ANNUAL REPORT

For the year ended 31 January 2013

InterMet Resources Limited

and its Controlled Entities

ACN 112 291 960

Contents

Directors' Report

The directors present their report together with the financial report of InterMet Resources Limited and its consolidated entities, being the Company and its controlled entities, for the year ended 31 January 2013 and the auditor's report thereon.

Directors

The directors of the Company at any time during or since the end of the financial period are:

Name	Age	Qualifications and experience
Mr. Andrew Richards	59	**Director**
Qualifications		BSC(Hons), Dip Ed, MAusIMM, MAIG, MSEG
Experience		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. Appointed 17 January 2013.
Mr. Scott Mison	37	**Director & Company Secretary**
Qualifications		B.Bus, CA, ACSA
Experience		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. Appointed 17 January 2013.
Mr. Barnaby Egerton-Warburton	43	**Director**
Qualifications		B Ec., GAICD
Experience		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). Appointed 17 January 2013.

Directors' Report (continued)

Directors (continued)

Name	Age	Qualifications and experience
The Hon. Dean Craig Brown, AO	68	**Non-Executive Chairman**
Qualifications		B. Rur. Sc., Grad. Dip. Bus. Admin., M. Rur. Sc., FAICD
Experience		Former Premier and Minister of the South Australian Government and Member of the South Australian Parliament from 1973-1985 and 1992-2006. Dean was also Deputy Premier and Leader of the Opposition. He was a Director of AACM International Pty Ltd (1986-92), a Senior Agricultural Scientist, the Premier's Special Advisor on Drought (2007-2011) and a Director of the National Youth Mental Health Advisory Board (Headspace Board) (2006-2009). Dean is Chairman of Hillgrove Resources Limited (2006-), a Director of Scantech Limited (2007-), Chairman of the Playford Memorial Trust (member since 2008 and Chairman since 2011), a Director of Foodbank SA (2006-) and a member of several advisory Boards. Appointed 1 August 2008. Resigned 17 January 2013.
Mr Russell Lee Scott Middleton	47	**Director, Chief Financial Officer & Company Secretary**
Qualifications		B.Bus., MBA, FCPA, F.Fin, GAICD
Experience		Russell has some 20 years' experience in the industry, with senior management positions in accounting, commercial and planning roles and significant experience with mine project evaluations and construction of new mines. Russell started his career as a public accountant before joining BHP, where he undertook various roles, then joined Shell as Commercial Manager for the construction, development and production of a major underground mine. More recently Russell has been Chief Financial Officer for contracting and services companies in the mining sector and currently is also Chief Financial Officer of Hillgrove Resources Limited. Appointed Company Secretary 15 February 2008 Appointed Director 1 August 2008. Resigned 17 January 2013.

Directors' Report (continued)

Directors (continued)

Name	Age	Qualifications and experience
Mr Ronald David Belz	56	**Non Executive Director**
Qualifications		B.Bus., CPA
Experience		Ron has been a Tax Agent since 1978, a member of CPA Australia since 1982 and a Certified Practising Accountant since 1987. He is in public practice in Edgecliff, Sydney. Ron has extensive knowledge and experience in accounting and taxation and corporate law in Australia. He is currently Treasurer and Board Member of the Academy BJE, the New South Wales Board of Jewish Education. Appointed 19 August 2010. Resigned 17 January 2013.

Directors' meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Company during the period were:

Director	Board Meetings	
	A	B
Andrew Richards	1	1
Scott Mison	1	1
Barnaby Egerton-Warburton	1	1
Dean Craig Brown	2	2
Russell Lee Scott Middleton	2	2
Ronald David Belz	2	2

A – Number of meetings attended

B – Number of meetings held during the time the director held office during the period

No Board committees have been formed and no committee meetings have been held.

Principal activities

The principal activities of the consolidated entity were focused on the search for natural resources in Australia and overseas. On 17 January 2013 the consolidated entity executed a binding option agreement for exclusive six month option to acquire 80% interest in the Calypso Nickel Sulphide Project ("the Calypso Project").

There were no significant changes in the nature of the consolidated entity's principal activities during the financial period.

Directors' Report (continued)

Review and results of operations

The Company recorded a net profit for the period ended 31 January 2013 of $1,191,905 (31 January 2012: loss of $347,598).

Calypso Nickel Project – West Australia

Ultramafic intrusive related nickel project in world class nickel province

During the year ending 31 January 2013, InterMet Resources Limited ('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 40km^2 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.

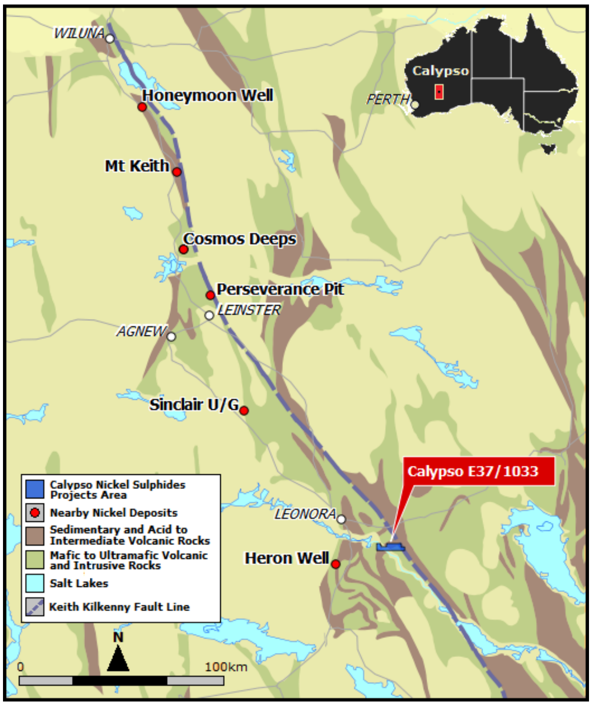

Figure 1. Location and Regional Geological Setting of Calypso Nickel Sulphides Project.

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.**

Directors' Report (continued)

Review and results of operations (continued)

