



Quarterly Report for Period

Ending 30 June 2008

ASX Code: ITT

Quarterly Report for Period – Ending 30 June 2008

The Directors are pleased to present the June 2008 Quarterly Report. During the quarter InterMet commenced its planned exploration program for the Queensland Projects that included successful drilling programs at Percyvale and Forsayth gold projects. InterMet has also increased its landholding at Munderra and completed an additional ground magnetic survey to assist in defining potential zones of iron. On May 12 Hillgrove Resources (HGO) announced its intention to make a scrip offer to acquire all of the shares of InterMet. The offer consideration is four HGO shares for every five outstanding ITT shares.

Highlights

- **Spectacular gold results from Forsayth drilling program. Best intersection 6m @ 29 g/t Au. A total of thirty seven one metre samples reported >1g/t Au with the highest sample reporting 86.6 g/t Au.**
 - **InterMet signed an Option Agreement for a further three Mining Leases (Big Reef) in the Forsayth area.**
 - **Results from metallurgical testing of Paddy iron shows the magnetite represents direct shipping ore.**
 - **An inferred resource of 106,000 tonnes @ 4.1 g/t Au containing 14,000 oz of Gold was reported from Union Mining Lease (Percyvale Gold Project).**
 - **InterMet signed an Option Agreement over two granted EPM's within the Hodgkinson Basin. Initial rock chip sampling reported gold up to 43.5 g/t Au.**
 - **Uranium Equities have completed drilling at Watson Project with the best intersection recording 390 counts per second in hole WT0004 with equivalent grade at 100ppm eU₃O₈ over 1.8m.**
 - **Lincoln Minerals have completed a gravity survey on ITT's Wanilla tenement (EL 3702) in the search for iron.**
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Queensland Project Review

InterMet has 11 Projects located within Queensland (Figure 1).

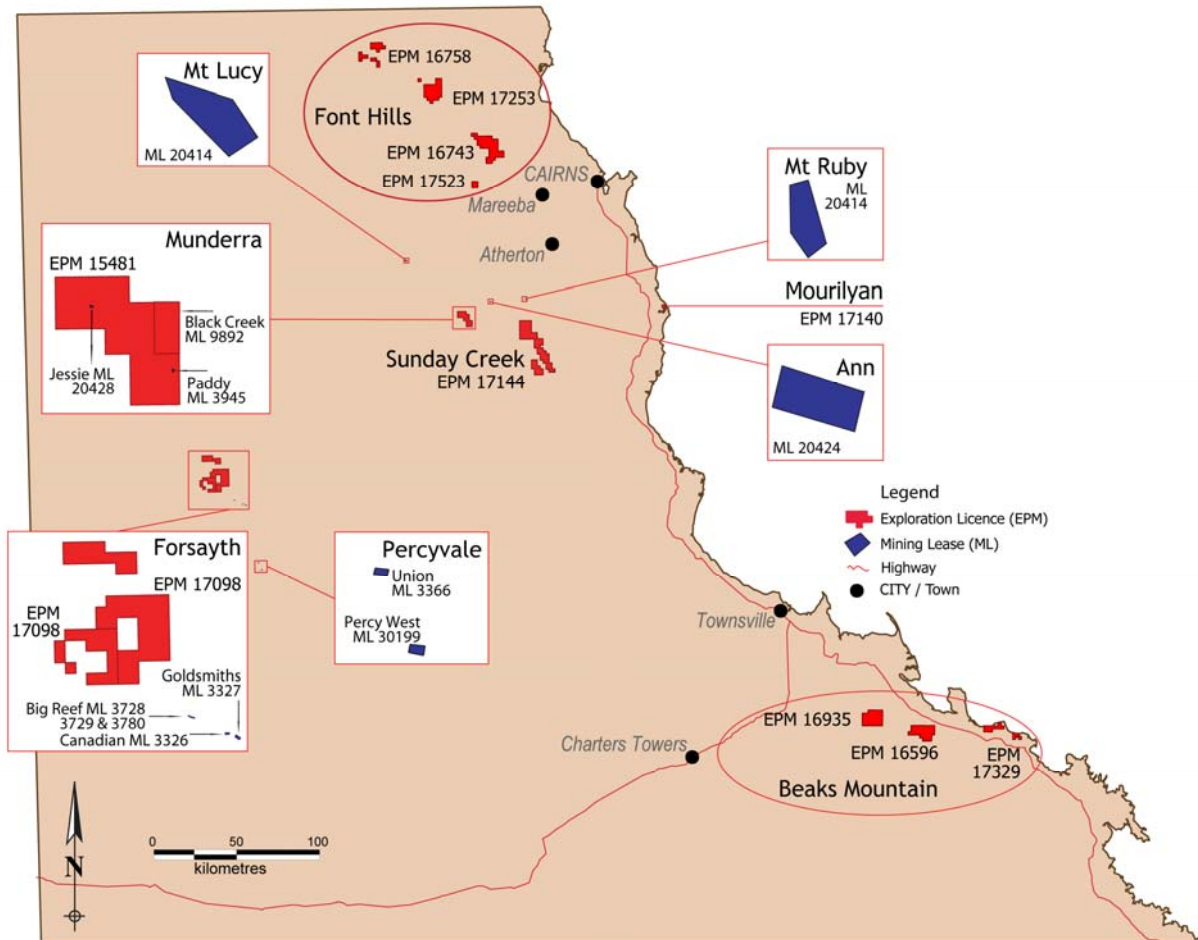


Figure 1: Location of InterMet Resources Projects in Queensland.

