



ASX Code : ITT

**Quarterly Report for Period
Ending 31 March 2008**

InterMet Resources Limited's Directors are pleased to present the March 2008 Quarterly Report. During the quarter InterMet has continued to increase its project portfolio in northern Queensland and undertake drilling at Lake Gilles in South Australia. The extreme rainfall in northern Queensland has prevented field access to most projects, but drilling is due to commence towards the end of April at Percyvale Gold project and in May on the Forsyth Gold Project. During the quarter, InterMet signed joint ventures with Lincoln Minerals Ltd (Wanilla – EL 3702) and Eromanga Uranium Limited (Abminga – EL 4001).

Highlights

- **Drilling to test IP basement targets for base metals at Lake Gilles was completed in January. 27m @ 0.46% lead and 0.2% zinc was intersected in Hole LGRC009 (62-89m) including 9m @ 0.9% Pb and 0.43% Zn (65-74m) and 27m @ 0.57% Zn and 0.12% Pb was intersected in Hole 07RCCN002 (180 - 207m) including 3m @ 1.08% Zn (189-192m) and 3m @ 1.3% Zn (201-204m).**
- **Ground magnetic survey at Paddy prospect confirms surface magnetite extends further in the sub-surface, and the interpreted zone of iron mineralisation is 1km long and 0.5km wide.**
- **Rock chip sampling at Union Mine (Percyvale Gold Project, Queensland) reported bonanza gold grades up to 184g/t, as well as copper up to 32.2% and silver up to 1,970g/t.**
- **Rock chip sampling at Percy West (Percyvale Gold Project) reported bonanza gold grades up to 608g/t Au.**
- **InterMet has signed a joint venture with Lincoln Minerals Limited for EL 3702 (Wanilla) located on the Eyre Peninsula, South Australia.**
- **InterMet signed a joint venture with Eromanga Uranium Limited for EL 4001 (Abminga) located on the northern margin of the Gawler Craton, South Australia.**
- **InterMet swapped EL 3966 (Leighton) for EL 3642 (Parndana) with Ellembay Resources. EL 3642 contains lead-zinc targets at Western River.**
- **AEM survey completed over Wanilla and Cummins Palaeochannels (Coult Project).**

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Project Review – Queensland

InterMet has eleven projects located in Queensland (Figure 1).

