InterMet Resources Ltd
ACN 112 291 960

ASX Code: ITT

Contacts
Level 2, 23 Barrack Street
PERTH WA 6000

Tel: +61 8 9325 7080
Fax: +61 8 9325 7120
info@intermetresources.com.au
www.intermetresources.com.au

Capital Structure

Shares	341,500,500
Options	98,400,000

Directors

Mr. Andrew Richards
Non- Executive Director

Mr. Scott Mison
Non- Executive Director /
Company Secretary

Mr. Barnaby Egerton-Warburton
Non- Executive Director

23 January 2014

Drilling Update: Calypso nickel sulphide project

KEY POINTS:

- **Confirmatory aircore drilling completed at Calypso nickel sulphide project**
- **Results replicated and improved on historical results obtained in historical drilling at the Zeus anomaly by BHP Minerals with ;**
  32m at 0.22% Ni, 53 ppm Cu in hole ZESAC002, and
  31m at 0.19% Ni, 67 ppm Cu in ZESAC004
- **Grades peaked at 0.32% Ni and 0.32% Ni over 1m intervals with 72 ppm Cu and 123 ppm Cu in ZESAC002 and ZESAC004 respectively.**

InterMet Resources Limited (ASX: ITT) ('InterMet' or 'Company') wishes to advise the results of an aircore drilling program complete at the Calypso nickel project near Leonora.

The drilling was designed to confirm the drilling results obtained by BHP Minerals in the 1980s. At that time BHP reported nickel sulphides assaying 16m at 0.2% Ni from 42m, including a high value of 2m at 0.43% Ni in the only hole assayed by BHP in the Zeus aeromagnetic anomaly (MR382). However, disseminated sulphides and cumulate ultramafic textures were also recorded in other holes drilled in both the Zeus and Argos anomalies which were not assayed or followed up.

Intermet completed 7 aircore holes for a total of 548m in December, 2013. Full details of these drillholes are provided in Appendix A. Good penetration was obtained by the Challenge Drilling rig and the holes were also completed with some hammer drilling.

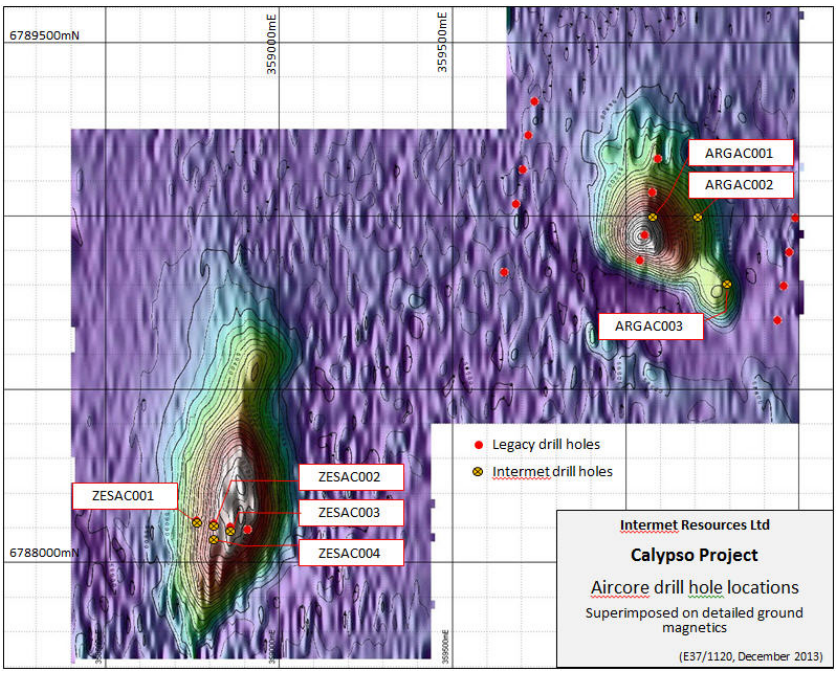

Figure 1. BHP and ITT drill hole locations superimposed on magnetic signature. Drilling in the 1980s encountered prospective ultramafics at both Zeus and Argos with nickel + copper sulphides at Zeus. MR382 was the only drillhole assayed for nickel and copper.

