ANNUAL REPORT

For the year ended 31 January 2014

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 (ITT) and its consolidated entities, being the Company and its controlled entities, for the year ended 31 January 2014 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	60	**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	38	**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	44	**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). Mr Egerton-Warburton is currently a director of Otis Energy Limited and Green Rock Energy Limited. Appointed 17 January 2013.

Directors' Report (continued)

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	5	5
Scott Mison	5	5
Barnaby Egerton-Warburton	5	5

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 copper-gold and base metals on prospective areas in north Queensland and the search for Nickel Sulphide on the Calypso Project in Western Australia.

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

Review and results of operations

The consolidated entity recorded a net loss after tax for the period ended 31 January 2014 of $346,932 (31 January 2013: net profit of $1,191,905).

PROJECTS

Calypso Project – Nickel sulphide, Western Australia

During the year ITT completed an aircore drilling program at the Calypso nickel project near Leonora (E37/1120). 7 aircore holes were drilled for a total of 548m in December 2013. Good penetration was obtained by the Challenge Drilling rig and the holes were also completed with some hammer drilling.

The drilling was designed to confirm the drilling results obtained by BHP Minerals in the 1980s. At that time BHP reported nickel sulphides assaying Nickel sulphides assaying 16m at 0.2% Ni and 61ppm Cu from 42m to the end of hole, including a high value of 2m at 0.43% Ni and 85 ppm Cu were obtained in the only hole assayed by BHP Minerals in the Zeus aeromagnetic anomaly (MR382). However, disseminated sulphides and cumulate ultramafic textures were recorded in other holes drilled in both the Zeus and Argos anomalies which were not assayed or followed up.

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.

Directors' Report (continued)

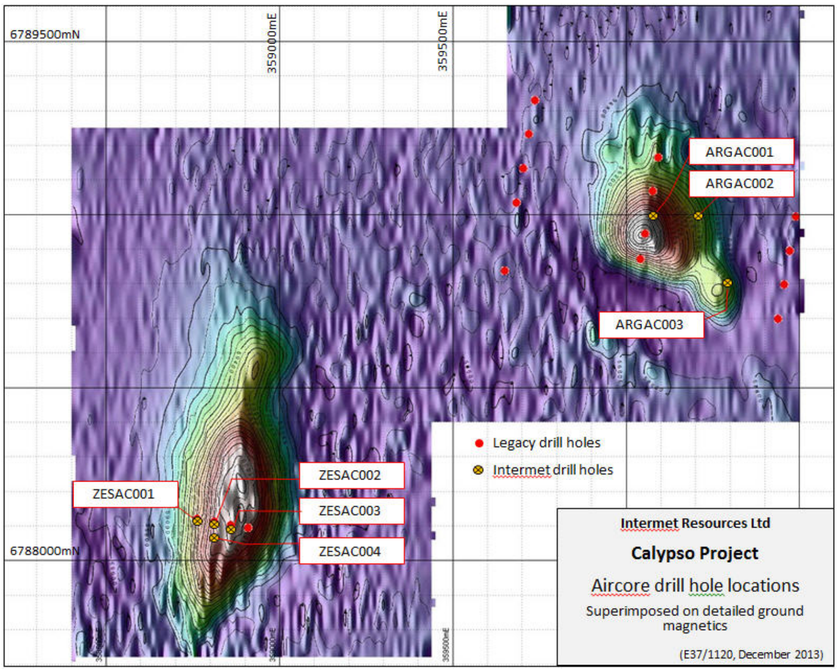


Figure 1. BHP and ITT drill hole locations superimposed on magnetic signature. Drilling in the 1980s encountered prospective ultramafics at both Zeus and Argos with nickel + copper sulphides at Zeus. MR382 was the only drillhole assayed for nickel and copper.

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.

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)

Directors' Report (continued)

This limited drill program 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, ITT plans to undertake further geological, petrographic and geophysical studies with a view to outlining higher grade nickel drill targets particularly at depth.