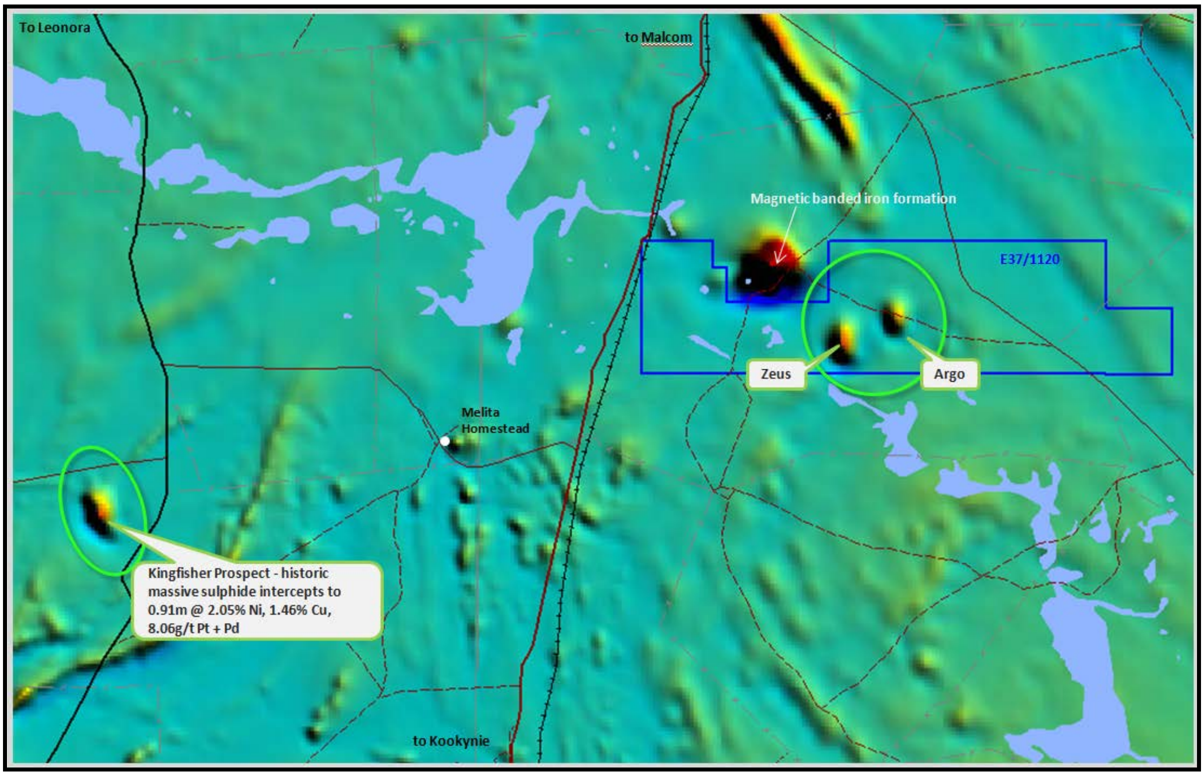

Figure 2. Aeromagnetic Image showing location of Zeus and Argos Prospects within the Calypso Nickel Project.

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.

Directors' Report (continued)

Review and results of operations (continued)

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 year 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.

Directors' Report (continued)

Review and results of operations (continued)

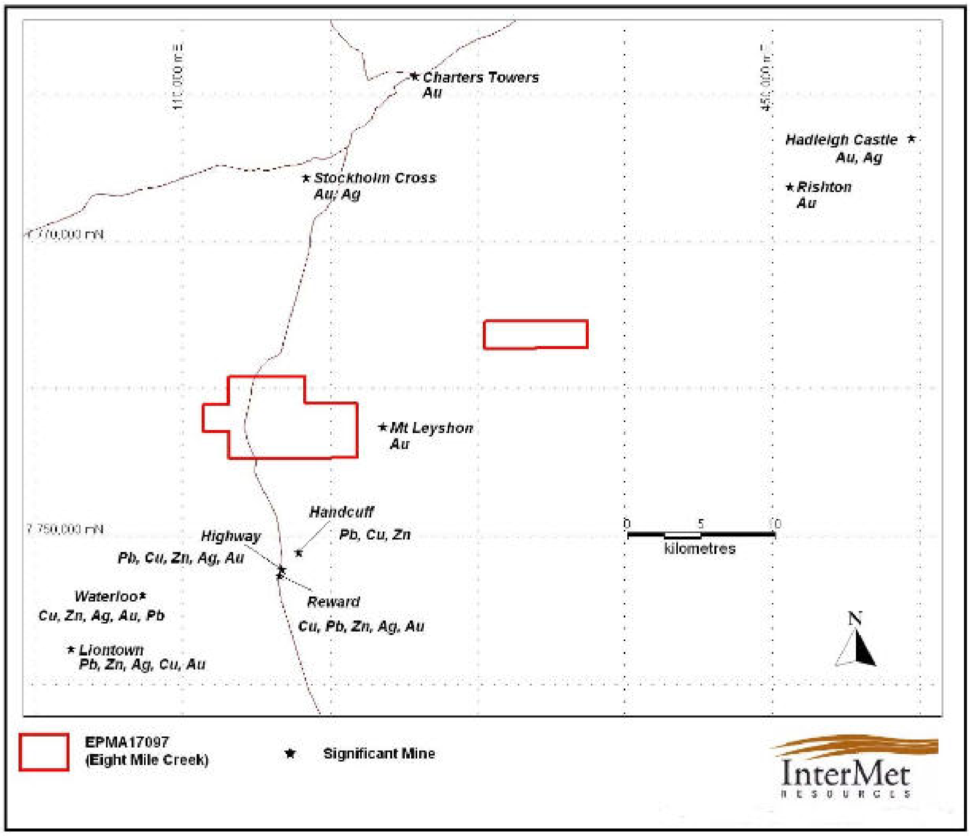

Figure 3. 8 Mile Creek tenement location plan (Qld).

Capital Raising and Use of Funds

During the year, the Company 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 was to sophisticated investors and raised a total of A$500,000 with Tranche Two subject to shareholder approval. In addition, investors in the Placement received 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.

Baron Partners Limited were issued 7,400,000 options for corporate advisory services rendered prior to this transaction and Snocomp Pty Ltd were issued 2,000,000 options for consulting services rendered prior to this transaction. These options are 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 on page 8 for a more detailed breakdown of the indicative use of funds.

Directors' Report (continued)

Review and results of operations (continued)

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 17 January 2013 totalled approximately A$2.4m

Significant changes in the state of affairs

Other than those matters listed in this report there have been no other changes in the state of affairs of the company during the period.

Dividends

No dividends have been paid or declared by the Company since the end of the previous financial period.

Environmental regulation

The consolidated entity's operations are subject to significant environmental and other regulations. The consolidated entity has a policy of engaging appropriately experienced contractors and consultants to advise on and ensure compliance with environmental regulations in respect of its exploration activities. There have been no reports of breaches of environmental regulations in the financial period and at the date of this report.

Directors' Report (continued)

Events subsequent to balance date

On 8 April 2013 shareholders approved the following issues of securities:

- On 8 March 2013 shareholders approved the issue of 42,500,000 shares at $0.01 to raise $425,000.
- On 8 March 2013 shareholders approved the issue of 25,000,000 unlisted options exercisable at $0.01 expiring 1 July 2016.
- On 8 March 2013 shareholders approved the issue of 9,400,000 unlisted options exercisable at $0.01 expiring 1 July 2016.
- On the 24 April 2013 the company issued 12,000,000 unlisted options exercisable at $0.01 expiring 1 July 2016.

There are no other subsequent events to be disclosed at the date of this report.

Likely developments

The consolidated entity is focusing on the Calypso Project.

Audited remuneration report

The Board of Directors of the Company administers the remuneration policies and packages applicable to the Board members and Key Management Personnel.

The policy is to ensure the remuneration package reflects the relevant person's duties and responsibilities and the competition in attracting, retaining and motivating people of the highest quality. Neither the directors nor the senior executives receive any form of performance related remuneration.

The consolidated entity has no Key Management Personnel which have remuneration packages.

Details of the nature and amount of each element of the emoluments of each director and officers of the Company and the consolidated entity receiving the highest emolument are:

2013	**Base Emolument**	**Super Contributions**	**Shares & Options Issued**	**Total**
Directors				
Andrew Richards	-	-	-	-
Scott Mison	-	-	-	-
Barnaby Egerton-Warburton	-	-	-	-
Executive				
Russell L Middleton	$27,523	$2,477	-	$30,000
Non-Executive				
The Hon. Dean C Brown	$30,000	-	-	$30,000
Ronald D Belz	$30,000	-	-	$30,000
	$87,523	$2,477	-	$90,000

Directors' Report (continued)

Audited remuneration report (continued)

2012	Base Emolument	Super Contributions	Shares & Options Issued	Total
Directors				
Executive				
Russell L Middleton	$27,523	$2,477	-	$30,000
Non-Executive				
The Hon. Dean C Brown	$30,000	-	-	$30,000
Ronald D Belz	$30,000	-	-	$30,000
	$87,523	$2,477	-	$90,000

Options granted to directors and senior executives

During or since the end of the financial period, the Company has granted no options over unissued ordinary shares in InterMet Resources Limited to directors and to Key Management Personnel of the Company as part of their remuneration.

