

Intrepid Enters into Farm-in and Joint Venture Agreement on Doolgunna Station Project

Highlights:

- Intrepid to earn up to an 80% interest in Doolgunna Station Project in Western Australia by spending a minimum of \$2,150,000 over two years
- After the spending commitment is met, Ausgold will have right to retain a 30% contributing interest, or revert to a 20% free-carried interest to a decision to mine

Intrepid Mines Limited (ASX: IAU) ("**Intrepid**") is pleased to announce that it has entered into a Farm-in and Joint Venture Agreement ("**Agreement**") with Ausgold Limited (ASX: AUC) ("**Ausgold**") to earn up to an 80% interest of the Doolgunna Station Project ("**the Project**"), located 150km north east of Meekatharra in Western Australia's Bryah Basin.

The Project comprises E52/3031 covering 176km² and is located approximately 13km to the west and along trend from Sandfire Resources NL's DeGrussa copper-gold operations. The Project is prospective, not only for the Volcanic-Hosted Massive Sulphide ("**VHMS**") base metal mineralisation like that found at DeGrussa, but also orogenic Plutonic-style gold mineralisation.

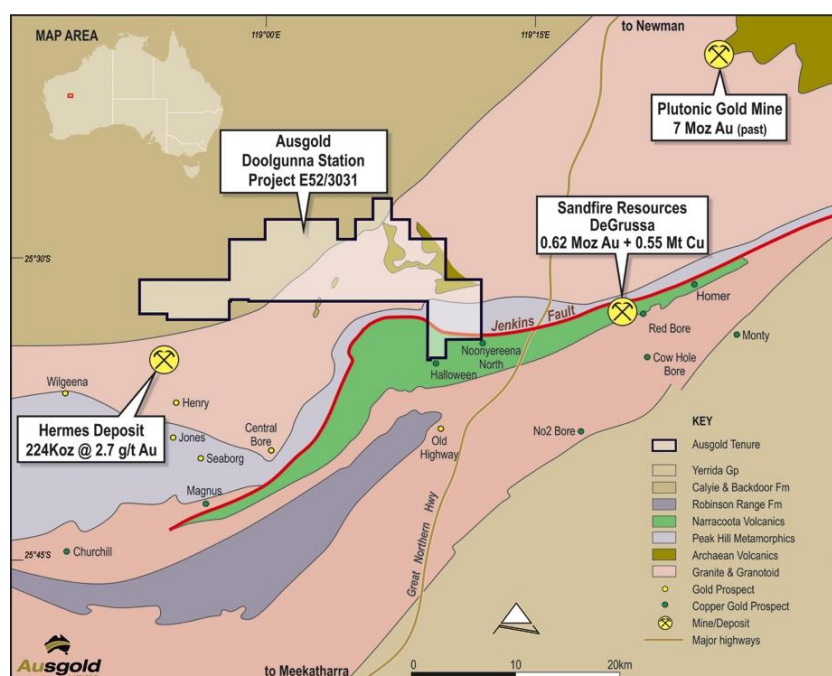


Figure 1 - Location of Ausgold's Doolgunna Station Project

The Agreement

Under the terms of the Agreement:

1. Intrepid has the right to earn up to an 80% interest in the Project by expending \$2,150,000 ("**Commitment Expenditure**") over a term of two years ("**Earning Period**").
2. Should Intrepid wish to withdraw from the farm-in prior to meeting the Commitment Expenditure, it is obliged to pay a cash consideration equal to the minimum annual expenditure required to keep the Project in good standing less the actual expenditure incurred by Intrepid on the Project for the year in which it elects to withdraw.
3. Upon Intrepid meeting the Commitment Expenditure, Ausgold can elect to either:
 - (a) transfer a 70% interest in the Project to Intrepid and retain a 30% contributing interest in the Project for itself; or
 - (b) transfer an 80% interest in the Project to Intrepid and retain a 20% interest in the Project for itself which will be a free-carried interest to a decision to mine ("**Sole-Funding Period**").
4. With effect on and from the date of the election (summarised at point 3 above), Intrepid and Ausgold will form an unincorporated joint venture for the purpose of exploration and development of the Project.
5. During the Earning Period and, if applicable, the Sole-Funding Period, Intrepid must keep the Project in good standing.

The Agreement is conditional upon receipt by Intrepid of any shareholder approvals required under the ASX Listing Rules or by law, and receipt by Intrepid of any regulatory approval required in connection with its entry into the Agreement, within six months of the date of the Agreement (or such other date as agreed between the parties).

The Project

The Project is uniquely positioned on the contact between the Archean in the north-west and Proterozoic rocks towards the south-east and prospective for both Archean Plutonic-style gold mineralisation and VHMS copper-gold mineralisation.

Orogenic Gold Potential (Plutonic-Style)

Re-interpretation of aeromagnetic data collected by Ausgold in 2010 highlights north-east striking shear bounded structural corridors that are similar to those that host Plutonic-style mineralisation (refer to Ausgold's ASX announcement dated 28 July 2017). The onsite assessment conducted by Ausgold during July 2017 observed a strong correlation with the interpreted north east trending structures and wide pervasive shearing, where the remnant greenstones were observed to be highly

deformed and altered to chlorite-amphibolite schists, with folded and attenuated banded magnetite-silica-amphibolite (BIF) acting as more competent rock unit outcrops and were common throughout the Archaean gneissic terrane (refer to Ausgold's ASX announcement dated 28 July 2017). Panning of sediments from creek beds in this area returned particulate gold and highlights the need for further exploration work in this area.

VHMS Copper-Gold Potential (DeGrussa-Style)

An assessment conducted by Ausgold in July 2017 showed elevated copper values intersected in air core drilling are associated with a late northeast striking fault that has cross-cut prospective horizons for VHMS mineralisation (refer to Ausgold's ASX announcements dated 16 June 2010, 20 September 2010 and 28 July 2017). Two horizons are considered prospective by Ausgold:

- The Jenkins Fault, being the tectonic contact between the Narracoota Formation and the Peak Hill Schists.
- A large magnetic and strongly conductive layer parallel body (under cover) within the Peak Hill Schists close to the tectonic boundary (mylonite thrust zone) between the Peak Hill Schists and the Archaean gneiss, granite and greenstone of the Marymia Dome.

The copper anomalism is considered to be secondary leakage haloes that have migrated along the northeast fault. Re-interpretation of VTEM and aeromagnetics flown by Ausgold (refer to Ausgold's ASX announcement dated 9 April 2010) has highlighted untested VTEM conductors associated with the large magnetic and conductive body that lies within the Peak Hill Schists.

Commenting on the farm-in and joint venture agreement, Intrepid's Acting CEO Tony De Santis said:

"We are very pleased to be entering into this farm-in and joint venture agreement and look forward to working with Ausgold on advancing the Project. The Agreement will benefit both parties by providing the necessary funding for an exploration program over the next two years, giving Intrepid significant exposure to the potential upside in the Project, whilst allowing Ausgold to focus its exploration funds on its 100%-owned Katanning Gold Project."

Enquiries regarding this announcement may be directed to:

Tony De Santis
Acting Chief Executive Officer
+61 2 9357 9000
info@intrepidmines.com

FORWARD-LOOKING STATEMENTS

This announcement contains certain forward-looking statements relating to, but not limited to Intrepid's expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as 'anticipate', 'believe', 'expect', 'goal', 'plan', 'intend', 'estimate', 'may' and 'will' or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future outcomes, or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects, and timing of commencement of operations and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects and other factors. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from those expressed or implied.

Shareholders and potential investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Intrepid undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.