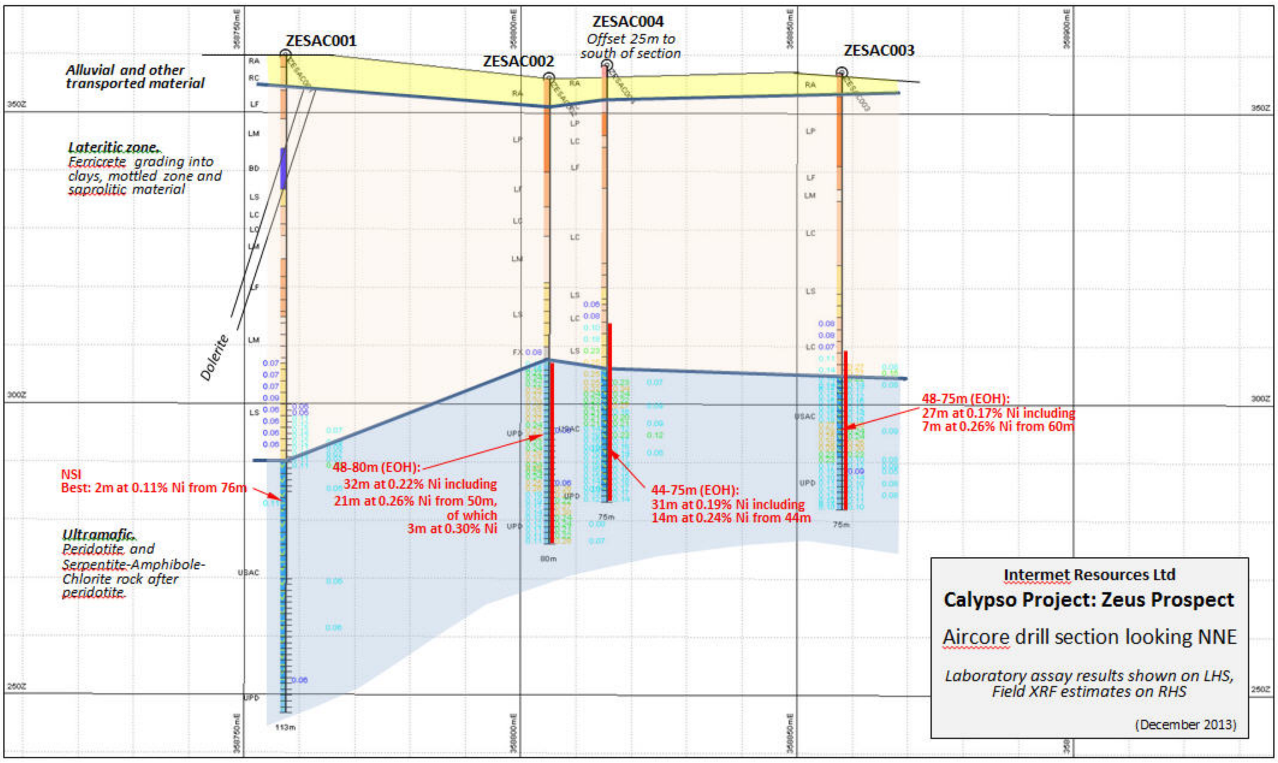


Figure 2. Zeus prospect aircore drill section looking NNE

8 Mile Creek Project – Queensland

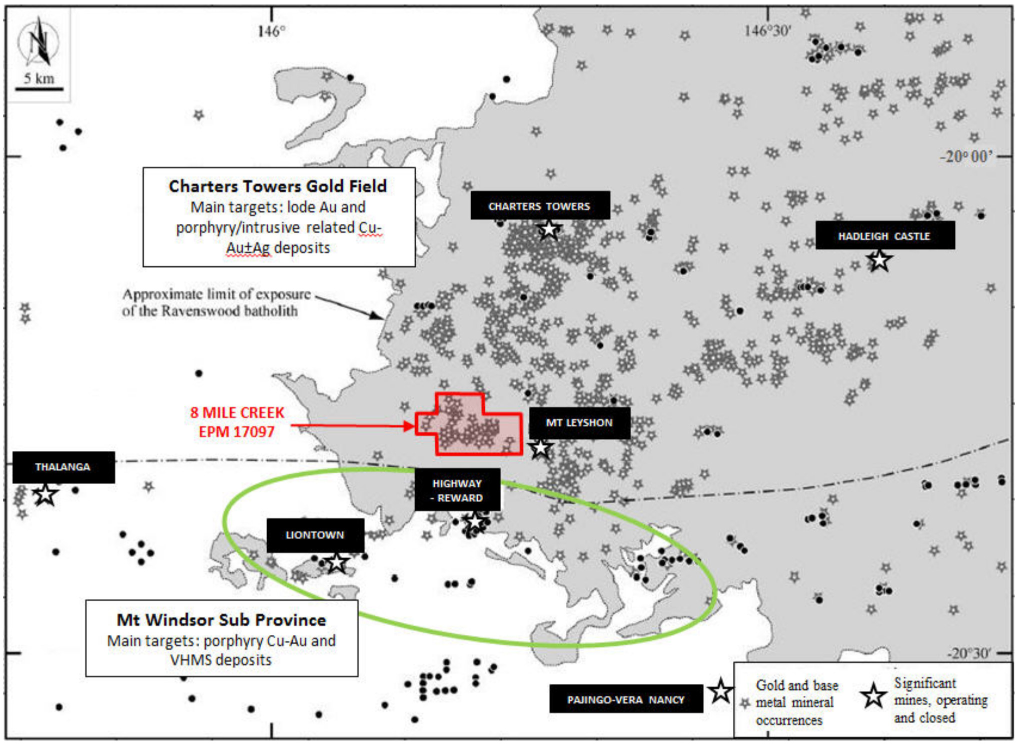
Gold and base metal project in rich mineral field

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).

Following an intensive review of the 8 Mile Creek gold project mineralisation models were investigated for follow up exploration and drill targeting. The targets within the tenement appear to comprise narrow vein, high grade gold deposits and several areas were deemed prospective based on historical mining and early stage exploration programs that were not followed up.

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.

Directors' Report (continued)



8 Mile Creek project in NE Queensland (diagram after Kruezer at al 2007)

Acquisition of Lancaster Resources Pty Ltd

During the year shareholders approved the acquisition of Lancaster Resources Pty Ltd ("Lancaster").

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.

- **Nickel First** (WA) – Lancaster has an option to acquire a 100% interest in four tenements (two in final stages of application approval) totalling 463.99 km^2 located near Wiluna and adjacent to the Rox Resources Ltd Mt Fisher East project.

- **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.

The transaction saw 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 was $700,000 payable by the issue of 140,000,000 fully paid InterMet ordinary shares which were escrowed for 3 months.

The acquisition of Lancaster provided a further cash injection for InterMet, and a significant exploration portfolio which would complement InterMet's 8 Mile Creek and Calypso projects.

Subsequent to year end, ITT cancelled the option agreement over the Nickel First nickel project.

Directors' Report (continued)

Capital Raising

During the year the Company raised the following funds:

- $425,000 (42,500,000 fully paid shares at $0.01), after shareholder approval at the General Meeting held on 8 March 2013.

- $500,000 (100,000,000 fully paid shares at $0.005 per share) after shareholder approval at the General Meeting held on 22 October 2013. At the same meeting, shareholders approved the issue of 50,000,000 placement options to participants under the placement. Each option will have an exercise price of $0.01 and expiry date of 1 July 2016.

- A further $5,000 (1,000,000 fully paid shares at $0.005 per share) and 500,000 placement options, issued under the Company's 15% capacity. Each option will have an exercise price of $0.01 and expiry date of 1 July 2016.

Significant changes in the state of affairs

Other than those matters listed in this report there have been no 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.

