



# ASX/Media Release

Dated: 6 September 2017



## TEAL STAGE 2 MINING COMMENCES

### HIGHLIGHTS

- *Feasibility Study completed for Teal Stage 2*
- *Free milling oxide and transitional material within the Measured and Indicated Resource Categories (JORC 2012) excluding Teal Stage 1 currently totals ~ 7,600 ounces<sup>1</sup>*
- *Study findings indicate a financially viable cutback to the existing Teal Stage 1 eastern pit wall with the following results<sup>2</sup>:*
  - *Open pit mine design producing 31,000t at a fully diluted grade of 3.1g/t for 3,100 ounces over a 5 month period*
  - *Third party milling at 94% for oxide and 80% for transitional metallurgical recovery produces 2,775 ounces recovered*
  - *Capital development costs of A\$0.9m*
  - *All in costs of A\$1,069/oz*
  - *At A\$1,600/oz gold price, project generates A\$1.1m in free cash flow to Intermin*
- *East wall cutback further reduces geotechnical risk as mining progresses at Teal Stage 1*
- *Additional ore has been identified for mining within the design but is excluded from the results pending further grade control drilling<sup>1,2</sup>*
- *Mining operations being conducted by RM Contracting under existing mining alliance<sup>3</sup>*
- *Ore treatment agreement in place with a third party processing facility*
- *All statutory approvals in place and project fully funded*
- *Intermin Board has approved development and mining has commenced in parallel with the completion of Teal Stage 1*

Commenting on Teal Stage 2, Intermin's Managing Director, Mr Jon Price said:

"The potential for further stages of the Teal gold mine have always been a part of our future mining project pipeline and the excellent performance of Teal Stage 1 to date has provided additional confidence to commence development of Stage 2.

"Stage 2 delivers incremental cash flow to the business and enables continuity of mining into the March Quarter 2018 when we expect to have the Goongarrie Lady and Teal Stage 3 Feasibility Studies complete for a development decision shortly thereafter."

### Cautionary Statement

The FS referred to in this announcement is based on a Probable Ore Reserve derived from Measured and Indicated Resources. No inferred Resource material has been included in the estimation of Reserves. The Company advises that Probable Ore Reserves provides 100% of the total tonnage and 100% of the total gold metal underpinning the forecast production target and financial projections. There is no additional life-of-mine plan material derived from the non-Ore Reserve material. There is no dependence of the outcomes of the FS and the guidance provided in this announcement on the non-Ore Reserve material. No Inferred Mineral Resource material is included in the life of mine plan (refer Appendix 1: Forward Looking and Cautionary Statements).

Intermin has concluded it has reasonable basis for providing the forward looking statements included in this announcement (see Appendix 1 on pages 10-11). The detailed reasons for that conclusion are outlined throughout this announcement and Material Assumptions are disclosed in Appendices 1 and 2.

This announcement has been prepared in accordance with the JORC Code (2012) and the ASX Listing Rules.

<sup>1</sup> As announced to the ASX on 22 March 2017, see Table 1 and 2 and also Competent Persons Statement on page 9 and Forward Looking and Cautionary Statement on pages 1 and 10. <sup>2</sup> See Appendices 1 and 2 on pages 10 and 11. <sup>3</sup> As announced to the ASX on 19 July 2016.

<sup>4</sup> As announced to the ASX on 27 July 2016.

ASX CODE  
IRC, IRCOA

SHARE PRICE  
\$0.09

SHARES ON ISSUE  
218.4M

OPTIONS (IRCOA)  
23.7M (\$0.17)

OPTIONS (UNLISTED)  
5.0M (\$0.075)  
1.75M (\$0.125)

MARKET CAP  
~19.7M (undiluted)

### BOARD

Peter Bilbe  
Chairman

Peter Hunt  
Non-Executive Director

Jon Price  
Managing Director

Lorry Hughes  
Executive Director

### COMPANY SECRETARY

Bianca Taveira

### INVESTOR/MEDIA ENQUIRIES

Jon Price  
Lorry Hughes

### KEY GOLD PROJECTS

Teal  
Goongarrie Lady  
Anthill  
Peyes Farm  
Windanya  
Blister Dam  
Kanowna North  
Yarmony  
Black Flag  
Olympia

### WEBSITE

[www.intermin.com.au](http://www.intermin.com.au)

## Overview

Intermin Resources Limited (ASX: IRC) (“Intermin” or the “Company”) is pleased to provide the results of the Teal Stage 2 Feasibility Study (“FS” or “Study”) and advises that mining has now commenced. Teal Stage 2 comprises the oxide and transitional material contained in the updated Mineral Resource announced to the ASX on 22 March 2017. The 100% owned and fully permitted Teal gold project is located 12km north west of Kalgoorlie in Western Australia (Figure 1).

Mining of Teal Stage 2 will occur concurrently as Teal Stage 1 is completed and will extend mining operations at the site to the March 2018 quarter.