Four holes were drilled into the Zeus anomaly confirming the peridotitic nature of the intrusive and presence of disseminated sulphides. Fine grained, disseminated sulphides were observed in the drill chips and petrographic analysis is planned to confirm whether they include pentlandite as previously reported by BHP.

Three holes were drilled into the Argos anomaly which encountered an apparent gabbroic complex comprising gabbro, mafic schists and amphibole-chlorite rocks probably derived from ultramafic units.

Table 1 summarises the best nickel assays returned from drilling. They show some influence of weathering depletion but overall elevated values with stronger results in the peridotitic intrusive. Elements other than nickel generally returned low results consistent with background values expected in these lithologies.

Table 1. Drilling results summary (all holes vertical)

Hole	Total Depth (m)	BHP drillhole duplicated	Best results
Zeus anomaly drilling			
ZESAC001	113	MR383	No significant intersection. Best: 2m at 0.11% Ni, 183ppm Cu from 76m
ZESAC002	80	MR382	32m at 0.22% Ni, 53 ppm Cu from 48-80m (EOH) *including* 21m at 0.26% Ni, 59 ppm Cu from 50m
ZESAC003	75	MR383	27m at 0.17% Ni, 12 ppm Cu from 48-75m (EOH) *including* 7m at 0.26% Ni, 145 ppm Cu from 60m
ZESAC004	75	Along strike from MR382	31m at 0.19% Ni, 67 ppm Cu from 44-75m (EOH) *including* 14m at 0.24% Ni, 83 ppm Cu from 44m
Argos anomaly drilling			
ARGAC001	88	Tested aeromagnetic anomaly	4m at 0.14% Ni, 95 ppm Cu from 20-24m *and* 4m at 0.11% Ni, 135 ppm Cu from 58-62m
ARGAC002	45		No significant intersection.
ARGAC003	72		No significant intersection. Uniform, elevated background values from 10m to EOH (62m at 562 ppm Ni, 51 ppm Cu)

Drillholes ZESAC002 and ZESAC004 were drilled to duplicate and extend along strike the discovery BHP drillhole MR382. The results obtained were of a similar tenor but showed a wider zone of nickel mineralisation at a somewhat higher grade.

The very limited drill program by Intermet was designed to confirm both the presence of an ultramafic (peridotite) intrusive as the origin of the Zeus aeromagnetic anomaly and the existence of elevated nickel grades as reported by BHP Minerals. Both of these objectives were met and having confirmed the prospectivity of the project, Intermet plans to undertake further geological, petrographic and geophysical studies with a view to outlining higher grade nickel drill targets particularly at depth.