Events subsequent to balance date

Subsequent to year end ITT announced that it had signed an exclusive option agreement to acquire 100% of the issued capital in emerging US based technology company, 1-Page Company Inc.

Key Acquisition Terms

- Payment of a $50,000 option fee by InterMet to acquire an exclusive thirty (30) day option to buy 100% of the issued capital in 1-Page.

- In exchange for 100% of the issued capital in 1-Page, InterMet agrees to issue 50,000,000 InterMet Shares (on a post consolidation basis) to the majority shareholders of 1-Page.

- In addition InterMet agrees that Post IPO, a Performance Rights Plan will be implemented, subject to shareholder approval, to issue Board members and key incoming management a total of 15,000,000 performance rights (on a post consolidation basis) based on achievement of the following milestones:
  (i) 5,000,000 performance rights on achievement of sales revenue of AUD$2,000,000, on an annualised basis over a 6 month reporting period (i.e. half-yearly accounts), within two (2) years from implementation of the plan.

Directors’ Report (continued)

(ii) 5,000,000 performance rights on achievement of InterMet shares trading on the ASX at more than AUD$0.50 per share, based on a 20-day volume weighted average price, within two (2) years from implementation of the plan.

(iii) 5,000,000 performance rights on achievement of EBIT of AUD$2,500,000, on an annualised basis over a 6 month reporting period (i.e. half-yearly accounts), within three (3) years from implementation of the plan.

- Satisfaction of various conditions precedent, including:
  - InterMet being satisfied, to its sole satisfaction, with the completion of its due diligence investigations on 1-Page within 30 days;
  - InterMet loaning up to AUD$300,000 to 1-Page to provide working capital prior to completion of the acquisition.
  - InterMet obtaining all necessary regulatory and shareholder approvals under the ASX Listing Rules, Corporations Act 2001 (Cth) (Corporations Act) or any other law to allow lawful completion of the acquisition of 1-Page. This will include a re-compliance with Chapters 1 & 2 of the ASX Listing Rules;
  - InterMet undertaking a consolidation of its securities at a ratio to be determined as necessary to re-comply with ASX Listing Rules;
  - InterMet undertaking a capital raising pursuant to a prospectus to raise not less than AUD$3,500,000 on a post consolidation basis at $0.20 per share.
  - Mrs Joanna Weidenmiller entering into an executive services agreement with the Company or InterMet for at least two (2) years

Placement

In order to provide working capital to complete the above mentioned transaction, InterMet are currently undertaking to complete a S708 private placement of 50,000,000 shares at $0.008 per share to raise a total of $400,000 before costs. DJ Carmichael has been appointed Lead Manager to the Placement.

Likely developments

The consolidated entity is focusing on the search for copper-gold and base metals on prospective areas in north Queensland and the search for Nickel Sulphide on the Calypso Project in Western Australia.

Directors' Report (continued)

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 remuneration of each director and officers of the Company and the consolidated entity receiving the highest emoluments are:

2014	**Directors Fees** [1]	**Consulting Fees**	**Super Contributions**	**Total**
Directors				
Andrew Richards	50,000	31,315	-	81,315
Scott Mison	50,000	50,000[2]	-	100,000
Barnaby Egerton-Warburton	45,814	-	4,186	50,000
	145,814	81,315	4,186	231,315

(1) Includes fees from 17 January 2013 to 31 January 2014.

(2) Includes provisions for company secretarial, accounting and office administrative services.

2013	**Directors Fees**	**Consulting Fees**	**Super Contributions**	**Total**
Directors				
Andrew Richards	-	-	-	-
Scott Mison	-	-	-	-
Barnaby Egerton-Warburton	-	-	-	-
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)

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 and equity-based remuneration. Options are issued at the discretion of directors. Directors do not receive any performance related remuneration.

(ii) 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' 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:

2014	Ordinary shares
Andrew Richards	500,000
Scott Mison	1,000,000
Barnaby Egerton-Warburton	500,000

Directors' Report (continued)

Directors' interests (continued)

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

(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' 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.

Directors' Report (continued)

Indemnification and insurance of officers and auditors (continued)

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 entity, 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 30,000,000 unlisted options issued 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 9 to the financial statements.

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 18.

Directors' Report (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 18.

Signed in accordance with a resolution of the directors:

Dated at Perth this 30 April 2014.

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 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 page 1 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 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.

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 related entity transactions with the Company and consolidated entity are set out in Note 21.

Corporate Governance Statement (continued)

Board of Directors (continued)

Director dealings in Company shares

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

- except one month prior to the release of the Company's half-year and annual results to the Australian Securities Exchange ("ASX");
- except when approval is received from the Board 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 must be 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.

Corporate Governance Statement (continued)

The role of shareholders (continued)

All documents that are released publicly are available on the ASX internet web site at www.asx.com.au and via a link on the company web site at www.intermetresources.com.au.

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.

Auditor's Independence Declaration

As lead auditor for the audit of InterMet Resources Limited for the year ended 31 January 2014, 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 2014

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 3999, www.pwc.com.au

Annual Financial Report – 31 January 2014

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, 23 Barrack Street
Perth
Western Australia 6000

The financial statements were authorised for issue by the directors on 30 April 2014. The directors have the power to amend and reissue the financial statements.

Consolidated Income Statement
for the year ended 31 January 2014

	Note	Consolidated Group 2014 $	Consolidated Group 2013 $
Other income	5	4,503	2,425,760
Accounting, ASIC and audit fees		(55,970)	(50,389)
Consultants fees		(120,360)	(112,278)
Directors fees		(150,000)	(90,000)
Depreciation expense	6	(139)	(1,072)
Employee benefits expense		-	(149)
Finance costs		(842)	(167,057)
Legal fees		(3,244)	(11,325)
Public company expenses		(31,794)	(20,641)
Corporate Services		(53,875)	-
Management fees		-	(38,500)
Exploration write off	12	-	(738,840)
Other expenses		(34,198)	(3,604)
(Loss) / profit before income tax		(445,919)	1,191,905
Income tax benefit	7	98,987	-
(Loss) / profit from continuing operations attributable to equity holders of InterMet Resources Limited		(346,932)	1,191,905
(Loss)/Earnings per share for (loss) / profit from continuing operations attributable to the ordinary equity holders of the company			
Basic (loss)/earnings per share (cents per share)	8	(0.24)	2.35
Diluted (loss)/earnings per share (cents per share)	8	(0.24)	2.35

The above consolidated income statement should be read in conjunction with the notes to the financial statements set out on pages 25 to 50.

