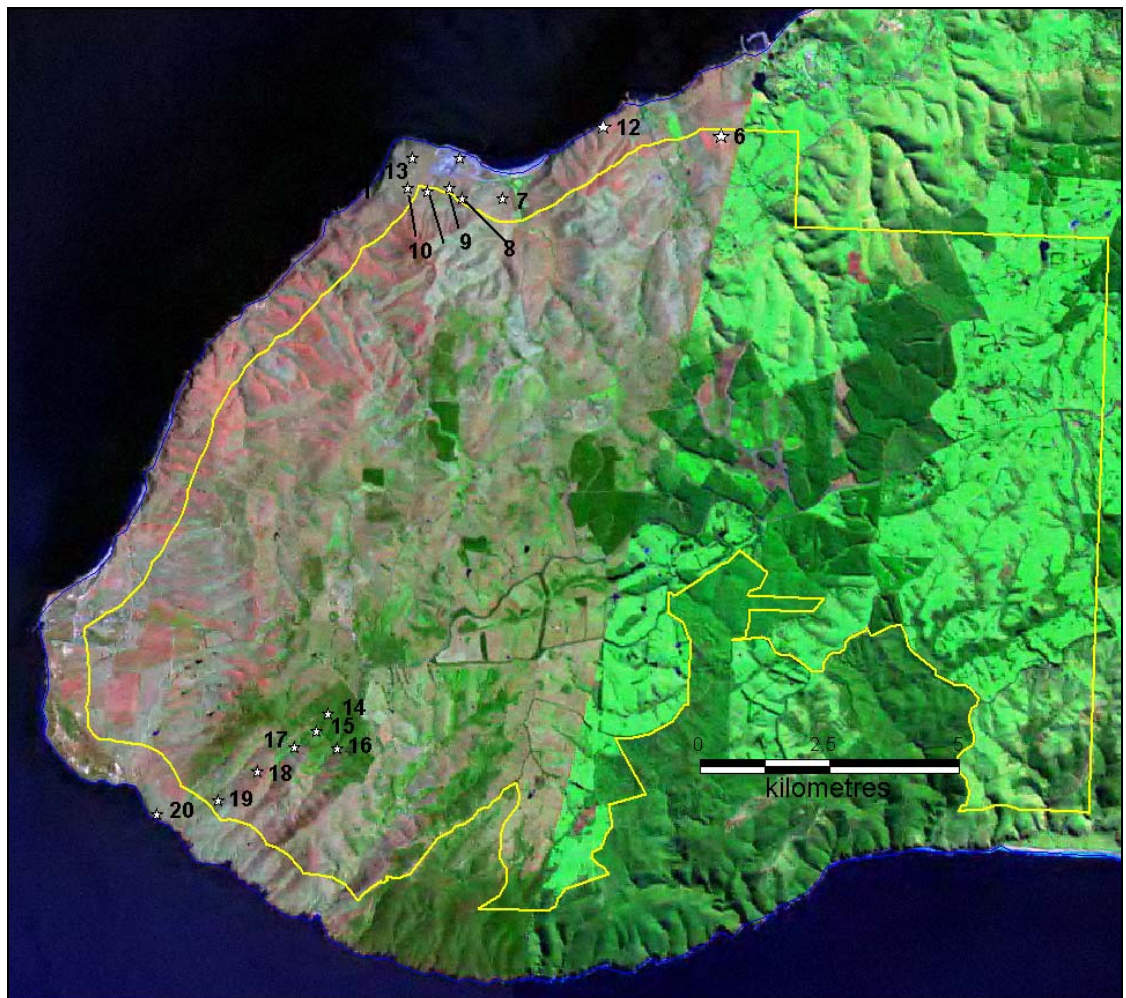


Figure 3: Location of mines/prospects on southern part of EL 3992

Table 1: Mines/Prospects within EL 3992 (Rapid Bay)

Site No.	Mine/Prospect Name	Commodity
1	Myponga Silver Mine	Silver, lead
2	Myponga Cliff Mine	Silver, lead
3	Forktree Prospect	Silver, zinc, lead
4	Barrits Mine	Lead, silver
5	Carrickalinga Mine	Alunite
6	Grundy Mine	Gold, bismuth
7	South Australian Co. Copper Mine	Copper
8	Wheal Rapid	Silver, lead, copper, zinc
9	Olivaster Mine	Silver, lead, zinc, gold
10	Wheal Coglin	Silver, lead, copper, zinc
11	Great Southern Mine	Silver, lead
12	Waterhouse Prospect	Copper
13	Yattagolinga Mine	Silver, lead, zinc, copper
14	Talisker Extended Mine	Lead, zinc, silver
15	Talisker Mine	Lead, zinc, silver
16	Campbells Creek Mine	Lead, zinc, silver
17	Coolalinga Creek Diggings	Gold
18	Talisker Blocks Mine	Lead, zinc, silver
19	Cains Mine	Gold, arsenic
20	Ropers Mine	Gold, arsenic