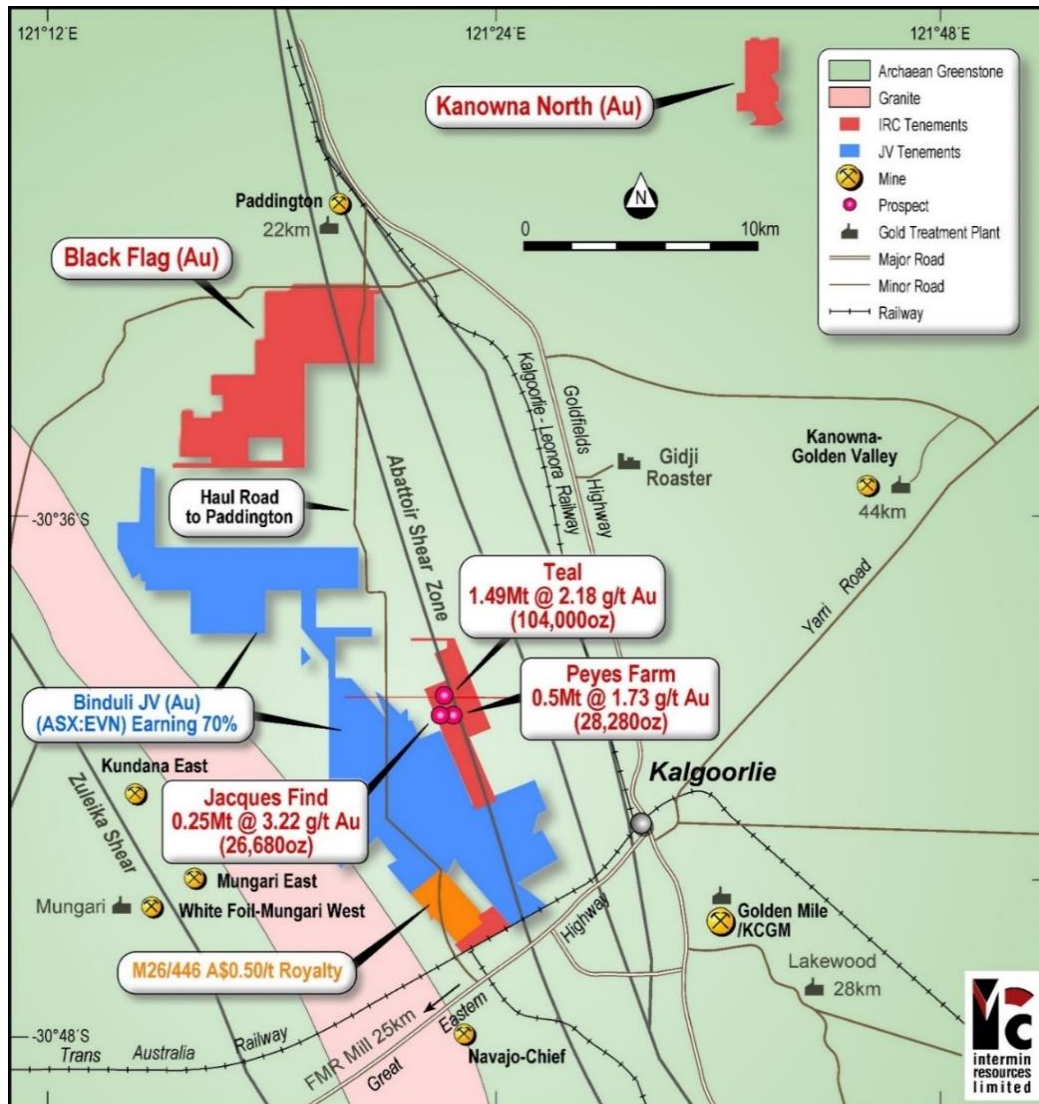


Figure 1: Teal gold mine location plan and associated infrastructure

## Feasibility Study Parameters

The FS is based on the following key parameters:

- The March 2017 JORC 2012 compliant Teal gold project Mineral Resource update of 1.49Mt at 2.18g/t Au for 104,443oz (at a 1g/t Au cut-off grade) as announced to the ASX on 22 March 2017.
- Expected depletion of Mineral Resources from mining at Teal Stage 1 of 17,723 ounces<sup>1</sup>.
- Oxide and transitional material in the Measured and Indicated Resource Categories of 7,600 ounces<sup>1</sup>.
- Open pit mining operations and road haulage conducted by contractors.
- Processing through a conventional third party carbon in leach plant in close proximity.
- Project implementation and oversight by Intermin’s own team in conjunction with contractors.

<sup>1</sup>See Resource Table 1 and 2 and Competent Persons Statement on page 9 and Forward Looking and Cautionary Statements on page 10

## Study Team

The key consultants and companies engaged during the FS and their areas of responsibility were:

- Geology and Resource estimates                      Hawker Geological Services and BMGS
- Geotechnical – Mining                                  Pells Sullivan Meynink
- Mining and Ore Reserves                                Interline Engineering Consultants
- Metallurgical Test work                                  Metallurgy Pty Ltd
- Processing Facility                                        In house negotiations with third party milling operators
- Ethnographic / Archaeological Study                Wayne Glendenning (Anthropologist/Archaeologist)
- Environmental    GHD and Botanica

## Key outcomes of the Feasibility Study<sup>1</sup>

The key FS outcomes for the Project are included in Table 1 below. The estimated Ore Reserve, which constitutes more than 99% of the production target, has been prepared by competent persons in accordance with JORC Code 2012<sup>2</sup>.

**Table 1: Summary of FS key outcomes (at an A\$1,600/oz gold price)<sup>3</sup>**

Measure	FS outcome
Total Stage 1 pit volume (kBCM)	245
Stripping ratio (waste:ore)	16:1
Mined ore (kt)	31
Gold grade (g/t)	3.1
Milling recovery average (%)	90
Recovered gold (ounces)	2,775
Capital and pre-strip costs (A\$M)	0.88
All in Costs (AIC) (A\$/oz)	1,069
Free cash flow over 5 month project life (A\$M)	1.5

The gold price used to calculate the Mineral Resource, Ore Reserve and financial modelling was set at A\$1,600 per ounce.

100% of the material to be processed is classified as Probable Reserve. No material to be processed is currently classified as Inferred Mineral Resource. No material classified as Inferred Mineral Resource is included in the Ore Reserve Estimate.

## Mineral Resource

The JORC Code 2012 Mineral Resource estimate for Teal as released to the ASX on 22 March 2017 is summarised in Table 2 below. This update was compiled by independent consultant Hawker Geological Services.

The Resource estimate is constrained within a nominal +1g/t Au mineralised wireframe with a maximum of 2m internal dilution to determine the portion of the total mineralised inventory within the geological model that has a reasonable prospect of eventual economic extraction. The optimisation utilised mining, geotechnical and processing parameters derived from actual contract rates, an independent geotechnical assessment, metallurgical test work and processing parameters from third party processing agreements.

A plan view of the Teal gold deposit Resource block model and pit design is included as Figure 2.

