



Monday, 29 September 2008

InterMet Elects to Maintain 49% Interest in Watson Uranium Project

InterMet Resources Limited (ASX:ITT) advises that Uranium Equities (ASX:UEQ) has earned a 51% interest in the Watson Uranium Project by spending \$500,000 on exploration and that InterMet has elected to maintain a 49% joint venture interest in the Project. The Watson Uranium Project totals 2,391km² and is located 210km northwest of Ceduna in the far west of South Australia.

Mr David Archer, the Managing Director of InterMet said today “the Joint Venture is targeting Beverley/Four Mile style mineralisation within the Watson tenement area which is regarded as being highly prospective for sandstone hosted, ‘roll-front’ uranium mineralisation in the large Tertiary palaeochannel. The Watson Uranium Project is an outstanding opportunity as it has many of the hallmarks for ‘roll-front’ mineralisation – a large paleochannel system, nearby uraniumiferous source rocks, potential host sands which are oxidised and reduced near the channel margin”.

“Around six holes are planned to be drilled in the next quarter within the paleochannel by another company and these holes will be wireline logged. Further follow up drilling is planned by the Joint Venture in the second quarter of 2009”.

“We are delighted to be working with UEQ as Operator of the Joint Venture. UEQ’s exploration professionals have an outstanding track record for discovering major Australian uranium deposits”.

By way of background, South Australia’s major paleochannel hosted uranium deposits include the Beverley Uranium Mine which is 530km north-north-east of Adelaide and 100km east of Leigh Creek. Beverley is owned by Heathgate Resources Pty. Limited. It is Australia’s third operating uranium mine with a resource of 21,000 tonnes of contained uranium oxide and is Australia’s only in situ recovery mine. The advanced Four Mile Uranium Project (Quasar Resources Pty Ltd 75% and Alliance Resources Ltd 25%), is 8km from the Beverley Uranium Mine and has an initial resource at Four Mile West of 3.9 million tonnes at 0.37% uranium oxide containing 15,000 tonnes (32 million lb) of uranium oxide.

The information in this report that relates to Exploration Results is based on information compiled by Mr. Leon Faulkner, who is a Member of The Australasian Institute of Geoscientists. Mr. Faulkner is the Exploration Manager 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 Leon Faulkner consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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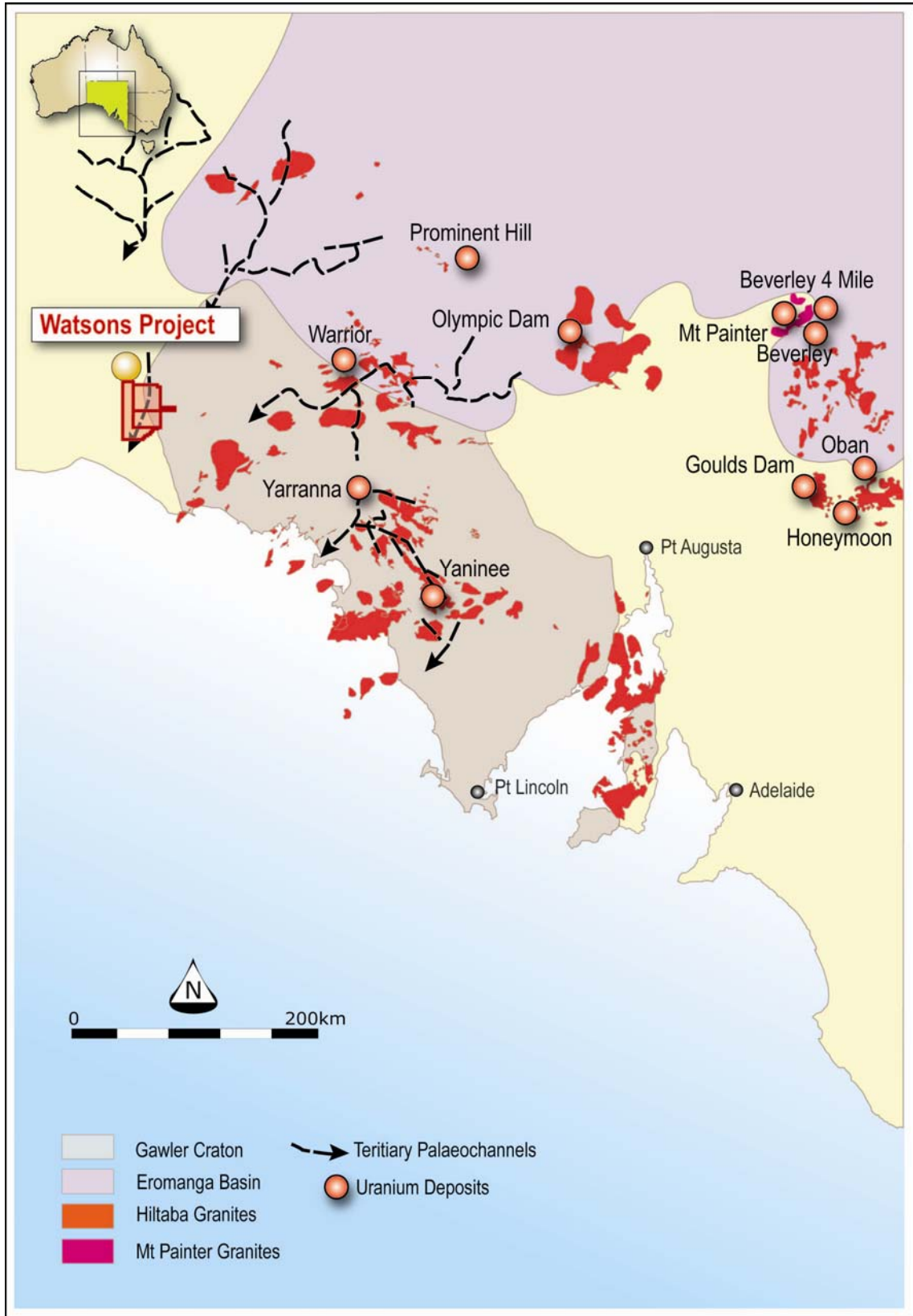
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South Australian Uranium Deposits and the Watson Project