INTREPID MINES LIMITED

ACN 060 156 452

NOTICE OF EXTRAORDINARY GENERAL MEETING

Intrepid Mines Limited ACN 060 156 452 hereby gives notice that an Extraordinary General Meeting of Intrepid Shareholders will be held on 14 December 2018 at 11:00am (AEST) at the offices of McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane, Queensland, 4000

Notice of Extraordinary General Meeting

Intrepid Mines Limited ACN 060 156 452

Notice is given that an Extraordinary General Meeting of Intrepid Mines Limited ACN 060 156 452 (**Intrepid**) will be held at:

Location	McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane, Queensland, 4000
Date	14 December 2018
Time	11:00am (AEST)

Special business

Issue of Intrepid Shares under Takeover Bid

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

1 'That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for Intrepid to issue up to 25,000,000 Intrepid Shares to AIC Resources Shareholders under the Takeover Bid, on the terms and conditions set out in the Explanatory Memorandum.'

Note: Further information in relation to this resolution appears in the Explanatory Memorandum.

Approval of acquisition of AIC Resources Shares from Brahman Pure Alpha Pte Ltd

2 'That, for the purposes of Listing Rule 10.1 and for all other purposes, approval is given for Intrepid to acquire all of the AIC Resources Shares held by Brahman Pure Alpha Pte Ltd under the Takeover Bid, on the terms and conditions set out in the Explanatory Memorandum.'

Notes:

- Further information in relation to this resolution appears in the Explanatory Memorandum.
- ***The Independent Expert has determined that the Takeover Bid is not fair but reasonable to non-associated Intrepid Shareholders***.

Dated 15 November 2018

By order of the Board

Andrew Crawford
Company Secretary

Voting instructions

Notice Date

Intrepid Shareholders who are recorded on Intrepid's register of shareholders at 5:00pm (AEST) on 14 November 2018 will be entitled to receive a copy of this Notice of Meeting (**Notice Date**).

Record Date

Intrepid has determined under regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that for the purpose of voting at the Meeting (including any reinstatement of the Meeting in the event the Meeting is adjourned), securities are taken to be held by those persons recorded on Intrepid's register of shareholders as at 7:00pm (AEST) on 12 December 2018 (**Record Date**).

Persons who purchase Intrepid Shares after the Notice Date

Persons who become registered Intrepid Shareholders by acquiring Intrepid Shares between the Notice Date and the Record Date and who wish to vote at the Meeting by proxy should call Computershare Investor Services on 1300 552 270 (within Australia) or +61 3 9415 4000 (outside Australia) and request an additional proxy form.

How to vote

Intrepid Shareholders can vote by either attending the Meeting and voting, or by appointing a proxy to attend the Meeting and vote on their behalf.

Appointment of proxies

An Intrepid Shareholder who is entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy. The proxy need not be an Intrepid Shareholder. An Intrepid Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form. Proxy forms (and the original or a certified copy of the power of attorney if the proxy form is signed by an attorney) must be received by Intrepid's share registry, Computershare Investor Services, by no later than 11:00am (AEST) on 12 December 2018.

Key Management Personnel (or their closely related parties) (as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**)) appointed as a proxy must not vote on a resolution connected directly or indirectly with the remuneration of a member of KMP if the proxy is undirected unless:

(a) the proxy is the person chairing the Meeting; and

(b) the proxy appointment expressly authorises the person chairing the Meeting to vote undirected proxies on that resolution.

If the proxy form specifies the way the proxy is to vote on a particular resolution the proxy need not vote on a show of hands but if the proxy does so, it must vote as specified in the proxy form. If the proxy has two or more appointments that specify different ways to vote on the resolution the proxy must not vote on a show of hands. If the proxy is the chair of the Meeting, the proxy must vote on a poll or must vote the way specified in the proxy form. If the proxy is not the chair of the Meeting the proxy need not vote on the poll, but if the proxy does so, the proxy must vote as specified in the proxy form.

If the proxy form specifies the way the proxy is to vote on a particular resolution and the proxy is not the chair of the Meeting and a poll is demanded and either:

(a) the proxy is not recorded as attending; or

(b) the proxy does not vote,

the chair of the Meeting is deemed the proxy for that resolution.

A corporation may elect to appoint a representative, rather than appoint a proxy, under the Corporations Act, in which case Intrepid will require written proof of the representative's appointment which must be lodged with, or presented to, Intrepid before the Meeting.

If you have any queries on how to cast your votes, you can contact Andrew Crawford, Intrepid's Company Secretary, on +61 2 9357 9000 during business hours or by email at info@intrepidmines.com.