Remuneration of key management personnel

(i) Principles used to determine the nature and amount of remuneration

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced directors and executives in accordance with the company's Remuneration Policy. Remuneration packages may include a mix of fixed remuneration, performance-based remuneration and equity-based remuneration. Options are issued at the discretion of directors. Directors do not receive any performance related remuneration.

(ii) Non-executive directors

Non-executive directors' base fees are $30,000 per annum (2012 - $30,000). Non-executive directors do not receive bonuses nor are they entitled to be issued options on securities. Directors' fees cover all main board activities.

(iii) Executive pay

The executive pay framework has four components:

- Base pay and benefits
- Short-term performance incentives
- Long-term incentives through participation in share issues, and
- Other remuneration such as superannuation.

Directors’ Report (continued)

Directors’ interests

The relevant interest of each director and their related entities in the share capital of the Company, as notified by the directors to the Australian Securities Exchange in accordance with Section 205G (1) of the Corporations Law, at the date of this report is as follows:

2013	Ordinary shares	Listed Options over ordinary shares	Unlisted Options over ordinary shares
Andrew Richards	500,000	Nil	Nil
Scott Mison	1,000,000	Nil	Nil
Barnaby Egerton-Warburton	500,000	Nil	Nil
The Hon. Dean C Brown	Nil	Nil	Nil
Russell L S Middleton	Nil	Nil	Nil
Ronald D Belz	Nil	Nil	Nil
Hillgrove Resources Limited and subsidiaries (a)	10,822,959	Nil	Nil

2012	Ordinary shares	Listed Options over ordinary shares	Unlisted Options over ordinary shares
The Hon. Dean C Brown	Nil	Nil	Nil
Russell L S Middleton	Nil	Nil	Nil
Ronald D Belz	Nil	Nil	Nil
Hillgrove Resources Limited and subsidiaries (a)	42,822,959	Nil	Nil

(a) The Hon. Dean Brown as Chairman and Mr Russell Middleton as Chief Financial Officer held the same positions with Hillgrove Resources Limited during the period of the financial year that they were directors of the Company. Mr Ronald Belz resigned from Hillgrove Resources Limited on 31 December 2011.

Indemnification and insurance of officers and auditors

Officers’ and auditors’ indemnity

Article 7.3(a) of the Company’s constitution provides “To the extent permitted by law, the Company must indemnify each Relevant Officer against: (i) a Liability of that person; and (ii) Legal Costs of that person.”

The Company indemnifies every officer and the auditor of the Company against any liability or costs and expenses incurred by the person in his or her capacity as officer or auditor of the Company:

a) in defending any proceedings, whether civil or criminal, in which judgement is given in favour of the person or in which the person is acquitted, or

b) in connection with an application, in relation to such proceedings, in which the Court grants relief to the person under the Corporations Law.

Directors' Report (continued)

Indemnification and insurance of officers and auditors (continued)

Directors' and officers' insurance

The Company has entered into Deeds of Indemnity with the Directors, indemnifying them against certain liabilities and costs to the extent permitted by law.

The Company has also agreed to pay a premium in respect of a contract insuring the Directors and Officers of the Company against certain liabilities and costs to the extent permitted by law. Full details of the cover and premium are not disclosed as the insurance policy prohibits the disclosure.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated entities, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

Options

There have been no unissued shares or interests under option since the reporting date.

Proceedings on behalf of company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

The company may decide to employ the auditor on assignments additional to its statutory audit duties where the auditor's expertise and experience with the company and/or the consolidated entities are important. Details of the amounts paid or payable to the auditor (PricewaterhouseCoopers) for audit and non-audit services provided during the period are set out in Note 8 to the financial statements.

The board of directors has considered the position and is satisfied the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001*.

None of the services provided undermine the general principles relating to auditor independence as set out in the *Corporations Act 2001*, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards. None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics of Professional Accountants.*

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 19.

Directors' Report (continued)

Indemnification and insurance of officers and auditors (continued)

Auditors Independence Declaration

The auditor (PricewaterhouseCoopers) continues as auditor in accordance with Section 327 of the Corporations Act 2001 and has signed an auditor's independence declaration on page 19.

Signed in accordance with a resolution of the directors:

Dated at Perth this 30 April 2013.

Mr Scott Mison
Director

Corporate Governance Statement

The Company's corporate governance principles and policies are structured with reference to the Corporate Governance Councils best practice recommendations, which are as follows:

Principle 1. Lay solid foundations for management and oversight

Principle 2. Structure the Board to add value

Principle 3. Promote ethical and responsible decision making

Principle 4. Safeguard integrity in financial reporting

Principle 5. Make timely and balanced disclosure

Principle 6. Respect the rights of shareholders

Principle 7. Recognise and manage risk

Principle 8. Remunerate fairly and responsibly

The Board is committed to ensuring that the Company adopt the Council's best practice recommendations in its policies and procedures where it is appropriate and practical to do so given the size and type of the Company and its operations. Set out below are the departures from the recommendations and the reasons for such departures.

Recommendation	Notification of departure	Explanation for departure
2.1	The only independent director is Barnaby Egerton-Warburton.	The size and scope of the company's activities does not justify the cost of appointing additional independent directors at this stage of its development.
2.4	The company does not have a nomination committee.	The role of the nomination committee is assumed by the full Board. The size and scope of the company's activities does not justify the establishment of such a committee.
3.2, 3.3,3.4	The company does not have a diversity policy.	The company does not have any employees, hence does not justify a separate policy.
4.2, 4.3, 4.4, 4.5	The company does not have an audit committee.	The role of the audit committee is assumed by the full Board. The size and scope of the company's activities does not justify the establishment of such a committee.
7.1	The company does not have a formal risk management policy.	Business risk is continually assessed by the Board and management by addressing the key items listed in the Corporate Governance Statement.
8.1, 8.2	The company does not have a remuneration committee.	The role of the remuneration committee is assumed by the full Board who apply InterMet's Remuneration Policy. The size and scope of the company's activities does not justify the establishment of such a committee. No director participates in any deliberation regarding his own remuneration or related issues.

Corporate Governance Statement (continued)

During the period the following main corporate governance practices were in place, which comply with the ASX Corporate Governance Council recommendations, unless otherwise stated.

Board of Directors

Role of the Board / Directors

The Board is elected by shareholders to represent all shareholders; its primary role being the protection and enhancement of long-term shareholder value.

To fulfil this role, the Board is responsible for the overall corporate governance of the consolidated entity including its strategic direction, establishing goals for management and monitoring the achievement of these goals and defining policies and monitoring the business of the controlled entity, to ensure it is conducted appropriately and in the best interests of shareholders.

In respect of all decisions concerning the Company's affairs, it is the responsibility of each Director to conscientiously consider the interests of shareholders in light of the circumstances and to take into account the effects of such decisions on the interests of all shareholders.

Composition of the Board

The names of the directors of the Company in office at the date of this statement are set out in the directors' report on pages 1 to 3 of the annual report.

The number of directors is specified in Clause 104 of the Company's Constitution as a minimum of three. Retirement and rotation of directors are governed by the *Corporations Act 2001* and Clause 6.3 of the Company's Constitution. Each year one third of the directors retire and may offer themselves for re-election.

When a Board vacancy exists or where it is considered that a Director with particular skills or experience is required, the Board would make an appointment of a candidate with the appropriate skills, qualifications and experience.

Relationship of Board with Management

Management of the day to day business of the Company is to be conducted by or under the supervision of the Board and by such other officers and employees to whom the management function is properly delegated by the Board.

