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InterMet Acquires Option Over Second Bonanza Grade Gold Project

Spectacular rock chip results up to 735 g/t Au

Highlights

- InterMet signs Option Agreement over Goldsmiths and Canadian Mining Leases in the Forsayth area
- Rockchip results up to 735.6 g/t Au at Goldsmiths
- Rockchip results up to 29 g/t Au at the Canadian
- Both Mining Leases produced gold at a grade around 1oz/ton
- Drilling planned for Union Mine and Percy West Mining Leases January - February 2008

InterMet Resources Limited (InterMet) (ASX:ITT) is pleased to announce that 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 Forsayth area, approximately 40km south of Georgetown (Figure 1). The two new Leases together with the recently announced Union Mine and Percy West Mining Leases provide InterMet with a growing portfolio of advanced gold projects in northern Queensland.

Historically these mines were very rich:

- Canadian – 3,167.6ozs gold produced from 4,469 tonnes of ore (just under 1oz/t Au)
- Goldsmiths – 10,837ozs gold produced from 9,200 tonnes of ore (>1oz/t Au)

A shallow drilling program (deepest hole 11m) was undertaken by the lease holders and the best results are outlined below:

- Canadian area – 1m @ 14g/t Au, 2m @ 11.4g/t Au, 3m @ 7.8g/t Au
- Goldsmiths area – 1.3m @ 16.7g/t Au, 3.3m @ 7.18g/t Au, 1.3m @ 19.65g/t Au, 5.2m @ 7.6g/t

InterMet visited the Leases to collect surface samples to assess the potential of the area. Both Leases are located within an interpreted dilatational zone within a major regional northwest trending shear zone (Figure 2). This dilatational zone most likely represents the zone of focussed fluid flow which produced the gold mineralisation.

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Goldsmiths (ML 3327)

The Goldsmiths ML is 50 hectares in size and contains numerous small, shallow pits (Plate 1). A total of 18 samples were collected and gold values ranged from 0.7g/t to 735.6g/t (Table 1). Every sample collected contained anomalous up to bonanza grade gold and confirms the potential outlined by earlier drilling. The historical workings do not occur to any great depth and InterMet will be undertaking a program of trenching early in 2008 to fully assess the nature of the gold. Drilling will be undertaken in the second quarter 2008.



Plate 1: Shallow workings at Goldsmiths

Canadian (ML 3326)

The Canadian ML is 32 hectares in size and contains several small pits and audits. Gold mineralisation is hosted in quartz veins with abundant sulphides (Plate 2). The main dump contains minor copper (malachite) mineralisation, but no samples were assayed for copper. A total of 12 samples were collected and gold values ranged from 0.3g/t to 29g/t (Table 2). InterMet plans an initial program of trenching to assess the gold mineralisation and drilling will be undertaken in the second quarter 2008.



Plate 2: Sample of sulphide-rich quartz which hosts gold from Canadian Lease

Summary

InterMet has now acquired Option Agreements over four granted Mining Leases within the historical gold mining region south of Georgetown. InterMet's strategy is to develop the Company's portfolio in northern Queensland with the addition of advanced tenements which allow InterMet the opportunity to fast track any discovery to mining stage within a relatively short time period.

InterMet is currently in discussion with two drilling companies for drill rigs to undertake drilling at the Union and Percy West in January as well as drilling the iron mineralisation at the Paddy Prospect (Munderra Project) in January-February 2008.

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: Gold assay results from Goldsmiths Mining Lease

Sample No	Location	Description	Au (ppb)	Au (ppm)
124967	Goldsmith	Fe-stained quartz	2397	2.4
124968	Goldsmith	sample from floor of pit - vuggy quartz	6244	6.2
124969	Goldsmith	sample from wall of pit - Fe-Quartz	3396	3.4
124970	Goldsmith	float sample - possibly from shaft with sulphides	711	0.7
124971	Goldsmith	float sample - possibly from shaft with sulphides	821	0.8
124972	Goldsmith	creek sample within bank	116486	116.5
124973	Goldsmith	tailings - zone of sand tailings	8837	8.8
124974	Goldsmith	tailings - zone of sand tailings	8968	9.0
124975	Goldsmith	tailings - zone of sand tailings	5309	5.3
124976	Goldsmith	tailings - zone of sand tailings	6257	6.3
124977	Goldsmith	small dump site - ferrug quartz with sulphides	77897	77.9
124978	Goldsmith	small dump site - ferrug quartz grade	8986	9.0
124979	Goldsmith	sample with Cu	19384	19.4
124980	Goldsmith	small diggings - Fe-Quartz	735632	735.6
124981	Goldsmith	small diggings - Fe-Quartz	23887	23.9
124982	Goldsmith	different part of field - Fe-Quartz	1225	1.2
124983	Goldsmith	Fe-stone - capping - sample for gold	2448	2.4
124984	Goldsmith	layer of Fe-rich siliceous cap "regolith"	3536	3.5

