



Friday, 28 March 2008

Lake Gilles Drilling Results

Base Metal Mineralisation Intersected at Triumph Prospect

Highlights

- Drilling to test IP basement targets for base metals (Lead-Zinc) was completed in January
- 27m @ 0.46% lead and 0.2% zinc was intersected in Hole LGRC009 (62-89m). This includes 9m @ 0.9% Pb and 0.43% Zn (65-74m)
- Further drilling planned for 3rd Quarter 2008

The Directors of InterMet Resources (InterMet; ASX:ITT) are pleased to announce that results for drilling at Lake Gilles have been received with encouraging results. The drilling program was aimed at testing coincident soil anomalies and conductive IP targets within basement rocks at the Triumph Prospect.

The Triumph Prospect is located within a similar geological setting to Menninnie Dam, which hosts massive pyrite-sphalerite-galena with minor chalcopyrite and pyrrhotite within Hutchinson Group rocks. This mineralisation is interpreted to be related to intrusion of Gawler Range Volcanic rhyolite dykes.

The geology of the Triumph area comprises Hutchinson Group metasediments including quartzite, dolomite and banded iron formation, into which a linear Gawler Range Volcanic dyke trending NNW intrudes (Figure 2). Also within the Triumph area is the Coruna Conglomerate, within which Tasman Resources Parkinson Dam gold and base metals prospect is hosted. Current thinking is that the Coruna Conglomerate was deposited during the Hiltaba Suite-Gawler Range Volcanic event, a major mineralising event on the Gawler Craton. Recent drilling in the Menninnie Dam area by Terramin Australia Ltd at the Viper and Cassius areas has reported lead-zinc mineralisation hosted by Gawler Range Volcanics, overlying the same carbonate sequence which hosts the main mineralisation at Menninnie Dam.

Terramin recently reported an inaugural Inferred resource estimate at Menninnie Central of 3.8 million tonnes at 3.2% Pb, 4.0% Zn, and 34 g/t silver at a 3.5% Pb+Zn cut-off (Terramin Australia Limited; 4th quarter Report 2007).

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The recent drilling by InterMet at Triumph was aimed at testing soil and IP anomalies. A total of 6 holes was completed for 895 metres (Table 1; Figure 3). The drilling intersected quartzites, banded iron formation and chert (interpreted to be Hutchinson Group rocks) and dacite to rhyodacite of the Gawler Range Volcanics. Mega Uranium completed 5 holes for 1037m (07RCCN01 - 07RCCN05; Table 1), but as yet geochemical results for these holes have not been received.

Hole LGRC009 was drilled to test a significant IP anomaly (Figure 4). Silver-lead-zinc mineralization was encountered over much of the drill hole with the best interval reporting 27m @ 0.46% lead and 0.2% zinc between 62-89m. This includes 9m @ 0.9% Pb and 0.43% Zn (65-74m). Silver comprising 39m @ 1.8 g/t was reported between 38 – 77m (Table 2). InterMet has re-sampled the original 3m composites and 1m samples have been submitted for further testing. Mineralisation is hosted within a quartzite unit and comprises narrow sulphide veins.

Hole LGRC012 was drilled in an area of highly anomalous soil samples including one sample reporting 814 ppm Pb, 332 ppm Zn and 47 ppm As. Anomalous lead averaging 6m @ 0.35% (5 – 11m) was reported from the drilling with slightly anomalous lead and zinc either side of this interval (Table 2). Relatively anomalous bismuth may indicate a igneous source for the metals, most likely the Gawler Range Volcanics.

Commenting on the drilling program and the IP survey, Managing Director Gary Ferris said “the Lake Gilles area continues to be InterMet’s flagship project in South Australia and the recent drilling program has highlighted that the geological setting and style of mineralisation is very similar to the lead-zinc-silver mineralisation at Menninnie Dam. Other significant base metal results from Telephone dam (4m @ 17.2% Pb, 8.8% Zn and 474 g/t Ag) and Parkinson Dam (1.66m @ 7.6% Pb, 10.5% Zn and 120 g/t Ag) suggests that the southern margin of the Gawler Range Volcanics is a highly prospective zone for base metal mineralisation”.

