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Thursday 10 July 2008

Spectacular Gold Results – Forsayth Gold Drilling Program

Highlights

- **6m zone grading 29 g/t Au including 1m @ 86.4 g/t Au and 1m @ 59.6 g/t Au**
- **Drilling program aimed to test potential for depth and extent of previously mined shallow gold mineralisation**
- **Quality of results indicates strong potential for economic resource – to be tested via follow up drilling later in 2008**

Following on the heels of it's maiden gold resource at Percyvale and hugely encouraging iron project at Munderra, InterMet Resources Ltd (ASX:ITT) is pleased to announce spectacular gold intersections from its first drilling program at Forsayth.

The best intersection returned of 6m @ 29g/t gold including **one metre @ 86.4 g/t** and **one metre @ 59.6g/t** gold within drill hole GRC005 between 21-27m (see Plate 1).

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.

Background

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)

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Canadian Mining Lease (ML 3326)

The Canadian mining lease is 32 hectares in size and also contains several small pits and adits (Figure 2). 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 by InterMet 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 3 and includes a 4m zone @ 7g/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 (Figure 3). InterMet has 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. It is thought that the results reported may have potentially significantly under-reported the grades. A summary of the best drilling results are shown on Figure 3 and include 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 by InterMet 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 (Plate 1).

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)

Mining Lease Acquisitions

InterMet recently announced signing an Option Agreement over a further 3 Mining Leases in the Forsayth area at the Big Reef (ML 3278-3280 – see ASX Announcement May 26 2008). InterMet was unable to drill on these Leases at the time of the drilling reported here and is planning further drilling for September-October 2008 to follow-up on the excellent results from the initial drilling program, but also to drill the highly prospective Big Reef Leases.

Rock chip sampling carried-out by InterMet at the Big Reef Leases returned gold values of up to 241.6 and 151.8 g/t Au. Previous drilling by the vendors in 2001 on the Big Reef Leases also reported numerous intersections of gold including 3m @ 25.93 g/t Au including 2m @ 38.4 g/t Au (see ASX Release May 26 2008).

Future Exploration

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The drilling at Forsayth has shown that there appears to be three distinct gold systems within the area:

1. Shallow oxide gold system
2. High-grade sulphide–rich gold system
3. Large lower grade disseminated gold system

InterMet is planning a further drilling program aimed at following up on the high-grade intersections in September – October 2008.

Summary

InterMet believes its Forsayth Project represents a significant brownfields gold exploration target and this first round of drilling has confirmed the potential previously outlined by earlier shallow drilling and rock chip sampling. Intersections encountered with drilling to date have given the Company a high degree of confidence that high grade gold mineralisation continues in the areas under previously mined zones.

The spectacular results from the Forsayth drilling program together with the potential to upgrade the existing resource at the Union Mine confirms the potential for InterMet to make the transition from explorer to miner in the next 1-2 years.

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: Drill hole details for Canadian drilling

Drill Hole No.	Easting	Northing	Azimuth	Dip	RL	Depth (m)
CERC001	782476	7934756	320	-60	560	18
CERC002	782493	7934778	300	-60	560	18
CCRC001	782303	7934714	203	-60	543	33
CCRC002	782324	7934717	153	-60	542	27
CMRC001	781745	7934678	165	-60	570	42
CMRC003	781851	7934728	165	-60	563	110
CMRC004	781917	7934704	163	-65	562	26
CMRC005	781838	7934696	165	-65	566	42
CMRC006	781898	7934706	200	-65	563	39
					Total m drilled	**355**

Table 2: Drill hole details for Goldsmiths drilling

Drill Hole No.	Easting	Northing	Azimuth	Dip	RL	Depth (m)
GRC001	783797	7934187	0	-60	540	50
GRC002	784086	7933915	310	-60	559	63
GRC003	784061	7933888	310	-60	560	55
GRC004	783899	7934071	300	-60	555	120
GRC005	783855	7934156	100	-60	545	57
GRC006	783823	7934078	100	-60	550	50
GRC007	784097	7933900	310	-60	559	93
GRC008	784086	7933915	300	-60	558	60
GRC009	783823	7934078	100	-70	550	60
					Total m drilled	**608**