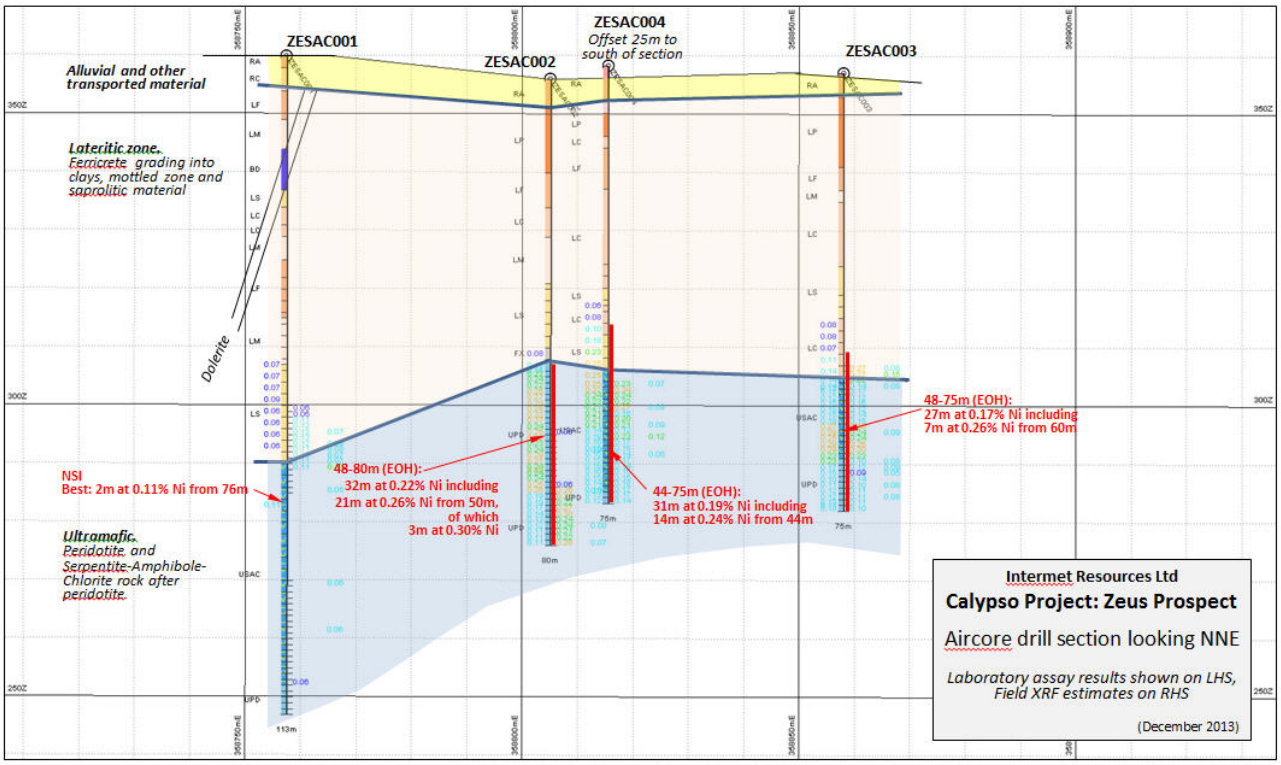

Figure 2. Zeus prospect aircore drill section looking NNE

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 2012 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.

ENDS

For more information please contact:
Scott Mison
Director, InterMet Resources Ltd
Tel: +61 8 9325 7080

APPENDIX A.

Table A1. Aircore drill results

Hole	Prospect	North	East	RL	Total Depth (m)	Azimuth	From (m)	To (m)	Interval (m)	Ni %	Cu (ppm)
ZESAC001	Zeus	6788120	358764	321.0	113	Vertical	76	78	2	0.11	183
ZESAC002	Zeus	6788115	358810	319.0	80	Vertical	48	50	2	0.15	60
							50	71	21	0.26	59
							71	80	9	0.14	37
ZESAC003	Zeus	6788106	358860	318.0	75	Vertical	48	60	12	0.14	134
							60	67	7	0.26	145
							67	75	8	0.12	76
ZESAC004	Zeus	6788083	358810	323.0	75	Vertical	44	48	4	0.14	58
							48	62	14	0.24	83
							62	75	13	0.15	52
ARGAC001	Argos	6789003	360070	348.5	88	Vertical	20	24	4	0.14	95
							58	62	4	0.11	135
ARGAC002	Argos	6789000	360200	339.0	45	Vertical	20	45	25	<0.01	35
ARGAC003	Argos	6788802	360270	350.0	72	Vertical	10	72	62	0.06	51

Notes:

- Grid coordinates MGA: Zone 51, Collar positions determined by hand held GPS.
- All holes are vertical (-90^{o}). Hole deviations may result in hole paths slightly different to those intended.
- No downhole surveys undertaken.
- Drilling by aircore technique, with 1 metre samples collected and laid out. Other information in Appendix: Section 1.
- 3-5kg sample preparation by pulp mill to nominal P80/75um.
- Analysis by a combination of Aqua Regia Digest with ICP-OES finish (Intertek code AR01/OE51). For priority and follow-up 1m samples a Four Acid Digest with a multi-element ICP-OES finish (code 4A/OE51-multi element) and Fire Assay for Au-Pt-Pd (code FA25). Au, Pt and Pd were analysed by 25 gram fire assay with a mass spectrometer finish.
- Cut-off grade minimum 2m @ 1,000ppm Ni with 2m internal dilution. Intervals not listed do not have any 2m intervals >1,000ppm Ni present. Exception being hole ARGAC003 included to illustrate continuous zone of background levels.