The next phase of exploration will be focused on re-interpreting the IP data in the context of the recent drilling results, along with detailed interpretation of the regional aeromagnetic data to understand the structural and lithological setting of the area to search for potential sulphide trap sites.

Future drilling will include a program under the barite veins to the west of Triumph and within an area on EL 3204 where InterMet has a joint venture with Vintage Exploration Pty Ltd.

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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Company	Hole No.	Easting	Northing	Azimuth	Dip	Final Depth (m)
Mega-U	07RCCN01	694150	6386000	0	-90	139
Mega-U	07RCCN02	692500	6388500	0	-90	244
Mega-U	07RCCN03	692050	6390000	0	-90	194
Mega-U	07RCCN04	691450	6388750	0	-90	297
Mega-U	07RCCN05	693750	6386000	0	-90	163
					total	1037m
InterMet	LGRC005	692298	6389493	170	-60	150
InterMet	LGRC006	691972	6389512	0	-90	150
InterMet	LGRC012	692110	6385750	45	-60	85
InterMet	LGRC014	693591	6384988	40	-60	150
InterMet	LGRC009	692709	6387997	0	-90	180
InterMet	LGRC004	693505	6389461	225	-60	180
					Total	895

Table 1: Drill hole location and depths

Drillhole	Interval (m)	Sample No.	Au (ppb)	Ag (ppm)	As (ppm)	Bi (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)	Pb + Zn (%)
LGRC012	0 - 5	177001	2	0.11	238	4.75	72	808	276	0.11%
LGRC012	5 - 8	177002	4	0.12	217	16.8	163	3272	751	0.4%
LGRC012	8 - 11	177003	12	0.89	145	7.94	164	3883	450	0.43%
LGRC012	11 - 14	177004	3	0.24	42	2.81	69	915	229	0.11%
LGRC012	14 - 17	177005	2	0.83	28	0.99	84	678	346	
LGRC009	38 - 41	12210	X	1.13	65	1.24	82	145	324	
LGRC009	41 - 44	12211	0.02	1.83	67	1.96	288	225	467	
LGRC009	44 - 47	12212	X	1.15	45	0.9	174	88	352	
LGRC009	47 - 50	12213	X	2.12	72	1.28	267	329	394	
LGRC009	50 - 53	12214	0.02	1.77	24	1.65	659	55	40	
LGRC009	53 - 56	12216	X	0.84	20	0.66	103	23	36	
LGRC009	56 - 59	12217	0.01	0.91	23	1.01	168	40	40	
LGRC009	59 - 62	12218	X	1.65	32	0.63	217	43	58	
LGRC009	62 - 65	12219	X	2.7	32	0.42	290	6800	637	0.74%
LGRC009	65 - 68	12220	X	3.47	65	0.49	158	9600	7200	1.68%
LGRC009	68 - 71	12221	X	2.36	27	0.35	83	8100	4080	1.2%
LGRC009	71 - 74	12222	X	2.48	47	0.24	20	9200	1649	1.08%
LGRC009	74 - 77	12223	X	0.97	15	0.13	8	3210	1118	0.43%
LGRC009	77 - 80	12224	X	0.36	5	0.06	8	1014	848	0.18%
LGRC009	80 - 83	12226	X	0.26	5	0.05	5	829	623	
LGRC009	83 - 86	12227	X	0.57	5	0.22	11	1842	994	0.28%
LGRC009	86 - 89	12228	X	0.29	4	0.05	5	1082	641	0.17%
LGRC009	89 - 92	12229	X	0.16	5	0.04	5	340	586	

