Intrepid Mines Limited: Fourth Quarter Activities Report-December 2014

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BRISBANE, AUSTRALIA--(Marketwired - Jan 29, 2015) - Intrepid Mines Ltd. (ASX:IAU) ("Intrepid" or the "Company") -

KEY POINTS

CORPORATE

- Cash on hand at 31 December 2014 was $US58.6 million ($A71.5 million)
- EGM held to approve share buy-back and merger with Blackthorn Resources Ltd.
- $A110 million share buyback completed
- Merger with Blackthorn by way of Scheme of Arrangement completed
- Restructure of Company board and management team announced 12 December 2014

KITUMBA PROJECT (Intrepid 100%)

- Mining Licence granted
- Feasibility Study (FS) drilling program underway
- FS work program commenced

MUMBWA EXPLORATION (Intrepid 100%)

- IP targets identified for further work between Kitumba and Kakozhi
- Drilling of new targets commenced

BURKINA FASO EXPLORATION

- Exploration Licence (EL) Transaction completion date extended to 28 February 2015
- No additional field work undertaken pending completion of the EL Transaction

All amounts are in US Dollars unless otherwise stated.

OVERVIEW

Intrepid Mines Ltd.'s ('Intrepid' or the 'Company') principal activities for the quarter under review were the completion and implementation of both the Scheme of Arrangement resulting in the merger with Blackthorn Resources Ltd. ('Blackthorn'), the Intrepid share buy-back and commencement of the FS drilling program.

Following the Company's undertaking to shareholders to review the optimal mechanism for a return of cash to shareholders, Blackthorn was identified as a potential merger partner. The review culminated in the announcement of an agreement for the Company to merge with Blackthorn by way of Scheme of Arrangement and also to undertake an $A110 million share buy-back as a means of returning capital to Intrepid shareholders.

CORPORATE

Scheme of Arrangement

On 28 August 2014, the Company announced that it had entered into an agreement with Blackthorn Resources Ltd. to merge by way of Scheme of Arrangement ('Scheme'). The merger was recommended by the Boards of both Intrepid and Blackthorn (the 'Merged Group'), on the basis that it would create a well-funded copper company in a strong position to realise the potential of the Kitumba Copper Project and add value to the broader Mumbwa Project licence areas in Zambia.

Intrepid shareholders were also given the opportunity at the same time to participate in an $A110 million equal access share buy-back funded from Intrepid's cash holdings (the 'Intrepid Buyback'), based on a price of $A0.30 per share.

The Intrepid Buyback would complete once the merger was effective. Intrepid considered that the level of the buyback appropriately balanced the funding requirements of the Merged Group with the stated desire of a number of Intrepid shareholders at the time to receive a return of capital.

At the extraordinary meeting of Intrepid shareholders held on 18 November 2014, resolutions to approve the merger with Blackthorn and the Intrepid Buyback were passed.

On 21 November 2014, Blackthorn announced that its shareholders had passed at an extraordinary general meeting, a resolution to approve the merger. On 26 November 2014, the Federal Court of Australia made orders approving the Scheme under which Intrepid Mines Ltd. would acquire all the shares in Blackthorn. On 27 November 2014, Blackthorn shares ceased trading on the ASX. Scheme consideration of 1.08 New Intrepid Shares was issued to eligible Blackthorn shareholders on 4 December 2014. The Intrepid Buyback consideration was also paid to Intrepid shareholders in accordance with the scale- back conditions up to the maximum of $A110 million for shareholders who had accepted the Intrepid Buyback offer. All acceptances were scaled back to approximately 81.5% of the number of shares applied for as acceptances had exceeded the maximum buyback level.

The merger was implemented on 11 December 2014.

To read the complete Fourth Quarter Report, visit the following link:

http://media3.marketwire.com/docs/QuarterlyActivitiesReport_31Dec2014.pdf

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