As the Company grows, the Board will adopt appropriate structures and procedures to ensure that the Board functions independently of management.

Information is formally presented to the Board at regular board meetings by way of reports to the Board and review of performance to date.

Conflict of interest

In accordance with the *Corporations Act 2001* and the Company's Constitution, directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Details of Director related entity transactions with the Company and consolidated entity are set out in Note 20.

Director dealings in Company shares

Directors and senior management may acquire shares in the Company, but are prohibited from dealing in Company securities:

Corporate Governance Statement (continued)

Board of Directors (continued)

- except between three and 30 days after either the release of the Company's half-year and annual results to the Australian Securities Exchange ("ASX"), the annual general meeting or any major announcement;
- except when approval is received from the Board or its Chairman that no important developments are pending; and
- whilst in possession of price sensitive information.

Directors must obtain the approval of the Board and notify the Company Secretary before they sell or buy shares in the Company, and it is subject to Board veto. Directors must advise the ASX of any transactions conducted by them in shares in the Company.

Related party transactions

Directors and senior management will convey to all stakeholders the message that integrity and effective control cannot be compromised when dealing with any supplier, particularly if a supplier is a related party.

A Director, or an entity over which a Director has control or significant influence, who enters into a transaction with the Company must make full disclosure of all material elements of the transaction to the Board.

Constitution

The directors must adhere to, and the Board must conduct itself in accordance with, the Constitution of the Company.

Independent professional advice and access to Company information

Each Director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with the Board, may seek independent professional advice at the consolidated entity's expense. A copy of advice received by the Director is made available to all other members of the Board.

The role of shareholders

The Board aims to ensure that shareholders are informed of all major developments affecting the consolidated entity's state of affairs as follows.

- The full annual financial report is distributed to all shareholders (unless a shareholder has specifically requested not to receive the document), including relevant information about the operations of the consolidated entity during the period, changes in the state of affairs and details of future developments, in addition to the other disclosures required by the *Corporations Act 2001*.
- The half-yearly report contains summarised financial information and a review of the operations of the consolidated entity during the period. The half-year financial report is lodged with the Australian Securities and Investments Commission and the ASX, and sent to any shareholder who requests it.
- Proposed major changes in the consolidated entity which may impact on share ownership rights are submitted to a vote of shareholders.

All documents that are released publicly are available on the ASX internet web site at www.asx.com.au and the consolidated entity internet web site at www.intermetresources.com.au.

Corporate Governance Statement (continued)

The role of shareholders (continued)

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the consolidated entity's strategy and goals. Important issues are presented to the shareholders as single resolutions. The shareholders are requested to vote on the appointment and aggregate remuneration of directors, the granting of options and shares to directors and changes to the Constitution.

Copies of the Constitution are available to any shareholder who requests it.

Audit Committee

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the establishment of a formal audit committee at this time. The Board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards in order to safeguard the integrity of the Company's financial reporting.

Internal control framework

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities. The Board examines the adequacy of the nature, extent and effectiveness of the internal control processes of the consolidated entity on an ongoing basis and has instigated a control framework that can be described as follows:

- Financial reporting – the Company reports to ASX yearly and half-yearly.
- Continuous disclosure – procedures are in place to ensure that all price sensitive information is reported to ASX in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and ASX Listing Rules.
- Investment appraisal – the risks involved in a diversified resources exploration, development and production company and the specific uncertainties for the Company are regularly monitored and reviewed. All proposals reviewed by the Board include a conscious consideration of the issues and risks of the proposal.

Ethical standards

All directors, managers and employees of the Company are expected to act with the utmost integrity and objectivity, striving at all times to enhance the performance of the consolidated entity.

In maintaining its ethical standards, the Company:

- behaves with integrity in all its dealings with customers, shareholders, employees, government, suppliers and the community;
- ensures that its actions comply with applicable laws and regulations;
- maintains harmonious relations with communities located near company operations;
- maintains and implements policies that enable the employees of the Company to avoid situations where conflicts of interest could arise;
- does not engage in any activity that could be construed to involve an improper inducement; and

Corporate Governance Statement (continued)

Ethical standards (continued)

- achieves a working environment where:
  - equal opportunity is practised,
  - harassment and other offensive behaviour is not tolerated,
  - the confidentiality of commercially sensitive information is protected, and
  - employees are encouraged to discuss concerns about ethical behaviour arising from their employment with their supervisor.

Continuous review of Council guidelines

As the Company's activities develop in size, nature and scope, the Board and management will continuously review the Company's policies and procedures in light of the Council's guidelines and recommendations regarding corporate governance and best practice. The Board is committed to identifying enhancements to the Company's policies and procedures (including the implementation of any formal corporate governance committees) to ensure continued investor confidence in the operations of the Company.

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Auditor's Independence Declaration

As lead auditor for the audit of InterMet Resources Limited for the year ended 31 January 2013, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of InterMet Resources Limited and the entities it controlled during the period.

William P R Meston
Partner
PricewaterhouseCoopers

Perth
30 April 2013

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO BOX D198, PERTH WA 6840
T +61 8 9238 3000, F +61 8 9238 9999, www.pwc.com.au

Annual Financial Report – 31 January 2013

Contents

These financial statements are the consolidated financial statements of the consolidated entity consisting of InterMet Resources Limited and its subsidiaries. The financial statements are presented in the Australian currency.

InterMet Resources Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 2, 28 Kings Park Road
West Perth
Western Australia 6005

The financial statements were authorised for issue by the directors on 30 April 2013. The directors have the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available at our Investors' Centre on our website www.intermetresources.com.au.

Income Statement
for the year ended 31 January 2013

	Note	Consolidated Group	
		2013 $	2012 $
Other income	4	2,425,760	32,000
Accounting, ASIC, and audit		(50,389)	(32,877)
Consultants fees		(112,278)	(8,309)
Directors fees		(90,000)	(90,000)
Depreciation expense	5	(1,072)	(6,642)
Employee benefits expense		(149)	(15,394)
Finance costs	5	(167,057)	(153,157)
Public company expenses		(20,641)	(19,789)
Legal fees		(11,325)	(2,108)
Management fees		(38,500)	(42,000)
Tenements written off	11	(738,840)	(5,090)
Other expenses		(3,604)	(4,232)
Profit / (Loss) before income tax		1,191,905	(347,598)
Income tax expense	6	-	-
Profit / (loss) from continuing operations attributable to equity holders of InterMet Resources Limited		1,191,905	(347,598)
Earnings per share for profit / (loss) from continuing operations attributable to the ordinary equity holders of the company			
Basic earnings per share (cents per share)	7	2.35	(0.69)
Diluted earnings per share (cents per share)	7	2.35	(0.69)

The Income Statements are to be read in conjunction with the notes to the financial statements set out on pages 26 to 46.

Statement of Comprehensive Income for the year ended 31 January 2013

	Note	Consolidated Group 2013 $	Consolidated Group 2012 $
Gain / (loss) for the year		1,191,905	(347,598)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		1,191,905	(347,598)
Total comprehensive income for the year attributable to equity holders of InterMet Resources Limited:		1,191,905	(347,598)

The Statements of Comprehensive Income are to be read in conjunction with the notes to the financial statements set out on pages 26 to 46.