Table 3: Canadian Drilling Results

	Detection Range:	0.01 – 1000 ppm	Method:	FAA505
		Depth Interval		
Sample No	**Hole_No**	**From (m)**	**To (m)**	**Au (ppm)**
CER001 28073	CER001	3	4	**9.44**
CMRC001 26958	CMRC001	14	15	0.96
CMRC001 26959	CMRC001	15	16	**29.9**
CMRC003 27212	CMRC003	11	12	**6.9**
CMRC003 27215	CMRC003	14	15	0.91
CCRC004 27313	CMRC004	12	13	**11.4**
CCRC004 27314	CMRC004	13	14	**13.1**
CCRC004 27315	CMRC004	14	15	**2.46**
CCRC004 27316	CMRC004	15	16	**1.07**
CMRC003 27245	CMRC004	44	45	0.85
CMRC003 27246	CMRC004	45	46	**4.06**
CMRC003 27247	CMRC004	46	47	**1.4**
CMRC003 27248	CMRC004	47	48	**1.54**
CCRC005 27344	CMRC005	16	17	**8.08**
CCRC005 27345	CMRC005	17	18	**2.32**
CCRC006 27364	CMRC006	13	14	**3.65**
CCRC006 27365	CMRC006	14	15	**1.74**
CCRC006 27366	CMRC006	15	16	**2.64**

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Table 4: Goldsmiths Drilling Results

	Detection Range:	0.01 – 1000 ppm	Method:	FAA505
Sample No	**Hole_No**	**From (m)**	**To (m)**	**Au (ppm)**
GRC001/26003	GRC001	2	3	0.85
GRC001/26004	GRC001	3	4	0.12
GRC001/26010	GRC001	9	10	**1.4**
GRC001/26011	GRC001	10	11	0.56
GRC002/26057	GRC002	6	7	9.61
GRC004 26174	GRC004	0	1	**1.75**
GRC004 26175	GRC004	1	2	0.4
GRC004 26176	GRC004	2	3	**1.76**
GRC004 26177	GRC004	3	4	**6.35**
GRC004 26178	GRC004	4	5	**9.19**
GRC004 26179	GRC004	5	6	0.43
GRC004 26180	GRC004	6	7	**4.5**
GRC004 26435	GRC004	54	55	0.22
GRC004 26436	GRC004	55	56	0.4
GRC004 26437	GRC004	56	57	0.44
GRC004 26438	GRC004	57	58	0.05
GRC004 26441	GRC004	60	61	0.46
GRC004 26442	GRC004	61	62	0.83
GRC004 26443	GRC004	62	63	**1.28**
GRC004 26444	GRC004	63	64	0.27
GRC004 26445	GRC004	64	65	0.5
GRC004 26446	GRC004	65	66	0.47
GRC004 26447	GRC004	66	67	0.53
GRC004 26448	GRC004	67	68	0.48
GRC004 26449	GRC004	68	69	0.46
GRC004 26450	GRC004	69	70	0.43
GRC004 26451	GRC004	70	71	0.11
GRC004 26452	GRC004	71	72	0.02
GRC004 26453	GRC004	72	73	0.23
GRC004 26456	GRC004	75	76	0.43
GRC004 26457	GRC004	76	77	0.26
GRC004 26458	GRC004	77	78	0.12
GRC004 26459	GRC004	78	79	0.15
GRC004 26460	GRC004	79	80	0.03
GRC004 26461	GRC004	80	81	0.18
GRC004 26462	GRC004	81	82	0.46
GRC004 26469	GRC004	88	89	0.13
GRC004 26470	GRC004	89	90	0.23
GRC004 26471	GRC004	90	91	0.26
GRC004 26472	GRC004	91	92	0.4
GRC004 26473	GRC004	92	93	0.43
GRC004 26476	GRC004	95	96	0.22
GRC004 26477	GRC004	96	97	0.24
GRC004 26478	GRC004	97	98	0.05
GRC004 26479	GRC004	98	99	0.03
GRC004 26480	GRC004	99	100	0.55