InterMet Queensland 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

1. Munderra Project

EPM 15481 and 9892; ML 3945 and 20428 – 100% InterMet – Iron, Copper, Gold and Base Metals

During the current quarter, InterMet was very active at the Munderra Project. The following work was undertaken during the quarter:

- ITT signed an Option Agreement over EPM 9892 (Blacks Creek).
- A ground magnetic survey was completed over parts of EPM 15481 and 9892.
- A bulk sample of iron mineralisation from the Paddy ML was sent for metallurgical testing.

Blacks Creek (EPM 9892)

InterMet signed an option agreement over EPM 9892 which adjoins InterMet's EPM 15481. EPM 9892 contains the extension of the Paddy iron mineralisation/alteration zone. The alteration zone on EPM 9892 measures 2.5km x 950m.

Initial rock chip sampling by InterMet returned iron values between 38.3 – 47.5%, gold up to 2.62 g/t and anomalous lead-zinc within EPM 9892 in a geological setting similar to Mt Garnet Cu-Pb-Zn mine and Chillagoe deposits (i.e. Red Dome, Mungana).

Historical soil and stream sediment sampling reports highly anomalous lead which was not drilled.

A ground magnetic survey was completed over parts of EPM 15481 and EPM 9892 (Figure 2). The new magnetic data show several zones of high-magnetic intensity which will be drill tested in late 2008.

Metallurgical Testing Results

Metallurgical testing of a 300 kilogram sample of magnetite, from Munderra's Paddy Prospect was tested at the Nagrom facilities in Perth (website: <http://www.nagrom.com.au>).

The testing confirms Paddy Iron may be of suitable quality for direct shipping operations. Paddy mineralisation is very low in phosphorous (< 0.01%) and sulphur and results suggests potential for low processing capex.

(1) Sizing Analysis

The iron samples were crushed to a variety of size fractions from +2.36mm to 75µm (Table 1) with each size fraction then chemically analysed for iron, silica, aluminium, phosphorous, sulphur and loss on ignition (LOI) (Table 1).

The results show the ore is very consistent at every size fraction tested ranging between 65.46 to 66.29% Fe. The samples all report very low phosphorous with the highest being 0.010%.

The Paddy iron has very high lump potential and the testing shows excellent recoveries at a coarse grind size which contrasts with most conventional magnetite projects which require energy intensive fine grinding (typically finer than 45 µm).