Consolidated Statement of Comprehensive Income
for the year ended 31 January 2014

	Note	Consolidated Group	
		2014 $	2013 $
(Loss) / profit for the year		(346,932)	1,191,905
Other comprehensive (loss) / income for the year		-	-
Total comprehensive (loss) / income for the year		(346,932)	1,191,905
Total comprehensive (loss) / income for the year attributable to equity holders of InterMet Resources Limited:		(346,932)	1,191,905

The above consolidated statement of comprehensive income should be read in conjunction with the notes to the financial statements set out on pages 25 to 50.

Consolidated Balance Sheet
As at 31 January 2014

	Note	Consolidated Group	
		2014 **$**	**2013** **$**
CURRENT ASSETS			
Cash and cash equivalents	10	665,665	68,990
Other current assets	14	26,790	10,809
Total Current Assets		692,455	79,799
NON-CURRENT ASSETS			
Property, plant and equipment	11	-	139
Exploration & evaluation assets	12	572,899	50,000
Deferred tax asset	7	98,987	-
Other non-current assets	13	7,500	2,500
Total Non-Current Assets		679,386	52,639
Total Assets		1,371,841	132,438
CURRENT LIABILITIES			
Trade and other payables	15	62,548	141,540
Total Current Liabilities		62,548	141,540
NON-CURRENT ASSETS			
Deferred tax liability	7	98,987	-
Total Non-Current Liabilities		98,987	-
Total Liabilities		161,535	141,540
NET ASSETS / (LIABILITIES)		1,210,306	(9,102)
EQUITY			
Contributed equity	16	7,622,419	6,056,079
Accumulated losses	28	(6,412,113)	(6,065,181)
Total Equity / (Deficit)		1,210,306	(9,102)

The above consolidated balance sheet should be read in conjunction with the notes to the financial statements set out on pages 25 to 50.

Consolidated Statement of Cash Flows
for the year ended 31 January 2014

	Note	Consolidated Group	
		2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipt from income tax refund		1,628	-
Payments to suppliers and employees (incl. of GST)		(540,753)	(281,576)
Net cash used in operating activities	20(b)	(539,125)	(281,576)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash acquired with acquisition of Lancaster Resources	18(b)	461,794	-
Payments for exploration expenditure		(192,334)	-
Net cash inflow from investing activities		269,460	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Hillgrove Resources Limited		-	268,500
Proceeds from share issue		930,000	75,000
Payments for cost of share issue		(63,660)	-
Net cash provided by financing activities		866,340	343,500
Net increase in cash held		596,675	61,924
Cash and cash equivalents at beginning of financial year		68,990	7,066
Cash and cash equivalents at end of financial year	20(a)	665,665	68,990

The above consolidated statement of cash flows should be read in conjunction with the notes to the financial statements set out on pages 25 to 50.

Consolidated Statement of Changes in Equity
for the year ended 31 January 2014

Consolidated Group	Contributed equity	Accumulated Losses	Total
	$	$	$
Balance at 31 January 2012	5,981,079	(7,257,086)	(1,276,007)
Comprehensive income for the year	-	1,191,905	1,191,905
Transactions with owners in their capacity as owners:	75,000	-	75,000
Balance at 31 January 2013	6,056,079	(6,065,181)	(9,102)
Comprehensive loss for the year	-	(346,932)	(346,932)
Transactions with owners in their capacity as owners:			
Issue of Shares - Lancaster acquisition	700,000	-	700,000
Issue of shares	930,000	-	930,000
Cost of share issue	(63,660)	-	(63,660)
Balance at 31 January 2014	7,622,419	(6,412,113)	1,210,306

The above consolidated Statements of Changes in Equity should be read in conjunction with the notes to the financial statements set out on pages 25 to 50.

Notes to the financial statements

For the year ended 31 January 2014

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 and other interpretations issued by the Australian Accounting Standards Board, and the Corporations Act 2001.

(i) Compliance with IFRS

The consolidated financial statements comply with Australian Accounting Standards. Compliance with Australian Accounting Standards 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 Australian Accounting Standards 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 of the Group have been prepared on a going concern basis, which indicates continuity of business activities and the realisation of assets and settlement of liabilities in the normal course of business.

During the year ended 31 January 2014, the Group did not generate any revenue, incurred a loss after tax of $346,932 (2013:$1,191,905 profit) and had cash outflows from operating activities of $539,125 (2013:281,576) as is typically expected during the exploration and evaluation phase of the business. As at 31 January 2014 the Group had available cash of $665,665.

The Group has been able to continue to meet working capital requirements during the year principally as a result of a previous capital raising and cash inflow from the acquisition of Lancaster resources Pty Ltd ("LAN").

Notes to the financial statements
For the year ended 31 January 2014

1. Statement of significant accounting policies (continued)

(a) Basis of preparation (continued)

Subsequent to year end, ITT announced that it had signed an exclusive option agreement to acquire 100% of the issued capital in emerging US based technology company, 1-Page Company Inc. (Refer note 23). The Group is continuing due diligence of 1-Page Company and will make a decision as to whether to exercise the option in the short term.

The Group is also continuing to work towards improving the value of its existing exploration tenements, which will cover the required minimum exploration, spend for the coming year. The Group plans to raise additional capital of $400,000.

The continuing viability of the Group and its ability to continue as a going concern and to meet its commitments as and when they fall due is dependent upon the Group being successful in raising this additional capital.