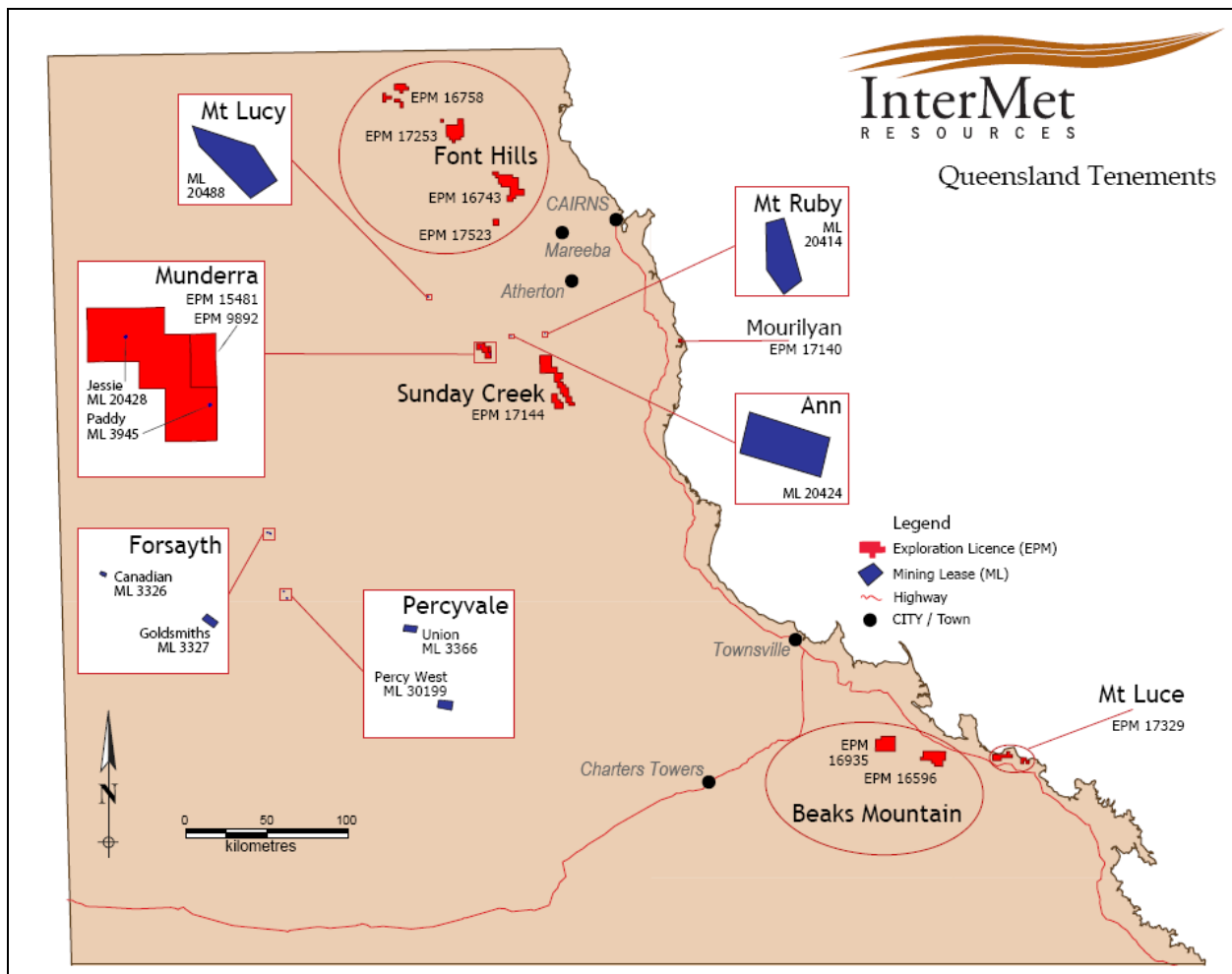


Figure 1: Location of InterMet Resources Projects in Queensland

InterMet Projects

1. **Munderra** – Iron, Copper, Gold, Base Metals
2. **Mt Ruby** – Iron, Copper
3. **Mt Lucy** – Iron, Base Metals
4. **Percyvale Gold**
5. **Forsyth Gold**
6. **Beaks Mt** – Copper, Molybdenum, Gold
7. **Mourilyan Iron**
8. **Sunday Creek** – Iron, copper, gold, base metals
9. **Ann** – Base Metals
10. **Font Hills** – Gold, Tin-Tungsten
11. **Mt Luce** – Iron

Queensland Projects

1. Munderra Project (EPM 15481; ML 3945 and 20428 - InterMet 100%) – Iron, Copper, Gold and Base Metals

The Munderra Project is located within 20km of Mt Garnet and contains two zones of very promising mineralisation; iron, gold and base metals at the Paddy prospect and copper-gold at the Jessie prospect.

A ground magnetic survey was completed over the Paddy iron ore prospect to assist with locating drill holes. The ground magnetic survey has delineated strongly magnetic target zones which will be tested by drilling in May-June 2008.

The ground magnetic survey showed good correlation with rock chip results. A large magnetic high was observed in the vicinity of the old pit and further results correlate with areas of high magnetic intensity. Two samples of iron from an outcrop just west of the Paddy pit are located within a magnetic low zone, suggesting some possible magnetite destruction (hematite production) or magnetic reversal. The two samples assayed at 68.3% Fe and 66.1% Fe. Drilling has been rescheduled for May-June 2008 following recent heavy rainfall in the region.

2. Mt Ruby (ML 20428 – Option Agreement)

Awaiting grant of Mining Lease.

3. Mt Lucy (ML 20414 – Option Agreement)

Awaiting grant of Mining Lease.