Balance Sheet
as at 31 January 2013

	Note	Consolidated Group	
		2013 **$**	**2012** **$**
CURRENT ASSETS			
Cash and cash equivalents	9	68,990	7,066
Other current assets	12	13,309	-
Total Current Assets		82,299	7,066
NON-CURRENT ASSETS			
Property, plant and equipment	10	139	1,210
Exploration & evaluation assets	11	50,000	738,840
Other non-current assets		-	1,632
Total Non-Current Assets		50,139	741,682
Total Assets		132,438	748,748
CURRENT LIABILITIES			
Trade and other payables	13	141,540	38,848
Borrowings	14	-	1,985,907
Total Current Liabilities		141,540	2,024,755
Total Liabilities		141,540	2,024,755
NET ASSETS		(9,102)	(1,276,007)
EQUITY			
Issued capital	15	6,056,079	5,981,079
Accumulated losses	26	(6,065,181)	(7,257,086)
Total Equity		(9,102)	(1,276,007)

The Balance Sheets are to be read in conjunction with the notes to the financial statements set out on pages 26 to 46.

Cash Flow Statement
for the year ended 31 January 2013

	Note	Consolidated Group 2013 $	Consolidated Group 2012 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from sale of tenements		-	32,000
Payments to suppliers and employees		(281,576)	(391,715)
Net cash used in operating activities	18(b)	(281,576)	(359,715)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration expenditure		-	(24,133)
Net cash used in investing activities		-	(24,133)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Hillgrove Resources Limited		268,500	342,590
Proceeds from share issue		75,000	-
Net cash provided by financing activities		343,500	342,590
Net increase / (decrease) in cash held		61,924	(41,258)
Cash at beginning of financial year		7,066	48,324
Cash at end of financial year		68,990	7,066

The Cash Flow Statements are to be read in conjunction with the notes to the financial statements set out on pages 26 to 46.

Statement of Changes in Equity
for the year ended 31 January 2013

Consolidated Group	Shares	Accumulated Losses	Total
	$	$	$
Balance at 31 January 2011	5,981,079	(6,909,488)	(928,409)
Contributions of equity	-	-	-
Comprehensive loss for the year	-	(347,598)	(347,598)
Balance at 31 January 2012	5,981,079	(7,257,086)	(1,276,007)
Contributions of equity	75,000	-	75,000
Comprehensive income for the year	-	1,191,905	1,191,905
Balance at 31 January 2013	6,056,079	(6,065,181)	(9,102)

The Statements of Changes in Equity are to be read in conjunction with the notes to the financial statements set out on pages 26 to 46.

Notes to the financial statements
For the year ended 31 January 2013

1. Statement of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of InterMet Resources Limited and its subsidiaries.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

(i) Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRSs ensures that the consolidated financial statements and notes of InterMet Resources Limited comply with International Financial Reporting Standards (IFRSs).

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets to fair value through equity and financial assets and liabilities (including derivative instruments) at fair value through profit or loss.

(iii) Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

(iv) Going concern basis of preparation

The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

During the period ended 31 January 2013, InterMet Resources Limited incurred a profit of $1,191,905 and had a cash outflow from operating activities of $269,717.

At 31 January 2013 the Group held cash of $68,990, has net liabilities of $9,102 and a working capital deficiency of $59,241. During the period ended 31 January 2013, the Group has been able to continue to meet working capital requirements principally as a result of previous capital raising.

The company has managed further capital raisings to the value of $425,000 subsequent to year-end to support further exploratory drilling activities.

Notes to the financial statements

For the year ended 31 January 2013

1. Statement of significant accounting policies (continued)

(a) Basis of preparation (continued)

The continuing viability of the Company and its ability to continue as a going concern and meet its debts and commitments as they fall due, are dependent on the company's ability to raise further capital. The company's ability to raise further capital may be impacted by the results of exploratory drilling activities on the Calypso Nickel Project, which are not yet known.

The Directors believe that the company will be able to raise further capital, assuming positive exploration drilling results on the Calypso Nickel Project and subsequent acquisition into the project by the company. Accordingly, the financial report has been prepared on a going concern basis and does not include any adjustments relating to the recoverability and classification of the recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

As a result of these matters, there is a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

(b) Principles of consolidation

A controlled entity is any entity over which InterMet Resources Limited has the power to govern the financial and operating policies of so as to obtain benefits from its activities. In assessing the power to govern, the existence and the effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 16 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the period then ended. Where controlled entities have entered the consolidated group during the period, their operating results have been included from the date control was obtained.

All intra-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies applied by the parent entity.

Minority interests, being that portion of the profit or loss and the net assets of the subsidiaries attributable to equity interests held by persons outside the group, are shown separately within the Equity section of the consolidated Balance Sheet and the consolidated Income Statement.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is recognised on an accruals basis, taking into account the effective yield of the financial asset.

Notes to the financial statements

For the year ended 31 January 2013

1. Statement of significant accounting policies (continued)

(d) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable the differences will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax Consolidation

InterMet Resources Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the parent entity. The group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2005. There is no tax funding arrangement between the entities whereby each company in the group contributes to the income tax payable by the group in proportion to their contribution to the group's taxable income.

(e) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Notes to the financial statements
For the year ended 31 January 2013

1. Statement of significant accounting policies (continued)

(f) Financial Instruments

Classification

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and in the case of assets classified as held to maturity, re-evaluates this designation at each reporting date.

i. Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(g) Impairment of assets

At each reporting date, the group reviews the carrying values of its tangible assets to determine whether there is an indication that those asses have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and the value in use, is compared to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of the individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Notes to the financial statements
For the year ended 31 January 2013

1. Statement of significant accounting policies (continued)

(i) Property, plant and equipment

All plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on plant and equipment assets is calculated using the straight line method to allocate their cost or re-valued amounts, net of their residual values, over their estimated useful lives, as follows:

- Vehicles 4-6 years
- Furniture, fittings and equipment 3-8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

(j) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(l) Exploration and evaluation expenditure

Exploration and evaluation expenditure costs are accumulated in respect of each separate area of interest.

Notes to the financial statements
For the year ended 31 January 2013

1. Statement of significant accounting policies (continued)

(l) Exploration and evaluation expenditure (continued)

Exploration and evaluation costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through the sale or successful development and exploitation of the area of interest, or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full to the income statement in the year in which the decision to abandon the area is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(m) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(n) Employee benefits

i. Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(o) Earnings per share

i. Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the period, adjusted for bonus elements in ordinary shares issued during the period.

ii. Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Notes to the financial statements
For the year ended 31 January 2013

1. Statement of significant accounting policies (continued)

(p) Borrowings and borrowing costs

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost in relation to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed. Other borrowing costs are expensed as incurred.

(q) Parent entity financial information

The financial information for the parent entity, InterMet Resources Limited, disclosed in note 27 has been prepared on the same basis as the consolidated financial statements, except as set out below.

i. Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of InterMet Resources Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

ii. Tax consolidation legislation

InterMet Resources Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, InterMet Resources Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer in its own right.

In addition to its own current and deferred tax amounts, InterMet Resources Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

iii. Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

Notes to the financial statements
For the year ended 31 January 2013

1. Statement of significant accounting policies (continued)

(q) Parent entity financial information (continued)

iv. Share based payments

The grant by the company of options over its equity instruments to the employees of subsidiary undertakings in the group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

2. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below.

(b) Critical judgements in applying the group's accounting policies

Exploration Costs

The Group accumulates certain costs associated with exploration activities on specific areas of interest where the Group has rights of tenure. The Group's policy is to expense any exploration and associated costs relating to non-specific projects and properties. Significant property acquisition, exploration, evaluation and development costs relating to specific properties for which economically recoverable reserves are believed to exist are deferred until the project to which they relate is sold, abandoned or placed into production.

Costs are also deferred where exploration and evaluation activities in the area of interest have not reached a stage that permits a reasonable assessment of the existence of economically recoverable reserves.

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on successful development and commercial exploitation, or sale of respective areas.

3. Segment Information

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments. The Group reports its Australian operations as one segment. As no tenements generate revenue they are aggregated as one segment.