Table 2: Gold assay results from the Canadian Mining Lease

Sample No	Location	Description	Au (ppb)	Au (ppm)
124985	Canadian	sample with minor Cu	274	0.3
124986	Canadian	white buck quartz with sulphides	3078	3.1
124987	Canadian	sulphide rich zone	9360	9.4
124988	Canadian	white buck quartz with malachite blebs	832	0.8
124989	Canadian	sample of Fe-Quartz	10531	10.5
124990	Canadian	zone of quartz and sulphides - very rich sulphides	19604	19.6
124991	Canadian	small pit - Fe-Quartz	8126	8.1
124992	Canadian	quartz from pit with sulphides - near hole 8 2m @ 11g/t Au	9338	9.3
124993	Canadian	Fe-Quartz	2046	2.0
124994	Canadian Extended	quartz with sulphides	524	0.5
124995	Canadian Extended	Fe-stained quartz	13312	13.3
124996	Canadian Extended	another pit - quartz vein within gossan	29005	29.0

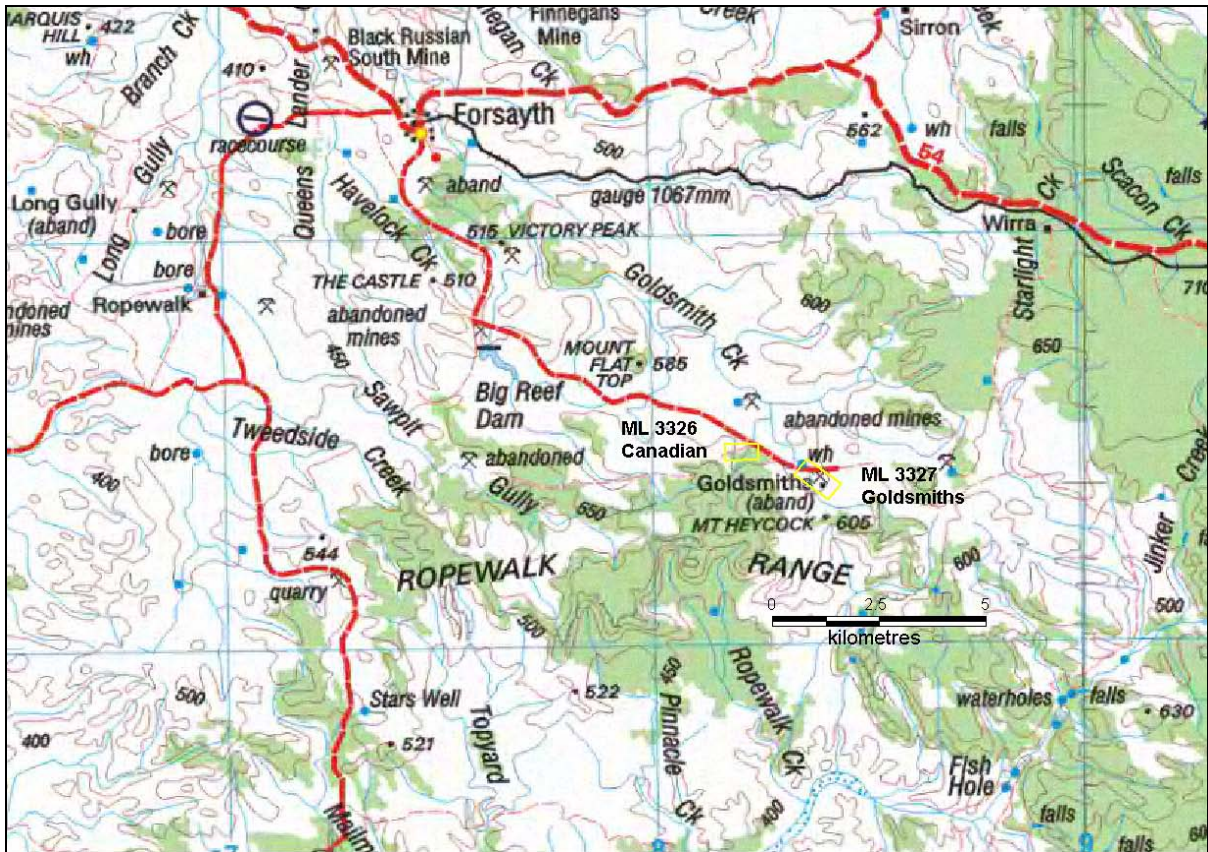


Figure 1: Location of ML 3326 (Canadian) and ML 3327 (Goldsmiths).

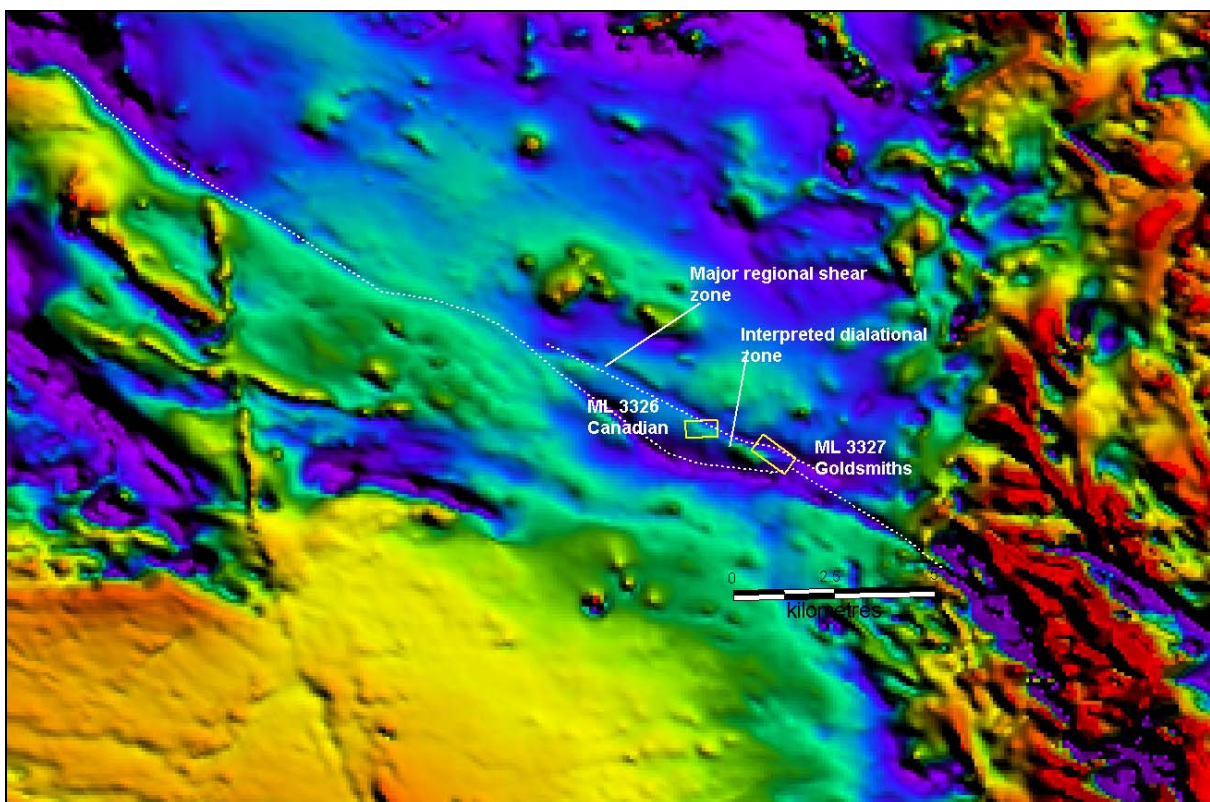


Figure 2: Location of ML 3326 (Canadian) and ML 3327 (Goldsmiths) on regional aeromagnetic data showing major regional NW trending shear zone and interpreted dilatational zone