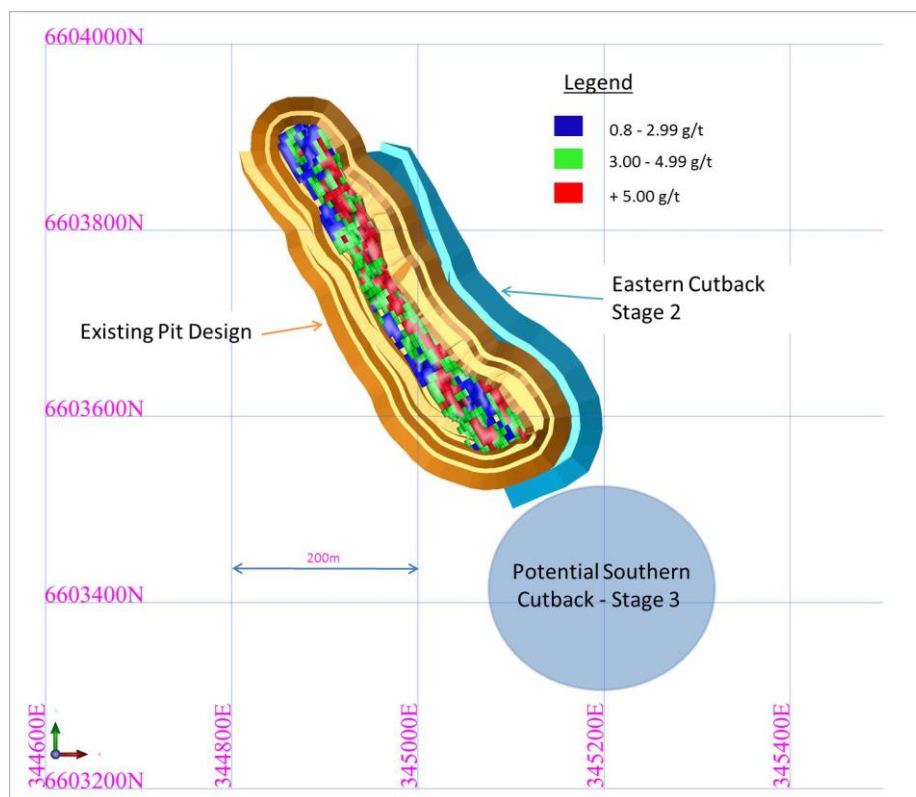
<sup>1</sup> As announced to the ASX on 22 March 2017, see also Qualification and Competent Persons Statement on page 9

<sup>2</sup> See Competent Persons Statement on page 9 and JORC Code 2012 Table 1 in Appendix 2 on page 10

<sup>3</sup> See Forward Looking and Cautionary Statements in Appendix 1 on page 10

**Table 2: Teal Gold Project - Summary of Mineral Resources > 1.0g/t (see also Table 3 and Competent Persons Statement on Page 9)**

Deposit (1g/t cut-off)	Ore Type	Measured			Indicated			Inferred			Total Resource		
		Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz
<b>Current Teal Pit</b>	Oxide	0.136	3.18	13,867							0.136	3.18	13,867
	Transition	0.036	3.35	3,856							0.036	3.35	3,856
	Ox + Trans	0.171	3.21	17,723							0.171	3.21	17,723
	<b>All</b>	<b>0.171</b>	<b>3.21</b>	<b>17,723</b>							<b>0.171</b>	<b>3.21</b>	<b>17,723</b>
<b>Teal (excluding Pit)</b>	Oxide	0.089	1.78	5,110	0.023	1.58	1,180	0.005	1.89	320	0.117	1.75	6,610
	Transition	0.015	1.69	830	0.005	2.81	480	0.017	1.69	585	0.037	1.59	1,895
	Ox + Trans	0.104	1.77	5,940	0.028	1.80	1,660	0.022	1.74	905	0.154	1.72	8,505
	Primary	0.058	2.01	3,760	0.580	1.99	37,090	0.533	2.18	37,350	1.171	2.08	78,200
	<b>All</b>	<b>0.162</b>	<b>1.85</b>	<b>9,700</b>	<b>0.608</b>	<b>1.98</b>	<b>38,760</b>	<b>0.550</b>	<b>2.25</b>	<b>38,260</b>	<b>1.320</b>	<b>2.04</b>	<b>86,705</b>



**Figure 2: Teal Stage 1 pit design (brown), Resource blocks and Stage 2 design (blue)**

## Mining<sup>1</sup>

RM Contracting will conduct the mining activities using the existing conventional truck and shovel fleet with technical and managerial oversight provided by Intermin. Waste will be mined using a Caterpillar PC1800 excavator and 777 dump trucks with ore mining using the smaller PC1250 excavator. RM will fund 50% of the up-front costs and receive 25% of the net cash flow.

The FS reflects the mining of approximately 150,000 BCM of waste overburden to reach the ore zone followed by ore mining post grade control drilling and modelling for ore mark out. Mining rates will be reduced during ore mining to minimise dilution and maximise ore recovery in accordance with ore geometry. Ore mined will be delivered to the ROM pad for haulage to the processing facility in batches in the 10-15kt range. Pre-stripping is expected to take six weeks followed by grade control and ore mining and treatment over the subsequent fourteen weeks<sup>1</sup>.

The FS assumes that the calcrete layer just below the surface and all material below the 321mRL will be blasted.