Notes to the financial statements
For the year ended 31 January 2013

3. Segment Information (continued)

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board that makes strategic decisions.

	Consolidated Group	
	2013	**2012**
	$	**$**
4. Other income		
Interest income	2,500	-
Sale of tenements	-	32,000
Loan forgiveness (Hillgrove Resources)	2,423,240	-
Total Revenue	2,425,760	32,000
5. Expenses		
Depreciation		
Computer & equipment	534	2,796
Furniture & fixtures	538	2,750
Motor vehicles	-	1,096
Total Depreciation	1,072	6,642
Finance costs		
Bank fees and charges	10	270
Loan interest	167,047	152,887
Total finance costs	167,057	153,157

Notes to the financial statements
For the year ended 31 January 2013

6. Income tax expense/(benefit)

The prima facie tax on profit / (loss) from ordinary activities before income tax is reconciled to the income tax as follows:

	Consolidated Group	
	2013 **$**	**2012** **$**
Profit / (loss) from continuing operations before income tax expense	1,191,905	(347,598)
Prima facie tax payable on profit / (loss) from ordinary activities before income tax 30%	357,571	(104,279)
Tax effect of amounts which are not taxable in calculating taxable income:		
Tax losses not recognised	-	104,279
Previously unrecognised tax losses now recouped to reduce current tax expense	(357,571)	-
Income tax attributable to entity	-	-
Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	7,162,716	8,354,621
Potential tax benefit at 30%	2,148,815	2,506,386

7. Earnings per share

Classification of securities as ordinary shares

Ordinary shares have been classified as ordinary shares and included in basic earnings per share.

Classification of securities as potential shares

There are no other securities issued.

Profit / (loss) from continuing operations	1,191,905	(347,598)
Earnings used in the calculation of basic and dilutive EPS	1,191,905	(347,598)
Allocation of earnings to category of ordinary share:		
Diluted earnings		
Basic Ordinary shares	1,191,905	(347,598)
Diluted Ordinary shares	1,191,905	(347,598)

Notes to the financial statements
For the year ended 31 January 2013

7. Earnings per share (continued)

	2013 Number	2012 Number
Weighted average number of ordinary shares outstanding during the period used in calculating basic and dilutive EPS	50,705,979	50,500,500

	Consolidated Group 2013 $	2012 $
Basic earnings per share		
Profit/(Loss) from continuing operations attributable to the ordinary equity holders of the Company	2.35	(0.69)
	2.35	(0.69)
Diluted earnings per share		
Profit/(Loss) from continuing operations attributable to the ordinary equity holders of the Company	2.35	(0.69)
	2.35	(0.69)

8. Auditors' Remuneration

Assurance Services

During the period the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2013 $	2012 $
1. Audit services		
Fees paid to PricewaterhouseCoopers Australian firm:		
Audit and review of financial reports and other audit work under the *Corporations Act 2001*	25,000	44,710
Total remuneration for audit services	25,000	44,710
2. Other assurance services		
Fees for other assurance services	-	-
Total remuneration for other assurance services	-	-
Total remuneration for assurance services	25,000	44,710

9. Cash and cash equivalents

	2013 $	2012 $
Cash at bank and on hand	68,990	7,066
	68,990	7,066

Notes to the financial statements
For the year ended 31 January 2013

10. Property, plant and equipment

	Consolidated Group 2013 $	Consolidated Group 2012 $
Computer Equipment		
At cost	78,875	78,874
Accumulated Depreciation	(78,874)	(78,340)
	1	534
Fixtures and Fittings		
At cost	17,866	17,906
Accumulated Depreciation	(17,728)	(17,230)
	138	676
Motor vehicles		
At cost	42,347	42,347
Accumulated Depreciation	(42,347)	(42,347)
	-	-
Total property, plant and equipment	139	1,210

Reconciliations of the carrying amounts for each class are set out below:

	2013 $	2012 $
Computer equipment		
Carrying amount at beginning of period	534	3,330
Additions	-	-
Depreciation/Disposals	(533)	(2,796)
Carrying amount at end of period	1	534
Fixtures and fittings		
Carrying amount at beginning of period	538	3,426
Additions	-	
Depreciation/Disposals	(400)	(2,750)
Carrying amount at end of period	138	676
Motor vehicles		
Carrying amount at beginning of period	-	1,096
Additions	-	-
Depreciation/Disposals	-	(1,096)
Carrying amount at end of period	-	-
Total property, plant & equipment	139	1,210

Notes to the financial statements
For the year ended 31 January 2013

	Consolidated Group 2013 $	2012 $

11. Exploration and evaluation expenditure

Exploration and/or evaluation phase – at cost	50,000	738,840
Carrying amount at beginning of period	738,840	719,797
Additions	50,000	24,133
Tenements written off	(738,840)	(5,090)
Carrying amount at end of period (a)	50,000	738,840

(a) The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on successful development and commercial exploitation, or sale of the respective areas.

12. Other current assets

GST receivable	10,177	-
Security deposits	2,500	-
Prepaid Insurance	632	-
	13,309	-

Security deposits relate to tenement holdings.

13. Trade and other payables

Trade payables	107,190	3,888
Sundry payables and accrued expenses	28,950	34,960
	141,540	38,848

14. Borrowings

Amounts payable to parent company	-	1,985,907

During the period the loan from Hillgrove Resources Limited was forgiven. The amount forgiven was $2,423,240.

Notes to the financial statements
For the year ended 31 January 2013

15. Issued capital

	Consolidated Group 2013 $	2012 $
Issued and paid up capital 58,000,500 ordinary shares (2012: 50,500,500), fully paid	6,056,079	5,981,079
Ordinary shares		
Balance as at beginning of period	5,981,079	5,981,079
Issued during the year	75,000	-
Balance at end of period	6,056,079	5,981,079

	2013 Number	2012 Number
Ordinary shares		
Balance as at beginning of period	50,500,500	50,500,500
Issued during the period	7,500,000	-
Balance at end of period	58,000,500	50,500,500

Shares terms and conditions

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders meetings. In the event of winding up the company, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital. This is in accordance with AASB 101(79)(a)(i),(iii).

16. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1.

Name of entity	Country of incorporation	Class of Share	Equity Holding 2013	Equity Holding 2012
Controlled entities			%	%
International Metals Pty Ltd	Australia	Ordinary	100	100
International Metals (Qld) Pty Ltd	Australia	Ordinary	100	100
International Metals (Burra) Pty Ltd	Australia	Ordinary	100	100

The proportion of ownership interest is equal to the proportion of voting power held.

Notes to the financial statements
For the year ended 31 January 2013

17. Financial risk management

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, price and foreign exchange risks and ageing analysis for credit and liquidity risk.

Risk management is carried out by senior management under direction of the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas.

The consolidated entity is not exposed to changes in interest rates in its activities.

The material financial instruments to which the consolidated entity has exposure include:

(i) Cash and short term deposits;

(ii) Receivables

(iii) Accounts payable; and

(iv) Borrowings.

Liquidity Risk

Liquidity risk arises from the possibility that the Company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. Liquidity is solely dependent upon raising further capital in the company. The Company manages this risk through the following mechanisms:

- Preparing forward looking cash flow analysis in relation to its operational, investing and financing activities.

Cash flow and fair value interest rate risk

All of the consolidated entity's financial instruments are either non-interest bearing or bear interest at commercial interest rates. The weighted average interest rate on cash and short-term deposits at 31 January 2013 was 0.01% (2012: 0.01%). All receivables, other financial assets and payables are non-interest bearing.

During the period interest accrued on the loan from Hillgrove Resources Limited at 10% per annum. The interest rate was fixed by the terms of the loan at 10% per annum and therefore no sensitivity analysis has been performed. The loan was forgiven in full on 17 January 2013.