As a result of these matters, there is a material uncertainty related to events or conditions that may cast significant doubt on whether the Group will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of the business and at the amounts stated in the financial report.

The Directors believe that the Group will be successful in raising this additional capital and accordingly have prepared the financial statements on a going concern basis. At this time, the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 31 January 2014.

Accordingly no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

(b) Principles of consolidation

Subsidiaries (controlled entities) are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the group (refer to note 4).

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

A list of subsidiaries (i.e. controlled entities) is provided in note 17 to the financial statements.

Notes to the financial statements
For the year ended 31 January 2014

1. Statement of significant accounting policies (continued)

(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.

(d) Income tax

The income tax expense or income 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 2014

1. Statement of significant accounting policies (continued)

(f) Financial Instruments

i. Classification

The group classifies its financial assets 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 the end of each reporting period.

ii. Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership. When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

iii. Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the ‘financial assets at fair value through profit or loss’ category are presented in profit or loss within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of revenue from continuing operations when the group’s right to receive payments is established. Interest income from these financial assets is included in the net gains/(losses).

Notes to the financial statements
For the year ended 31 January 2014

1. Statement of significant accounting policies (continued)

(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.

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Assets carried at amortised cost.

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

(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 2014

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, 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. They are initially recognised at fair value and subsequently measured at amortised cost.

(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 2014

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) Contributed equity

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 2014

1. Statement of significant accounting policies (continued)

(p) Parent entity financial information

The financial information for the parent entity, InterMet Resources Limited, disclosed in note 28 has been prepared on the same basis as the consolidated financial statements, except as set out below.

i. Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of InterMet Resources Limited.

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.

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.

Notes to the financial statements
For the year ended 31 January 2014

2. Critical accounting estimates and judgements (continued)

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.

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.

4. Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, liabilities incurred, equity interests issued by the group, fair value of any asset or liability resulting from a contingent consideration arrangement, and fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If he business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquire is remeasured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised in profit or loss.

Notes to the financial statements
For the year ended 31 January 2014

5. Other income

	Consolidated Group	
	2014	2013
	$	$
Interest income	4,503	2,500
Loan forgiveness (Hillgrove Resources)	-	2,423,240
Total Revenue	4,503	2,425,760

6. Expenses

Depreciation		
Computer & equipment	1	534
Furniture & fixtures	138	538
Total Depreciation	139	1,072

7. Income tax

(a) Income tax benefit

Deferred tax	98,987	-

Deferred income tax benefit included in income tax benefit comprises increases in deferred tax liabilities.

(b) Numerical reconciliation of income tax benefit to prima facie tax (receivable)/payable:

(Loss) / profit from continuing operations before tax	(445,919)	1,191,905
Tax at the Australian tax rate of 30% (2013-30%)	(133,776)	357,571
Tax effect of amounts which are not taxable in calculating taxable income:		
Tax losses not recognised	133,776	-
Previously unrecognised tax losses used to reduce deferred tax expense	98,987	(357,571)
Income tax attributable to entity	98,987	-

Notes to the financial statements
For the year ended 31 January 2014

7. Income tax (continued)

(c) Deferred tax assets

The balance comprises temporary differences attributable to:

Tax losses	98,987	-
	98,987	-

(d) Deferred tax liabilities

The balance comprises temporary differences attributable to:

Evaluation and exploration assets acquired	98,987	-
	98,987	-

All deferred tax balances are expected to be recovered/ settled after 12 months

The group has recognised deferred tax assets relating to tax losses to the extent there are sufficient taxable temporary differences(deferred tax liabilities) against which the unused tax losses can be utilised.

(e) Tax losses

Unused tax losses for which no deferred tax asset has been recognised	7,278,678	7,162,716
Potential tax benefit at 30%	2,183,604	2,148,815

8. (Loss) / Earnings per share

(Loss) / profit from continuing operations	(346,932)	1,191,905
Earnings used in the calculation of basic and dilutive EPS	(346,932)	1,191,905
Allocation of earnings to category of ordinary share:		
Diluted earnings		
Basic Ordinary shares	(346,932)	1,191,905
Diluted Ordinary shares	(346,932)	1,191,905

Notes to the financial statements
For the year ended 31 January 2014

8. (Loss) / Earnings per share (continued)

	2014 Number	2013 Number
Weighted average number of ordinary shares outstanding during the period used in calculating basic and dilutive EPS	142,694,181	50,705,979

	Consolidated Group 2014 $	Consolidated Group 2013 $
Basic (loss) / earnings per share		
(Loss) / profit from continuing operations attributable to the ordinary equity holders of the Company	(0.24)	2.35
	(0. 24)	2.35
Diluted (loss) / earnings per share		
(Loss) / profit from continuing operations attributable to the ordinary equity holders of the Company	(0. 24)	2.35
	(0. 24)	2.35

Classification of securities as ordinary shares

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

Classification of options as potential shares

Options granted to investors are considered to be potential ordinary shares and should be included in the determination of diluted earnings per share to the extent to which they are dilutive.

The options granted throughout the year are anti-dilutive and have therefore not been included in the calculation of diluted earnings per share for the year ended 31 January 2014. These options could potentially dilute basic earnings per share in future periods.

Options have not been included in the determination of basic earnings per share. Details relating to options are set out in note 16.

