



Tuesday, 22 April 2008

InterMet Iron Ore Exploration Update

Highlights

- Addition of new tenement with outcropping iron in the Mount Garnet area near Paddy and Jessie iron prospects
- A ground magnetic survey planned for the Paddy prospect
- Several other tenement applications in northern Queensland over potential iron-rich areas
- InterMet has joint ventured Wanilla tenement in South Australia to iron and base metal exploration company, Lincoln Minerals Limited

InterMet Resources (ASX:ITT) is pleased to present an update on its planned exploration program for iron ore in northern Queensland.

InterMet is targeting magnetite-rich mineralisation on its six iron projects in northern Queensland:

1. Munderra (EPM 15481, ML 3945 & EPM 9892)
2. Mt Ruby (ML 20414 – Application)
3. Mt Lucy (ML 20488 – Application)
4. Mourilyan (EPM Application)
5. Mt Luce (EPM Application)
6. Sunday Creek (EPM Application)

Typically, magnetite is mined from magnetite-rich banded iron formations which generally become economic when the iron grade reaches around 25% Fe. This grade yields a 33% to 40% recovery of magnetite by weight, equating to a concentrate grading in excess of 64% Fe by weight. Magnetite from the Munderra Project, Mt Ruby and Mt Lucy is coarsely crystalline magnetite (Plate 1), which assays up to 70% Fe without processing, potentially classing it as a direct shipping ore (DSO).

Munderra Project

InterMet is planning to commence exploration on the Munderra Project, which includes the Paddy and Jessie iron prospects, as well recent additions EPM 9892 (Black Creek) and ML 4103 (Ironstone Central).

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A bulk sample from the Paddy prospect is being submitted to Nagrom (Perth) for metallurgical testing. The magnetite will be crushed to -3mm and a size analysis followed by magnetic characterization on a Rapid single disc magnet undertaken. This would provide an insight into the best size reduction for magnetite liberation. InterMet is also assessing the response for magnetite on a wet LIMS, and if necessary go to Davis Tube.

The magnetite from the Paddy prospect differs from most commercially exploited magnetite as it is high-grade, assaying around 65% Fe which potentially represents DSO. The metallurgical testing is aimed at establishing the best method for removing garnet, whether it be by fine gravity separators or magnetic separators. Based on the test results, Nagrom may be in a position to design a pilot plant which will assist InterMet in assessing the economics of the prospect.

Although previous rock chip sampling, geological mapping and ground magnetic survey at the Paddy prospect helped to define a number of drill targets, the recent addition of EPM 9892 has changed InterMet's exploration strategy. A ground magnetic survey will commence this week covering the area north of InterMet's initial survey and includes a large part of EPM 9892. The survey will take a week to complete with the results received daily.

InterMet is planning a major drilling program scheduled for May-June 2008 based on the new magnetic data and upon drill rig availability. Drilling will be aimed at testing targets from both magnetic surveys. Approximately 40 holes are planned for a total of 3,200m.

Mt Ruby Project

Work has commenced on the grant of ML 20424 and InterMet is hopeful it will be completed in late 2008. Upon grant, InterMet is planning 20-30 RC holes under the hill to define the extent of the iron ore. From the drill results, InterMet will work towards producing a JORC resource by mid-2009.

Mt Lucy Project

Work has also commenced on the grant of ML 20488 and InterMet is hopeful the Lease will be granted in late 2008. Upon grant, InterMet will undertake a ground magnetic survey to define the sub-surface trend of the iron ore. A drilling program aimed at testing the ground magnetic data and test for base metals will be undertaken as soon as possible.

Mourilyan Project

InterMet has applied for a tenement covering an area of outcropping magnetite-rich banded iron formation at Mourilyan. InterMet is planning to undertake a sampling program and heli-mag survey to assess the potential of this area once the tenement is granted. Mourilyan also represents a potential port site for the export of iron ore from northern Queensland, and this iron prospect is ideally located if such a development was undertaken.

Mt Luce Project

The Mt Luce Project (EPM 17329) is located north of Bowen and represents a different style of iron. Along the current beach at Abbot Point, the beach sands contain abundant coarse grained magnetite. The beach is currently closed to development as it is protected under a Strategic Protection Act InterMet believes the magnetite-rich sands will also be present in the back beach areas and will undertake a major sampling program once the tenement is granted.

Sunday Creek Project

The Sunday Creek Project (EPM 17144) is located southeast of Mt Garnet and covers a highly-magnetic northwest-southeast trending linear feature which may represent a possible magnetite skarn. The Whispering Ridge iron prospect is located approximately 5km to the west of the Sunday Creek EPM and is also located within this magnetic feature, suggesting that the trend may represent iron mineralisation. InterMet expects this tenement to be granted in late 2008 though InterMet will not undertake any field work until 2009 to avoid the wet season.