Table 2: Summary of results from InterMet's Lake Gilles drilling

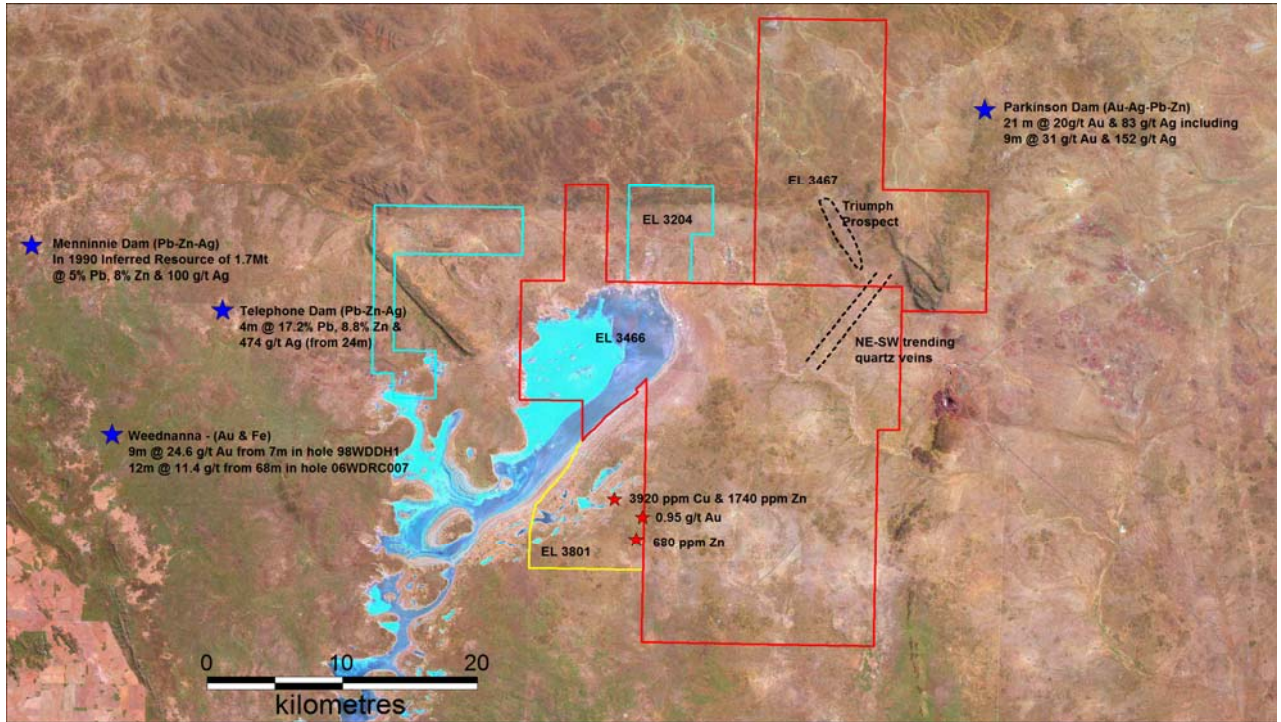


Figure 1: Location of InterMet's Lake Gilles Project showing location of nearby gold and base metal prospects.

