



Monday 26 May, 2008

InterMet Signs Option for Additional Gold Leases at Forsayth, Queensland

Highlights

- **InterMet has signed an Option Agreement over three granted Mining Leases in the Forsayth Area, Queensland.**
- **Rock chip sampling shows gold values up to 241.6 g/t**
- **Previous drilling by Vendors reports excellent gold grades up to 3 m @ 25.93 g/t Au including 2 m @ 38.4 g/t Au**
- **1.25 km strike length of prospective shear zone within Mining Leases**

InterMet Resources Limited (InterMet) (ASX:ITT) is pleased to announce that it has signed a Option agreement for the Big Reef series of Mining Leases (ML 3278, ML 3279 and ML 3280) located approximately 5 km south of Forsayth (Figure 1).

The three leases are in addition to the current Option Agreements InterMet has over Canadian (ML 3326) and Goldsmiths (ML 3327) mining leases and provide InterMet with a significant part of the main mineralisation zone in the Forsayth area. Under the terms of the agreement InterMet will pay an Option fee of \$6000 plus GST per lease and have one year to undertake exploration on the lease. If InterMet decides to purchase the leases they will pay \$50,000 per lease plus GST.

Gold deposits in the Forsayth region occur mainly in mineralised quartz veins hosted within steeply dipping fissures or shear zones. Figure 2 shows a major regional shear zone which trends northwest-southeast and is believed to be a controlling factor on local mineralisation. The three Big Reef Leases are located along and within this major shear zone as is seen in Figure 2. InterMet's Canadian and Goldsmith Leases are also located within this structure to the south west in a major dilational zone which are zones of increased fluid flow and potential sites of mineralisation (Figure 2).

The Big Reef workings are one of the largest groups of workings in the Forsayth area. The main Big Reef mines were worked between 1878-1893, with total production of 26,919.2 oz of gold from 25,470 tonnes of ore (a grade >1 oz per tonne). The majority of ore removed during early mining was taken from the oxidised zone which consists of iron-stained quartz and gossan with limonite (hydrrous iron oxide), hematite and cerussite (lead carbonate). Below the water table and into the primary mineralised zone, gold is associated with sulphide mineralisation. This primary ore was the ore the early miners struggled to treat and InterMet is optimistic that this zone remains relatively untouched

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Commenting on the signing of the Option Agreement, Managing Director Gary Ferris said "InterMet believes the Forsayth area has significant potential to host a significant gold resource. The Company's rock chip sampling combined with very shallow drilling by the vendors show the area is highly mineralised, produces good gold grades and has not been drilled to any great depth. This provides InterMet with a fantastic opportunity to discover an economic deposit. The leases are a marvellous addition to the portfolio of leases we are currently drilling".

Drilling was undertaken by the Leaseholders in 2001 using a small RC rig with only 11m of drill rods. Samples from this drilling were crushed on site and put into a cyanide tablet overnight. It is thought that the results reported may have been significantly under-reported. A summary of the best drilling results are shown in Table 1 and shown on Figures 3 and 4.

InterMet's rock chip sampling over the leases produced several bonanza grade assays up to 241.6 g/t and 151.8 g/t (Table 2).

InterMet is currently drilling to the southeast of Big Reef on the company's Canadian and Goldsmiths mining leases and is very excited at this addition to their leases in the Forsayth area. Mr Ferris sees great potential targeting the regional structure that all of InterMet's Forsayth Projects are located within. He commented "The Company now has the opportunity to target multiple areas along what appears to be a highly prospective regional shear zone and we are planning on drilling Big Reef at the completion of the current drilling at Canadian and Goldsmiths leases dependent upon environmental approval."

