

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING 31 JANUARY 2013

Highlights

Project acquisition

Calypso

- InterMet signed six month option over highly prospective Western Australian Nickel Sulphide Project located at the southern end of the prolific Agnew-Wiluna Nickel Belt which hosts several world class nickel mines.
- Previous gold exploration drilling by BHP Billiton intersected shallow disseminated sulphides in ultramafic rocks, including 2m at 0.43% Ni and 85ppm Cu.
- Disseminated sulphides coincident with two aeromagnetic anomalies that provide immediate exploration targets.
- Due diligence to commence immediately, with intention to conduct confirmatory drill program.
- Due diligence exploration to commence over the Calypso project in March 2013.

8 Mile Creek

- Application for exploration tenement near Charters Towers has been accepted by Queensland Department of Natural Resources.

Corporate

- Board replaced by three directors with mining, exploration and financial industry experience.

Financial

- Balance sheet strengthened with ~\$2.4m debt forgiveness and \$500,000 capital raising.

Projects

Calypso Nickel Project – West Australia

Ultramafic intrusive related nickel project in world class nickel province

During the quarter ending January 31, 2013, InterMet Resources Limited (ASX: ITT) ('InterMet' or 'Company') executed a binding Option Agreement (Option) with Rossiter Minerals Limited (Rossiter), for an exclusive six month option to acquire an 80% interest in the Calypso Nickel Sulphide Project (Calypso Project) located in Western Australia.

The Calypso Project is an early stage nickel exploration project located approximately 200 km north of Kalgoorlie within the southern extent of the highly endowed Agnew-Wiluna Nickel Belt. The Agnew-Wiluna Belt is a prolific nickel sulphide province hosting world class deposits including Mt Keith, Perseverance, Honeymoon Well and Cosmos Deeps located to the north of the project area (Figure 1).

The Calypso Project comprises exploration licence, E37/1120 which covers an area of 40km² and is easily accessible via a well maintained road only 27 km from Leonora.

InterMet's immediate due diligence program will focus on confirming the presence of disseminated sulphides reported in ultramafic rocks by BHP Minerals Ltd during their purely gold-focussed exploration in the mid-1980s.

The sulphides were described as having been intersected in consecutive holes on a single line of shallow aircore drilling over the Zeus prospect, one of two discrete, intense aeromagnetic anomalies of approximately 1 km in length within the Calypso Project (Figure 2). Zeus and the other aeromagnetic anomaly, Argos, will be the focus of InterMet's due diligence during the term of the Option. InterMet plans to twin the drill holes described in details to confirm the presence of nickel mineralisation and review the existing relationship between the anomalies and the previous sampling results to establish the potential of these prospects.

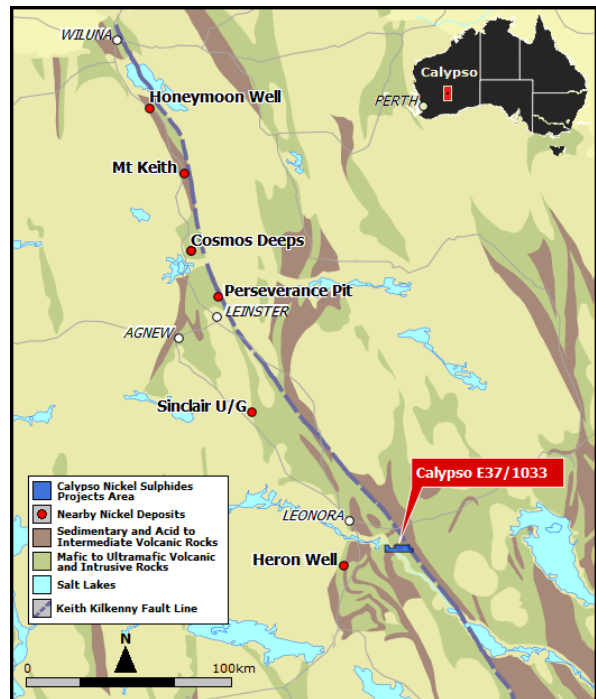


Figure 1. Location and Regional Geological Setting of Calypso Nickel Sulphides Project.

At Zeus, aircore holes MR381 and MR382 situated 50m apart encountered serpentinised peridotite containing disseminated sulphides. End of hole petrological studies by BHP Minerals Ltd identified that the sulphides were hosted by a serpentinised olivine cumulate and were primary (magmatic) in origin. Sulphide species including pyrrhotite and chalcopyrite were identified, as well as possible pentlandite (nickel sulphide). Only one of the drill holes was assayed for nickel and copper, reportedly returning **16m at 0.2% Ni and 61ppm Cu from 42m**, including a high value of **2m at 0.43% Ni and 85ppm Cu**.

