

Contacts

Level 2, 28 Kings Park Road
WEST PERTH WA 6005

Tel: +61 8 9322 8222

Fax: +61 8 9481 1840

info@intermetresources.com.au

www.intermetresources.com.au

Capital Structure

Shares 100,500,500
Options 46,400,000

Directors

Mr. Andrew Richards
Non- Executive Director

Mr. Scott Mison
Non- Executive Director /
Company Secretary

Mr. Barnaby Egerton-Warburton
Non- Executive Director

**QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDING
31 JULY 2013**

InterMet Resources Limited (“InterMet”)(ASX: ITT) presents the following update on activities for the 3 month period ending 31 July 2013 (the “Quarter”). Also included in this report are details of subsequent events that have occurred up to the date of this release.

Calypso Project – Western Australia

Approval of the proposed Program of Work was issued by the Department of Mines and Petroleum during the quarter. This outlined plans to reestablish gridlines and commence an aircore drilling program as part of the due diligence for acquiring the Calypso project.

The deadline for the option to acquire Calypso was extended while a review of exploration budgets was undertaken given both the current state of the financial markets and the accommodation of 8 Mile Creek and other projects to be added as part of the Lancaster Resources acquisition.

8 Mile Creek Project – Queensland

Gold and base metal project in rich mineral field

The application for the 8 Mile Creek tenement (EPM17097) in north Queensland passed all approvals and was granted to InterMet during the quarter.

8 Mile Creek is immediately adjacent to the Mt Leyshon mine which produced 2.5 million ounces gold and 2.2 million ounces of silver between 1987 and 2002 and 7km north of the Highway-Reward VHMS mine (2Mt at 6% Cu and 1.8g/t Au).

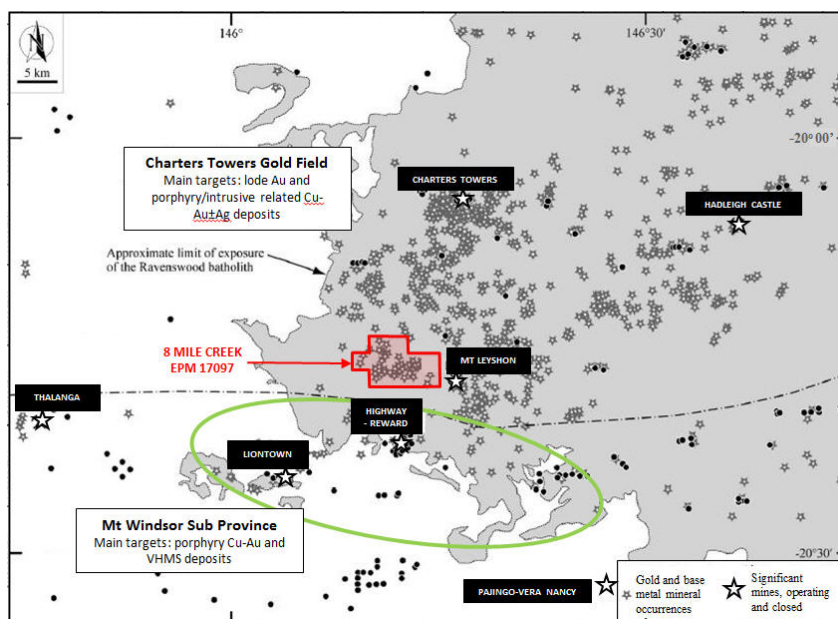


Figure 4. 8 Mile Creek project in NE Queensland (diagram after Kruezer et al 2007)

The tenement is located within the Charters Towers Gold Field and underlain by the Ravenswood Batholith; a multiphase granitoid - gabbroic intrusive with associated minor volcanics and metasediments. Widespread gold and base metal occurrences have been reported in the region and within the tenement. Gold mineralisation in this area has predominantly occurred in structurally controlled vein deposits although the world class Mt Leyshon deposit was hosted in a 400m by 300m porphyry related breccia pipe.

InterMet has commenced a geological review of 8 Mile Creek and plans to start a field exploration program with a view to developing drill targets in the short to medium term.