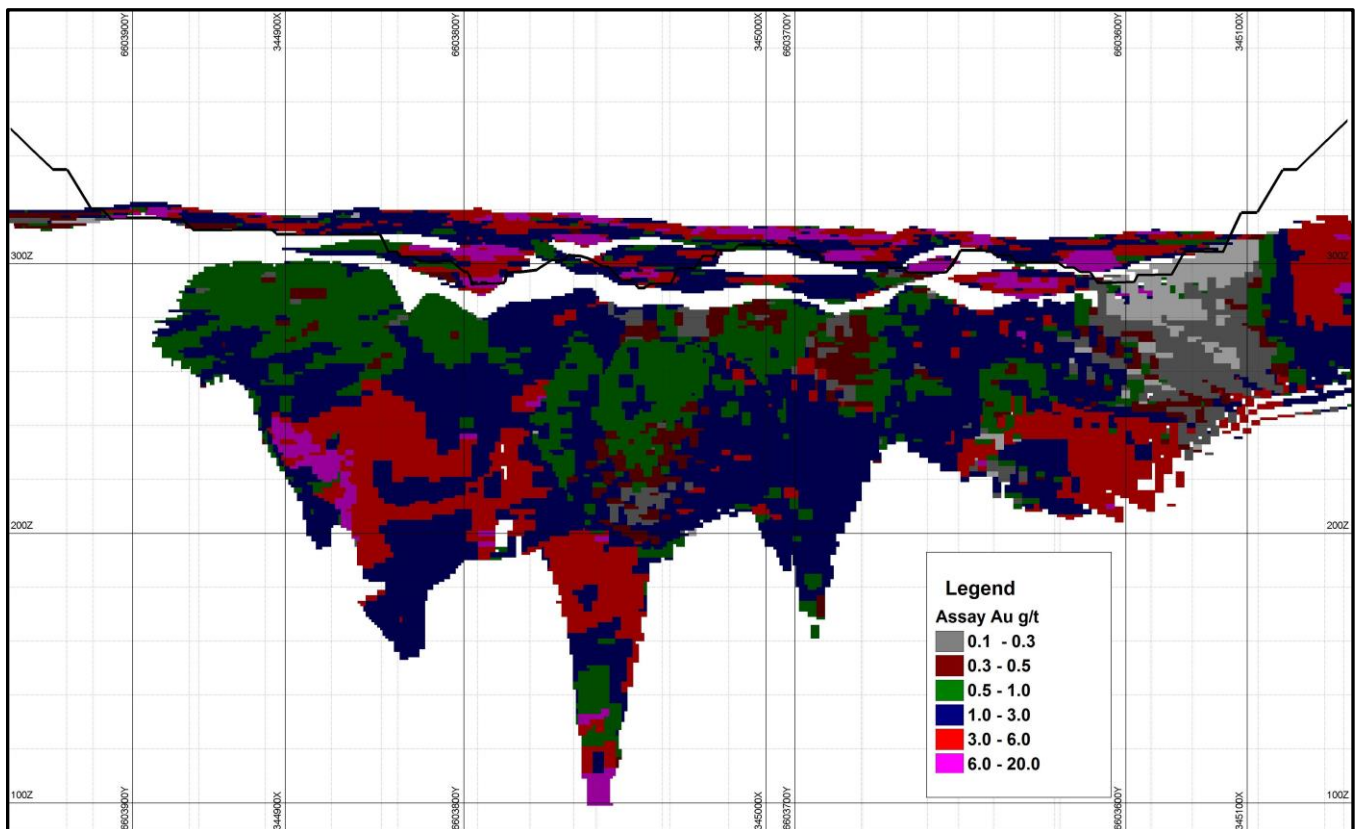
<sup>1</sup> See Forward Looking and Cautionary Statements on Page 10 and Appendix 1 on page 11



## Ore Reserve<sup>1</sup>

Intermin engaged Intermin Engineering Consultants to conduct the Reserve Study and was completed with the following material assumptions:

- Pit optimisation using slope parameters based on detailed geotechnical assessment by Pells Sullivan Meynink with an allowance for a ramp.
- Mining and haulage costs based on actual rates provided by RM Contracting and local haulage contractors.
- Detailed metallurgical test work from samples collected from recent drilling representing all ore domains within the project. Recoveries of 94% for oxide and 80% for transitional material were applied and are consistent with actual recoveries being achieved from the processing of ore from Teal Stage 1.
- Toll treatment of the ore through a third party processing facility on standard commercial terms.
- Mining recovery and mining dilution based on deposit width and geometry. A mining recovery of 97% and mining dilution of 15% was applied based on experience with Stage 1. All Inferred resources were excluded from the optimisation for estimation of Ore Reserve.
- An Australian dollar gold price of \$1,600 per ounce was applied. WA state royalties were subtracted from the gold price as part of the optimisation process.
- Bulk densities were derived from test work and confirmed by data from Teal Stage 1.
- No discount factors have been used due to the less than one year mine life.



**Figure 3: Schematic North-South long section view of Teal gold deposit Resource block model looking east**

The Ore Reserve for the project is reported according to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, JORC Code 2012. The Mineral Resource was converted to Ore Reserve in consideration of the level of confidence in the Mineral Resources estimate and reflecting modifying factors.

## Ore Processing and Production<sup>1,2</sup>

Ore mined will be trucked to a third party processing facility where the ore will be processed on a campaign basis or blended with other ore after grade determination through dedicated ore sampling facilities under an agreed sampling

<sup>1</sup> See Forward Looking and Cautionary Statements on Page 10 and Appendix 1 on page 11

protocol. After the removal of approximately 150,000 BCM of waste overburden, ore and waste mining will commence at approximately 10kt per fortnight of ore with ore haulage and treatment to commence immediately.



**Figure 4: Teal Gold project site layout**

Metallurgical test work completed on representative ore samples in house and by Independent Metallurgical Operations (Metallurgy Pty Ltd) estimated recoveries for the oxide at 94% (representing 90% of the ore mined) and the transitional at 80% (representing 10% of the ore mined). Reagent consumptions are low to moderate and ore viscosity is low with the ore exhibiting a high gravity recoverable component estimated at 30%.

Metallurgical results indicate ore treatment through a conventional crushing, grinding and gravity circuit followed by standard carbon in leach gold extraction is suitable and appropriate for the ore type. This is supported by the treatment of ore from Teal Stage 1.

Waste and ore mining and ore processing is scheduled to be completed within a five month time frame from commencement with approximately 30m of waste overburden to be cut back in the first one to two months.

## Infrastructure, Transport and Services<sup>1,2</sup>

The Teal Project is 12km North West of the City of Kalgoorlie Boulder and access is via either the sealed Menzies Highway to the East or the sealed Great Eastern Highway to the South. Site access roads are established via the unsealed fire break to the east and west.

Mine dewatering is in place and based on a number of in pit pumping stations as part of the Teal Stage 1 mining operations. Site establishment has been completed by the mining contractor (see Figure 4) comprising site offices, maintenance workshop and fleet go line. Due to the close proximity of Kalgoorlie – Boulder, all staff and external service providers will continue to be based in town.