9. 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:

Notes to the financial statements
For the year ended 31 January 2014

9. Auditors' Remuneration (continued)

	Consolidated Group	
	2014 $	2013 $
Audit services		
Fees paid to PricewaterhouseCoopers Australian firm:		
Audit and review of financial reports and other audit work under the *Corporations Act 2001*	45,390	41,650
Total remuneration for audit services	45,390	41,650
Total remuneration for assurance services	45,390	41,650

10. Cash and cash equivalents

	Consolidated Group	
	2014 $	2013 $
Cash at bank and on hand	665,665	68,990
	665,665	68,990

11. Property, plant and equipment

Computer Equipment		
At cost	78,875	78,875
Accumulated Depreciation	(78,875)	(78,874)
	-	1
Fixtures and Fittings		
At cost	17,866	17,866
Accumulated Depreciation	(17,866)	(17,728)
	-	138
Motor vehicles		
At cost	42,347	42,347
Accumulated Depreciation	(42,347)	(42,347)
	-	-
Total property, plant and equipment	-	139

Notes to the financial statements
For the year ended 31 January 2014

11. Property, plant and equipment (continued)

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

	Consolidated Group 2014 $	Consolidated Group 2013 $
Computer equipment		
Carrying amount at beginning of period	1	534
Depreciation/Disposals	(1)	(533)
Carrying amount at end of period	-	1
Fixtures and fittings		
Carrying amount at beginning of period	138	538
Depreciation/Disposals	(138)	(400)
Carrying amount at end of period	-	138
Motor vehicles		
Carrying amount at beginning of period	-	-
Additions	-	-
Depreciation/Disposals	-	-
Carrying amount at end of period	-	-
Total property, plant & equipment	-	139

12. Exploration and evaluation assets

Exploration and/or evaluation phase – at cost	572,899	50,000
Carrying amount at beginning of period	50,000	738,840
Additions	522,899	50,000
Tenements written off	-	(738,840)
Carrying amount at end of period (a)	572,899	50,000

(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.

Notes to the financial statements
For the year ended 31 January 2014

13. Other non-current assets

	Consolidated Group	
	2014 **$**	**2013** **$**
Security deposits	7,500	2,500
	7,500	2,500

The above security deposits are restricted by tenement holdings with state government as disclosed in note 24.

14. Other current assets

GST receivable	12,366	10,177
Prepaid Insurance	14,424	632
	26,790	10,809

15. Trade and other payables

Trade payables	32,540	107,190
Sundry payables and accrued expenses	30,008	34,350
	62,548	141,540

16. Contributed equity

Issued and paid up capital 341,500,500 ordinary shares (2013: 58,000,500), fully paid	7,686,079	6,056,079
Cost of capital raising	(63,660)	-
	7,622,419	6,056,079
Ordinary shares		
Balance as at beginning of period	6,056,079	5,981,079
Issued during the year		
750,000,000 shares issued @ $0.01 per share	-	75,000
42,500,000 shares issued @ $0.01 per share	425,000	-
Acquisition of Lancaster Resources - 140,000,000 shares issued @ $0.005 per share	700,000	-
101,000,000 shares issued @ $0.005 per share	505,000	-
Cost of capital raising	(63,660)	-
Balance at end of period	7,622,419	6,056,079

Notes to the financial statements
For the year ended 31 January 2014

16. Contributed equity (continued)

	2014 Number	2013 Number
Ordinary shares		
Balance as at beginning of period	58,000,500	50,500,500
Issued during the period		
7,500,000 shares issued @ $0.01 per share	-	7,500,000
42,500,000 shares issued @ $0.01 per share	42,500,000*	-
Acquisition of Lancaster Resources - 140,000,000 shares issued @ $0.005 per share	140,000,000	-
101,000,000 shares issued @ $0.005 per share	101,000,000*	-
Balance at end of period	341,500,500	58,000,500

*The price per share includes the price of options linked to the share issue at 2:1

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).

Options

Set out below is a summary of options issued, exercised and expired during the financial year:

	2014		2013	
	Exercise price	**Number of options**	**Exercise price**	**Number of options**
As at 1 February		-		-
Granted during the year	$ 0.01	98,400,000	$0.01	-
As at 31 January	$0.01	98,400,000	$0.01	-

No options expired during the financial years covered and no options were exercised during the year.

Subsequent to year end, 30,000,000 options were issued with an exercise price of $0.01 and expiring 1 July 2016. There was also 3,000,000 options exercised raising $30,000 for the Company.

Notes to the financial statements
For the year ended 31 January 2014

16. Contributed equity (continued)

Share options outstanding at the end of the financial year have the following expiry date and exercise prices:

Grant date	Expiry date	Exercise price	2014	2013
20 March 2013	1 July 2016	$0.01	34,400,000	-
24 April 2013	1 July 2016	$0.01	12,000,000	-
1 November 2013	1 July 2016	$0.01	1,500,000	-
31 December 2013	1 July 2016	$0.01	50,500,000	-
			98,400,000	-

17. 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 2014	Equity Holding 2013
Controlled entities			**%**	**%**
Lancaster Resources Ltd	Australia	Ordinary	100	-
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 2014

18. Business combination

On 13 August 2013, the company announced that it had signed a binding Heads of Agreement for the acquisition of Lancaster Resources Pty Ltd (Lancaster).

The Acquisition of Lancaster was subject to Intermet shareholder approval, which was subsequently obtained on 22 October 2013.

The key terms of the agreement were as follows:

- InterMet acquired 100% of the share capital in Lancaster by way of a share sale agreement with existing Lancaster shareholders.
- The acquisition price was $700,000 payable by the issue of 140,000,000 fully paid Intermet ordinary shares which was escrowed for 3 months.

(a) Summary of acquisition

	$
Assets	
Cash	461,793
Other current assets	2,239
Exploration and evaluation assets	329,955
Other non- current assets	5,000
Liabilities	
Deferred tax liability	(98,987)
Net assets acquired	700,000
Fair value of purchase consideration	
140,000,000 shares issued @ $0.005 per share	700,000

(b) Purchase consideration – Cash inflow

Cash consideration	-
Cash balance acquired	461,794
Inflow of cash – investing activities	461,794

(c) Revenue and profit contribution

The acquired business contributed interest income of $ 4,482 and a net loss of $ 34,223 to the group for the period from 22 October 2013 to 31 January 2014.

Acquisition related costs of $ 28,164 are included in other expenses in profit and loss.

There were no acquisitions in the year ended 31 January 2013.