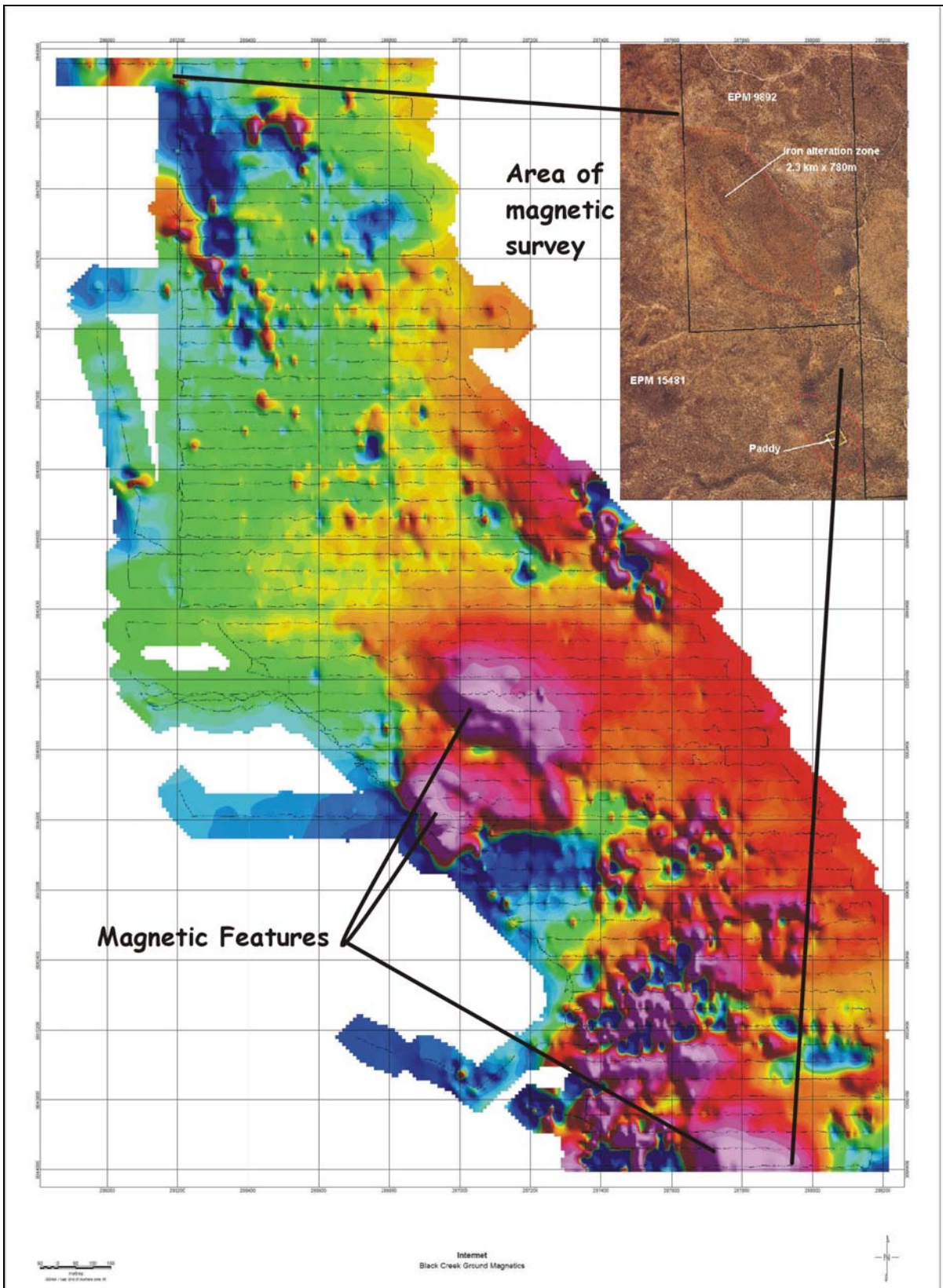


Figure 2: Preliminary image showing new magnetic data collected north of previous magnetic survey at Paddy prospect. New magnetic data define several major magnetic features which are interpreted as massive magnetite similar to magnetite which crops out at Paddy prospect.

Table 1: Sizing analysis conducted on Munderra bulk samples.

SAMPLE	Weight	Weight	Fe	SiO ₂	Al ₂ O ₃	P	S	LOI
	kg	%	%	%	%	%	%	%
+2.36mm	1.6	1.1	66.01	3.73	0.44	0.007	0.036	1.38
+2.00mm	10.8	7.7	65.94	3.56	0.43	0.007	0.036	1.34
+1.40mm	24.4	17.4	66.29	3.47	0.41	0.006	0.035	1.33
+1.00mm	26.2	18.7	66.19	3.48	0.41	0.010	0.040	1.32
+750µm	22.0	15.7	66.01	3.52	0.42	0.007	0.035	1.32
+500µm	5.4	3.8	65.99	3.64	0.45	0.008	0.035	1.38
+425µm	9.8	7.0	65.91	3.60	0.43	0.007	0.036	1.32
+300µm	0.4	0.3	65.99	3.54	0.46	0.008	0.035	1.24
+180µm	14.6	10.4	66.05	3.81	0.47	0.008	0.036	1.36
+125µm	6.6	4.7	65.83	3.85	0.48	0.008	0.037	1.40
+75µm	6.4	4.6	65.46	3.90	0.50	0.009	0.039	1.45
-75µm	12.2	8.7	65.24	4.13	0.56	0.010	0.041	1.55
Total	140.4	100.0						

(2) Magnetic Characterisation

Two size fractions were tested for their magnetic characteristics. Both size fractions reported very similar results showing the ore is very homogeneous with Fe within the 65-66% Fe range. The positive LOI values and non-magnetic sample show the deposit contains some hematite.

(3) Davis Tube Recovery

One sample was submitted for Davis Tube Recovery – a method used to categorise ore types with the results also showing the homogeneous nature of the iron.

2. Mt Ruby

ML 20428 – Option Agreement

The Mt Ruby Lease has been advertised and no objections were received. The Grant process has commenced and the Lease could be granted before the end of 2008.

Kangaroo Metals (ASX:KML) have undertaken a regional heli-mag survey which included Mt Ruby. The data shows a prominent magnetic feature within ML 20428 (Figure 3).

Rock chip sampling by KML shows high-grade iron at two locations near Mt Ruby (MR001 and MR002) and anomalous copper at one location (MR004 – see Figure 4).

The aeromagnetic data and rock chip sampling confirm the high-grade nature of the iron in the Mt Ruby area and the potential for copper mineralisation on the periphery of the iron body.

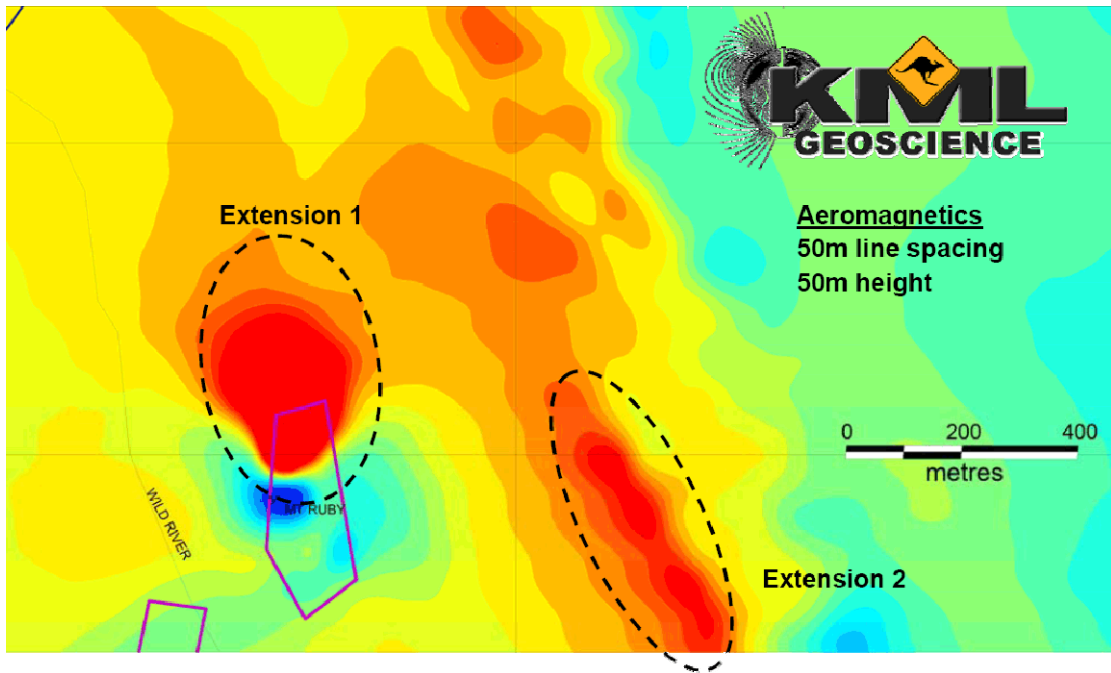


Figure 3: Aeromagnetic image of Mt Ruby area. InterMet's Mt Ruby ML is shown at southern margin of Extension 1. (taken from KML ASX Announcement July 4, 2008)