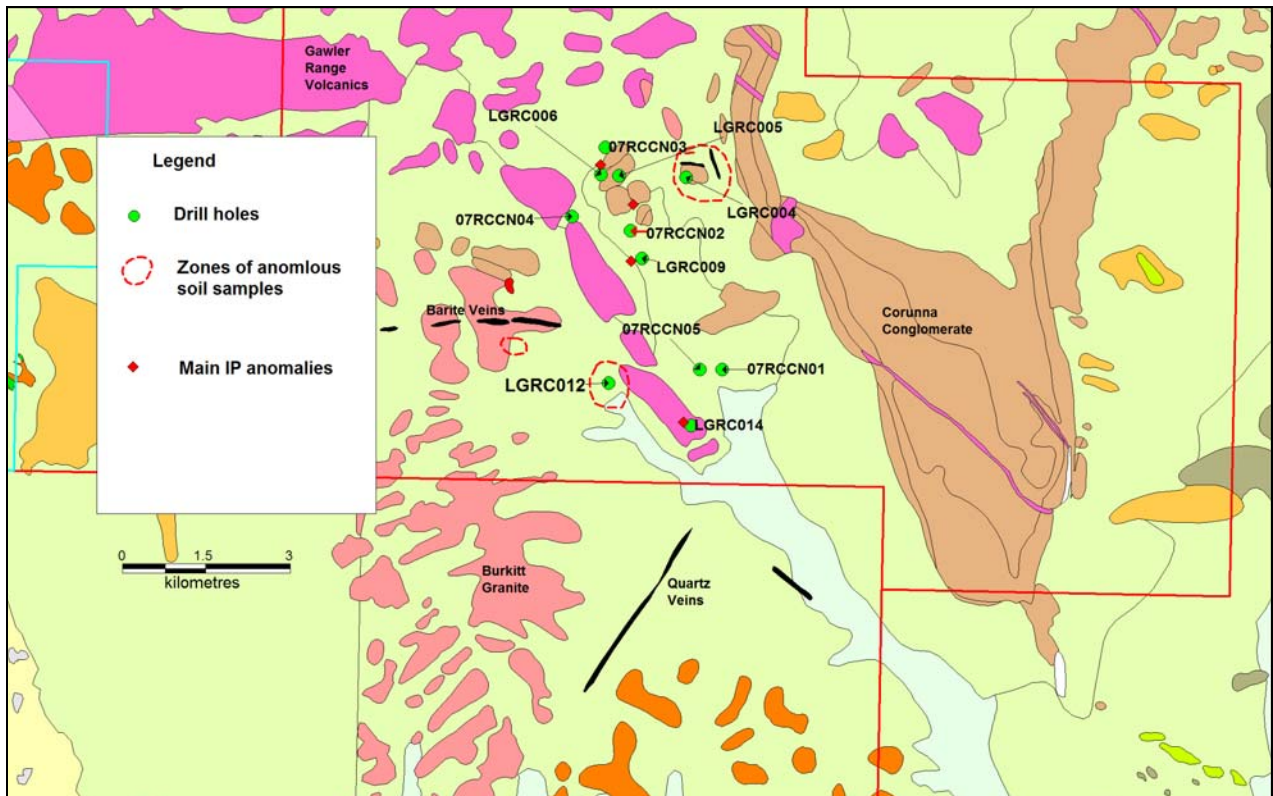


Figure 2: Geology of the Triumph Prospect showing location of recently completed drill holes and areas of anomalous soil samples.