Notes to the financial statements
For the year ended 31 January 2014

19. 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; and

(iii) Accounts payable.

Liquidity Risk

Liquidity risk arises from the possibility that the Group 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 Group 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 2014 was 0.01% (2013: 0.01%). All receivables, other financial assets and payables are non-interest bearing.

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 2014

19. 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 National Australia Bank Limited which is considered to be an appropriate financial institution with an external credit rating of AA-.

The consolidated entity has no trade receivables (2013: none).

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 and trade payables approximate fair value due to the short term nature of these instruments. No financial instruments are measured at fair value.

Notes to the financial statements
For the year ended 31 January 2014

20. 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:

	Consolidated Group	
	2014 $	2013 $
Cash at bank or at call	665,665	68,990

(b) Reconciliation of operating (loss)/profit after income tax to net cash used in operating activities

Operating (loss)/income after income tax	(346,932)	1,191,905
Tenements written off	-	738,840
Loan forgiveness	-	(2,423,240)
Deferred tax liability with acquisition	98 987	-
Finance costs	-	167,047
Depreciation	139	1,072
Net cash used in operating activities before change in assets and liabilities	(445,780)	(324,376)
Changes in assets and liabilities:		
Increase in other assets	(15,981)	(13,309)
(Decrease)/increase in trade payables and accruals	(78,992)	56,109
Net cash used in operating activities	(540,753)	(281,576)

(c) Non-cash investing and financing activities

During the year the Company acquired a 100% interest in Lancaster Resources Pty Ltd for consideration of 140 million ordinary shares in InterMet Resources Limited ($700,000)

During 2012, InterMet Resources Limited benefited from a non-cash financing activity as a result of a loan forgiveness to the value of $ 2,423,240.

Notes to the financial statements
For the year ended 31 January 2014

21. Key management personnel

For details of key management personnel remuneration refer to page 8 of the Directors Report.

(a) Directors

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

- Scott A Mison – Director and Company Secretary (appointed 17 January 2013)
- Andrew Richards – Director (appointed 17 January 2013)
- Barnaby Egerton – Warburton – Non Executive Director (appointed 17 January 2013)

(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. Directors do not receive any performance related remuneration.

ii. Non-executive Directors

Non-executive Director base fees were set at $50,000 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.

Notes to the financial statements
For the year ended 31 January 2014

22. Related party transactions

There were no related party transactions during the period (2013: none).

23. Events subsequent to balance date

Subsequent to year end Intermet announced that it had signed an exclusive option agreement to acquire 100% of the issued capital in emerging US based technology company, 1-Page Company Inc.

Key Acquisition Terms

- Payment of a $50,000 option fee by InterMet to acquire an exclusive thirty (30) day option to buy 100% of the issued capital in 1-Page.

- In exchange for 100% of the issued capital in 1-Page, InterMet agrees to issue 50,000,000 InterMet Shares (on a post consolidation basis) to the majority shareholders of 1-Page.

- In addition InterMet agrees that Post IPO, a Performance Rights Plan will be implemented, subject to shareholder approval, to issue Board members and key incoming management a total of 15,000,000 performance rights (on a post consolidation basis) based on achievement of the following milestones:
    i. 5,000,000 performance rights on achievement of sales revenue of AUD$2,000,000, on an annualised basis over a 6 month reporting period (i.e. half-yearly accounts), within two (2) years from implementation of the plan.
    ii. 5,000,000 performance rights on achievement of InterMet shares trading on the ASX at more than AUD$0.50 per share, based on a 20-day volume weighted average price, within two (2) years from implementation of the plan.
    iii. 5,000,000 performance rights on achievement of EBIT of AUD$2,500,000, on an annualised basis over a 6 month reporting period (i.e. half-yearly accounts), within three (3) years from implementation of the plan.

- Satisfaction of various conditions precedent, including:

    - InterMet being satisfied, to its sole satisfaction, with the completion of its due diligence investigations on 1-Page within 30 days;

    - InterMet loaning up to AUD$300,000 to 1-Page to provide working capital prior to completion of the acquisition.

    - InterMet obtaining all necessary regulatory and shareholder approvals under the ASX Listing Rules, Corporations Act 2001 (Cth) (Corporations Act) or any other law to allow lawful completion of the acquisition of 1-Page. This will include a re-compliance with Chapters 1 & 2 of the ASX Listing Rules;

    - InterMet undertaking a consolidation of its securities at a ratio to be determined as necessary to re-comply with ASX Listing Rules;

    - InterMet undertaking a capital raising pursuant to a prospectus to raise not less than AUD$3,500,000 on a post consolidation basis at $0.20 per share.

Notes to the financial statements
For the year ended 31 January 2014

23. Events subsequent to balance date (continued)

- Mrs Joanna Weidenmiller entering into an executive services agreement with the Company or InterMet for at least two (2) years

Placement

In order to provide working capital to complete the above mentioned transaction, InterMet are currently undertaking to complete a S708 private placement of 50,000,000 shares at $0.008 per share to raise a total of $400,000 before costs. DJ Carmichael has been appointed Lead Manager to the Placement.

24. Mining Tenement Commitments

The consolidated entity has certain obligations to perform exploration work and expend minimum amounts of money on such works on mineral exploration tenements. Any substantial claim may have an effect on the value of the tenement affected by the claim. No provision has been made in the accounts for the possibility of a native title claim application.

These obligations will vary from time to time, subject to statutory approval. The terms of current and future joint ventures, the grant or relinquishment of licences and changes to licence areas at renewal or expiry, will alter the expenditure commitments of the consolidated entity.

Total expenditure commitments at balance date in respect of minimum expenditure requirements not provided for in the financial statements are approximately:

	2014 $	2013 $
No longer than 1 year	231,250	-
Longer than 1 year and not longer than 5 years	52,083	-
Total	283,333	-

25. 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 no provisions are 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.

The carrying amount of assets restricted as a result of the above security deposits are detailed in note 13.

