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**The Directors of InterMet Resources Limited (ASX:ITT)  
present the first quarterly report for 2011.**

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**Overview**

Work completed during the current reporting period focused on finalising the bauxite IUP leases opportunity in West Kalimantan.

No field work was conducted on South Australian or Queensland Projects.

Several tenements in Queensland and all South Australian have now been relinquished or transferred across to joint venture partners.

**Kalimantan Bauxite**

On 24 February InterMet advised Hillgrove Resources Limited that it had declined the offer to take up options to acquire a shareholding in five companies that own nine exploration licenses (IUPs) over the Landak and Tayan South Bauxite Projects, covering 1,400km<sup>2</sup> in West Kalimantan, Indonesia, previously offered to InterMet by Hillgrove by way of conditional assignment. As a result, the options reverted to Hillgrove.

Following extensive due diligence of the terms of the offer for the options and the underlying tenements, the Board of InterMet advised it would not be accepting the offer of assignment as it believes InterMet would be unable to meet the conditions requested by Hillgrove.

The InterMet Board remains committed to positioning the company to enable it to fund projects independently of Hillgrove Resources' financial support. However, Hillgrove (InterMet's holding company with 84.8% shareholding) remains supportive in terms of continuing financial support until such time that InterMet has the ability to independently fund its activities.

**Queensland Projects**

Work during the quarter has been limited.

**Munderra Project (EPM 15481; ML 3945)**

No work completed this quarter.

**Kingsborough Project (EPM 16743; EPA 17523 and 17592)**

No work completed this quarter.

**Hodgkinson Project (EPM 16758)**

Relinquished on 13 April 2011.

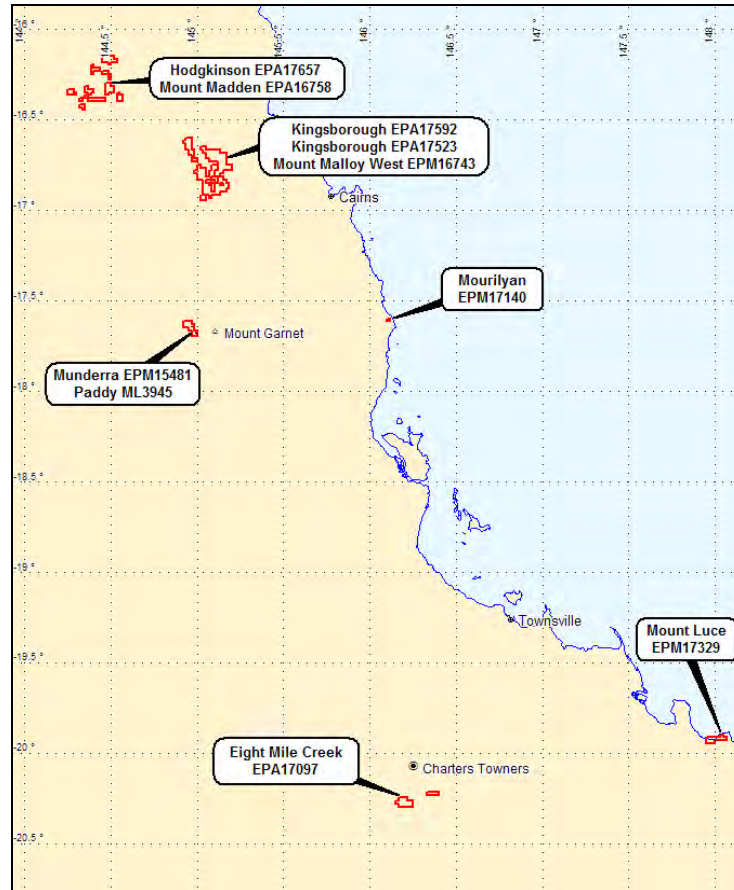
### **Mourilyan Project (EPM17140)**

Relinquished on 11 February 2011.

### **Mount Luce Project (EPM17329)**

Relinquished on 14 February 2011.

**Figure 3. Location of InterMet Resources Projects in Queensland**



## **South Australian Projects**

### **Lake Gilles Project (EL4663)**

The Lake Gilles licence was granted this quarter as EL4663 and then transferred to the joint venture partner Mega Hindmarsh. This was the last tenement held in South Australia by InterMet.

*The information in this report that relates to Exploration Results is based on information compiled by Mr. Adam Freeman, who is a Member of The Australasian Institute of Geoscientists. Mr. Freeman is a Geology Manager for Hillgrove 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. Freeman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

### **For further information, contact:**

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Executive Director  
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# Appendix 5B

## Mining exploration entity quarterly report

Name of entity

InterMet Resources Limited

ABN

66 112 291 960

Quarter ended ("current quarter")

30 April 2011

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation	(9)	(9)
(b) development		
(c) production		
(d) administration	(50)	(50)
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)		
<b>Net Operating Cash Flows</b>	(59)	(59)
<b>Cash flows related to investing activities</b>		
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)		
<b>Net investing cash flows</b>		
1.13 Total operating and investing cash flows (carried forward)	(59)	(59)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(59)	(59)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	30	30
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	30	30
	<b>Net increase (decrease) in cash held</b>	(29)	(29)
1.20	Cash at beginning of quarter/year to date	48	48
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	19	19

**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	22
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

The Company has entered in to a short-term loan facility with Hillgrove Resources Limited.

**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

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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

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+ 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	2,000	1,743
3.2 Credit standby arrangements		

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	25
4.2 Development	
4.3 Production	
4.4 Administration	45
<b>Total</b>	<b>70</b>

### 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	19	46
5.2 Deposits at call		2
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter</b> (item 1.22)	19	48

### 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	EPM 17329	100%	100%	0%
	EPM16758	100%	100%	0%
	EPM17592	100%	100%	0%
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*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 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	50,500,500	50,500,500		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>				
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <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.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 31 May 2011

(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.

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