4. Percyvale Gold Project (ML 3366 and 30199 – Option Agreements)

Thirty eight samples were collected at Percy West (ML 30199) to assist with locating drill holes planned for April. Previous sampling by InterMet had produced gold values up to 390g/t and the high-grade nature of the main lode was confirmed with a repeat sample assaying 608g/t gold.

Forty two samples were collected at the Union Mine to further investigate the gold, copper and silver potential of ML 3366 and to assist with locating drillholes. The results show the Union Mine area contains bonanza grade gold up to 184g/t and copper values up to 32.2%. The highly anomalous bismuth values suggest the gold mineralisation is related to intrusion of the granite. This provides encouragement that this system extends to considerable depth and drilling is planned to test the granite contact.

Previous IP data shows a potential dome shaped resistive feature which is interpreted to represent the granite body. Along the granite margin is a corresponding chargeable zone which is interpreted to represent the sulphide-rich gold mineralisation. Drilling is planned for April.

5. Forsayth Gold Project (ML 3326 and 3327 – Option Agreements)

Drilling is planned for May 2008.

6. Beaks Mountain Project – (EPM 16596 & 16758 - InterMet 100%) – Copper, Molybdenum and Gold

No work undertaken due to heavy rain.

7. Mourilyan Iron Project (EPM 17140 – InterMet 100%)

InterMet applied for a small tenement covering an iron deposit located near the Port of Mourilyan. The iron at Mourilyan is a banded iron formation hosted within low-grade metamorphic rocks (Plate 1). InterMet will wait the granting of the Lease and undertake mapping and sampling. The iron deposit is located on the southern side of a prominent hill, and it is unknown how extensive the iron mineralisation is or the grade of the iron.

8. Sunday Creek Project (EPM 17144 – InterMet 100%)

Awaiting grant of EPM.

9. Ann Base Metal Project (ML 20424 – Option agreement)

Awaiting grant of ML.

10. Font Hills (EPM 16743, 16758 and 17253 - InterMet 100%) – Gold, Tin and Tungsten

EPM 16743 and 16758 are located to the northwest of Mareeba (Figure 1) and both projects contain contact zones between tin-bearing granites and the Hodgkinson Formation sediments. EPM 17253 located near Vital Metals Watershed tungsten Project has been granted and InterMet is planning a soil sampling program in the next 2-3 months (Figure 1).

11. Mount Luce (EPM 17329 – InterMet 100%) – Iron (magnetite mineral sands)

InterMet recently applied for a tenement in the Mt Luce area located approximately 15 km north of Bowen. Magnetite-rich beach sands occur along the coast but are within a Strategic Protection Area (Protection of Magnetite Resources). Inspection of the beach shows coarse-grained magnetite up to 2mm and InterMet has applied for the area behind the current beach which may also contain magnetite.

Project Review

InterMet has eight projects located within South Australia (Figure 2).