Treasury risk

The Board of Directors meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The board's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Notes to the financial statements
For the year ended 31 January 2013

17. Financial risk management (continued)

Credit risk

Financial instruments, which potentially subject the consolidated entity to credit risk, consist primarily of cash and short term deposits. Credit risk on cash, short term deposits and trade receivables is largely minimised by dealing with companies with acceptable credit ratings and selling on letters of credit.

The consolidated entity has no reason to believe credit losses will arise from any of the above financial instruments. However, the maximum amount of loss, which may possibly be realised, is the carrying amount of the financial instrument.

Cash is held with Westpac Banking Corporation which is considered to be an appropriate financial institution.

The consolidated entity has no trade receivables.

Foreign exchange risk

The consolidated entity has not entered in to any foreign currency transaction in the current or prior period and therefore there is not considered to be a foreign exchange risk.

Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to maintain a suitable capital structure and fulfil the objectives of the Group.

Net fair value of financial instruments

The carrying amounts of cash and short term deposits, receivables, security deposits, borrowings and trade payables approximate fair value due to the short term nature of these instruments. No financial instruments are measured at fair value.

18. Notes to the Cash Flow Statement

(a) Reconciliation of cash

For the purposes of the Cash Flow Statement, cash includes cash on hand and at bank and short term deposits at call. Cash as at the end of the financial period as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	Note	Consolidated Group	
		2013	**2012**
		$	**$**
Cash at bank or at call		68,990	7,066

Notes to the financial statements
For the year ended 31 January 2013

18. Notes to the Cash Flow Statement (continued)

	Consolidated Group 2013 $	Consolidated Group 2012 $
(b) Reconciliation of operating loss after income tax to net cash provided by operating activities		
Operating income/(loss) after income tax	1,191,905	(347,598)
Tenements written off	738,840	5,090
Loan forgiveness	(2,423,240)	-
Finance costs	167,047	-
Depreciation	1,072	6,642
Net cash used by operating activities before change in assets and liabilities	(324,376)	(335,866)
Changes in assets and liabilities:		
Decrease/(increase) in other assets	(13,309)	348
Increase/(decrease) in trade payables and accruals	56,109	(24,197)
Net cash used in operating activities	(281,576)	(359,715)

19. Key management personnel

For details of key management personnel remuneration refer to page 9 of the Directors Report.

(a) Directors

The following persons were Directors of InterMet Resources Limited during the financial period:

i. Executive

Russell L S Middleton – Chief Financial Officer and Company Secretary (resigned 17 January 2013)

Scott A Mison – Director and Company Secretary (appointed 17 January 2013)

Andrew Richards – Director (appointed 17 January 2013)

ii. Non-Executive directors

The Hon. Dean C Brown – Non Executive Chairman (resigned 17 January 2013)

Ronald D Belz – Non Executive Director (resigned 17 January 2013)

Barnaby Egerton – Warburton – Non Executive Director (appointed 17 January 2013)

Notes to the financial statements
For the year ended 31 January 2013

19. Key management personnel (continued)

(b) Remuneration of key management personnel

i. Principles used to determine the nature and amount of remuneration

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced directors and executives in accordance with the company's Remuneration Policy.

Remuneration packages include a mix of fixed remuneration and equity-based remuneration. Options were issued under the Employee Share Option Plan, at the discretion of directors. Directors do not receive any performance related remuneration.

ii. Non-executive Directors

Non-executive Director base fees were set at $30,000 per annum. The non-executive Directors do not receive bonuses nor are they issued options on securities. Director fees cover all main board activities.

iii. Executive pay

The executive pay and reward framework has four components:

- Base pay and benefits
- Short-term performance incentives
- Long-term incentives through participation in share issues, and
- Other remuneration such as superannuation

The combination of these comprises the executive's total remuneration.

(c) Equity instruments

Shares provided as remuneration

There were no shares provided as remuneration in the period.

20. Related party transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	Consolidated Group	
	2013	**2012**
	$	**$**
Director Related Entities		
Administration service fee paid to Hillgrove Resources Limited, a company with common key management personnel, for the provision of secretarial, accounting and management services	38,500	42,000

Hillgrove Resources Limited and its subsidiaries held 42,822,959 fully paid ordinary shares in InterMet Resources Limited until 17 January 2013, when it sold down to $10,822,959.

Notes to the financial statements
For the year ended 31 January 2013

20. Related party transactions (continued)

On 17 January 2013 the loan facility of approximately $2.4m with Hillgrove Resources Limited was forgiven.

21. Events subsequent to balance date

On 8 April 2013 shareholders approved the following issues of securities:

- On 8 March 2013 shareholders approved the issue of 42,500,000 shares at $0.01 to raise $425,000.
- On 8 March 2013 shareholders approved the issue of 25,000,000 unlisted options exercisable at $0.01 expiring 1 July 2016.
- On 8 March 2013 shareholders approved the issue of 9,400,000 unlisted options exercisable at $0.01 expiring 1 July 2016.
- On the 24 April 2013 the company issued 12,000,000 unlisted options exercisable at $0.01 expiring 1 July 2016.

There are no other subsequent events to be disclosed at the date of this report.

22. Mining Tenement Commitments

The Company has entered into an option agreement to acquire The Calypso Project. Part of the option agreement is to commit to spend a minimum of $100,000, within six months of signing the agreement (31 January 2012: $nil).

23. Contingent liabilities

The consolidated entity has obligations to restore land disturbed under exploration licences. The consolidated entity has deposits with state government departments. These deposits may be forfeited if the consolidated entity does not meet its obligations under these licence agreements.

The directors are of the opinion that further provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

24. New accounting standards and interpretations

The following new standards and amendments to standards have been adopted in these financial statements:

- AASB 2010-3 Amendments to Australian Accounting Standards arising from the Annual Improvements Project
- AASB 2010-4 Amendments to Australian Accounting Standards arising from the Annual Improvements Project
- Interpretation 19 Extinguishing Liabilities with Equity Instruments

The adoption of this standard did not have any impact on the current period or any prior period and is not likely to affect future periods.

Notes to the financial statements
For the year ended 31 January 2013

25. Standards and interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the standards and interpretations listed below were in issue but not yet effective:

- AASB 2011-1 (AASB 1054) Australian Additional Disclosures and Related Amendments (effective from 1 July 2011)
- AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013)
- AASB 11 Joint Arrangements (effective 1 January 2013)
- AASB 13 Fair Value Measurements (effective 1 January 2013)
- AASB 119 (2011) Employee Benefits (effective 1 January 2013)
- AASB 127 (2011) Separate Financial Statements (effective 1 January 2013)
- AASB 128 (2011) Investments in Associates and Joint Ventures (effective 1 January 2013)
- AASB 2011-9 Presentations of Items of OCI (effective 1 July 2012)

InterMet are still in the process of assessing the impacts of these revised standards.

26. Accumulated losses

	Consolidated	
	2013 $	2012 $
Opening accumulated losses	7,257,086	6,909,488
Net (profit) / loss for the period	(1,191,905)	347,598
Closing accumulated loss	6,065,181	7,257,086

Notes to the financial statements
For the year ended 31 January 2013

27. Parent Entity information

Set out below is the supplementary information about the parent entity.

	Parent	
	2013 $	**2012 $**
Statement of comprehensive income		
Profit/(loss) after income tax	1,191,905	(347,589)
Total comprehensive income	1,191,905	(347,589)
Statement of financial position		
Total current assets	82,299	7,066
Total assets	132,438	748,748
Total current liabilities	141,540	2,024,755
Total liabilities	141,540	2,024,755
Equity		
Contributed equity	6,056,079	5,981,079
Accumulated Losses	(6,605,181)	(7,257,086)
Total equity	(9,102)	(1,276,007)

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1. Investments in subsidiaries are accounted for at cost, less any impairment.