Voting restrictions

Intrepid will, in accordance with the Listing Rule 14.11.1, disregard any votes cast in favour:

Resolution 1 – Issue of shares under Takeover Bid	by or on behalf of: (a) AIC Resources; and (b) any person who will obtain a material benefit as a result of the Takeover Bid or the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity or AIC Resources), or any associate of those persons.
Resolution 2 – Approval of acquisition of AIC Resources Shares from Brahman Pure Alpha Pte Ltd	by or on behalf of Brahman Pure Alpha Pte Ltd, any other party to the transaction, or any associate of those persons.

However, Intrepid need not disregard a vote if it is cast by:

(a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

(b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Forward looking statements

This Notice of Meeting, including the Explanatory Memorandum, contains certain forward looking statements. Such forward looking statements are based on Intrepid's current expectations about future events. Any forward looking statements are subject to known and unknown risks, uncertainties and assumptions, some of which may be outside the control of Intrepid and the Directors, which may cause actual results, performance or achievements to differ from future results, performance or achievements expressed or implied by the use of forward looking statements.

Forward looking statements can be identified by use of words including, but not limited to, 'anticipates', 'intends', 'will', 'should', 'expects', 'plans', or other similar expressions.

Explanatory Memorandum

Intrepid Mines Limited ACN 060 156 452

This Explanatory Memorandum accompanies the notice of Extraordinary General Meeting of Intrepid to be held at the offices of McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane, Queensland, 4000 at 11:00am (AEST) on 14 December 2018.

The Explanatory Memorandum has been prepared to assist Intrepid Shareholders in determining how to vote on the resolution set out in the Notice of Meeting and is intended to be read in conjunction with the Notice of Meeting.

Special business

Resolution 1: Issue of Intrepid Shares under Takeover Bid

Background

1 Intrepid is proposing to acquire all of the issued ordinary share capital in AIC Resources Limited ACN 619 035 737 (**AIC Resources**) by way of scrip takeover bid under Chapter 6 of the Corporations Act (**Takeover Bid**).

2 The Offer consideration is one Intrepid Share for every three AIC Resources Shares. The implied value of the Offer will fluctuate with the Intrepid Share price. Accordingly, if the Intrepid Share price falls, the implied value of the Offer will also fall. Likewise, if the Intrepid Share price rises, the implied value of the Offer will rise. Some of the factors which the Board considers may be relevant in assessing the Offer are set out at paragraphs 5 to 8 below.

3 On completion of the Offer, assuming Intrepid acquires 100% of AIC Resources, shareholders of AIC Resources will hold approximately 64% of the Merged Group.

4 This Notice of Meeting sets out further information on Intrepid, AIC Resources, profile of the Merged Group, Intrepid's intentions for AIC Resources, risks for Intrepid Shareholders in approving the issue of shares under the Takeover Bid and other important disclosure.

Assessment of the Offer

5 The Independent Expert appointed by Intrepid in connection with the Offer has identified how the value of an Intrepid Share (on a combined and control basis) given as consideration compares to the value of three AIC Resources Shares received (on a control basis), as detailed in the table below. In assessing the value of Intrepid on a combined basis, the Independent Expert determined that the 'net asset valuation' methodology (or 'NAV methodology') was the most appropriate valuation methodology, which is reflected below.

	Low	Preferred	High
Value of an Intrepid Share (on a combined basis) offered as consideration	$0.547	$0.594	$0.651

	Low	Preferred	High
Value of three AIC Resources Shares acquired	$0.450	$0.522	$0.610

6 On the basis of the above, the Independent Expert has determined the value of an Intrepid Share offered as consideration to be greater than the value of three AIC Resources Shares received.

7 The Independent Expert has also compared the value of the shareholding in the Merged Group received by AIC Resources Shareholders (in the net assets of the Merged Group), with the value of net assets of AIC Resources acquired as a result of the Offer, as detailed in the table below:

	Low ('000)	Preferred ('000)	High ('000)
Value of the share of AIC Resources Shareholders in the net assets of the Merged Group	$13,684	$14,844	$16,263
Value of the net assets of AIC Resources acquired	$11,248	$13,048	$15,248

8 Intrepid Shareholders are encouraged to read the Independent Expert's Report in full, which contains further detail which may be relevant to an Intrepid Shareholder in assessing the Offer. Further information in relation to the Offer, and the factors which the Board considers relevant to the assessment of the Offer, are also set out in the Bidder's Statement.