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Sample No	Hole_No	From (m)	To (m)	Au (ppm)
GRC004 26481	GRC004	100	101	0.28
GRC004 26482	GRC004	101	102	0.12
GRC004 26483	GRC004	102	103	0.06
GRC004 26484	GRC004	103	104	0.03
GRC004 26485	GRC004	104	105	0.23
GRC004 26486	GRC004	105	106	**1.76**
GRC004 26487	GRC004	106	107	0.9
GRC004 26488	GRC004	107	108	0.38
GRC004 26489	GRC004	108	109	0.13
GRC004 26490	GRC004	109	110	0.52
GRC004 26491	GRC004	110	111	0.5
GRC004 26492	GRC004	111	112	0.38
GRC004 26493	GRC004	112	113	0.39
GRC004 26494	GRC004	113	114	0.44
GRC004 26495	GRC004	114	115	0.5
GRC004 26496	GRC004	115	116	0.45
GRC004 26497	GRC004	116	117	0.84
GRC004 26498	GRC004	117	118	0.41
GRC004 26499	GRC004	118	119	0.58
GRC004 26500	GRC004	119	120	0.3
GRC005 26501	GRC005	0	1	0.87
GRC005 26502	GRC005	1	2	0.16
GRC005 26506	GRC005	5	6	0.13
GRC006 26822	GRC006	21	22	**15.7**
GRC006 26823	GRC006	22	23	**86.4**
GRC006 26824	GRC006	23	24	**59.6**
GRC006 26825	GRC006	24	25	**9.52**
GRC006 26826	GRC006	25	26	**3.63**
GRC006 26827	GRC006	26	27	**5.95**
GRC006 26828	GRC006	27	28	0.14
GRC006 26829	GRC006	28	29	0.13
GRC006 26830	GRC006	29	30	0.23
GRC006 26831	GRC006	30	31	0.24
GRC006 26832	GRC006	31	32	0.16
GRC006 26833	GRC006	32	33	0.27
GRC006 26834	GRC006	33	34	**1.41**
GRC006 26835	GRC006	34	35	0.66
GRC006 26836	GRC006	35	36	0.3
GRC006 26837	GRC006	36	37	0.87
GRC006 26838	GRC006	37	38	0.29
GRC006 26839	GRC006	38	39	0.1
GRC006 26840	GRC006	39	40	0.29
GRC006 26841	GRC006	40	41	0.09
GRC006 26842	GRC006	41	42	0.05
GRC006 26843	GRC006	42	43	0.48
GRC006 26844	GRC006	43	44	0.06
GRC006 26845	GRC006	44	45	**1.19**
GRC006 26846	GRC006	45	46	0.12

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Sample No	Hole_No	From (m)	To (m)	Au (ppm)
GRC006 26847	GRC006	46	47	0.17
GRC006 26848	GRC006	47	48	0.19
GRC006 26849	GRC006	48	49	0.13
GRC006 26850	GRC006	49	50	0.27
GRC007 26894	GRC007	43	44	0.27
GRC007 26895	GRC007	44	45	**2.35**
GRC007 26896	GRC007	45	46	0.33
GRC007 26897	GRC007	46	47	0.09
GRC007 26898	GRC007	47	48	0.38
GRC007 26899	GRC007	48	49	0.52
GRC007 26900	GRC007	49	50	0.26
GRC007 26901	GRC007	50	51	0.35
GRC007 26902	GRC007	51	52	0.34
GRC007 26903	GRC007	52	53	0.24
GRC007 26904	GRC007	53	54	0.12
GRC007 26905	GRC007	54	55	0.24
GRC007 26906	GRC007	55	56	0.1
GRC007 26907	GRC007	56	57	0.05
GRC007 26908	GRC007	57	58	0.69
GRC007 26909	GRC007	58	59	0.21
GRC007 26910	GRC007	59	60	0.12
GRC007 26911	GRC007	60	61	0.01
GRC007 26912	GRC007	61	62	0.08
GRC007 26913	GRC007	62	63	0.02
GRC007 26914	GRC007	63	64	0.13
GRC007 26915	GRC007	64	65	0.24
GRC007 26916	GRC007	65	66	0.31
GRC007 26917	GRC007	66	67	0.1
GRC007 26918	GRC007	67	68	0.29
GRC007 26919	GRC007	68	69	0.18
GRC007 26920	GRC007	69	70	0.64
GRC009 27779	GRC009	18	19	0.59
GRC009 27780	GRC009	19	20	**1.41**
GRC009 27781	GRC009	20	21	**9.86**
GRC009 27782	GRC009	21	22	**3.97**
GRC009 27783	GRC009	22	23	**6.66**
GRC009 27784	GRC009	23	24	**2.07**
GRC009 27785	GRC009	24	25	**1.36**