South Australian Project Review

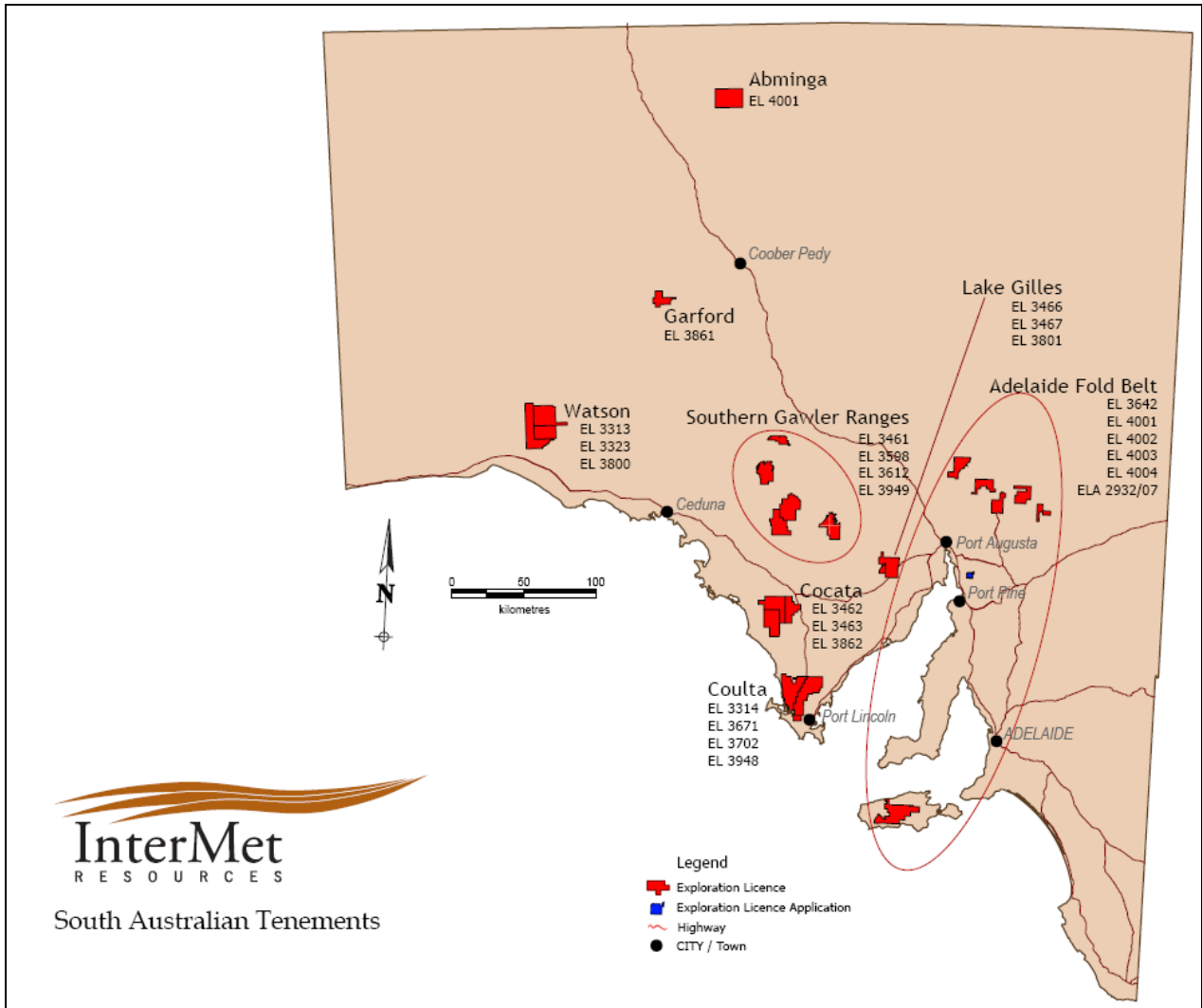


Figure 2: Location of InterMet Resources Projects within South Australia

InterMet South Australian Projects

1. Lake Gilles
2. Couлта
3. Cocata
4. Watson
5. Southern Gawler Ranges
6. Garford
7. Adelaide Fold Belt
8. Abminga

Lake Gilles Project (EL 3466, 3467 and 3801 – InterMet 100%)

- Hindmarsh Resources earning up to 80% of rights to unconformity-related uranium on EL 3467 only; InterMet earning up to 95% of EL 3204 from Vintage Exploration)
- Olympic Dam Cu-Au-U, Mesoproterozoic Orogenic/Epithermal Gold and Base Metals, Unconformity-related uranium potential

Base Metal Exploration

Drilling to test IP basement targets for base metals (Lead-Zinc) was completed in January. The best result of 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). Hole LGRC012 was drilled in an area of highly anomalous soil samples, including one sample reporting 814ppm Pb, 332ppm Zn and 47ppm As. Lead averaging 6m @ 0.35% (5-11m) was reported from the drilling, with lead and zinc either side of this interval.

Mega-Hindmarsh completed 5 holes for 1,037m (07RCCN01 - 07RCCN05) reporting anomalous base metals from all holes. The highest assay is 27m @ 0.57% zinc and 0.12% lead in Hole 07RCCN002 (180 - 207m). This includes 3m @ 1.08% Zn (189-192m) and 3m @ 1.3% Zn (201-204m).