Notes to the financial statements
For the year ended 31 January 2014

26. New accounting standards and interpretations

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 February 2013 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. However, amendments made to AASB 101 Presentation of Financial Statements effective 1 July 2012 now require the statement of comprehensive income to show the items of comprehensive income grouped into those that are not permitted to be reclassified to profit or loss in a future period and those that may have to be reclassified if certain conditions are met.

27. Standards and interpretations in issue not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 31 January 2014 reporting period and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is that it will not affect any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

28. Accumulated losses

	Consolidated	
	2014	**2013**
	$	**$**
Opening accumulated losses	6,065,181	7,257,086
Net loss / (profit) for the period	346,932	(1,191,905)
Closing accumulated loss	6,412,113	6,065,181

Notes to the financial statements
For the year ended 31 January 2014

29. Parent entity information

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

	Parent	
	2014 $	2013 $
Statement of comprehensive income		
(Loss) / profit after income tax	(672,286)	1,191,905
Total comprehensive income	(672,286)	1,191,905
Statement of financial position		
Total current assets	668,034	82,299
Total assets	1,359,501	132,438
Total current liabilities	(474,549)	141,540
Total liabilities	(474,549)	141,540
Equity		
Contributed equity	7,622,419	6,056,079
Accumulated Losses	(6,737,467)	(6,605,181)
Total equity	884,952	(9,102)

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 19 to 50 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 2014 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 2014.

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 2014, the income statement, 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 for InterMet Resources Limited and its controlled entities (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at year's end or from time to time during the financial year.

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 as issued by the International Accounting Standards Board.

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. Those 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 consolidated 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.

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 3999, 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 consolidated entity's financial position as at 31 January 2014 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 financial report and notes also comply 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 execute its existing plans and continue as a going concern and meet its debts and commitments as they fall due is dependent upon a capital raising, the timing and amount of which is dependent on whether it executes its option to acquire 1 Page Company Inc. 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

We have audited the remuneration report included in pages 8 to 9 of the directors' report for the year ended 31 January 2014. 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 2014 complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

William P R Meston
Partner

Perth
30 April 2014

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 14 April 2014, the Company has 344,500,500 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 139.

(c) Distribution schedule of Fully Paid Ordinary Shares as at 14 April 2014

Size of holding	*Number of Shareholders*	*Number of Shares*
1 - 1,000	7	2,047
1,001 - 5,000	43	168,342
5,001 - 10,000	29	269,946
10,001 - 100,000	78	3,519,656
100,001 & over	151	340,540,509

(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 14 April 2014

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 <THE VIKING S/F A/C>	11.90

(h) Securities on Issue

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

Category	**Number**
Ordinary Shares	344,500,500
Unlisted Options - $0.01 expire 1 July 2016	125,400,000

Shareholder information for listed Public Companies (continued)

(i) Twenty largest listed Shareholders

The twenty largest shareholders hold 60.58% of the total ordinary shares issued. The names of the 20 largest shareholders as at 14 April 2014 are listed below:

	Name Of Shareholder	No Of Ordinary Shares Held	% Of Issued Shares
1	MYCATMAX PTY LTD <THE VIKING S/F A/C>	40,992,723	11.90
2	MAHSOR HOLDINGS PTY LTD <ROSHAM FAMILY SUPER A/C>	15,979,000	4.64
3	SEASPIN PTY LTD <THE APHRODITE A/C>	15,696,400	4.56
4	GLAMOUR DIVISION PTY LTD <THE HAMMER A/C>	15,028,480	4.36
5	MS MERLE SMITH & MS KATHRYN SMITH <THE MINI PENSION FUND A/C>	13,454,101	3.91
6	EXPEDIA INVESTMENTS PTY LTD	13,287,500	3.86
7	HILLGROVE EXPLORATION PTY LTD	10,822,959	3.14
8	SEEFELD INVESTMENTS PTY LTD <THE SEEFELD A/C>	10,000,000	2.90
9	NATIONAL AUSTRALIA TRUSTEE LIMITED <13018500 A/C>	9,413,750	2.73
10	COMSEC NOMINEES PTY LIMITED	9,372,963	2.72
11	MAHSOR HOLDINGS PTY LTD <ROSHAM FAMILY S/F NO2 A/C>	7,771,923	2.26
12	AUSTRALIAN GLOBAL CAPITAL PTY LTD	7,583,000	2.20
13	ELLAZ PTY LTD <THE RIPPER FAMILY A/C>	6,624,500	1.92
14	PARETO NOMINEES PTY LTD <THE DAMELLE A/C>	5,791,700	1.68
15	RICHMOND FOOD SYSTEMS PTY LTD <MONTERY A/C>	5,139,334	1.49
16	MR ELYAS KHALIQI	4,750,142	1.38
17	VECTOR NOMINEES PTY LTD <THE VECTOR SUPER FUND A/C>	4,522,500	1.31
18	INVESCO NOMINEE PTY LTD	4,466,732	1.30
19	MR CRAIG IAN BURTON <CI BURTON FAMILY A/C>	4,000,000	1.16
20	TRADITIONAL SECURITIES GROUP PTY LTD <LPR FAMILY A/C>	4,000,000	1.16
	Total	**208,697,707**	**60.58**

Shareholder information for listed Public Companies (continued)

(j) Interests in mining tenements

Tenement	Location	Percentage
EPA 17097	Australia, Queensland	100%
E53/1732	Australia, Western Australia	100%
E53/1733	Australia, Western Australia	100%
EL 14/2011	Australia, Tasmania	100%
EL4944	Australia, Victoria	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.

Corporate Information

Registered Office

Level 2, 23 Barrack Street
Perth
Western Australia 6000
Tel: +61 (0) 8 9325 7080
Fax: +61 (0) 8 9325 7120

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, 23 Barrack Street
Perth
Western Australia 6000
Tel: +61 (0) 8 9325 7080
Fax: +61 (0) 8 9325 7120
www.intermetresources.com.au