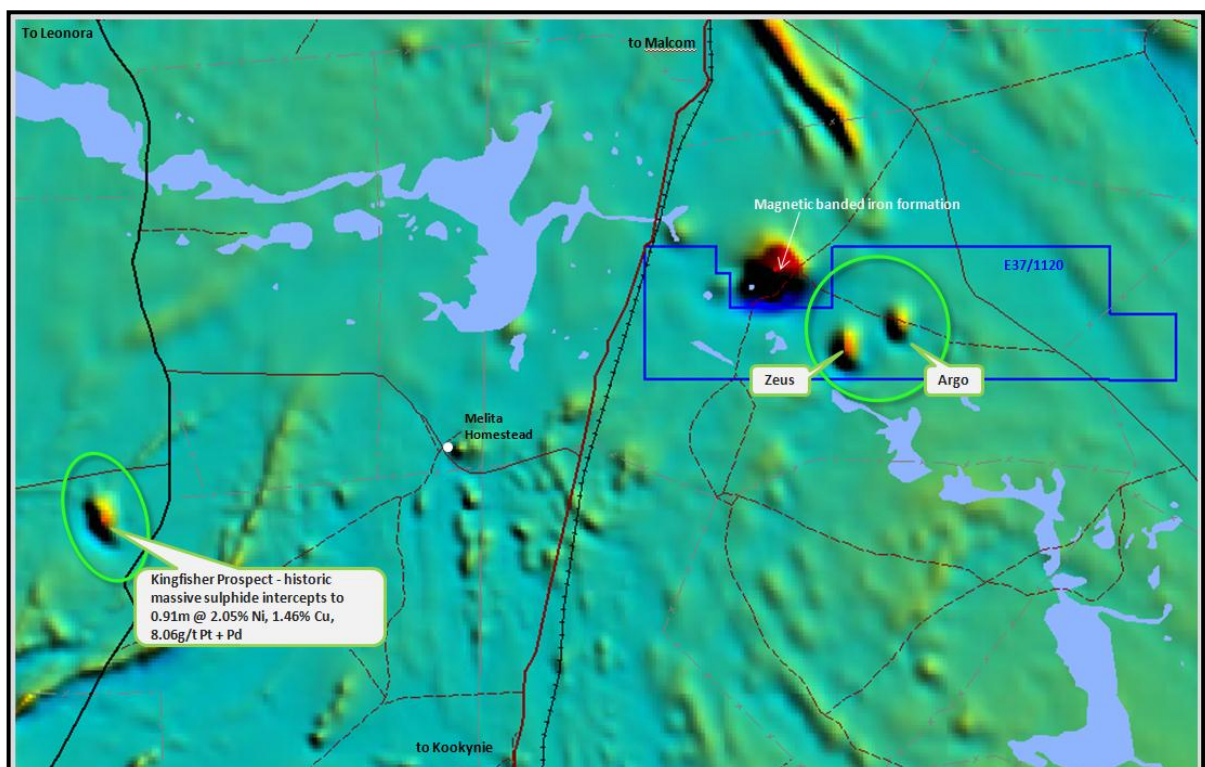


Figure 2. Aeromagnetic Image showing location of Zeus and Argos Prospects within the Calypso Nickel Project.

At the Argos magnetic anomaly, a single line of aircore drilling encountered talc-carbonate-chlorite ultramafic rocks which were not assayed for nickel or copper.

No further exploration has been carried out at either prospect.

The Company believes that the Calypso Project presents excellent nickel sulphide exploration potential, with past reconnaissance-style single-line aircore traverses identifying both prospective ultramafic lithologies and primary sulphides. Each of the magnetic anomalies requires additional drilling to identify and test footwall contact positions and to map geochemical trends. InterMet also notes that a similar magnetic anomaly 18km to the west of Calypso (Figure 2) hosts historic nickel-copper sulphide mineralisation in ultramafic rocks. In this location massive and disseminated sulphide mineralisation lies in serpentinite at the base of a layered intrusion.

Due diligence exploration to commence in March

Plans are in place to commence a Heritage survey of the project area in the first week of March followed by a detailed ground magnetics survey to better define the aeromagnetic anomaly and potential drill targets.

This will be followed by an aircore drilling program designed to test the nickel intersections and observations obtained in BHP Minerals exploration in the 1980s. Subject to receiving approval for the Program of Work submitted to the WA Department of Mines and Petroleum (Environmental Division). This approval is anticipated for early April 2013.

