

SYDNEY, AUSTRALIA--(Marketwired - Oct 8, 2015) - [Intrepid Mines Ltd.](#) (ASX:IAU) ("Intrepid" or the "Company") is pleased to announce the results of the Options Study for its 100% owned Kitumba Copper Project (the "Project") located in Zambia.

## KEY POINTS

- Extensive redesign of the development plan, based on reduced production rate from a high-graded resource, has confirmed economic potential of the Project based on a long-term copper price of US\$3.11/lb<sup>1</sup>.
- 35% reduction in capex to US\$433 million, based on reduced throughput and other cost savings.
- 21.9Mt at 2.2% copper in proved and probable reserves.

Highlights from the Options Study include:

- Project development costs estimated at US\$433 million, including US\$152 million for EPCM contractor, owner's costs and contingency. Capital intensity of approximately US\$9,100 per annual tonne of copper produced.
- Post-tax IRR of 15% and NPV<sub>8</sub> of US\$164 million on a 100% equity basis, with a payback of 5.1 years after start of production, based on US\$3.11/lb copper price from 2019 (NPV is zero at \$2.62)<sup>1</sup>.
- Life of Mine ("LOM") EBITDA of US\$1.41 billion.
- C1 cash cost of US\$1.60/lb of copper metal produced, with an all-in cash cost of US\$1.93/lb.
- Copper recovery of 91%, with annual copper cathode production of up to 40,000 tonnes with an average of 37,000 tonnes per annum over life of mine.
- Annual ore production of 1.5 to 2Mt Run of Mine ("ROM"), with average head grade of 2.2% copper.
- Underground mine with 13-year mine life.
- 22.5 Mt ROM LOM production target at 2.2% copper with ~500,000 tonnes of contained copper.

<sup>1</sup> "Real" terms, after tax and based on average long-term copper price forecast of 12 brokers.

The Options Study has delivered a result which indicates the Kitumba Project is technically feasible with an average production rate of approximately 37,000 tonnes per annum copper over a 13-year mine life. The Project also has economic potential capable of generating US\$1.41 billion in EBITDA, a post-tax IRR of 15%, and an NPV<sub>8</sub> of US\$164 million at a long-term copper price of US\$3.11/lb.

The Company's CEO, Scott Lowe said:

"The outcome of the Options Study for the Kitumba Copper Project is an important development, confirming that the Project has economic potential.

The reduction in resource tonnage announced as a result of the inclusion of results from the infill drilling program has required a substantial rethink of the development plan for Kitumba. Today's announcement demonstrates that, despite the smaller resource and weaker commodity price outlook, Kitumba remains economic at a long-term copper price of \$3.11/lb.

The key components of this breakthrough have been a smaller annual throughput, coupled with a sharply lower capital investment. Another advantage of the change in development plan is that the reserve grade has increased to 2.2% copper average.

Given the current state of the copper market, with spot prices below the long-term copper price forecast level, the Company intends to continue drilling our high priority targets in the area surrounding Kitumba in an effort to find additional resources that would further enhance project economics. The decision whether to take the Kitumba Project on to full feasibility will be made early in 2016 following the completion of exploration drilling and metallurgical testing. Importantly, the Kitumba Project is subject to a mining licence granted in November 2014 and the present plans are consistent with the expectations of the Zambian government".

Further details of the Options Study are available in a summary report available on the Company's website at [www.intrepidmines.com.au](http://www.intrepidmines.com.au).

## ATTRIBUTION

The information in this report relating to Mineral Resources at the Mumbwa Project in Zambia is extracted from the report titled "[Intrepid Mines Ltd.](#): Mumbwa Project - Kitumba Mineral Resource Update", lodged with ASX on 17 August 2015 and available to view on the Company's website, [www.intrepidmines.com](http://www.intrepidmines.com).

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this report that relates to Ore Reserves is based on and fairly represents information and supporting documentation compiled by Peter Wade BEng (Min), MAusIMM. Mr Wade is a contractor to Coffey Mining Pty Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC 2012). Mr Wade consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this summary report at sections 6 and 7 relating to the metallurgy and process flowsheet, capital and operating cost estimates is based on and fairly reflects in the form and context in which it appears, the information and supporting documentation (the "SNC Information") prepared by and under the supervision of SNC-Lavalin Australia PTY LTD ("SNC"). The information in this summary report at section 8 is also partly based on SNC Information, but is also based on information from a variety of other sources including, without limitation, Coffey Mining, Intrepid Mines and work performed by other consultants. SNC has reviewed and approved the contents of sections 6, 7 and 8 of this summary report (as relating to SNC Information) and consents to the inclusion of the SNC Information in the form and context in which it appears.

## 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.

## DISCLAIMER

The SNC Information (as defined in the attribution section of this summary report) was prepared for the sole purpose of supporting [Intrepid Mines Ltd.](#)'s ("Intrepid") internal project assessment for investment decision, and for the sole and exclusive benefit of Intrepid. SNC has, in preparing estimates, as the case may be, followed methodology and procedures, and exercised due care consistent with the intended level of accuracy, using its professional judgment and reasonable care, and is thus of the opinion that there is a high probability that actual values will fall within the specified error margin. However, no warranty should be implied as to the accuracy of estimates. Unless expressly stated otherwise, assumptions, data and information supplied by, or gathered from other sources (including Intrepid, other consultants, testing laboratories and equipment suppliers, etc.) upon which the SNC Information was based has not been verified by SNC; SNC makes no representation as to its accuracy and disclaims all liability with respect thereto.

To view Appendix1, please visit the following link: [http://media3.marketwire.com/docs/151008\\_IAU\\_Appendix1.pdf](http://media3.marketwire.com/docs/151008_IAU_Appendix1.pdf)

Shareholder Enquiries

Matters related to shares held, change of address and tax file numbers should be directed to:

Computershare Investor Services  
GPO Box 2975, Melbourne, Victoria 3001, Australia  
Telephone: 1300 805 505  
+61 3 9415 4000

ABN : 11 060 156 452

## Contact

Enquiries regarding this report may be directed to:  
Scott Lowe, CEO  
Sydney, Australia  
(office) +61 2 9357 9000  
[info@intrepidmines.com](mailto:info@intrepidmines.com)  
[www.intrepidmines.com.au](http://www.intrepidmines.com.au)