<sup>1</sup> As announced to the ASX on 22 March 2017, see also Competent Persons Statement on page 9

<sup>2</sup> See Resource Table and Competent Persons Statement on page 9 and Forward Looking and Cautionary Statements on page 10

## Capital Expenditure<sup>1,2</sup>

The capital cost estimate of A\$0.9m represents costs for pre-stripping of approximately 150,000 BCM of waste overburden on the current east wall. The capital cost estimate has been developed with inputs from mining contractors and the Company's management team. It is based on actual mining rates being achieved at Teal Stage 1.

## Operating Expenditure<sup>1, 2</sup>

The operating cost estimates used in the FS are derived from actual costs from the mining contractor RM Contracting, local haulage contractors and the third party mill operator. Contractor rates are of a commercially sensitive nature and have not been disclosed in detail for this reason.

## Environmental and Permitting<sup>1, 2</sup>

The Teal Project mostly contains land systems supporting vegetation types that are common throughout the Eastern Goldfields. There are no identified threatened ecological communities of national or sub-regional significance within the project area. No rare species of flora have been collected on project areas.

GHD's qualified ecologist conducted the fauna investigation concurrently with the flora investigation in September 2010. No habitats were recorded that are considered to be exclusive to the study area. No fauna habitats recorded within the Study Area are considered to be significant. All habitats observed are widespread within the region. Species of birds, reptiles, amphibians and mammals present or likely to visit the site would also be present or visit other similarly vegetated areas in the region. Botanica Consulting prior to the commencement of mining Teal Stage 1 conducted a specific Mallee Fowl survey with no habitats identified.

An ethnographic survey was conducted over the project area in October 2010 by Wayne Glendenning on behalf of Intermin Resources Ltd. Representatives of the Widji Native Title Claimant Group were invited to attend the survey. No ethnographic sites were located within the surveyed area. The Widji Native Title Claimant Group representatives were satisfied that no ethnographic sites will be impacted upon by the Teal Project.

While no native title exists over the project area, the Company recognises that members of the Aboriginal community may hold native title rights over certain areas and may, in the future, lodge new native title claims. The Company will however not be required to enter into any new access/compensation agreements in relation to the areas covered by the Leases. The Company will continue to foster a spirit of cooperation amongst local aboriginal communities and, to the extent possible, will engage members of the communities in its proposed operations.

The Teal Mining Project is located on the Black Flag Pastoral Station, held by Northern Star Resources. This section of the Black Flag station is de-stocked.

All required statutory approvals are in place for mine development. These include:

- Granted Mining Leases – M26/499 and M26/621.
- Granted Miscellaneous License L26/261 for ore transport.
- Mining Proposal/Mine Closure Plan – May 2013 Addendum approved in July 2016.
- Clearing permit – Updated Clearing permit approved in June 2016.
- Project Management Plan (PMP) – September 2015.
- Licence to Take Water (5C) – February 2015.
- Licence to Construct or Alter a Well (26D) – January 2016.
- Approval to access the site and for ore haulage including, crossing a gas and water pipeline, the Kalgoorlie to Leonora rail line, construct a highway entry to the Goldfields Highway and operate in the vicinity of powerlines – 2011- 2013 and updated for 2016.

<sup>1</sup> As announced to the ASX on 22 March 2017, see also Competent Persons Statement on page 9

<sup>2</sup> See Resource Table and Competent Persons Statement on page 9 and Forward Looking and Cautionary Statements on page 10



## Economic Evaluation<sup>1, 2</sup>

The economic evaluation of the project, summarised in Table 3 below was conducted by Intermin management based on actual operating experience in the region and actual contract rates received as part of the FS. As project life is five months, the evaluation was conducted on a cash basis with the following key assumptions:

- Australian gold price of \$1,600 per ounce.
- Actual contract costs from mining, haulage and third party milling contractors.
- State royalty of 2.5% of revenue.

**Table 3: Summary of key FS financial outcomes<sup>1,2</sup>**

Measure	Units	FS Outcomes
Gold produced (ounces)	Oz	2,775
Gross revenue (at A\$1,600 per ounce)	\$M	4.4
Free cash flow over 4 month mine life	\$M	1.5
C1 cash costs <sup>1</sup>	\$/oz	1,065
All in Sustaining Costs (AISC) <sup>2</sup>	\$/oz	1,069
All in Costs (AIC) <sup>3</sup>	\$/oz	1,069
Mine establishment Capital costs	\$M	nil
Mine pre-strip costs	\$M	0.9
First gold production from cutback commencement	months	3

Notes: All costs and prices are in Australian dollars, A\$1,600/oz gold price used. C1 = Mining and processing operating expenditure (including pre-strip costs) + site general and administration expenditure + transport and refining costs. AISC = C1 + royalties + levies + corporate overheads. AIC = AISC + development capital expenditure. All figures are rounded, apparent differences may occur due to rounding

## Funding<sup>1,2</sup>

Intermin has a current market capitalisation of \$21 million, has \$4.9 million cash at bank and investments in ASX listed Companies with a current market value of \$1.14 million. Teal Stage 1 is forecast to generate \$7-8m with completion in the December Quarter. RM Contracting will fund 50% of the mine pre-strip costs (Table 3).

The Board is confident the Company will be able to finance the Teal Project from existing cash reserves.

## Next Steps<sup>1, 2</sup>

Mining has now commenced at Teal Stage 2. Additional ore has been identified within the mine design and grade control drilling will commence on completion of the east wall cutback to evaluate the economics of mining and processing this material.

<sup>1</sup> As announced to the ASX on 22 March 2017, see also Competent Persons Statement on page 9

<sup>2</sup> See Resource Table and Competent Persons Statement on page 9 and Forward Looking and Cautionary Statements on page 10



## About Intermin

Intermin is a gold exploration and mining company focussed on the Kalgoorlie and Menzies areas of Western Australia which are host to some of Australia's richest gold deposits. The Company is developing a mining pipeline of projects to generate cash and self-fund aggressive exploration, mine developments and further acquisitions. The Teal gold mine is currently in production.

Intermin is aiming to significantly grow its JORC-Compliant Mineral Resources, complete definitive feasibility studies on core projects and build a sustainable development pipeline.