Indicative timetable

9 Subject to the requirements of the Listing Rules and the Corporations Act, Intrepid anticipates that the Takeover Bid will take place in accordance with the following timetable:

Event	Date
Announcement of the Offer	19 September 2018
Bidder's Statement and Target's Statement lodged with ASIC	3 October 2018
Offer opens	3 October 2018
Dispatch of Notice of Meeting	15 November 2018
Extraordinary General Meeting held to approve issue of Intrepid Shares	14 December 2018
Offer closes	30 November 2018[1]
Intrepid Shares issued and allotted to AIC Resources Shareholders	No later than 21 days after the Offer closes (assuming all conditions of the Offer are satisfied or waived).

10 The dates set out in the above timetable are indicative only and are subject to change.

[1] Subject to any extension of the Offer period by Intrepid. Intrepid intends to extend the Offer to a date after the date of the Extraordinary General Meeting.

Rationale for the Takeover Bid

11 Intrepid has a cash balance, as at 30 June 2018, of approximately $14.4 million.

12 To meaningfully progress the Kitumba and Mumbwa Projects in Zambia, material funding is required, and even if that funding could be obtained on reasonable terms, the Board, following an extensive review of the project, considered it in the best interests of Intrepid Shareholders to redeploy capital in lower cost gold exploration in Australia. The strategy to focus on gold exploration is not new to Intrepid. Since 1995, Intrepid has been actively involved in mineral resource exploration, and has held interests in a number of gold deposits over the years. In 2007, Intrepid's senior management team sought to identify numerous investment opportunities in respect of gold projects in particular in many countries around the world, and had plans to spend approximately $5 million on exploration of such projects in 2007. In particular:

(a) Intrepid has historically held interests in a number of gold deposits, including:

(i) Ashburton/Paulsens Gold Project in Western Australia (100%);

(ii) Panakin Bore Gold Project in Western Australia (100%);

(iii) Grafters Baden Powel Gold Project in Western Australia (100%);

(iv) Cristina Gold Project in Argentina (option to earn an interest);

(v) Casposo Gold/Silver Project in Argentina (100%);

(vi) Taviche High Grade Gold/Silver Project in Mexico (option to earn an interest); and

(vii) various grass-roots gold exploration projects located near Cue and Wiluna in Western Australia, and in Gawler Craton in South Australia;

(b) following a 2008 merger with Emperor Mines Limited, Intrepid held an 80% interest in the Tujuh Bukit Gold/Copper Project; and

(c) in November 2012, Intrepid acquired an 11.78% interest in New Nadina Explorations Limited, which held the Silver Queen Copper/Gold Porphyry Exploration Project in British Columbia, Canada (to which Intrepid's subscription funds were committed).

13 Over the previous 18 months, the Board has evaluated numerous investment opportunities, including (as set out in Intrepid's 2017 annual report) undertaking due diligence on several possible gold and copper projects, a number of which are located in Australia.

14 In June 2018, the Board announced that it had entered into an exploration farm-in and joint venture agreement with Ausgold Exploration for the right to earn up to an 80% interest in the Doolgunna Station Project, a gold exploration project in Western Australia (though the agreement remains subject to satisfaction of certain conditions precedent, as announced to ASX on 4 June 2018).

15 AIC Resources owns 100% of the ~3,160km Marymia Project which is contiguous with the Doolgunna Station Project to the South. According to the Independent Geologist:

"[t]he Marymia Project is considered to have significant potential to host economic gold mineralisation. In addition, some licences also have potential to host base metal, lithium or REE mineralisation. The Marymia Project comprises a single contiguous project area

that offers the potential to host significant gold resources subject to successful exploration. The Marymia Project surround the Marymia Inlier that hosts the renowned Plutonic and Marymia gold deposits that have a combined production of over six million ounces of gold."[2]

16 The Board recommends that Intrepid Shareholders refer to the full report of the Independent Geologist, incorporated in the replacement prospectus of AIC Resources dated 2 November 2017. That report provides a summary of regional and local geology of the Marymia Project, discusses known mineral occurrences, previous exploration and historical mining in the region, and provides commentary on the proposed work program and budget to advance the Marymia Project.

Advantages and disadvantages of the Takeover Bid for Intrepid's Shareholders

17 The Directors believe that the following non-exhaustive list of advantages may be relevant to an Intrepid Shareholder's decision on how to vote on resolution 1:

(a) the Takeover Bid does not impede Intrepid's ability to return capital of up to $10,339,494 to existing Intrepid Shareholders (representing approximately $0.75 per Intrepid Share) as approved at its extraordinary general meeting held on 2 February 2018, while, through the remaining cash balances of Intrepid and AIC Resources, the Merged Group will be left sufficiently well funded to pursue exploration of gold projects;

(b) Intrepid Shareholders will gain exposure to AIC Resources' Marymia Project and Venus' Doolgunna Project (in respect of which AIC Resources has a right to earn up to an 80% interest), in addition to continued exposure to Intrepid's existing interests;