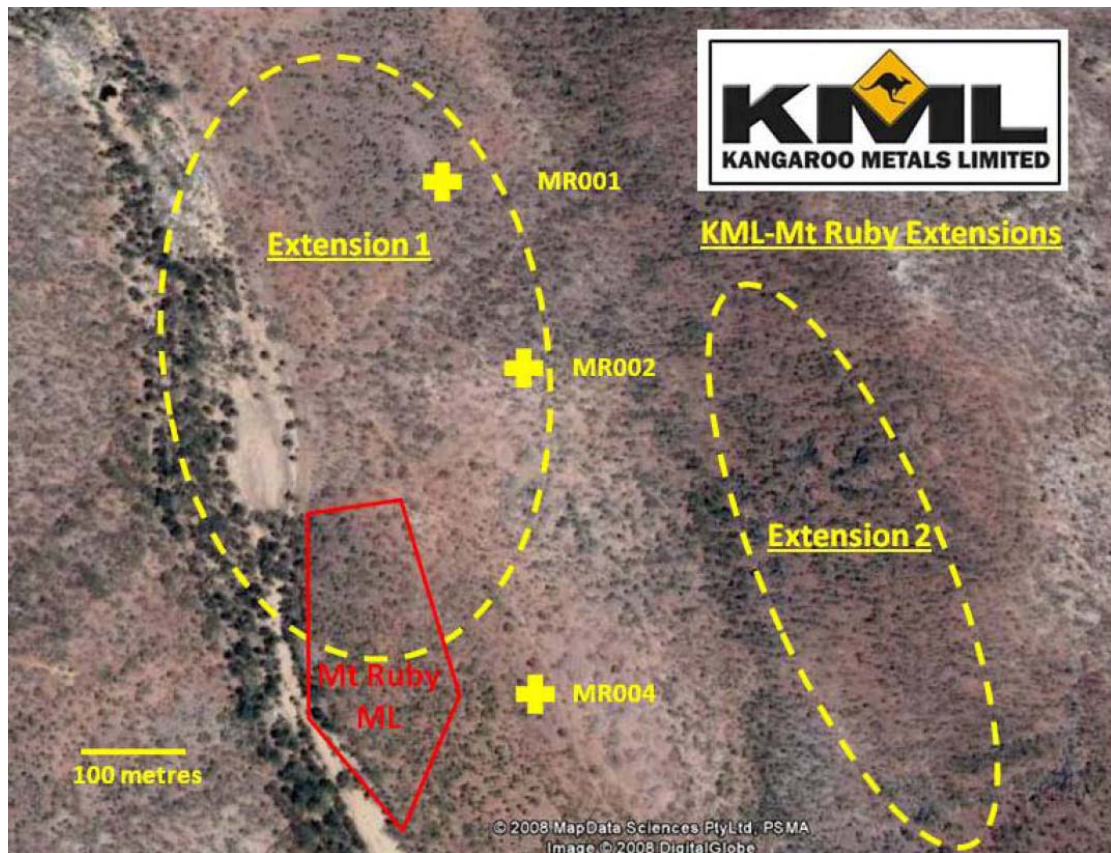


Figure 4: Location of InterMet's Mt Ruby ML and rock chip samples from KML (sample MR001 = 69.2 % Fe; MR002 = 68.1% Fe and MR004 = 8.13% Cu & 2.9% Fe). (taken from KML ASX Announcement July 4, 2008)

3. Mt Lucy

ML 20414 – Option Agreement

Awaiting the Grant of the Lease.

4. Percyvale Gold Project

ML 3366 and 30199 – Option Agreements

Initial drill program completed at Percyvale Gold Project, northern Queensland. Results including 1m @ 59.9 g/t Au and 5m @ 12.5 g/t Au have been received for first six holes at the Union Mining Lease.

Significant results for the Union ML are presented in Table 2. Drilling was completed on May 11 with a total of eleven holes completed for a total of 1084 metres at ML 3366 (Union) and ML 30199 (Percy West).

Table 2: Table of significant results from InterMet’s Union Drilling program.

Drill Hole No	Sample No.	Interval (m)	Result (g/t Au)
URC002	24783	88 – 89	59.9
URC002	24784	89 – 90	1.1
URC002	24785	90 – 91	0.29
URC002	24786	91 – 92	0.32
URC002	24787	92 - 93	0.14
URC002	24793	98 – 99	2.23
URC002	24794	99 – 100	10.9
URC002	24795	100 – 101	1.7
URC002	24796	101 – 102	3.97
URC002	24797	102 – 103	2.43
URC002	24798	103 - 104	0.53
URC003	24899	100 - 101	1.2
URC004	24993	92 - 93	0.86
URC005	25095	94 - 95	0.62
URC005	25096	95 – 96	12.4
URC005	25097	96 – 97	0.99
URC005	25098	97 - 98	0.4

InterMet completed 5 holes at Percy West (PWRC002-006) for a total of 498 m. The best results include:

- PWRC002 – 1m @ 1.99 g/t Au (63-64m).
- PWRC002 – 1m @ 2.14 g/t Au (97-98m).
- PWRC004 – 1m @ 2.30 g/t Au (65-66m).