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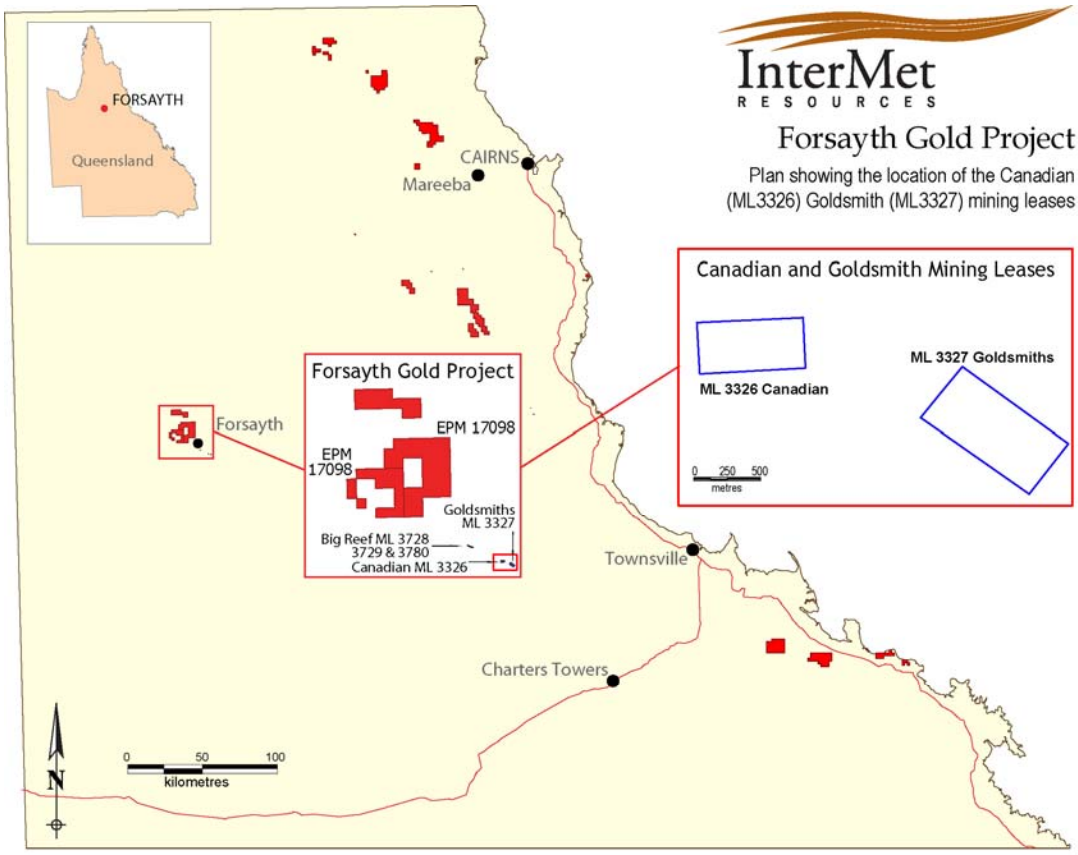

Figure 1: Location of the Forsayth Gold Project and the Canadian (ML 3326) and Goldsmiths (ML 3327) Mining Leases

Plate 1: Chip trays showing sulphide-rich nature of samples within hole GRC006. The 1m sample between 22-23m assayed 86.4 g/t Au and the interval 23-24 assayed 59.6 g/t Au