Terms of Calypso Option Agreement

The key terms of the Option Agreement between InterMet and Rossiter are outlined below:

- a) A non-refundable payment of A\$50,000 for an exclusive six month option to acquire an 80% interest in the Calypso Project;
- b) Subject to satisfaction of conditions precedent, at any time during the option period, InterMet can acquire an 80% interest by issuing Rossiter 55,000,000 fully paid ordinary shares in the Company at a value of \$0.01 per share (or the equivalent number of shares if the exercise of the Option results in the Company having to comply with Chapters 1 and 2 of the Listing Rules); and
- c) Minimum expenditure of \$100,000 at the Calypso Project, to include confirmatory drilling program.

The exercise of the Option is conditional upon receipt from ASX of conditional re-listing approval on ASX in compliance with Chapters 1 and 2 of the Listing Rules.

8 Mile Creek Project – Queensland

VMS style gold and base metal project in rich mineral field

During the quarter, ITT was advised that the Company's application for Exploration Permit for Mineral (EPM) 17097 - commonly known as Eight Mile Creek - had been accepted by the Queensland Department of Natural Resources and Mines (Department). The actual grant of EPM 17097 is imminent.

The terms and conditions for the granting of EPM 17097 have been agreed to by the Company and its remittance of the required financial assurance and rental for the first year of the term of EPM 17097 have been received by the Department.

EPM 17097 is in the centre of a significant mineral field, south of Charters Towers, Queensland. The tenement lies adjacent to the Mt Leyshon mining leases (a major gold mine), north of the Highway-Reward VMS deposits and spatially associated with numerous other gold and base metal mineral deposits.

The Company plans to commence fieldwork as soon as the tenement grant is received and exploration program plans are already underway.

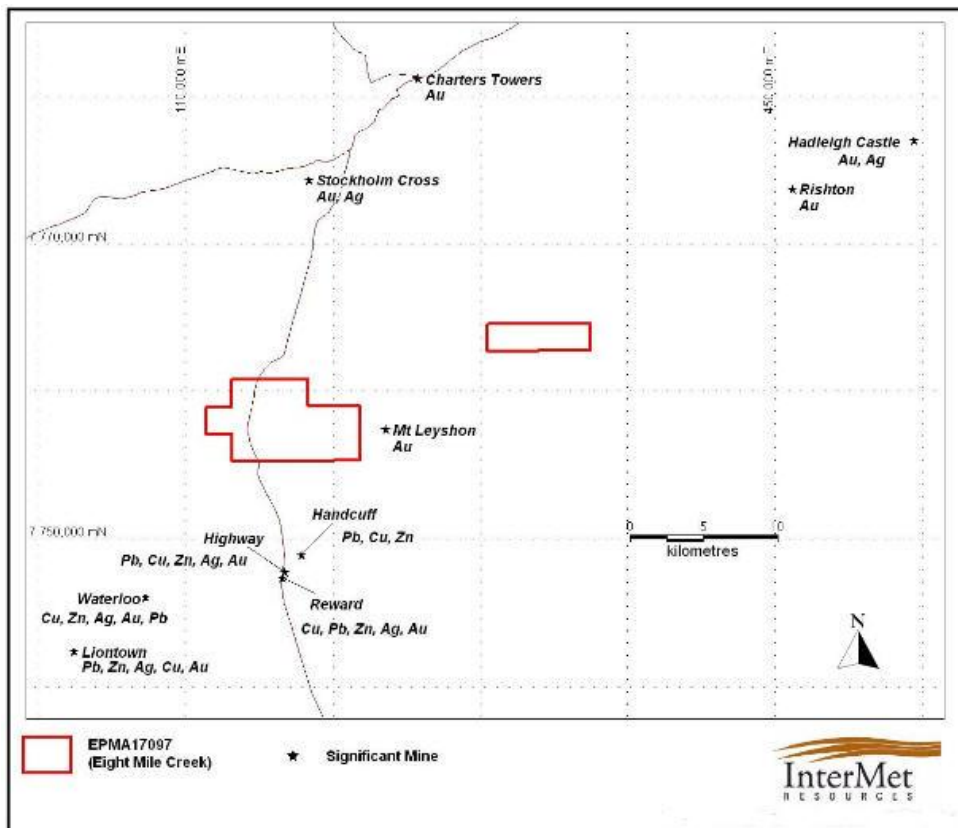


Figure 3. 8 Mile Creek tenement location plan (QLD).