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: Significant results from previous drilling by Vendors at Big Reef (note location of drillholes is shown on Figures 3 & 4 and all drill holes are <11m deep)

Area	Drill Hole No.	Interval (m)	Gold Grade (g/t)
Big Reef East	DH04	1.2	4.3
	DH09	1.8	5.82
	DH13A	3.6	6.9
	DH13B	2.7	6.15
Big Reef West	DH11	0.9	10.4
	DH19	1.0	2.17
	DH21	1.0	1.47
	DH23	3.3	10.5
	DH25	4.4	5.3
	DH27	2.2	2.31
	DH29	3.3	6.1
	DH32A	2.2	4.0
	DH32B	4.4	2.2
	DH33B	3.0	2.87
	DH04	1.0	6.37
	DH08	0.6	13.58
	DH13	3.0	4.6
	DH14	3.0	25.93
DH14	2.0	38.4	

Table 2: Rock chip results from InterMet's sampling at Big Reef

Samp No.	Easting	Northing	Description	Au (ppm)
124950	775614	7937846	Qtz vein - Fe-staining - white buck qtz	9.6
124951	775614	7937846	Qtz vein - Fe-staining - white buck qtz	19.0
124952	775614	7937846	Qtz vein - Fe-staining - white buck qtz	20.9
124953	775614	7937846	Qtz vein - Fe-staining - white buck qtz	151.8
124954	775636	7937823	Qtz vein - Fe-staining - white buck qtz	241.6
124955	775614	7937846	Qtz vein - Fe-staining - white buck qtz	4.5
124956	775584	7937845	Qtz vein - Fe-staining - white buck qtz	14.5
124957	775919	7937968	Qtz vein - Fe-staining - white buck qtz	61.9
124958	775436	7937892	Small pit - sample from pit wall - Fe-stained qtz	3.0
124959	775436	7937892	Qtz vein - Fe-staining - white buck qtz	11.9
124960	775436	7937892	Qtz vein - Fe-staining - white buck qtz	43.5
124961	775662	7937977	sample of altered host	0.3
124962	775662	7937977	other side of pit - Fe-stained qtz	9.5
124963	775662	7937977	sample from pit wall	0.9
124964	775662	7937977	Fe-stained qtz	5.0
124965	775539	7938026	possible Cu rich sample	0.2
124966	775522	7938031	chlorite altered and Fe altered zone	0.1

