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Bulk Sample from InterMet's High Grade Iron Ore Project in Queensland Sent for Metallurgical Testing

Highlights

- **~300kg of high grade magnetite from Munderra project sent to Perth for metallurgical testing**
- **Tests to focus on project's potential for Direct Shipping Ore**
- **Surface sampling graded up to 69% Fe, averaging 65% Fe**
- **Results expected in four weeks.**

InterMet Resources Limited (ASX: ITT), has announced that the first bulk sample from the Company's promising Munderra iron ore project southwest of Cairns in Queensland, has been sent to a Perth laboratory for metallurgical analysis.

The 300 kilogram consignment of magnetite, from Munderra's Paddy Prospect (Figure 1), will be tested at the Nagrom facilities with a focus on the deposit's potential for high grade Direct Shipping Ore.

Results from the bulk sample analysis are expected by late next month.

Surface sampling at Paddy by InterMet has already reported high grade magnetite up to 69% Fe with very low silica, phosphorous, sulphur and aluminium.

InterMet believes the magnetite present on the Company's four northern Queensland iron ore projects (Paddy (Plate 1), Jessie, EPM 9892 and Mt Ruby) represents exceptional potential for direct shipping ore (DSO) mining operation and will require no or minimal processing on site. High grade deposits of iron that are the subject of direct shipping operations are able to be commissioned at a far lower capital cost than deposits requiring beneficiation with far lower project risk.

InterMet is currently planning a major campaign of exploration drilling over Paddy and EPM 9892 during the next two months with the aim of delineating the resource potential of the area.

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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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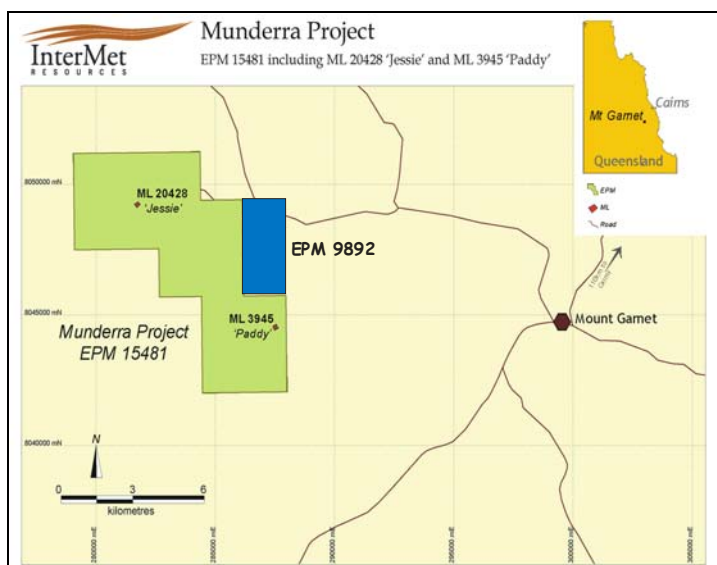


Figure 1: Location of Paddy Prospect and InterMet's Munderra Project



Plate 1: Magnetite at Paddy prospect (Munderra Project)