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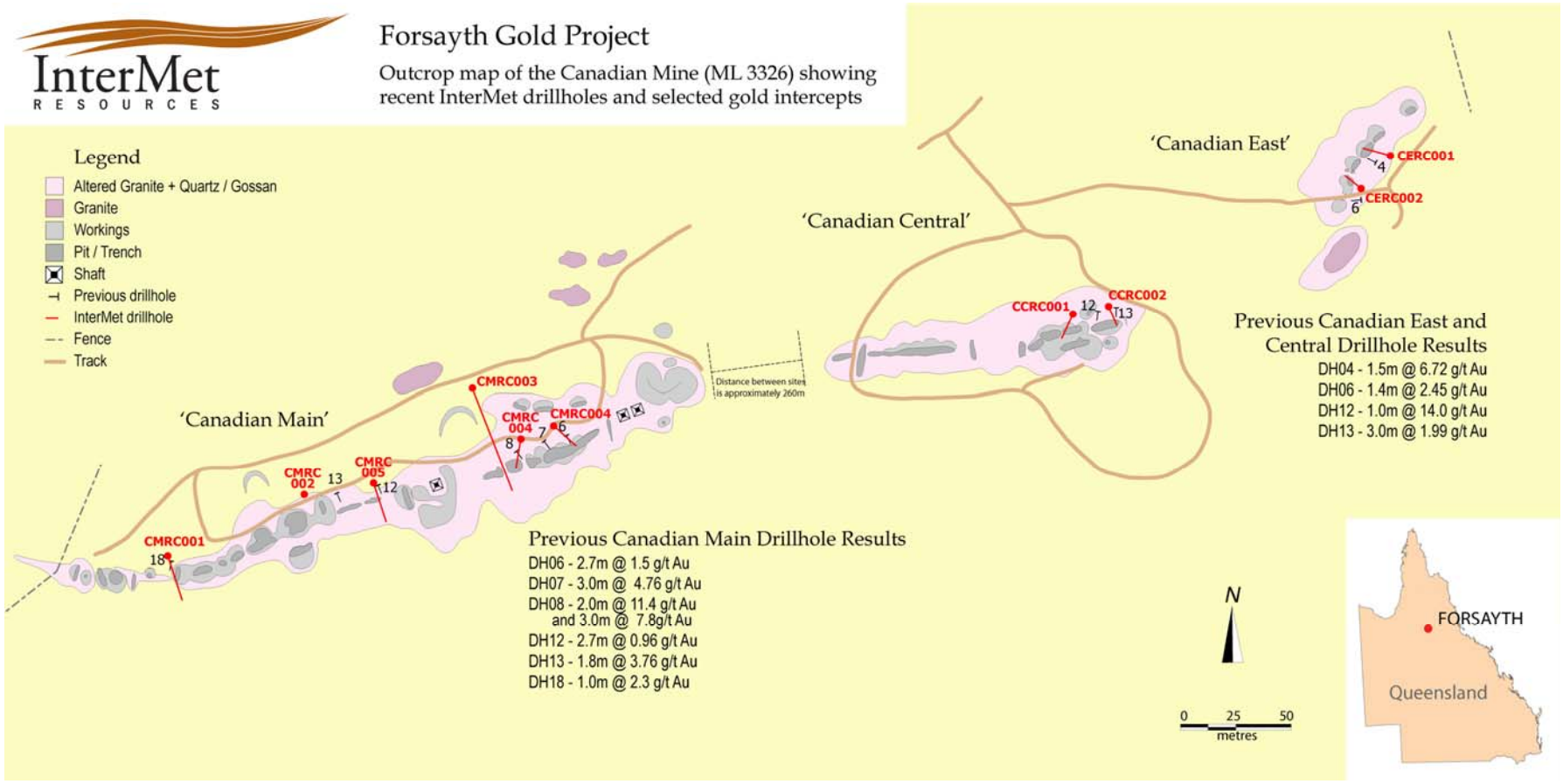

Figure 2: Geological sketch of ML 3326 Canadian showing InterMet drill holes and previous drilling results