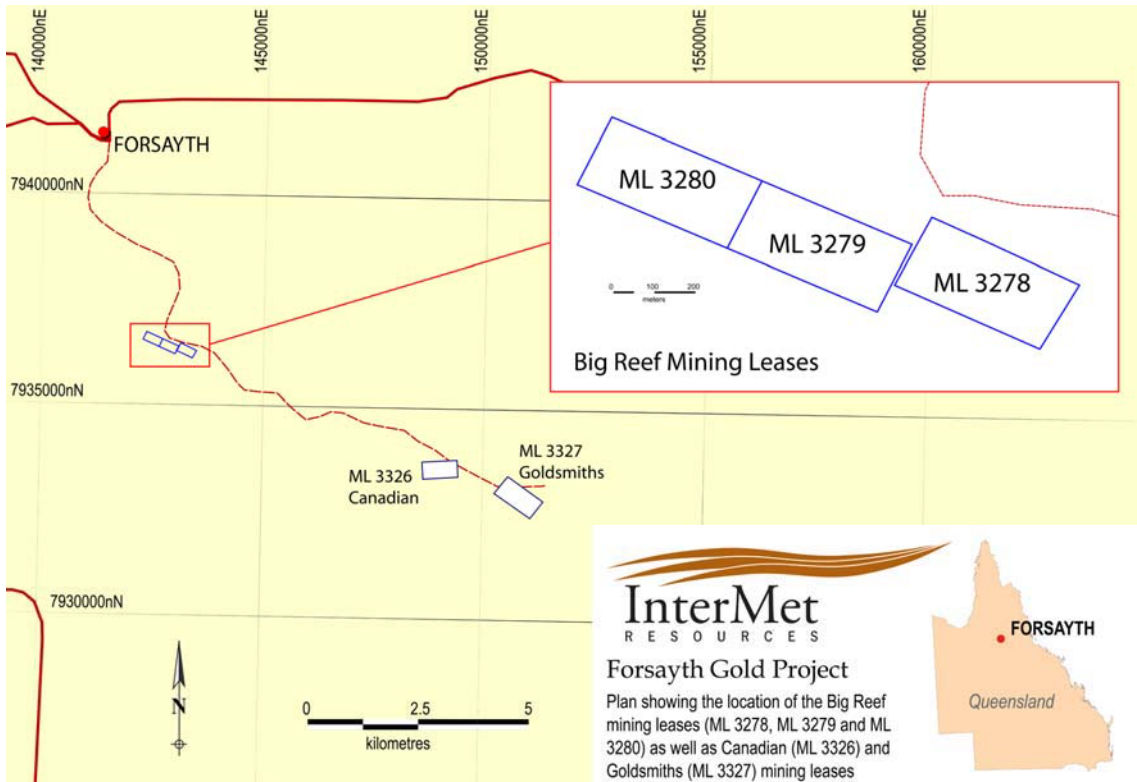


Figure 1: Location of Big Reef Mining Leases (ML 3278, ML 3279 and ML 3280) and InterMet's Canadian (ML 3326) and Goldsmiths (ML 3327) mining leases.

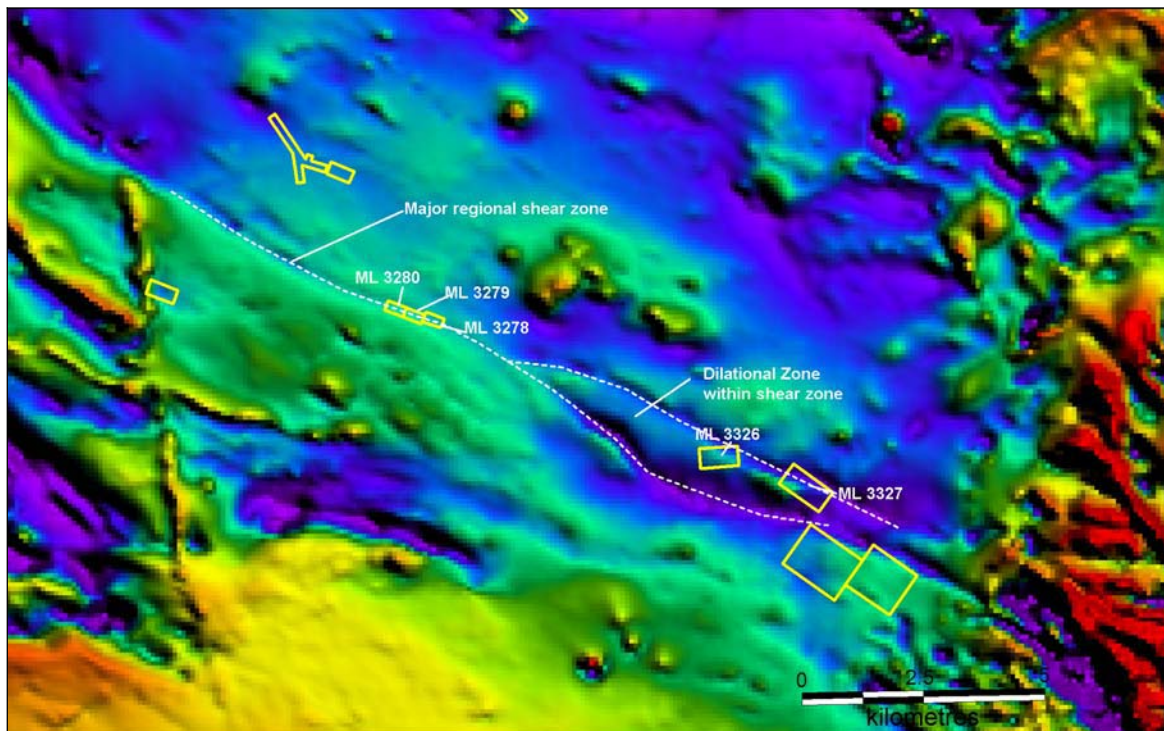


Figure 2: Location of the Big Reef, Canadian and Goldsmith Mining Leases and their position within major regional shear zone.

