

SYDNEY, AUSTRALIA--(Marketwired - Apr 28, 2015) - [Intrepid Mines Ltd.](#) (ASX:IAU) ("Intrepid" or the "Company") is pleased to provide the following update regarding the Mumbwa Project in Zambia.

KEY POINTS

- Exploration drilling on the targets within the Mumbwa Project has commenced for the 2015 season:
 - 1 diamond drill rig currently on site
 - 4 priority and 7 secondary targets identified
 - First hole will be drilled to follow up recently reported results at Target H.
- Kitumba deposit feasibility studies continuing, with a focus on improving economics:
 - Metallurgical testing underway at Anglo Research Laboratories in Johannesburg
 - Mine Geotechnical assessment completed
 - Geohydrological field work continuing
 - Options study initiated.
- Exploration Licence renewals:
 - The Nyoko licence (16385-HQ-LPL) has been renewed and is now in its second of three, two-year renewal periods
 - The Kabwera licence (14267-HQ-LPL) has been renewed and is also in its second two-year renewal period.
- Impacts of changes to Zambian fiscal regime:
 - Zambian media has recently reported that the Government has announced a change to the fiscal regime for mining, to increase royalties from 6% to 9%, with no reduction in company tax rates
 - Assuming a \$3.00 / pound copper price, it is anticipated that Kitumba would deliver a post-tax IRR of approximately 13%. This is a reduction from the approximately 15% reported in the prefeasibility study, which was premised on the previous fiscal regime
 - The recently announced fiscal regime is due to become effective on 1 July 2015.

The Company's Chief Executive, Scott Lowe said:

"In November 2014, a mining licence was granted for the Kitumba deposit. We plan to progress Kitumba towards final feasibility in a staged manner, and are excited about testing a number of attractive exploration targets located nearby the Kitumba deposit, including some on the same tenement."

The current copper price presents challenges for new projects, and Kitumba is no exception. Unfortunately the recently reported changes to the Zambian fiscal regime, if confirmed, will further impact the project economics. While we remain optimistic about the medium-term copper price outlook, we are also intently focused on identifying value enhancements to offset changes such as increased royalties, and to better withstand commodity price volatility."

The Government of Zambia has been very supportive of the Mumbwa Project, and, looking forward, we remain committed to regular communication and partnering with government officials and representatives as we work towards project financing and development."

Exploration Drilling

Drilling on the Mumbwa Project restarted on 24 April at Target H, following mobilisation of a diamond drill rig. Preliminary results from Target H were communicated to the market on 9 April 2015. Target H is one of eleven targets identified for drill testing (Figure 1).

Approximately 10,000 metres of diamond and RC drilling are planned, with priority placed on targets anomalous in multiple datasets (soils, magnetics, gravity and mapping) and located within the Mumbwa mining licence area.

An RC rig will be mobilised to site in coming weeks and will begin testing the Kantonga target. Mobilisation of a third drill rig is also planned.

Note: RC drilling utilises compressed air to return rock chips through a tube to the surface for sampling and logging. This type of drilling is estimated to be about three times faster than diamond drilling and therefore provides a fast and cost-effective means of testing drill targets to determine if further investigation via diamond drilling is warranted."

To view Figure 1, please visit the following link: <http://media3.marketwire.com/docs/1003807a.pdf>

Feasibility Study

The initial stage of the feasibility study ("FS") work that was initiated in 2014 has been progressing as planned. The major component of this early work was the FS drilling program which was completed in November 2014. In total, 33 diamond holes

were completed for a total of 12,849 metres.

The drill program was specifically designed to aid in the FS-level work for both the proposed mine and process plant design. The drilling targeted additional resource definition, the collection of further metallurgical samples, and geotechnical and hydrogeological assessment.

During the first quarter of 2015, work commenced on a metallurgical testing program at Anglo Research Laboratory in Johannesburg. Crushing and screening of approximately 3,800 kilograms of samples was completed, providing representative subsamples to cater for the requirements of all 3 phases of the testing program.

Geohydrological field work and geotechnical assessment work also continued during the quarter.

Beyond current commitments, future FS work will be staged and dependent upon results. Prior to committing to the next phase of FS work, the Company will conduct an Options Study aimed at identifying ways to improve the economic returns at lower copper prices.

Options Study

The Options Study will be wide-ranging and test all the major assumptions from the prefeasibility study, including but not limited to:

- Confirmation of Project objectives, constraints and risk
- Project execution methodology and contracting strategy
- Review of mining plan and main drivers/constraints/ opportunities
- Optimal plant size and operating philosophy
- Analysis of basic process concept design
- Development and confirmation of basic engineering design philosophy
- Analysis of options with respect to sulphuric acid supply/generation
- Analysis of overall mine, stockpile and plant layout options, (including trucking versus conveying)
- Configuration of the comminution circuit layout and operating parameters
- Flotation and filtration options
- Water supply and tailings disposal options
- Opportunities and implications of toll treatment options
- Major equipment/technology selection
- Constructability trade-off studies - (steel versus concrete, pre-assembly, logistical constraints).

The Options Study work will commence prior to the end of April and is expected to take approximately 8-10 weeks to complete.

Licence Renewals

The Ministry of Mines, Energy and Water Development has granted the Company retention of tenure on both the Nyoko (16385-HQ-LPL) and Kabwera (14267-HQ-LPL) licences. In Zambia, legislation allows for a total of 6 years' exploration tenure. A 7th year may be granted with approval from the Director of the Zambian Geological Survey Department.

The Nyoko licence, first granted on 2 January 2013, has been renewed for a further two years. The third and final renewal is due on 1 January 2017 and, if granted, will extend the licence tenure to 2 January 2019.

The Kabwera licence, first granted on 21 September 2012, has also been renewed for a further two years. The third and final renewal is due on 20 September 2016 and, if granted, will extend the licence tenure to 21 September 2018.

To view Figure 2, please visit the following link: <http://media3.marketwire.com/docs/1003807b.pdf>

Impacts of changes to Zambian tax and royalties

The Zambian media has recently reported that the Zambian Government has announced a change to the fiscal regime for mining, to increase royalties from 6% to 9%, with no reduction in corporate income tax rates.

Assuming a \$3.00 / pound copper price, Kitumba is now expected to deliver a post-tax IRR of approximately 13%. This is a reduction from the approximately 15% reported in the prefeasibility study, which was premised on the previous tax and royalty system.

The Wood Mackenzie long-term copper price forecast is \$3.50. If this price is realised, the post-tax IRR under the new royalty regime is anticipated to be approximately 19%.

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