CORPORATE

Annual General Meeting

During the quarter the Annual General Meeting was held. At that meeting all current directors were re-elected, the Remuneration Report was approved and shareholders approved the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed by Listing Rule 7.1A.2, when and if required.

Cash

The Company's cash balance at 31 July 2013 was \$130,000.

Shareholder Information

As at 31 July 2013, the Company had 205 shareholders and 100,500,500 ordinary fully paid shares. The top 20 shareholders hold 80,631,233 or 80.23% of the total issued capital. There are currently also 46,400,000 unlisted options exercisable at \$0.01 expiring 1 July 2016.

SUBSEQUENT TO QUARTER END

Subsequent to quarter end, InterMet signed a binding Heads of Agreement ("HOA") for the acquisition of Lancaster Resources Pty Ltd ("Lancaster") and in conjunction is proposing to raise \$500,000 for ongoing exploration programs.

Lancaster Resources Pty Ltd

Lancaster is a privately held company which has four Australian mineral exploration projects, including an option over a large landholding around the Rox Resources Ltd Mt Fisher East nickel project and the Cullen Resources Ltd Mt Eureka nickel project, and cash assets of approximately \$450,000. The four Lancaster projects are targeting nickel sulphides, tungsten and gold and are a synergistic fit with existing InterMet projects.

- **Mt Jewell** (WA) - historical drilling has intersected nickel sulphides 65km north of Kalgoorlie and there is also potential for gold mineralisation.
- **Wilks Creek** (VIC) – centred on a historical tungsten mine, exploration has defined strong, large tungsten anomaly that has been advanced by Lancaster to a drill ready target.
- **Royal Tasman** (TAS) – targeting granite related, sediment hosted gold and greisen hosted tin mineralisation. In an area of historical gold and tin mining.
- **Nickel First** (WA) – Lancaster has an option to acquire a 100% interest in four tenements totalling 463.99 sqkm located and adjoining the Rox Resources Ltd Mt Fisher East project near Wiluna. The projects are prospective for disseminated and semi massive Kambalda style nickel mineralisation as well as gold.

The proposed transaction will see InterMet acquire 100% of the share capital in Lancaster by way of a share sale agreement with existing Lancaster shareholders. The acquisition price for 100% equity in Lancaster is \$700,000 payable by the issue of 140,000,000 fully paid InterMet ordinary shares which will be escrowed for 3 months.

The acquisition of Lancaster would provide a further cash injection for InterMet, and a significant exploration portfolio which would complement InterMet's 8 Mile Creek and Calypso projects. Both the Acquisition of Lancaster and the Placement are subject to InterMet shareholder approval, and a NOM will be lodged once InterMet has received acceptance from Lancaster shareholders.

Proposed Placement

InterMet has executed a capital raising mandate with Merchant Group Pty Ltd to place 100,000,000 shares at an issue price of \$0.005 per share, with a free 1:2 attaching option exercisable at \$0.01 on or before 1 July 2016. The Placement will be to sophisticated investors and will raise a total of A\$500,000 before costs. The placement will be subject to shareholder approval.

Capital Structure Post Transactions

The following illustrates the change in InterMet's capital structure following the Lancaster acquisition and fund raising placement.

Capital Structure	Shares	Options	Cash (A\$)
Current capital structure	100,500,500	46,400,000	\$100,000
Lancaster Acquisition	140,000,000	1,500,000	\$450,000
Placement	100,000,000	80,000,000	\$500,000
TOTAL	340,500,500	127,900,000	\$1,050,000

Due to the recent granting of the 8 mile Creek project, InterMet announced that it has discussed its ongoing status as a resources company with the ASX and is no longer required to re comply with Chapters 1 and 2 of the ASX Listing Rules should it decide to exercise the Calypso option, or settle on any other transaction contemplated in this announcement. Furthermore, InterMet will be removing any escrow previously applied to participants of the \$500,000 placement completed in January 2013.

ENDS

For more information please contact:

Scott Mison

Director, InterMet Resources Ltd

Tel: +61 8 9322 8222

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.