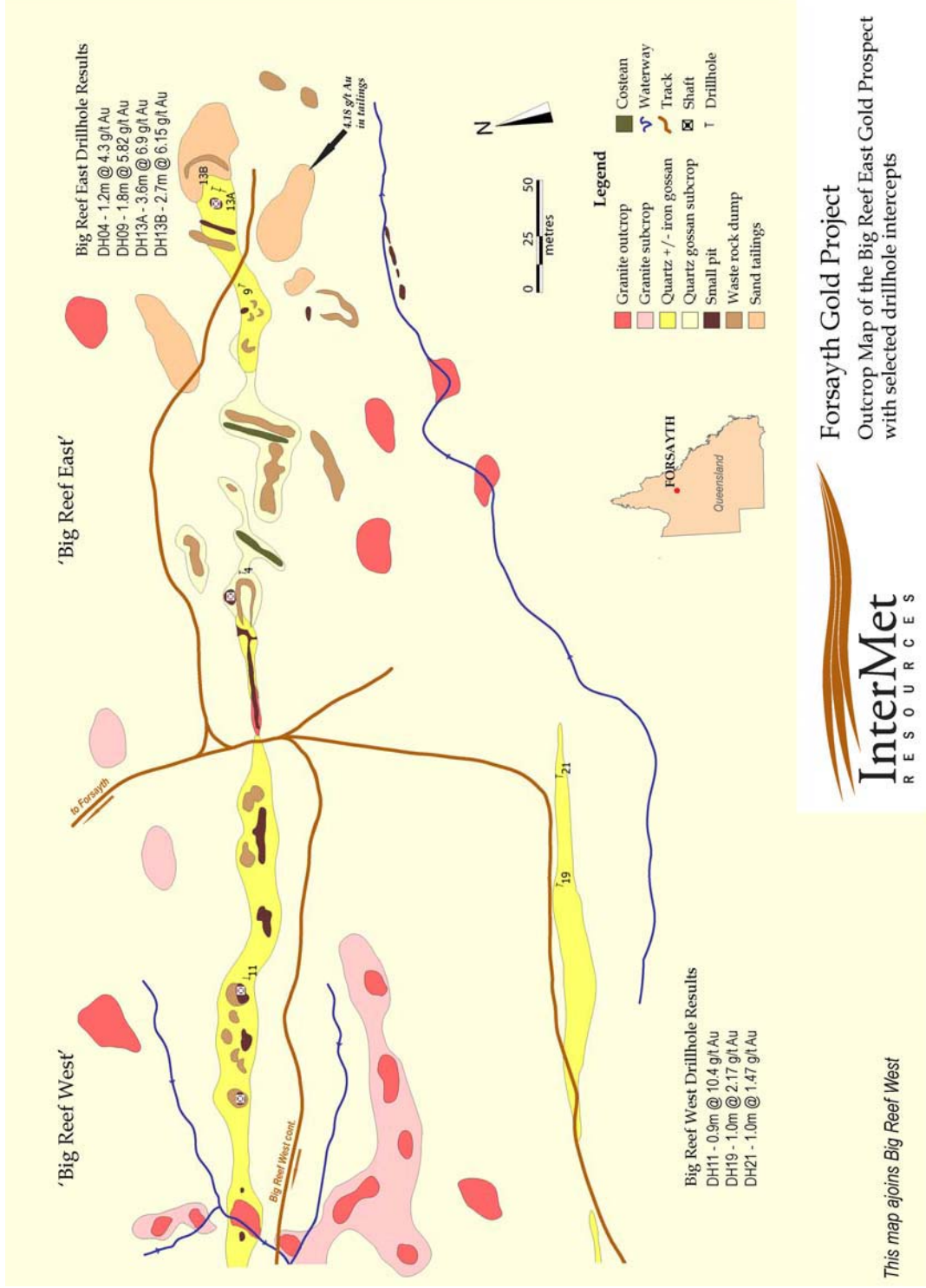


Figure 3: Big Reef East – geology and previous drilling results