Other lower grade results are presented in Table 3.

The results indicate there is a continuous, steeply dipping mineralised zone that runs through Percy West though the grade does not mirror the previous rock chip results.

The coarse-grained nature of the gold in this area may be masked due to the sampling process during drilling and this area may be another target for some down hole bulk sampling.

The zone has a strike length of over 100m and presently occurs in excess of 70m vertical depth.

Table 3: Table of significant results from InterMet's Percy West drilling program.

Drill Hole No	Sample No	Interval (m)	Result (g/t Au)
PWRC002	25250	63 – 64	1.99
PWRC002	25251	64 – 65	0.572
PWRC002	25284	97 – 98	2.14
PWRC004	25694	64 – 65	0.388
PWRC004	25695	65 – 66	2.3
PWRC004	25696	66 – 67	0.245
PWRC005	25378	85 – 86	0.636
PWRC005	25379	86 – 87	0.651
PWRC005	25380	87 – 88	1.35
PWRC005	25381	88 – 89	0.426

InterMet contracted Geological and Mining Resource Consultant Doug McLean who is deemed a competent person with respect to vein hosted gold deposits to review the historical data. The resultant inferred gold resource of 106,000 tonnes @ 4.1 g/t Au containing 14,000 oz of gold defined from 4 metres below the surface to a maximum depth of 40 metres and excludes areas of old underground workings.

5. Forsayth Gold Project

ML 3326, 3327, 3278, 3279 and 3280 – Option Agreements

EPM 17098 and 17444 – 100% InterMet

A total of 18 holes were completed at ML 3326 (Canadian) and ML 3327 (Goldsmiths) for a total of 963 m drilled. Samples were collected at one metre intervals and were assayed for gold. The best intersection returned 6m @ 29 g/t gold including one metre @ 86.4 g/t and one metre @ 59.6 g/t gold within hole GRC005 between 21-27m.

The history of the two north Queensland mining leases, located in the Forsayth area, 40 km south of Georgetown (Figure 1), include:

- Canadian (ML 3326) – 3,167.6 ozs of gold produced from 4,469 tonnes of ore (a grade of just under 1 oz/t Au).
- Goldsmiths (ML 3327) – 10,837 ozs of gold produced from 9,200 tonnes of ore (a grade greater than 1 oz/t Au).

Canadian Mining Lease (ML 3326)

The Canadian mining lease is 32 hectares in size and also contains several small pits and adits. Previous rock chip sampling conducted by InterMet reported gold values of up to 29 g/t Au within sulphide-rich quartz veins.

A total of 9 holes for 355m were completed at the Canadian lease to verify the previous drilling results and to test the depth extent and mineralisation of the vein system.

The best result returned was 1m @ 29.9 g/t Au in drill hole CMRC001 (15-16m). All significant results are presented in Table 4 and includes a 4m zone @ 7 g/t Au in hole CMRC004 (12-16m) and a 4m zone @ 1.96 g/t Au in hole CMRC004 (44-48m).

Goldsmiths Mining Lease (ML 3327)

The Goldsmiths mining lease is 50 hectares in size and contains numerous small, shallow pits and one larger open cut. InterMet previously collected 18 rock chip samples from the area and gold values ranged between 0.7 to 735.6 g/t Au.

Previous 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. This style of testing is believed by InterMet to potentially produce grades significantly lower than would modern testing techniques. A summary of the best drilling includes 5.2m @ 7.6 g/t Au and 3.3m @ 7.18 g/t Au including 1.3m @ 19.65 g/t Au.

A total of 9 holes for 608m were completed at the Goldsmiths Lease to verify the previous drilling results and to test the depth extent and mineralisation of the vein system. The best intersection reported is 6m @ 29 g/t Au including 1m @ 86.6 g/t Au and 1m @ 59.6 g/t Au in drill hole GRC005 between 21-27m.

Other significant results include:

- 7m @ 3.4 g/t Au (including 1m @ 9.19 and 1m @ 6.35 g/t Au (hole GRC004 0-7m).
- 7m @ 3.7 g/t Au (including 1m @ 9.86 g/t Au – Hole GRC009 18-25m).
- 10m @ 0.58 g/t Au (hole GRC004 60-70m).
- 10m @ 0.5 g/t Au (hole GRC007 43-53m).

Table 4 shows assay results from the Canadian Lease greater than 1 g/t Au and Table 5 shows assay results from the Goldsmiths Lease greater than 1 g/t Au.

Table 4: Canadian assay results from the Forsayth drilling program which returned gold values of >1.0 ppm Au. Values over 5.0 ppm Au highlighted in bold.

Hole_No	Sample	Depth from (m)	Depth to (m)	Au (ppm)
CER001	28073	3	4	9.44
CMRC001	26959	15	16	29.90
CMRC003	27212	11	12	6.90
CMRC003	27246	45	46	4.06
CMRC003	27247	46	47	1.40
CMRC003	27248	47	48	1.54
CMRC004	27313	12	13	11.40
CMRC004	27314	13	14	13.10
CMRC004	27315	14	15	2.46
CMRC004	27316	15	16	1.07
CMRC005	27344	16	17	8.08
CMRC005	27345	17	18	2.32
CMRC006	27364	13	14	3.65
CMRC006	27365	14	15	1.74
CMRC006	27366	15	16	2.64

Table 5: Goldsmiths assay results from the Forsayth drilling program which returned gold values of >1.0 ppm Au. Values over 5.0 ppm Au highlighted in bold.