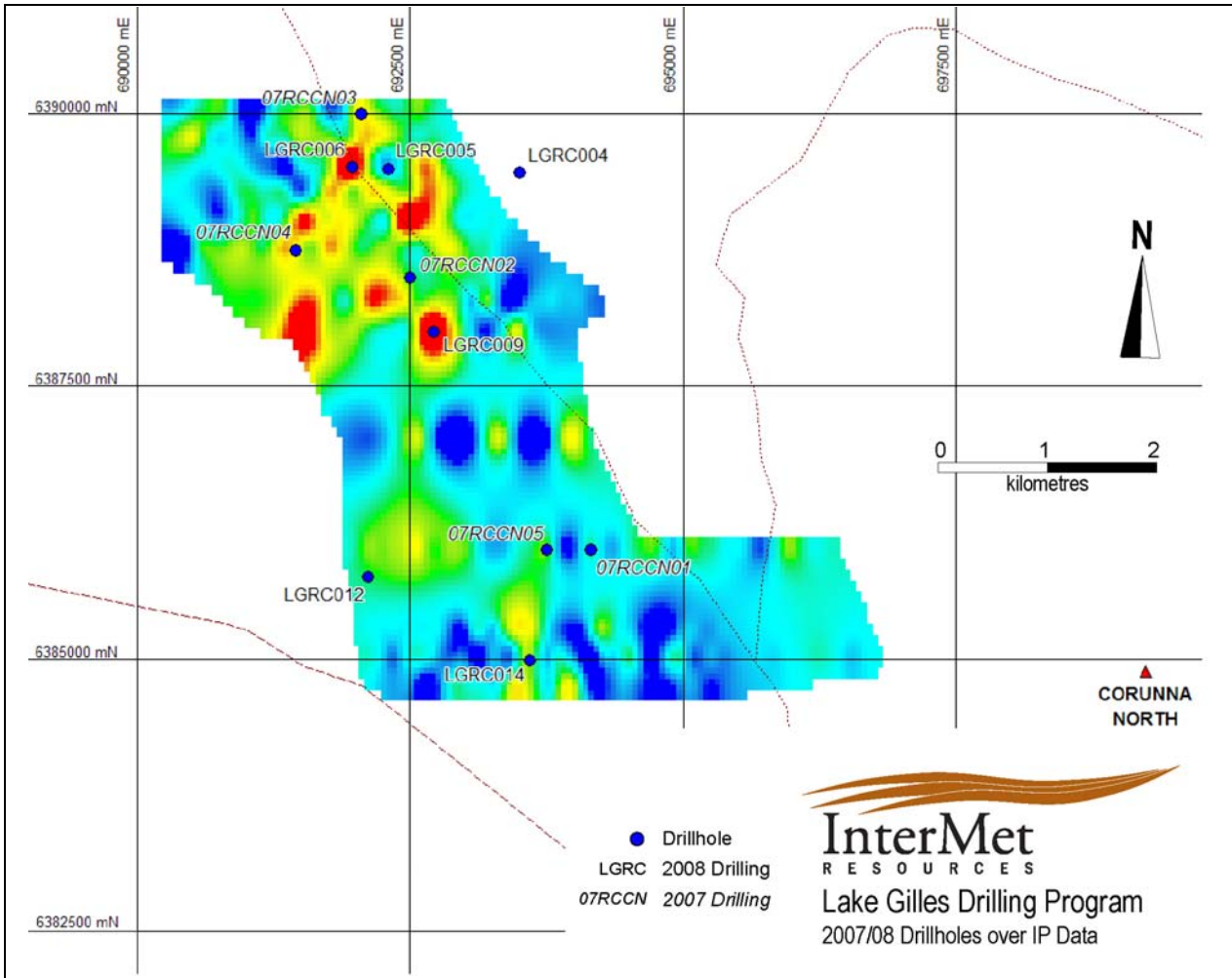


Figure 3: Summary map of Triumph Prospect showing IP anomalies and drill hole locations.

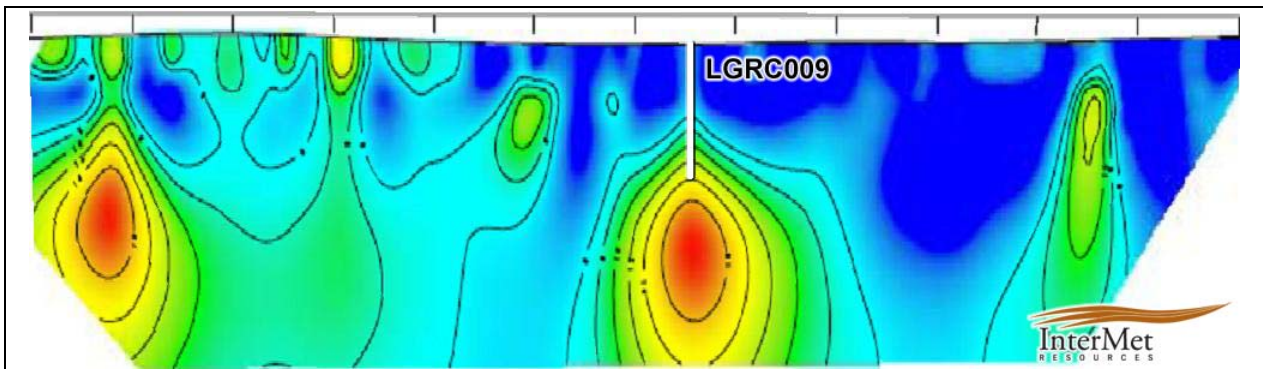


Figure 4: Cross section showing location of drill hole LGRC009 on the IP data.