



Monday 2 June, 2008

InterMet Signs JV with Flinders Mines for Diamond Exploration

Flinders Mines completed helimag survey over part of EL 4003

InterMet Resources Limited (ASX:ITT; InterMet) and Flinders Mines Limited (FMS) have signed a diamond rights joint venture agreement relating to exploration licence EL 4003 near Hawker in the Flinders Ranges of South Australia (Figure 1).

The agreement allows FMS to earn 100% of the diamond rights over the InterMet tenement. To earn these rights FMS has agreed to:

- Undertake an airborne magnetic survey at 100 metre line spacing over portion of EL4003 as shown on Figure 2 and to provide InterMet with a copy of the survey data.
- Spend a minimum of \$120 000 on diamond exploration on EL 4003 over a two year period.
- Pay InterMet a 1.5% net sales royalty on any future diamond production by FMS within the project area.

The airborne (helimag) survey over portion of EL 4003 has been completed by FMS as part of the Springfield airborne magnetic survey. Results for part of the joint venture area are shown on Figure 2. These results confirm the area's prospectivity for diamonds given its close proximity to the diamond-bearing Springfield Basin.

Commenting on the joint venture, Managing Director Gary Ferris said "InterMet is very happy with the joint venture as it provides the Company with increased exploration on the tenement where InterMet's focus is on copper, gold and phosphate. InterMet is planning a detailed mapping and sampling program over the summer months for the Adelaide Fold Belt tenements and will concentrate exploration on the gold and iron ore projects in northern Queensland in the coming months"..

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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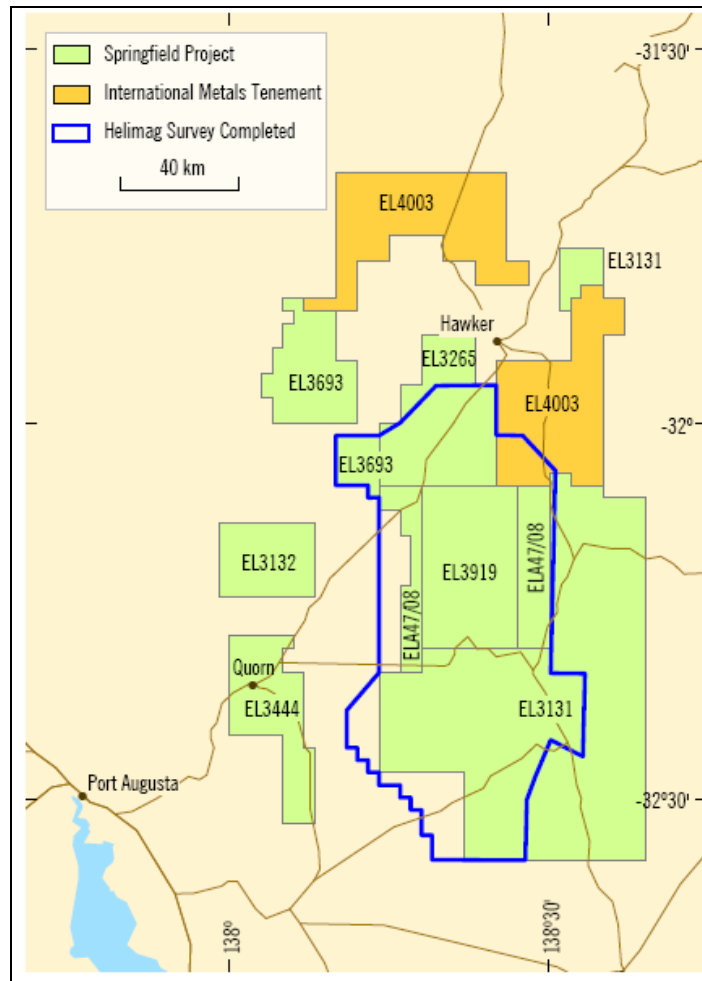


Figure 1: Location of InterMet tenement (EL 4003) and Flinders Mines Springfield Basin Project. The Blue line outlines the helimag survey area.

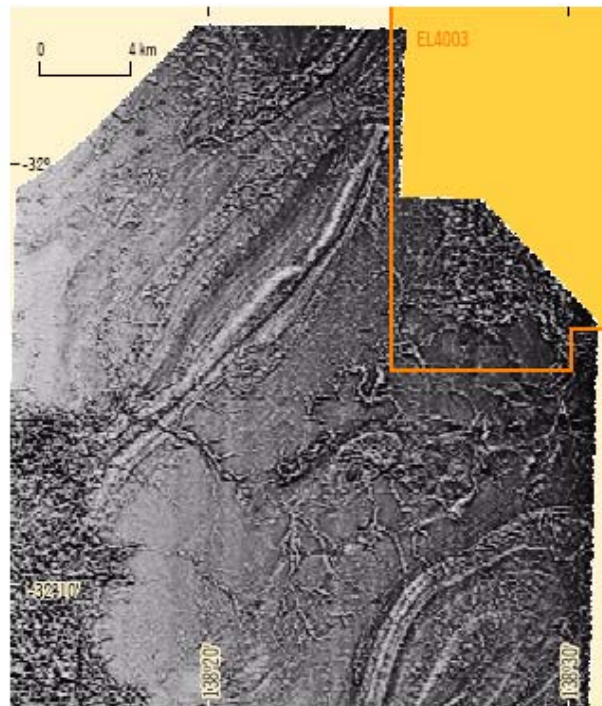


Figure 2: New magnetic data (1VD image)