Hole 07RCCN002 is located approximately 500m north of InterMet drill hole LGRC009 which reported 27m @ 0.46% lead and 0.2% zinc between 62-89m; including 9m @ 0.9% Pb and 0.43% Zn (65-74m). In both holes mineralisation is hosted within quartzites of the Hutchinson Group where there is close contact with a Gawler Range Volcanic dyke (Figure 3).

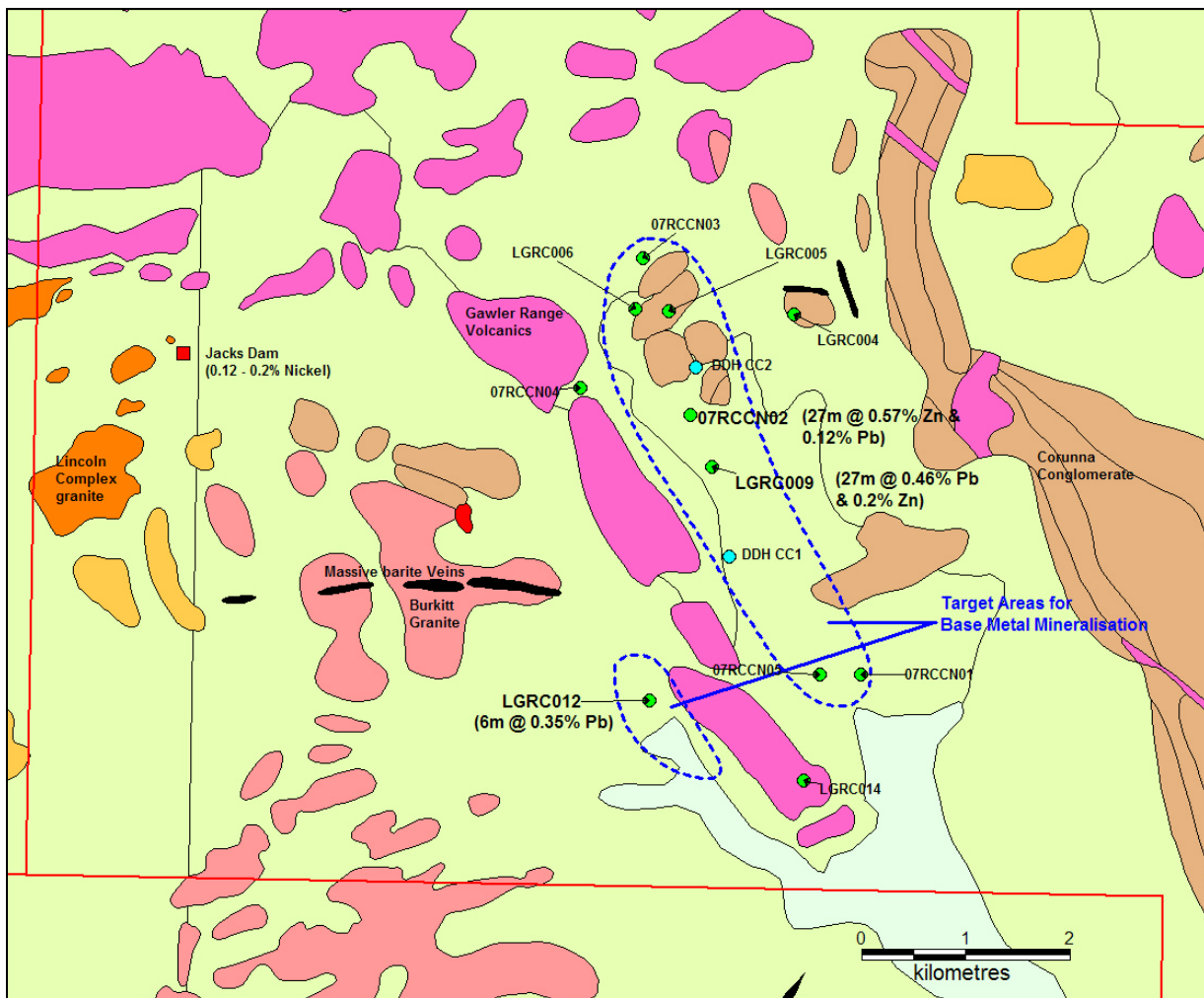


Figure 3: Geology of the Triumph Prospect showing location of recently completed drill holes at Lake Gilles and target areas for further drilling