Directors' declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 20 to 46 are in accordance with the Corporations Act 2001, including:

  (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the consolidated entity's financial position as at 31 January 2013 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the directors.

Dated at Perth this 30 April 2013.

Smison

Mr Scott A Mison
Director

Independent auditor's report to the members of InterMet Resources Limited

Report on the financial report

We have audited the accompanying financial report of InterMet Resources Limited (the company), which comprises the balance sheet as at 31 January 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757
Brookfield Place, 125 St Georges Terrace, PERTH WA 6000, GPO BOX D198, PERTH WA 6840
T +61 8 9238 3000, F +61 8 9238 9999, www.pwc.com.au

Independent auditor's report to the members of InterMet Resources Limited (cont'd)

Auditor's opinion

In our opinion:

(a) the financial report of InterMet Resources Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the company's financial position as at 31 January 2013 and of its performance for the year ended on that date, and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

(b) the company's financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Material Uncertainty Regarding Continuation as a Going Concern

Without qualifying our opinion, we draw attention to the basis of preparation in Note 1 in the financial report, which indicates the ability of the company to continue as a going concern and meet its debts and commitments as they fall due is dependent on its ability to raise further capital. These conditions, along with other matters set forth in Note 1, indicate the existence of a material uncertainty related to an event or condition that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report(13(a))

We have audited the remuneration report included in pages 9 to 10 of the directors' report for the year ended 31 January 2013. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of InterMet Resources Limited for the year ended 31 January 2013, complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

William P R Meston
Partner

Perth
30 April 2013

Shareholder information for listed Public Companies

The following additional information is required by the Australia Securities Exchange Limited in respect of listed public companies only.

As at the reporting date the most recent Shareholder information available for disclosure is as follows:

(a) Voting rights and classes of equity securities

As at 23 April 2013, the Company has 100,500,500 listed fully paid ordinary shares. Each fully paid share carries on a poll, one vote.

(b) The number of shareholdings holding less than a marketable parcel of ordinary shares was 84.

(c) Distribution schedule of Fully Paid Ordinary Shares as at 23 April 2013

Size of holding	*Number of Shareholders*	*Number of Shares*
1 - 1,000	8	2,050
1,001 - 5,000	43	168,342
5,001 - 10,000	33	306,321
10,001 - 100,000	65	2,398,659
100,001 & over	56	97,625,128

(d) Australian Securities Exchange listing

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited. The ASX code is ITT.

(e) Company Secretary

Mr Scott Mison.

(f) On-market buy-back

There is no current on-market buy-back.

(g) Substantial shareholders as at 23 April 2013

An extract of the Company's register of Substantial Shareholders (who hold 5% or more of the issued capital) is set out below:

Name	***% of Issued capital***
MYCATMAX PTY LTD <VIVIENNE JAGGER S/F A/C>	15.34%
HILLGROVE RESOURSES LIMITED AND SUBSIDIARIES	10.77%
MAHSOR HOLDINGS PTY LTD <ROSHAM FAMILY S/F NO2 A/C>	7.73%

(h) Securities on Issue

The number of shares and options issued by the Company are set out below:

Category	**Number**
Ordinary Shares	50,500,500
Ordinary Shares - Escrowed	50,000,000
Unlisted Options - $0.01 expire 1 July 2016 - Escrowed	34,400,000
Unlisted Options - $0.01 expire 1 July 2016	12,000,000

Shareholder information for listed Public Companies (continued)

(i) Twenty largest listed Shareholders

The twenty largest shareholders hold 80.37% of the total ordinary shares issued. The names of the 20 largest shareholders as at 23 April 2013 are listed below:

	Name Of Shareholder	No Of Ordinary Shares Held	% Of Issued Shares
1	HILLGROVE EXPLORATION PTY LTD	10,822,959	10.77
2	NATIONAL AUSTRALIA TRUSTEE LIMITED <13018500 A/C>	9,413,750	9.37
3	MYCATMAX PTY LTD <VIVIENNE JAGGER S/F A/C>	9,413,750	9.37
4	THE TRUST COMPANY (AUSTRALIA) LIMITED <MOF A/C>	9,000,000	8.96
5	MAHSOR HOLDINGS PTY LTD <ROSHAM FAMILY S/F NO2 A/C>	6,110,673	6.08
6	MYCATMAX PTY LTD <VIVIENNE JAGGER S/F A/C>	6,000,000	5.97
7	GLAMOUR DIVISION PTY LTD <THE HAMMER A/C>	3,622,500	3.60
8	MS MERLE SMITH & MS KATHRYN SMITH <THE MINI PENSION FUND A/C>	2,850,001	2.84
9	RICHMOND FOOD SYSTEMS PTY LTD <MONTERY A/C>	2,350,000	2.34
10	WHITE SWAN NOMINEES PTY LTD	2,125,000	2.11
11	MS MERLE SMITH & MS KATHRYN SMITH <THE MINI PENSION FUND A/C>	2,000,000	1.99
12	MAHSOR HOLDINGS PTY LTD <ROSHAM FAMILY S/F NO 2 A/C>	1,661,250	1.65
13	DECK CHAIR HOLDINGS PTY LTD	1,661,250	1.65
14	MR DAVID ARTHUR PAGANIN <D A PAGANIN FAMILY NO 2 A/C>	1,487,500	1.48
15	AVIEMORE CAPITAL PTY LTD	1,487,500	1.48
16	MR DAVID NICHOLAS CASTLEDEN <BULLET REEF SUPER FUND A/C>	1,487,500	1.48
17	RANCHLAND HOLDINGS PTY LTD <R C STEINEPREIS FAM #1 A/C>	1,487,500	1.48
18	DOMRAN INVESTMENTS PTY LTD	1,400,000	1.39
19	MR JAMES FRASER ALLENDER	1,390,100	1.38
20	MR DAVID ARTHUR PAGANIN <D A PAGANIN FAMILY NO 2 A/C>	1,250,000	1.24
		80,771,233	**80.37**
	Total	**100,500,500**	**100.0%**

Shareholder information for listed Public Companies (continued)

(j) Interests in mining tenements

Tenement	Location	Percentage
EPM 15481	Munderra, Queensland	100%
EPM 16743	Mt Molloy West, Queensland	100%
EPA 17097	8 Mile Creek, Queensland	100%
EPA 17592	Kingsborough 1, Queensland	100%
EPA 17657	Hodgkinson Basin, Queensland	100%

(k) Other information

InterMet Resources Limited, incorporated and domiciled in Australia, is a publicly listed company limited by shares.

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.

Offices and Officers

Registered Office

Level 2, 28 Kings Park Road
West Perth
Western Australia 6005
Tel: +61 (0) 8 9322 8222
Fax: +61 (0) 8 9481 1840

Share Registry

Boardroom Pty Limited
Level 7
207 Kent Street
Sydney N.S.W. 2000
Tel: + 61 2 9290 9600
Fax: + 61 2 9279 0664

Auditors

PricewaterhouseCoopers
125 St George Terrace
Perth
Western Australia 6000

Bankers

National Australia Bank
1232 Hay Street,
West Perth
Western Australia 6005

Web Site

www.intermetresources.com.au

InterMet Resources Limited
ACN 112 291 960

Level 2, 28 Kings Park Road
West Perth
Western Australia 6005
Tel: +61 (0) 8 9322 8222
Fax: +61 (0) 8 9481 1840
www.intermetresources.com.au