Hole_No	Sample	Depth from (m)	Depth to (m)	Au (ppm)
GRC004	26174	0	1	1.75
GRC004	26176	2	3	1.76
GRC004	26177	3	4	6.35
GRC004	26178	4	5	9.19
GRC004	26180	6	7	5.00
GRC004	26443	62	63	1.28
GRC004	26486	105	106	1.76
GRC006	26822	21	22	15.70
GRC006	26823	22	23	86.40
GRC006	26824	23	24	59.60
GRC006	26825	24	25	9.52
GRC006	26826	25	26	3.63
GRC006	26827	26	27	5.95
GRC006	26834	33	34	1.41
GRC006	26845	44	45	1.19
GRC007	26895	44	45	2.35
GRC009	27780	19	20	1.41
GRC009	27781	20	21	11.40
GRC009	27782	21	22	3.97
GRC009	27783	22	23	6.66
GRC009	27784	23	24	2.07
GRC009	27785	24	25	1.36

6. Beaks Mountain Project

EPM 16596 & 16758 – 100% InterMet – Copper, Molybdenum and Gold

No work undertaken.

7. Mourilyan Iron Project

EPM 17140 – 100% InterMet

Awaiting grant of EPM.

8. Sunday Creek Project

EPM 17144 – 100% InterMet

Awaiting grant of EPM.

9. Ann Base Metal Project

ML 20424 – Option agreement

Awaiting grant of ML.

10. Font Hills/Hodgkinson Basin

EPM 16743, 16758, 17253 and 17523 – 100% InterMet

EPM 14647 and 14898 – Option agreement – Gold, Tin and Tungsten

InterMet has signed an Option Agreement over two tenements in the Hodgkinson Basin gold province, northern Queensland (EPM 14647 and 14898). The two tenements are located approximately 60 km northwest of the Mareeba and comprise 15 sub-blocks (approximately 48 km²).

Reconnaissance sampling of outcropping quartz reefs reported gold up to 43.5 g/t, with most samples showing the presence of gold. Previous sampling at the Cairns Battery site reported gold up to 27.8 g/t.

InterMet undertook four days reconnaissance field sampling across several tenement areas within the Hodgkinson Basin. A total of 30 samples were collected and results are expected in 2-3 weeks.

11. Mount Luce

EPM 17329 – 100% InterMet – Iron (magnetite mineral sands)

No work undertaken.

South Australian Project Review

InterMet has eight projects located within South Australia (Figure 5).