Uranium Exploration

Five RC holes and one diamond tail totaling 1,037m were drilled by joint venture partner Mega Hindmarsh Pty Ltd in the search for unconformity-related uranium mineralisation. Results have been received and are currently being assessed.

Coulta Project (EL 3314, EL 3671, EL3702 and EL 3948 – InterMet 100%)

- Uranoz Ltd earning 80% in uranium on EL3314 and EL 3702; Lincoln Minerals Limited earning an 80% interest in all minerals except uranium on EL 3702)
- Komatiite hosted nickel, Volcanic Hosted Massive Sulphide, Archaean orogenic gold and Palaeochannel Hosted Rollfront uranium

Iron and Base Metal Exploration

InterMet has signed a joint venture with Lincoln Minerals Limited for EL 3702 (Vanilla) located on the Eyre Peninsula, South Australia. Lincoln Minerals Limited is planning a gravity survey to assist defining drilling targets. Under the joint venture, Lincoln Minerals can earn up to an 80% interest in EL 3702 from InterMet by expending \$2M 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.

Uranium Exploration

A 1,000km² airborne electromagnetic (AEM) survey was completed in early January and preliminary image has been received. The final data is being processed. The preliminary image shows the palaeochannels and provides potential drilling targets.

Cocata Project (EL 3462, 3463 & 3862 – InterMet 100%)

- Silver Swan Group earning 80% in all minerals with the exception of palaeochannel hosted and unconformity-related uranium on EL 3462 and 3463 only)
- Rollfront and Unconformity-Related Uranium, IOCG and Orogenic Lode Gold

Rollfront Uranium Exploration

Uranium Equities Ltd (ASX:UEL) have withdrawn from the Cocata Joint Venture. UEL undertook a preliminary 43 hole drilling program at Cocata and intersected thick sections of reduced sediments, but gamma logging failed to show any potential uranium mineralisation. However, InterMet believes the channel has not been adequately tested and is seeking another joint venture partner.

IOCG Exploration

No work undertaken during the quarter.

Watson Project (EL 3313, 3323 and 3800 – InterMet 100%)

- Uranium Equities Ltd earning 80% in uranium; Silver Swan Group earning 80% in all minerals with the exception of uranium)
- Rollfront Uranium, Nickel and Gold Targets

Gold and Base Metal Exploration

A report assessing the recently acquired EM data for basement targets has been completed and InterMet and joint venture partner Silver Swan are reviewing the report to define future exploration within the region.

Uranium Exploration

During the quarter, Uranium Equities Ltd negotiated a Native Title Agreement with the Far West Native Title Group and a heritage clearance is planned for early April. Uranium Equities is planning a major drilling program to test palaeochannel uranium targets identified from recently acquired AEM data to commence in late April, 2008.

Southern Gawler Range Volcanic Project (EL 3461, 3598, 3612 and 3949 - InterMet 100%) – IOCG and Orogenic/Epithermal Gold

No exploration was undertaken during the quarter.

Garford Project (EL 3861 - 100%) – Archaean Lode Gold (Challenger Style) and IOCG

EL 3861 was granted to InterMet during the quarter. InterMet is planning a regional 500m x 500m calcrete program within the tenement and is currently assessing any Native Title issues with such a sampling program and preparing a Declaration of Environmental Factors.