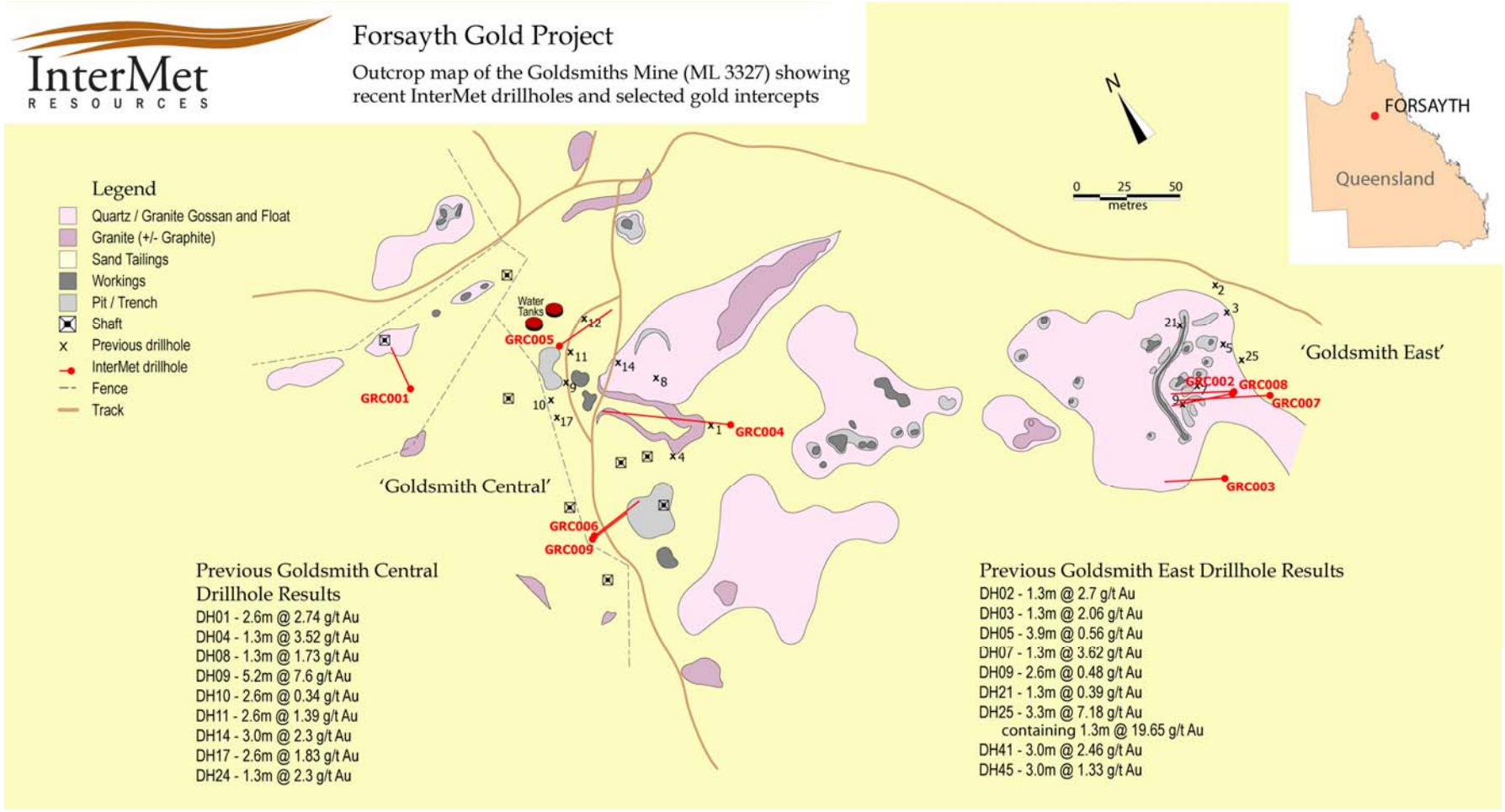

Figure 3: Geological sketch of ML 3327 Goldsmiths showing InterMet drill holes and previous drilling results

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