Intermin is targeting the definition of significant high grade open cut and underground gold deposits, has acquired highly prospective tenure and will continue to actively pursue consolidation and value-adding joint venture opportunities for the benefit of all stakeholders.

## Intermin Resources Limited – Summary of Gold Mineral Resources

Deposit (1g/t cut-off)	JORC Code	Measured			Indicated			Inferred			Total Resource		
		Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz
<b><u>Menzies</u></b>													
Pericles	2012				0.53	2.49	42,500				0.53	2.49	42,500
Yunnadaga	2012							1.58	2.03	103,000	1.58	2.03	103,000
Bellenger	2012				0.24	2.63	19,900	0.07	2.49	5,910	0.31	2.59	25,810
<b><u>Kalgoorlie</u></b>													
Teal	2012	0.33	2.56	27,423	0.61	1.98	38,760	0.55	2.25	38,260	1.49	2.18	104,443
Peyes Farm	2012				0.15	1.74	8,300	0.36	1.72	19,980	0.51	1.73	28,280
Jacques Find	2012							0.26	3.22	26,680	0.26	3.22	26,680
Goongarrie	2012				0.20	3.30	21,321	0.07	1.64	3,707	0.27	2.86	25,028
<b>TOTAL</b>		<b>0.33</b>	<b>2.56</b>	<b>27,423</b>	<b>1.73</b>	<b>2.36</b>	<b>130,781</b>	<b>2.89</b>	<b>2.13</b>	<b>197,537</b>	<b>4.95</b>	<b>2.24</b>	<b>355,741</b>

### Notes:

1. **Competent Persons Statement** - The information in this report that relates to Exploration results, Mineral Resources or Ore Reserves is based on information compiled by Messrs David O'Farrell, Simon Coxhell and Andrew Hawker. All are Members of the Australasian Institute of Mining and Metallurgy and are consultants to Intermin Resources Limited. The information was prepared and first disclosed under the JORC Code 2004 and has been updated to comply with the JORC Code 2012. Messrs O'Farrell, Coxhell and Hawker have sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves'. Messrs O'Farrell, Coxhell and Hawker consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

2. **Forward Looking Statements** - No representation or warranty is made as to the accuracy, completeness or reliability of the information contained in this release. Any forward looking statements in this release are prepared on the basis of a number of assumptions which may prove to be incorrect and the current intention, plans, expectations and beliefs about future events are subject to risks, uncertainties and other factors, many of which are outside of Intermin Resources Limited's control. Important factors that could cause actual results to differ materially from the assumptions or expectations expressed or implied in this release include known and unknown risks. Because actual results could differ materially to the assumptions made and Intermin Resources Limited's current intention, plans, expectations and beliefs about the future, you are urged to view all forward looking statements contained in this release with caution. The release should not be relied upon as a recommendation or forecast by Intermin Resources Limited. Nothing in this release should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.

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*For further information, please contact:*

Jon Price  
Managing Director  
Tel: +61 8 9386 9534  
[jon.price@intermin.com.au](mailto:jon.price@intermin.com.au)

Lorry Hughes  
Director – Business Development  
Tel: +61 8 9386 9534  
[lorry.hughes@intermin.com.au](mailto:lorry.hughes@intermin.com.au)

Michael Vaughan  
Media Relations - Fivemark Partners  
Tel: +61 (0) 422 602 720  
[michael.vaughan@fivemark.com.au](mailto:michael.vaughan@fivemark.com.au)

## Appendix 1: Forward Looking and Cautionary Statements

Some statements in this report regarding estimates or future events are forward looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial performance. Forward looking statements include, but are not limited to, statements preceded by words such as “planned”, “expected”, “projected”, “estimated”, “may”, “scheduled”, “intends”, “anticipates”, “believes”, “potential”, “could”, “nominal”, “conceptual” and similar expressions. Forward looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward looking statements may be affected by a range of variables that could cause actual results to differ from estimated results, and may cause the Company’s actual performance and financial results in future periods to materially differ from any projections of future performance or results expressed or implied by such forward looking statements. These risks and uncertainties include but are not limited to liabilities inherent in mine development and production, geological, mining and processing technical problems, the inability to obtain any additional mine licenses, permits and other regulatory approvals required in connection with mining and third party processing operations, competition for among other things, capital, acquisition of reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of acquisitions, changes in commodity prices and exchange rate, currency and interest fluctuations, various events which could disrupt operations and/or the transportation of mineral products, including labour stoppages and severe weather conditions, the demand for and availability of transportation services, the ability to secure adequate financing and management’s ability to anticipate and manage the foregoing factors and risks. There can be no assurance that forward looking statements will prove to be correct.

Statements regarding plans with respect to the Company’s mineral properties may contain forward looking statements in relation to future matters that can only be made where the Company has a reasonable basis for making those statements.

This announcement has been prepared in compliance with the JORC Code (2012) and the current ASX Listing Rules.

The Company believes that it has a reasonable basis for making the forward looking statements in the announcement, including with respect to any production targets and financial estimates, based on the information contained in this announcement and in particular:

- The FS was completed by independent consultants including Andrew Hawker from Hawker Geological Services Pty Ltd and Steve O’Grady from Intermin Engineering Consultants who have sufficient experience which is relevant to the engineering and economics of the types of deposits which are covered in this announcement and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the “Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC Code). Hawker Geological Services Pty Ltd and Intermin Engineering Consultants consent to the inclusion in this announcement of the matters based on their information in the form and context in which it appears.
- The Company has a Mineral Resource Estimate for the Teal Project of 1.491 Mt @ 2.18g/t Au for 104,443 ounces (1.0g/t Au lower grade cut-off) of which the oxide and transitional component in Measured Resource category under JORC 2012 comprises 0.333Mt grading 2.56g/t Au for 27,423 ounces before depletion<sup>1</sup>.
- Metallurgical testwork, consistent with that required for this level of study, which forms the basis for estimates of metallurgical recoveries was completed both in house and by independent consultant Metallurgy Pty Ltd (“MET”) based in Perth, Western Australia. The testwork resulted in gold recoveries ranging from 89% at a P80 grind size of 106um to 99% at a P80 grind size of 75um for the oxide ore and gold recoveries ranging from 64% at a P80 grind size of 106um to 96% at a P80 grind size of 75um for the transitional ore. MET consent to the inclusion in this announcement of the matters based on their information in the form and context in which it appears.
- The mine planning and scheduling was conducted in house using Surpac. 100% of the material within the finalised pit design is in the Probable Ore Reserve category for the 5 month mine life.
- Geotechnical engineering has been completed by Pells Sullivan Meynink (“PSM”) using modern geotechnical techniques and methods, and are based on testwork consistent with this level of study. PSM are recognised industry experts in the field of mining geotechnical engineering.
- Statutory approvals including Mining Proposal, Project Management Plan, water abstraction and discharge licences, Shire road access approvals and other third party approvals have been granted for mine development to proceed.
- The Company believes that due diligence on the number of third party processing pathways for treatment of the ore together with the completed metallurgical testwork will enable ore processing consistent with the results contained in this announcement.
- Intermin has had a successful track record of adding mineral resources through Greenfields and Brownfields exploration across its tenements and through acquisition within the WA goldfields. Intermin is confident that there is reasonable probability that it will continue to increase mineral resources within its portfolio and through further acquisitions.

<sup>1</sup> As announced to the ASX on 24 May 2016, see also Qualification and Competent Persons Statement on page 12

- The Board is confident the Company will be able to finance the Teal project utilising existing cash reserves.
- Intermin's Board and management have sufficient technical qualifications and experience to deal with any funding and development requirements as they occur.

## **Previously Reported Information**

This announcement includes information that relates to Mineral Resources and exploration results which were prepared under JORC Code (2012). This information was included in the Company's previous announcements as follows:

- ASX announcement dated 22 March 2017, Mineral Resource update for Teal gold project
- ASX announcement dated 1 August 2017, Teal Stage 2 and 3 Feasibility Studies commence
- ASX announcement dated 25 July 2017, Teal Stage 1 delivering on expectations
- ASX announcement dated 14 June 2017, Teal Gold mine operations update
- ASX announcement dated 27 July 2016, Ore Sales Agreement
- ASX announcement dated 19 July 2016, RM Contracting Mining Alliance

## Appendix 2

### Teal Project Teal Gold Deposit JORC Code (2012) Table 1

*The Company has relied upon its previously reported information, in particular the announcement of 22 March 2017, as set out in the announcements listed in Appendix 1, in respect of the matters related to sections 1, 2 and 3.*

#### Section 4 – Estimation and reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section)

#### ESTIMATING and REPORTING of ORE RESERVE

Criteria	Explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	<ul style="list-style-type: none"> <li>Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve.</li> <li>Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.</li> </ul>	<ul style="list-style-type: none"> <li>The Mineral Resource model for the Teal deposit has been developed by Andrew Hawker of Hawker Geological Services Pty Ltd as outlined in the 22<sup>nd</sup> of March 2017 report and the Ore Reserve has been determined using this model.</li> <li>The stated Mineral Resource is inclusive of the Ore Reserve.</li> </ul>
Site visits	<ul style="list-style-type: none"> <li>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</li> <li>If no site visits have been undertaken indicate why this is the case.</li> </ul>	<ul style="list-style-type: none"> <li>A site visit was not undertaken by the Competent Person as a site visit would not materially affect the determination of the Reserve.</li> </ul>
Study status	<ul style="list-style-type: none"> <li>The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves.</li> <li>The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.</li> </ul>	<ul style="list-style-type: none"> <li>Studies undertaken and the modifying factors applied to enable the Mineral Resource to be converted to an Ore Reserve are based on a Feasibility level estimation of input costs and parameters.</li> </ul>
Cut-off parameters	<ul style="list-style-type: none"> <li>The basis of the cut-off grade(s) or quality parameters applied.</li> </ul>	<ul style="list-style-type: none"> <li>The cut-off grade applied is calculated from processing costs and metallurgical recovery, transport and grade control costs, dilution parameters with the applied gold price and royalty applied. For oxide and transitional this is transitional 0.8g/t.</li> </ul>
Mining factors or assumptions	<ul style="list-style-type: none"> <li>The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design).</li> <li>The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc.</li> <li>The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling.</li> <li>The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate).</li> <li>The mining dilution factors used.</li> <li>The mining recovery factors used.</li> <li>Any minimum mining widths used.</li> <li>The manner in which Inferred Mineral Resources are utilised in</li> </ul>	<ul style="list-style-type: none"> <li>Mining dilution is 15% extra tonnes with a dilutant grade of 0.0g/t.</li> <li>Ore loss applied is 3%.</li> <li>Geotechnical parameters applied to the designs are based on investigations by Mark Fowler of PSM in Dec 2016 and later confirmed in August 2017 when a mine design was reviewed by PSM. In the early stage of excavation PSM will inspect and confirm the slope parameters.</li> <li>A Whittle optimisation was undertaken using only the Measured and Indicated resource classification categories.</li> <li>A detailed pit design was completed to determine the Ore Reserve.</li> <li>Conventional mining methods are planned using 120t excavators and 90t trucks for the 35m deep pre-strip before using smaller equipment on a reduced bench height (2m) for ore production.</li> <li>Mining methods used are widely used in the mining industry and production rates and costings have been determined by a reputable mining contractor. Allowances have been made other earthworks, infrastructure, clearing, closure works and site layout.</li> <li>The pit will be mined to final limits and minimum widths at the base of the pit are 10m.</li> <li>The resource classification consists of Measured, Indicated and Inferred. The Inferred resource has not been</li> </ul>