Section A1. Sampling Techniques and Data

Criteria	JORC Code (2012) explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	A total of 7 Aircore holes were drilled at Calypso project for 458m. Drill holes were vertical and designed to follow up previously reported drill results over major aeromagnetic anomalies. Sampling was undertaken by collecting 2 metre composite samples and single 1m intervals. Visual logging, magnetic susceptibility readings and handheld XRF readings were used to guide which intervals were sampled.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used	Drillhole locations were picked up by handheld GPS. Logging of drill samples included lithology, weathering, texture, moisture and contamination as well as magnetic susceptibility and handheld XRF readings. Sampling protocols and QAQC are as per industry best practice procedures
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent	Aircore drilling was sampled (scooped) using a combination of 2m composite sampling and single 1m sampling. Samples were sent to Intertek Genalysis in Kalgoorlie, crushed to 10mm, dried and pulverised (total prep) in LM5 units (Some samples > 3kg were split) to produce a sub-sample. The pulps were then sent to Perth for analysis

Criteria	JORC Code (2012) explanation	Commentary
	sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information	by a combination of Aqua Regia Digest with ICP-OES finish (for elements including Ag, As, Bi, Cd, Co, Cu, Fe, Mn, Mo Ni, Pb, S, Sb, Te, Tl, Zn. Intertek code AR01/OE) and if necessary for priority and follow-up samples a Four Acid Digest with a multi-element ICP-OES finish (for elements including Ni, Cu, Co, Cr, Mg, Fe. Intertek code: 4A/OE51-multi-element) and Fire Assay for Au-Pt-Pd (Intertek code FA25/MS). Au, Pt and Pd were analysed by 25 gram fire assay with a mass spectrometer finish.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	Drilling technique was aircore (AC) with hole diameter of 85mm. Mostly blade techniques but some hammer drilling was also completed. Hole depths range from 45m to 113m.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed*	Aircore recoveries were logged and recorded in the database. Overall recoveries were good and there were no significant recovery problems.
	Measures taken to maximise sample recovery and ensure representative nature of the samples	Aircore samples were collected from the rig-mounted cyclone by bucket and placed directly on the ground in rows of 10. Samples were visually checked for recovery, moisture and contamination and notes made in the logs.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	There is no observable relationship between recovery and grade, and therefore no sample bias.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Detailed geological logs were carried out on all drill holes, and this data was stored in the database.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.	Logging of aircore chips recorded lithology, mineralogy, mineralisation, weathering, colour, and other sample features. Sample spoils were photographed.
	intersections logged	All holes were logged in full.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Not applicable.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Samples were tube sampled directly from drill sample piles. Most of the samples were dry. Some of the samples were collected wet, and these were noted in the drill logs and database.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The sample preparation followed industry best practice. This involved oven drying and then pulverisation of the entire sample in an LM5 or equivalent pulverising mill to a grind size of 85% passing 75 micron.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	At this stage of the exploration, field QC involves the review of laboratory supplied certified reference material, in house controls, blanks, splits and duplicates. These QC results are reported by the laboratory with final assay results. Anomalous samples were checked against logging and field observations.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	Field duplicates were taken at an approximate interval of every 20 samples.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	The sample sizes are considered more than adequate to ensure that there are no particle size effects.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and*	An Aqua Regia digest with ICP-OES finish (Intertek code AR01/OE) is a partial digest was