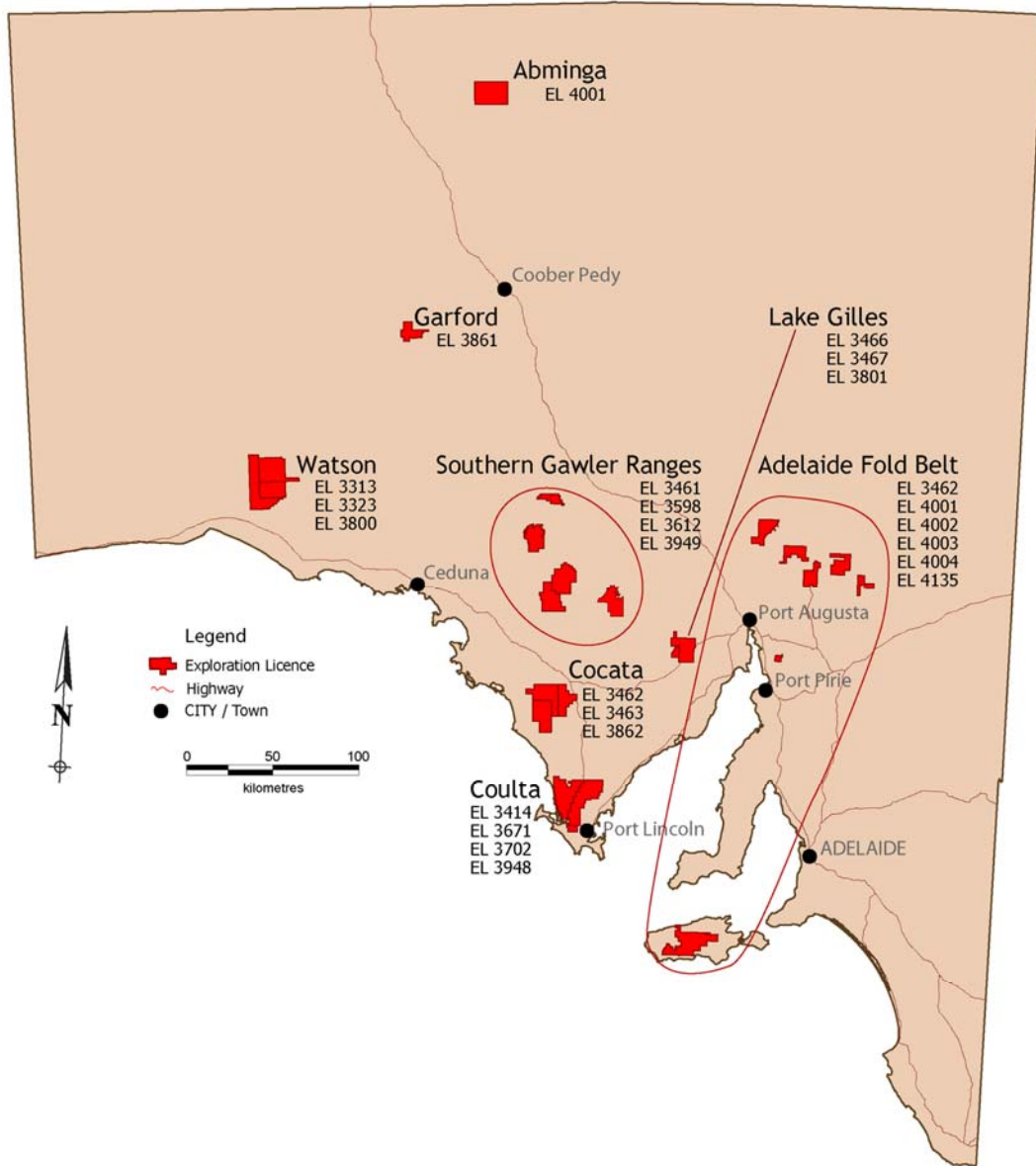


Figure 5: Location of InterMet Resources Projects within South Australia.

InterMet South Australian Projects

1. **Lake Gilles – Gold, Base Metals, Uranium**
2. **Couлта – Iron, Base Metals, Gold, Uranium**
3. **Cocata – Gold, Uranium**
4. **Watson – Gold, Base Metals, Uranium**
5. **Southern Gawler Ranges – Gold**
6. **Garford– Gold**
7. **Adelaide Fold Belt – Copper, Gold, Base Metals**
8. **Abminga – Gold**

1. Lake Gilles Project

EL 3466, 3467 and 3801 – 100% InterMet

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.

Base Metal Exploration

Results from the previous drill program are being assessed and drilling is planned for late 2008 to follow-up on anomalous base metal intersections previously reported.

Uranium Exploration

Joint venture partner Mega-Hindmarsh are still assessing the results of the uranium drilling program on EL 3467.

2. Coultas Project

EL 3314, 3671, 3702 and 3948 – 100% InterMet

Uranoz Ltd earning 80% in uranium on EL 3314 and 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

The Cummins-Wanilla project area is located on southern Eyre Peninsula and is prospective for a large range of polymetallic minerals including iron ore.

Detailed gravity surveys have been completed over selected targets on EL 3702 during the period 26 March to 5 June 2008. Survey details are outlined in Table 6.

The aims of the gravity surveys were to identify direct shipping (DSO) style hematite iron ore targets.

Table 6: Coultas survey areas, 26th March to 5th June, 2008

Survey Area	Tenement	Line Spacing	Lines	Station Spacing	Stations
Cummins	EL 3702	400m	26	100m	638
Cummins East	EL 3702	400m	17	100m	535

The Wanilla Joint Venture Agreement (Wanilla JV) has been extended to include Mineral Enterprises Australia Pty Ltd ("MEA"), a subsidiary of Indian iron ore miner, Mineral Enterprises Limited.

Under the new joint venture arrangements, MEA can earn up to 40% participating interest in EL3702 (as per the following table) by expending \$1M on exploration by December 31, 2012. The original Wanilla JV with International Metals Pty Ltd ("ITM") a subsidiary of InterMet Resources Limited was signed in March 2008 in respect of ITM's EL3702 (Wanilla) tenement.

The joint venture includes all minerals except uranium.

Uranium Exploration

No uranium exploration work undertaken during the quarter.

3. Cocata Project

EL 3462, 3463 and 3862 – 100% InterMet

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

No work undertaken during the quarter.

IOCG Exploration

No work undertaken during the quarter.

4. Watson Project

EL 3313, 3323 and 3800 – 100% InterMet

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

No work undertaken.

Uranium Exploration

Nine holes totaling 621m were completed by Uranium Equities Ltd (ASX:UEQ) as part of the reconnaissance drilling program at Watson, located 210km northwest of Ceduna in the far west of South Australia. UEQ is earning up to 80% interest in uranium from InterMet in this project.

Results confirm the validity of the exploration model, with significant gamma anomalism encountered in holes WT001, WT004, WT005 and WT006 related to thick sequences of both oxidized and reduced sands near the channel margin.

The best intersection was 390 counts per second in hole WT0004 with equivalent grade at 100ppm eU₃O₈ over 1.8m¹. See Figure 6.

¹ Equivalent grades (eU₃O₈) from Borehole Wireline Pty Ltd gamma probe 3349, calibrated at Adelaide Test Pits. Dead Time 4.4078e-6, k factor 2.46874E-5, 51/8th hole, water filled.