Capital Raising and Use of Funds

As previously advised to the market, InterMet raised A\$75,000 through Tranche One of a two tranche placement (Placement) lead managed by Cygnet Capital Pty Ltd (Cygnet Capital). InterMet executed a capital raising mandate with Cygnet Capital to place 50,000,000 InterMet shares at an issue price of A\$0.01 per share. The Placement is to sophisticated investors and will raise a total of A\$500,000 with Tranche Two being subject to shareholder approval. In addition, subject to shareholder approval, investors in the Placement will receive one free attaching option for every two new InterMet shares. The attaching options will be exercisable at \$0.01 and expire on 1 July 2016.

The options shall vest upon the date which is the earlier to occur of 1 July 2013 or the date on which the Company issues a notice of meeting seeking shareholder approval for a transaction under Chapter 11 of the Listing Rules. The options may be exercised at any time during the 28 day period after they vest.

Subject to shareholder approval, Baron Partners Limited (or its nominee) will be issued 7,400,000 options for corporate advisory services rendered prior to this transaction and Snocomp Pty Ltd will be issued 2,000,000 options for consulting services rendered prior to this transaction. These options on the same terms as the attaching options as the options attaching to the Placement shares.

Proceeds of the Placement will be primarily deployed in the due diligence of the Calypso Project and a review of the overall prospectivity of the tenement which is the subject of the Option Agreement. Please refer to the table below for a more detailed breakdown of the indicative use of funds.

USE OF FUNDS	A\$500,000
Initial Option Payment	\$50,000
Aircore Geochemical Drilling Program	\$145,000
RC Drilling Program	\$50,000
Down-hole EM surveying	\$10,000
Working Capital	\$50,000
Review of other potential projects in addition to the Calypso Project	\$70,000
Existing Tenement Review	\$75,000
Expenses of the Offer	\$50,000

Exit of Hillgrove as Majority Shareholder and Forgiveness of Debt

As a result of the Calypso acquisition, Hillgrove Resources Limited (ASX:HGO) ('Hillgrove'), sold down 32,000,000 InterMet shares at a price of \$0.01 per share and exited ITT as a majority shareholder. They were replaced on the register of shareholders by sophisticated investors of Cygnet Capital.

InterMet is also pleased to advise that as part of its corporate restructuring, Hillgrove has forgiven the full amount of its shareholder loan to InterMet, which as at 30 November 2012 totalled approximately A\$2.4m

Corporate

Board Changes

Messrs Scott Mison, Andrew Richards and Barnaby Egerton-Warburton to were appointed as Director's of the Company. As a result of these appointments the members of the existing Board, namely the Hon. Dean Brown, Mr Russel Middleton and Mr Ron Belz , resigned from the board effective immediately.

Mr Andrew Richards – Director

Andrew is a geologist with 30 years experience in the mining industry, seven years of which involved a senior role in Resource Project Finance within a banking environment. Prior to 1996 he worked in a wide variety of areas and in commodities, in both production and exploration geology, before becoming Chief Geologist at New Celebration and Telfer Gold Mines. Since 2004 Andrew has worked extensively in Australia, Asia and South America, providing consultancy and advisory services, mineral asset valuations, Independent Expert Reports and managed several listed and unlisted companies.

Mr Scott Mison - Director /Company Secretary

Mr Mison holds a Bachelor of Business degree, is a Member of the Institute of Chartered Accountants in Australia and Chartered Secretaries Australia. Mr Mison has over 14 years' experience in finance and corporate compliance in the mining and oil and gas sector. He is currently a director of ASX and AIM listed Jupiter Energy Limited.

Mr Barnaby Egerton-Warburton –Director

Mr Egerton-Warburton has over 20 years of trading, investment banking, international investment and market experience. He has held positions with investment banks in Perth, Sydney, New York and Hong Kong including JPMorgan, BNP Equities (New York) and Prudential Securities (New York).

Cash

The Company's cash balance at 31 January 2013 was \$69,000. A further \$425,000 is expected to be raised, subject to shareholder approval at the General Meeting to be held on 8 March 2013.

Shareholder Information

As at 31 January 2013, the Company had 195 shareholders and 58,000,500 ordinary fully paid shares on issue, of which 7,500,000 are escrowed. The top 20 shareholders hold 93.16% of the total issued capital.

For more information please contact:

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Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Andrew Richards, who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. He is a full time employee of Arc Resources Pty Ltd which is providing consulting services to InterMet Resources Limited.

Andrew Richards has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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'. Andrew Richards consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.