Criteria	Explanation	Commentary
	<p>mining studies and the sensitivity of the outcome to their inclusion.</p> <ul style="list-style-type: none"> <li>The infrastructure requirements of the selected mining methods.</li> </ul>	<p>evaluated or included in the Ore Reserve.</p>
Metallurgical factors or assumptions	<ul style="list-style-type: none"> <li>The metallurgical process proposed and the appropriateness of that process to the style of mineralisation.</li> <li>Whether the metallurgical process is well-tested technology or novel in nature.</li> <li>The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied.</li> <li>Any assumptions or allowances made for deleterious elements.</li> <li>The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole.</li> <li>For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?</li> </ul>	<ul style="list-style-type: none"> <li>Processing will take place by third party toll treatment using conventional CIL methods.</li> <li>Metallurgical recoveries are based on test work by MET or Metallurgy Pty Ltd as outlined in report M175 20<sup>th</sup> June 2016. All weathering types were tested from the recently completed drilling.</li> <li>Metallurgical factors applied are 94% for oxide and 80% for transition. Fresh material will not present in the current design.</li> <li>No deleterious elements were detected.</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.</li> </ul>	<ul style="list-style-type: none"> <li>Environmental impacts and hazards have been considered as part of the DMP application process.</li> <li>All regulatory approvals are in place for commencement of mining.</li> <li>Waste storage facilities have been designed so that overall completed height and slope angles applied will ensure the rehabilitation process is undertaken to best practice.</li> <li>Waste rock is typically non-acid forming.</li> <li>No tailings will be stored on site.</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.</li> </ul>	<ul style="list-style-type: none"> <li>A haul road has been constructed along L26/261 to link to existing infrastructure. Existing roads will be used to haul ore to the toll treatment facility.</li> <li>The mine leases are located within 20km from Kalgoorlie and accessible by existing roads.</li> <li>All labour and accommodation can be sourced from Kalgoorlie.</li> </ul>
Costs	<ul style="list-style-type: none"> <li>The derivation of, or assumptions made, regarding projected capital costs in the study.</li> <li>The methodology used to estimate operating costs.</li> <li>Allowances made for the content of deleterious elements.</li> <li>The source of exchange rates used in the study.</li> <li>Derivation of transportation charges.</li> <li>The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc.</li> <li>The allowances made for royalties payable, both Government and private.</li> </ul>	<ul style="list-style-type: none"> <li>Capital costs applied in the study are determined by the quantity and cost of the cut back of approximately 150,000BCM.</li> <li>Mining costs have been calculated by the contractor using a mine schedule and site layout as provided by Intermin and allow for the mobilisation, establishment and all mining activities to extract the mineralisation to the ROM pad.</li> <li>Other costs for mine and geology administration and ancillary costs have been determined by Intermin as sourced from local service providers.</li> <li>Road haulage costs to the toll treatment plant have been quoted from a local haulage contractor.</li> <li>Processing costs have been provided by the toll treatment plant.</li> <li>Deleterious elements are not a factor.</li> <li>All costs have been estimated using Australian dollars.</li> <li>A 2.5% WA state government has been applied in the study.</li> </ul>
Revenue factors	<ul style="list-style-type: none"> <li>The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc.</li> <li>The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.</li> </ul>	<ul style="list-style-type: none"> <li>Gold production for revenue calculations are based on the mine schedule and modifying factors applied.</li> <li>The gold price used in the study is AU\$1,600 an ounce.</li> </ul>
Market assessment	<ul style="list-style-type: none"> <li>The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future.</li> <li>A customer and competitor analysis along with the identification of likely market windows for the product.</li> </ul>	<ul style="list-style-type: none"> <li>Gold doré will be sold at the Perth Mint as it is produced.</li> </ul>

Criteria	Explanation	Commentary
	<ul style="list-style-type: none"> <li>Price and volume forecasts and the basis for these forecasts.</li> <li>For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.</li> </ul>	
Economic	<ul style="list-style-type: none"> <li>The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc.</li> <li>NPV ranges and sensitivity to variations in the significant assumptions and inputs.</li> </ul>	<ul style="list-style-type: none"> <li>The Ore Reserve estimate is based on a financial model that has been prepared to a Feasibility level. The costs model covers only a 5 month period that is the expected life of the mine hence NPV calculations are not applicable.</li> <li>All inputs have been sourced from contractors and suppliers.</li> <li>Sensitivity analyses have been completed</li> </ul>
Social	<ul style="list-style-type: none"> <li>The status of agreements with key stakeholders and matters leading to social licence to operate.</li> </ul>	<ul style="list-style-type: none"> <li>All necessary agreements have been concluded and current with all stakeholders including traditional owners and land holders.</li> </ul>
Other	<ul style="list-style-type: none"> <li>To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:</li> <li>Any identified material naturally occurring risks.</li> <li>The status of material legal agreements and marketing arrangements.</li> <li>The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.</li> </ul>	<ul style="list-style-type: none"> <li>The approvals required for the commencement of mining at the mine are complete. Based on information provided there should be no reason as to a change in this status.</li> <li>A mining permit application was granted in 2013 and an addendum is currently being assessed by the DMP. Operations can still commence under the already approved mining proposal.</li> </ul>
Classification	<ul style="list-style-type: none"> <li>The basis for the classification of the Ore Reserves into varying confidence categories.</li> <li>Whether the result appropriately reflects the Competent Person's view of the deposit.</li> <li>The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).</li> </ul>	<ul style="list-style-type: none"> <li>Classification of the Ore Reserve is based on the Mineral Resource classification.</li> <li>Only a Measured Resource is contained within the pit design. As there is no previous production data from the site and the plan to complete a blanket grade control program when the mineralisation horizon has been reached the Measured Resource has been converted only to a Probable Reserve and not Proven.</li> <li>All the Probable Ore Reserve has been derived from a Measured Mineral Resource.</li> <li>The result appropriately reflects the Competent Person's view of the deposit.</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>The results of any audits or reviews of Ore Reserve estimates.</li> </ul>	<ul style="list-style-type: none"> <li>The Ore Reserve estimate has been reviewed internally by Intermin and is considered to appropriately reflect the results of the application of the modifying factors to the Mineral Resource for a Feasibility study.</li> </ul>
Discussion of relative accuracy/ confidence	<ul style="list-style-type: none"> <li>Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate.</li> <li>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</li> <li>Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage.</li> </ul>	<ul style="list-style-type: none"> <li>The Competent Person has a high level of confidence in the Ore Reserve estimate based on the cost assumptions and modifying factors applied.</li> <li>All relevant modifying factors are determined to be acceptable to this method of mining.</li> <li>Gold price was set by Intermin and is subject to market fluctuations.</li> </ul>