South Australian Iron - Wanilla Project

InterMet is also targeting iron in South Australia on it's Wanilla Project (EL3702) covering 1,000km² approximately 20km northwest of the township of Port Lincoln (Figure 1). InterMet has signed a joint venture for Wanilla with Lincoln Minerals Limited (Lincoln Minerals; ASX:LML). Under the joint venture, Lincoln Minerals can earn up to an 80% interest in EL 3702 from InterMet by expending \$2.0M by 31 December 2012 on exploration. Lincoln Minerals may withdraw at any time after an initial appraisal period provided it has expended at least \$250,000.

More information on InterMet's Queensland iron tenements can be found in the project and news sections of the InterMet website (www.intermetresources.com.au).

Recent ITT Releases

11/04/08	InterMet Options Black Creek To Extend Qld Iron Interests
29/01/08	Ground Magnetic Survey Confirms Iron Potential At Paddy Lease
29/11/07	Results Confirm Iron Potential At Paddy Prospect
15/11/07	Queensland Project Update
23/10/07	Option Agreement For Mt Lucy Iron Ore
22/10/07	Option Agreement For Mt Ruby Iron Ore
18/10/07	InterMet Confirms Iron Potential Of Paddy 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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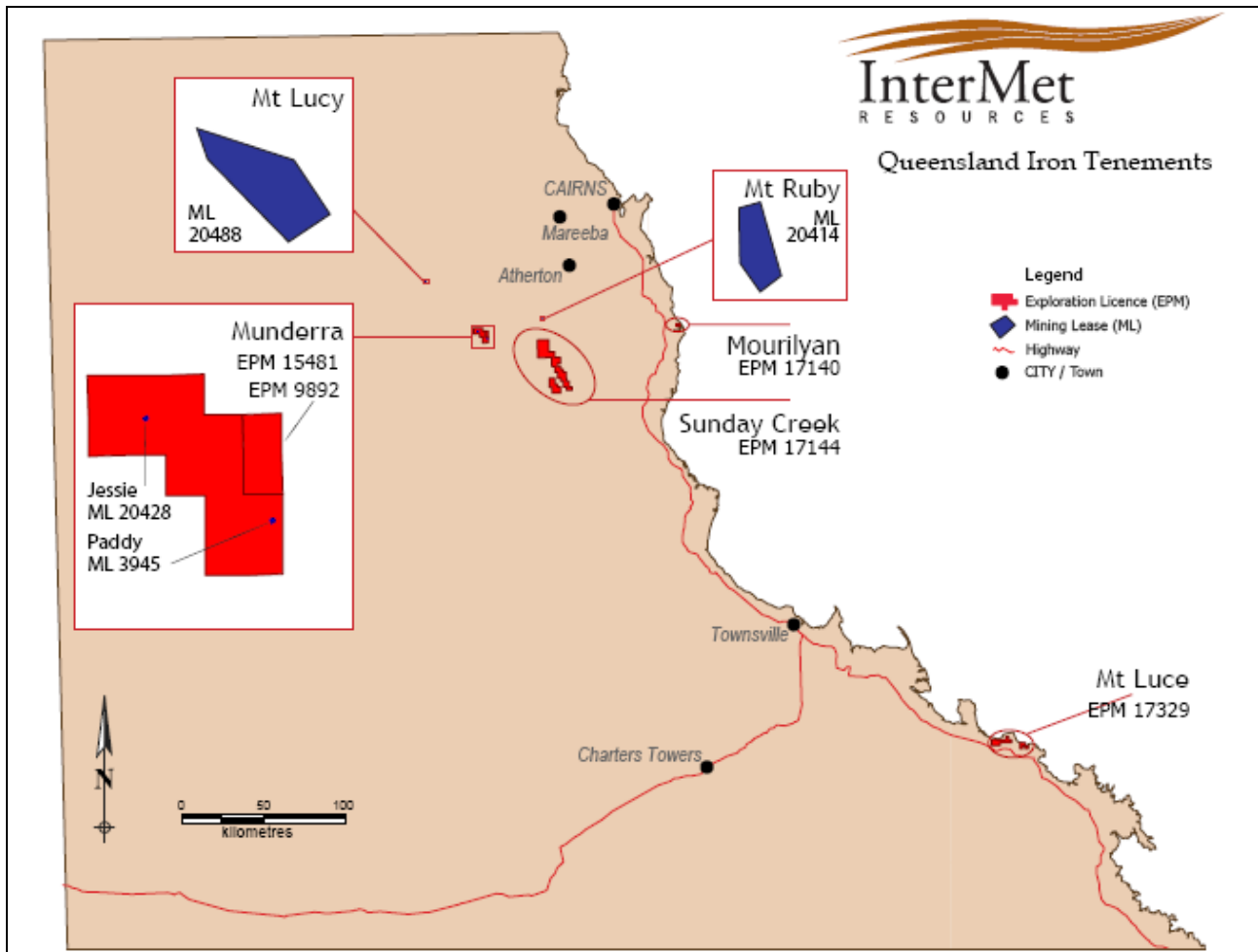


Figure 1: Location of InterMet Resources iron ore projects in northern Queensland



Plate 1: Very coarse crystalline magnetite from Mt Lucy project



**Plate 2: Magnetite-rich mineral sands from beach near Abbott Point
(not on application area)**