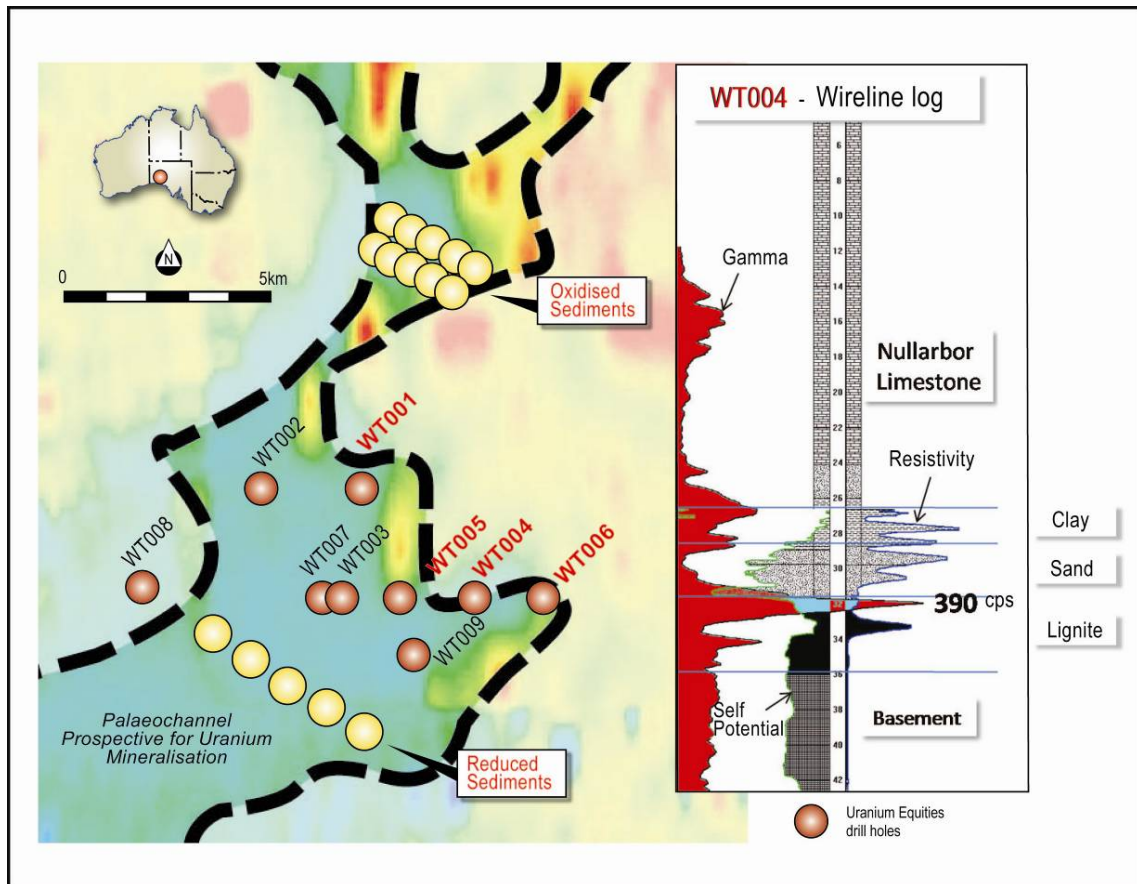


Figure 6: Drill hole locations and representative wireline log for hole WT004, northeastern Watsons channel.

5. Southern Gawler Range Volcanic Project

EL 3461, 3598, 3612 and 3949 – 100% InterMet

IOCG and Orogenic/Epithermal Gold

No exploration was undertaken during the quarter.

6. Garford Project

EL 3861 – 100% InterMet

Archaean Lode Gold (Challenger Style) and IOCG

No exploration was undertaken during the quarter.

7. Adelaide Fold Belt Project

EL 3642, 4002, 4003, 4004 and 4135 – 100% InterMet

Sediment Hosted Copper-Gold and Base Metals

During the quarter, InterMet was granted tenement EL 4135 (Melrose).

InterMet signed a diamond rights joint venture agreement with Flinders Mines Limited (FMS) relating to exploration licence EL 4003 near Hawker in the Flinders Ranges of South Australia.

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 a portion of EL4003 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.

8. Abminga Project

EL 4001 – 100% InterMet

Eromanga Uranium Ltd earning an 80% interest.

IOCGU and Orogenic/Epithermal Gold

A gravity survey designed to enhance a broad regional gravity high from existing 7km spaced stations, has been completed. In total 230 readings were collected along several traverses at 500m station spacings.

The survey was designed to determine if the regional gravity high consisted in detail of more discrete gravity features that may be associated with IOCGU targets at acceptable depths.

The results confirmed the broad regional gravity feature (6 mGal) and revealed a 2 mGal anomaly. The broad regional gravity anomaly is considered to represent deep basement (>1km) while the smaller anomaly indicates an excess mass at shallower depths.

Modelling indicates that the cause of the 2mGal anomaly is most likely related to a palaeotopographic high within 200m of surface.

Eromanga Uranium are currently drilling other IOCGU targets (gravity anomalies) in the region and, should these targets be related to IOCGU mineralisation, the Todmorden gravity feature would be reassessed.

Corporate Activity

On May 12 Hillgrove Resources announced its intention to make a scrip offer to acquire all of the shares of InterMet. The offer consideration is four HGO shares for every five outstanding ITT shares.

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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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")

30 June 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
	(663)	(2,016)
	(351)	(805)
	28	95
		50
	(986)	(2,676)
	(5)	(66)
	(5)	(66)
	(991)	(2,742)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(991)	(2,742)
	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	
	Net financing cash flows	0	1,804
	Net increase (decrease) in cash held	(991)	(938)
1.2	Cash at beginning of quarter/year to date	2,027	1,974
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	1,036	1,036

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	173
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	
4.2 Development	
Total	

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	1,036	2,027
5.2 Deposits at call		
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	1,036	2,027

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			
6.2	Interests in mining tenements acquired or increased	EPM 17098 EPM 17444	100% 100%	0% 0%
			100% 100%	

Issued and Quoted Securities at End of Current Quarter

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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 <i>(description)</i>				
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 <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ 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: 30/07/2008

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.