

Monday, 19 May 2008

Lincoln Minerals Ltd and Mineral Enterprises Ltd to Fund Exploration on Wanilla Iron Ore Project in Joint Venture with InterMet Resources

Gravity Survey Commenced at EL 3702, an InterMet tenement in joint venture with Lincoln Minerals

Highlights

- **Lincoln Minerals Limited has signed a Heads of Agreement with an Indian Iron Ore Company to co-fund iron ore exploration on EL 3702**
- **A detailed gravity survey over selected targets on EL 3702 has commenced**

InterMet Resources (InterMet; ASX:ITT) is pleased to announce that joint venture partner Lincoln Minerals Limited (ASX:LML) has concluded a Heads of Agreement with Mineral Enterprises Limited (MEA) on Exploration Licence EL3702 (Wanilla) near Port Lincoln on southern Eyre Peninsula.

InterMet has a Joint Venture ("JV") agreement with LML, whereby LML and any LML Participating Interest parties can together earn up to an 80% interest in EL3702 by spending \$2 million on exploration by December 2012. The JV includes all minerals except uranium.

The essence of LML's agreement with MEA provides that MEA will contribute 50% of LML's exploration expenditure on EL 3702 to earn 50% of LML's Participating Interest in EL 3702 as set out in the following table:

	EXPENDITURE		PARTICIPATING INTEREST		
	MEA	LML	MEA	LML	ITM
STAGE 1	\$125,000	\$125,000	0%	0%	100%
STAGE 2	\$375,000	\$375,000	25%	25%	50%
STAGE 3	\$500,000	\$500,000	40%	40%	20%

LML will remain the Manager of the Project throughout the period of the agreement.

A detailed gravity survey over selected targets on Wanilla began last week (Figure 1). The gravity survey commissioned by LML is targeting massive, direct shipping (DSO) style hematite deposits similar to those at Wilgerup and in the Middleback Ranges both located on the Eyre Peninsula, South Australia.

Operations Office
Unit 1
22 Maple Avenue
FORRESTVILLE SA 5035

Tel: +61 8 8351 3388
Fax: +61 8 8351 0023

InterMet Resources Limited
garyferris@intermetresources.com.au
info@intermetresources.com.au
ACN 112 291 960
www.intermetresources.com.au

Registered Office
Level 41 Australia Square
264-278 George Street
SYDNEY NSW 2000

Tel: +61 2 8221 0404
Fax: +61 2 8221 0407

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Commenting on the joint venture, Managing Director Gary Ferris said “InterMet is very happy to have both Lincoln Minerals Limited and Mineral Enterprises Limited as joint venture partners. The commencement of the gravity survey shows the eagerness of the groups to fast track exploration on EL 3702”.

The information in this report that relates to Exploration Results is based on information compiled by Mr. Gary Ferris, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Ferris is the Managing Director of InterMet Resources and has sufficient relevant experience 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’. Mr Gary Ferris consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

For further information, contact:

Mr Gary Ferris
Managing Director
InterMet Resources
Tel: +61 8 8351 3381
Mob 0423 259 488

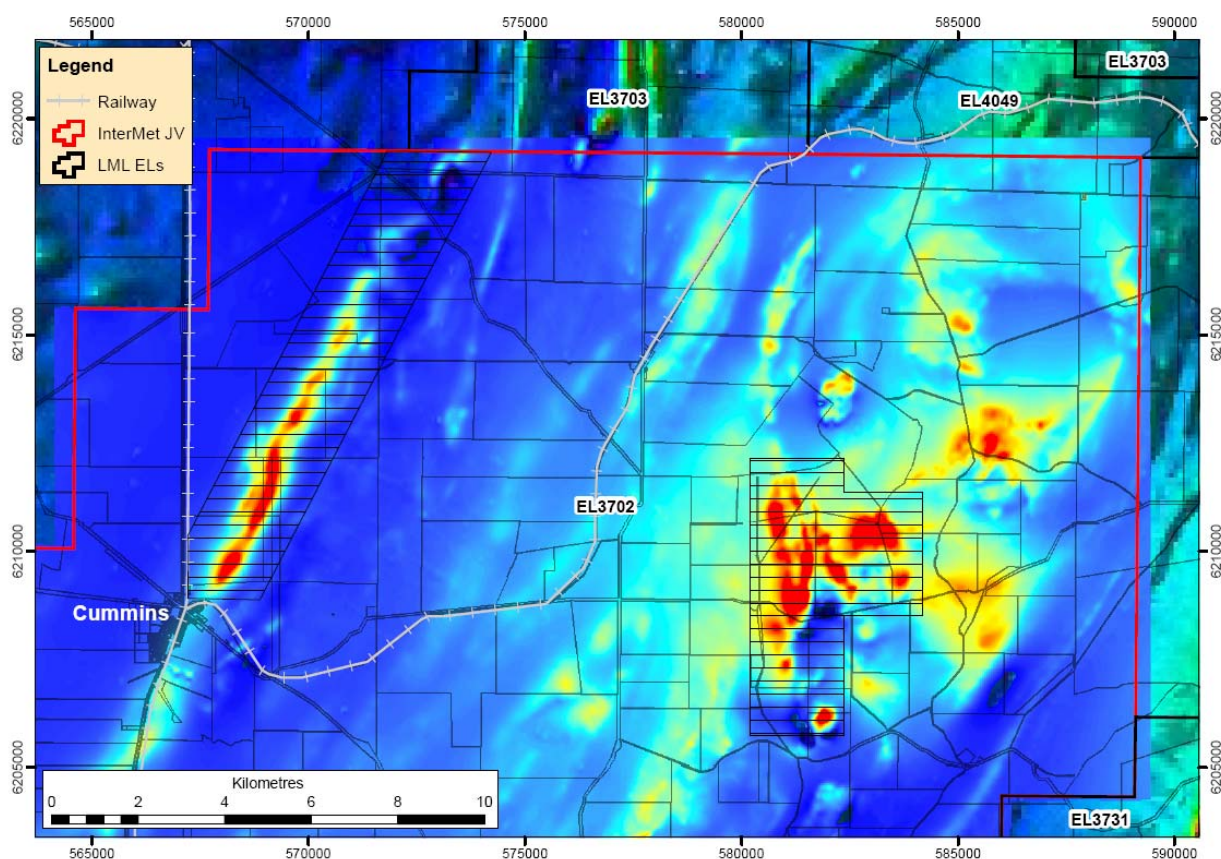


Figure 1: Location of detailed gravity grids on EL 3702