Criteria	JORC Code (2012) explanation	Commentary
	whether the technique is considered partial or total.	used widely for first-pass reconnaissance type work, however a more complete four-acid digest followed by multi-element ICP/OES analysis (Intertek analysis code 4A/OE51) was applied to the majority of anomalous and follow-up samples. The four acid digest involves hydrofluoric, nitric, perchloric and hydrochloric acids and is considered a "complete" digest for most material types, except certain chromite minerals. The majority of these samples were also analysed with a 25 gram Fire Assay with a mass spectrometer finish for Au-Pt-Pd (Intertek code FA25/MS).
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	No geophysical or portable analysis tools were used to determine assay values stored in the database. Handheld XRF machine was only used as a guide while drilling and readings have not been included in review of the data. Assay data only is used.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Internal laboratory control procedures involve duplicate assaying of randomly selected assay pulps as well as internal laboratory standards. All of these data are reported to the Company and analysed for consistency and any discrepancies.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	The Company technical director visually inspected the significant drill intersections collected in chip trays and reviewed drill photos.
	The use of twinned holes.	No aircore holes were twinned in the current program. However, this program was designed to replicated an historical drillhole (MR382) completed by BHP in the 1980s. This appears to have been done although there will always be some reservation about unsurveyed co-ordinates provided from that era.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Primary data was collected using notebooks in the field and transferred to standard Excel templates. These data have been loaded into Micromine for data verification.
	Discuss any adjustment to assay data.	No adjustments or calibrations have been made to any assay data.
Location of data points	*Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Drill hole locations have been established using a field GPS unit.
	Specification of the grid system used.	The grid system is MGA_GDA94, zone 51 for easting, northing and elevation.
	Quality and adequacy of topographic control.	The topographic surface was generated from handheld GPS units.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The drill hole spacing is variable and at Zeus is between 40m and 50m while at Argos ranges from 75m to 150m.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	Not applicable.
	Whether sample compositing has been applied.	Sample compositing occurred over 2 metre intervals for non-mineralised material, and selected mineralised intervals were assayed at a one and two metre (composite) intervals.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Aircore drill lines were positioned so that they duplicated historical drillholes and where possible was essentially perpendicular to strike and lithological units as defined from detailed ground magnetics.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be	No sampling bias is believed to have been introduced.

Criteria	JORC Code (2012) explanation	Commentary
	assessed and reported if material.	
Sample security	*The measures taken to ensure sample security.*	Sample security is managed by the Company. After preparation in the field samples are packed into polyweave bags and despatched to the laboratory. All bags were transported by the Company directly to the assay laboratory. The assay laboratory audits the samples on arrival and reports any discrepancies back to the Company. No such discrepancies occurred.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	No review of the sampling techniques has been carried out. The database is compiled by an independent contractor and is considered by the Company to be of sufficient quality to support the results reported. In addition, from time to time, the Company carries out its own internal data audits.
Land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	The drilling program was conducted within Exploration License E37/1120. Intermet Resources Ltd holds an option to purchase this tenement from Rossiter Minerals Ltd.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	The tenements are all in good standing and no known impediments exist.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Previous exploration by other parties identified some anomalous geochemical and RAB drilling values and this program has followed these up to confirm geology and tenor of reported nickel grades.
Geology	Deposit type, geological setting and style of mineralisation.	The Calypso project lies within the central Norseman-Wiluna belt of the Eastern Goldfields Province of the Archaean Yilgarn Craton, Western Australia. The tenement is located immediately west of the Keith–Kilkenny Fault (KKF) and is completely covered by transported sediments including lacustrine clays, aeolian sands and hardpan. Bedrock lithologies are not exposed and have been determined by aeromagnetic interpretation and wide spaced historical RAB drilling which suggests a possible large ultramafic nickeliferous intrusive(s) may exist below the cover.
Drill hole Information	A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: • easting and northing of the drill hole collar • elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length.	Refer to drill results Tables and the Notes attached thereto.
Data aggregation methods	In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.	All reported assay intervals have been length weighted. No top cuts have been applied. See Notes to Table 1.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Not applicable.
	The assumptions used for any reporting of	Not applicable.

Criteria	JORC Code (2012) explanation	Commentary
	metal equivalent values should be clearly stated.	
Relationship between mineralisation widths and intercept lengths	These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	No definite relationships between mineralisation widths and intercept lengths are known from this drilling to date. The uncertainty is created by lack of drilling, weathering and clarity required on the orientation of the possible intrusive and other geological units.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Refer to Figures 1-2 in the text.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	All results with at least 2m > 1,000ppm Ni are reported. Only exception being ARGAC003 (>500ppm Ni)
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Not applicable.
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive	Geological, petrographic and geophysical reviews are planned with a view to possible follow up drilling.