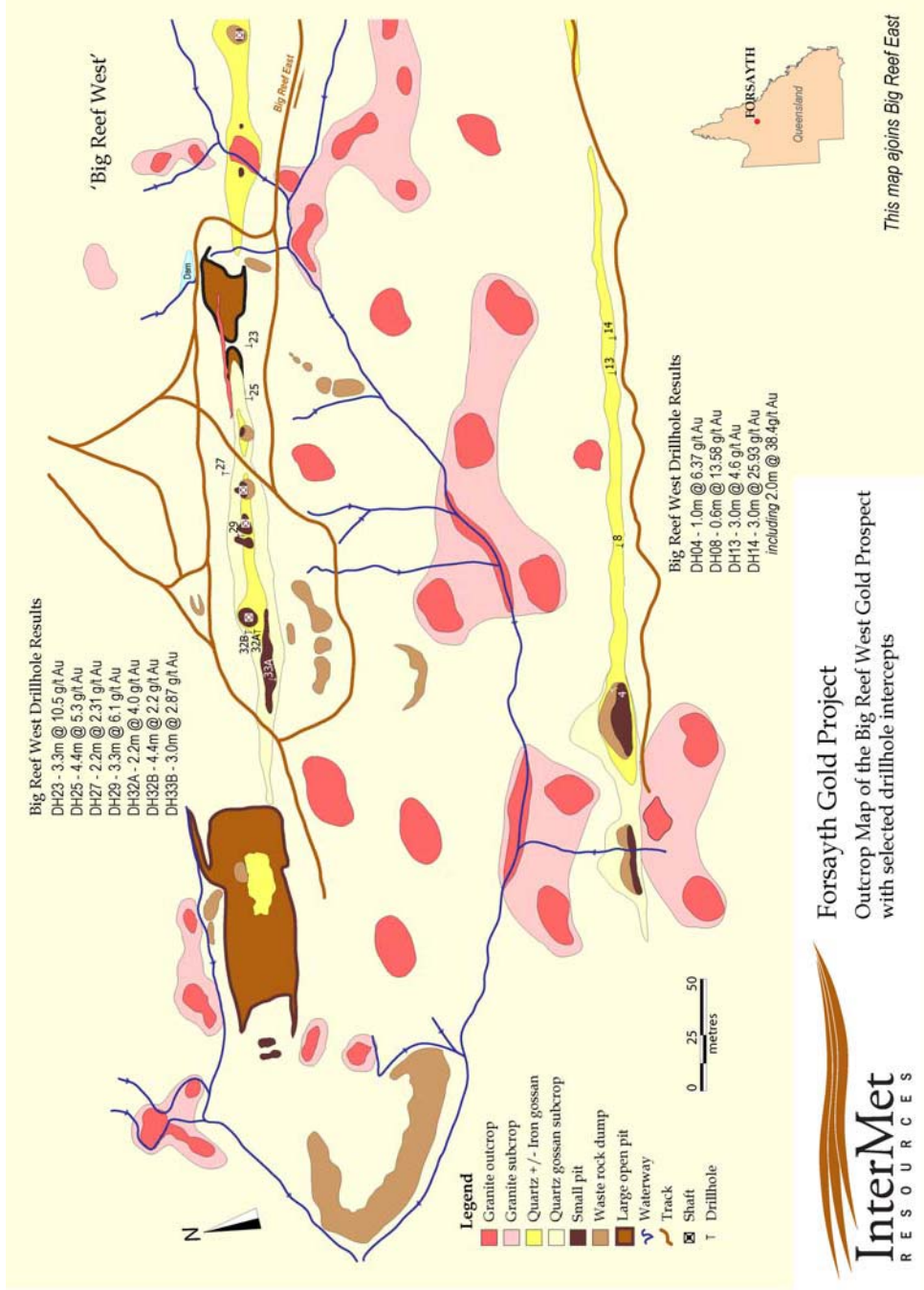


Figure 4: Big Reef West – geology and previous drilling results