Adelaide Fold Belt Project (EL 3642, 4002, 4003 and 4004; ELA 293/07 - InterMet 100%) – Sediment Hosted Copper-Gold and Base Metals

During the quarter, InterMet swapped EL 3966 (Leighton) for EL 3462 (Parndana) with Ellembay Resources. InterMet believes the Parndana tenement has potential for lead-zinc and gold mineralisation and a reconnaissance field visit was undertaken. Rock chip samples were collected and have been submitted for geochemical analyses.

Abminga Project (EL 4001 - InterMet 100%) – Eromanga Uranium Ltd earning an 80% interest – IOCGU and Orogenic/Epithermal Gold

InterMet has signed a joint venture with Eromanga Uranium Ltd for the Abminga Project. Eromanga can earn up to an 80% interest in the Abminga Project from InterMet by expending \$0.5M on exploration on EL 4001. Eromanga may withdraw at any time after an initial appraisal period provided it has expended at least \$50,000. InterMet may elect to contribute pro-rata to expenditure once Eromanga has earned a 60% interest upon expenditure of \$0.25M.

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.

For further information, contact:

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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

INTERMET RESOURCES LIMITED

ABN

66 112 291 960

Quarter ended ("current quarter")

31 March 2008

Consolidated Statement of Cash Flows

Cash flows related to operating activities

- 1.1 Receipts from product sales and related debtors
- 1.2 Payments for (a) exploration and evaluation
(b) development
(c) production
(d) administration
- 1.3 Dividends received
- 1.4 Interest and other items of a similar nature received
- 1.5 Interest and other costs of finance paid
- 1.6 Income taxes paid
- 1.7 Other (provide details if material)

Net Operating Cash Flows

Cash flows related to investing activities

- 1.8 Payment for purchases of: (a) prospects
(b) equity investments
(c) other fixed assets
- 1.9 Proceeds from sale of: (a) prospects
(b) equity investments
(c) other fixed assets
- 1.10 Loans to other entities
- 1.11 Loans repaid by other entities
- 1.12 Other (provide details if material)

Net investing cash flows

- 1.13 Total operating and investing cash flows (brought forward)

	Current quarter \$A'000	Year to date (12.months) \$A'000
	(235)	(1,353)
	(133)	(454)
	28	67
	(5)	50
	(345)	(1,690)
	(21)	(61)
	(21)	(61)
	(366)	(1,751)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(366)	(1,751)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	0	1,865
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings	0	(61)
1.18	Dividends paid		
1.19	Other (provide details if material)	0	0
	Net financing cash flows	0	1,804
	Net increase (decrease) in cash held	(366)	53
1.2	Cash at beginning of quarter/year to date	2,393	1,974
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	2,027	2,027

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	70
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-Cash Financing and Investing Activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing Facilities Available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

Estimated Cash Outflows for Next Quarter

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	
Total	500

Reconciliation of Cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,027	2,393
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	2,027	2,393

Changes in Interests in Mining Tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	EL 3966	0%	100%	0%
6.2 Interests in mining tenements acquired or increased	EL 3642	100%	0	100%
	EPM 17253	100%	0	100%
	EPM 17523	100%	0	100%
	EPM 17329	100%	0	100%

+ See chapter 19 for defined terms.

Issued and Quoted Securities at End of Current Quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	50,000,500	31,650,500		
7.4 Changes during quarter (a) Increases through issues Listed Options Exercised Restricted Ordinary Shares b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities Unlisted Unsecured Convertible Notes converting on or before				
7.6 Changes during quarter (a) Increases through issues				
7.7 Options			<i>Exercise price</i>	<i>Expiry date</i>
Unlisted	21,000,000	Nil	\$0.20	23/05/2010
ESOP Options	400,000	Nil	\$0.33	19/12/2011
ESOP Options	600,000	Nil	\$0.30	13/6/2012
ESOP Options	200,000	Nil	\$0.23	23/7/2012
	750,000	Nil	\$0.20	14/2/2013
7.8 Issued during quarter			<i>Exercise price</i>	<i>Expiry date</i>
7.9 Exercised during quarter Listed				
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 28/04/2008

Company Secretary

Print name:

Russell Middleton

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.