(c) the Merged Group will have a stronger and more diverse board and management team, that can execute the Merged Group's strategy going forward;

(d) Intrepid Shareholders will benefit from a strengthened and more diverse members' register through the amalgamation of shareholders of Intrepid and AIC Resources;

(e) the Takeover Bid will allow Intrepid to capitalise on its significant involvement with, and experience in, gold exploration historically;

(f) Intrepid Shareholders will benefit from potential synergies, including cost reductions as the Merged Group simplifies the corporate structure of Intrepid and AIC Resources, and project synergies given that AIC Resources' Marymia Project and Venus' Doolgunna Project are contiguous with the Doolgunna Station Project (in respect of which Intrepid has a right to earn up to an 80% interest);

(g) the Merged Group is likely to benefit from an enhanced ability to source debt and equity (and on more favourable terms) as a result of the stronger balance sheet and broader share register with supportive substantial shareholders;

(h) shares in Intrepid are expected to be more liquid due to the increase in capitalisation of the Merged Group; and

(i) Intrepid Shareholders may benefit from greater equity analyst coverage which the Merged Group is expected to attract, which is important in attracting and retaining institutional shareholders in particular.

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[2] See page 1 ('Executive Summary') of the report from the Independent Geologist in the replacement prospectus of AIC Resources dated 2 November 2017.

18 However, the Directors also note the following non-exhaustive list of disadvantages which may also be relevant to an Intrepid Shareholder's decision on how to vote on resolution 1:

(a) following the Takeover Bid, existing Intrepid Shareholders will have a minority interest in the Merged Group (and therefore reduced control over its direction and the outcome of its operational decisions);

(b) if the AIC Resources' Marymia Project and Venus' Doolgunna Project resources do not prove to be as prospective as might be expected, Intrepid Shareholders will still, nevertheless, have exposure to AIC Resources' Marymia Project and Venus' Doolgunna Project;

(c) the potential synergies associated with the Merged Group may not be realised, or realised to the full extent anticipated; and

(d) potential advantages identified in respect of the Takeover Bid, including an enhanced ability to source debt and equity, increased liquidity, and greater analyst covering, may not be realised, or realised to the full extent anticipated.

19 Further detail in relation to the advantages and disadvantages of the Takeover Bid from the perspective of AIC Resources Shareholders have been included in the Bidder's Statement and the Target's Statement that have been lodged with ASIC and ASX by Intrepid and AIC Resources, respectively.

Why is Intrepid Shareholder approval required?

20 Resolution 1 seeks approval from Intrepid Shareholders under Listing Rule 7.1 (and for all other purposes) to issue up to 25,000,000 Intrepid Shares to AIC Resources Shareholders, in excess of its existing 15% placement capacity under Listing Rule 7.1.

21 Following completion of the Takeover Bid, and assuming Intrepid is successful in acquiring 100% of AIC Resources, the AIC Resources Shareholders will own approximately 64% of the Merged Group, with the balance of approximately 36% being held by the existing Intrepid Shareholders. As such, the Takeover Bid, if successful, is a 'Reverse Takeover' under the Listing Rules, and Intrepid is required to obtain Intrepid Shareholder approval to issue shares in excess of its placement capacity by virtue of the recent amendments to Chapter 7 of the Listing Rules. In particular, the amendments clarify that the exception under Listing Rule 7.2 for an issue of shares under a takeover bid does not apply to a Reverse Takeover.

22 This Notice of Meeting contains:

(a) a description of the class of or classes of security holders in AIC Resources who will be issued securities in Intrepid, in accordance with Listing Rule 7.3.4; and

(b) information about the Takeover Bid, in accordance with Listing Rule 7.3.10,

and is designed to assist Intrepid Shareholders in making a decision as to how to vote on this resolution 1.

23 If Intrepid Shareholder approval is not obtained, a defeating condition to Intrepid's Takeover Bid will become incapable of being satisfied and the bid will lapse.

Listing Rule 7.1

24 Listing Rule 7.1 provides that, subject to certain exemptions, prior approval of shareholders is required for an issue of securities if the securities will, when aggregated with the securities issued by the company during the previous 12 months, exceed 15% of the number of the securities on issue at the commencement of that 12 month period.

25 As at the date of this Notice of Meeting, Intrepid's placement capacity under Listing Rule 7.1 is 2,067,898.

26 An issue of 25,000,000 Intrepid Shares to AIC Resources Shareholders, as detailed in this resolution 1, will exceed Intrepid's 15% placement capacity under Listing Rule 7.1. As such, Intrepid Shareholder approval is required to issue Intrepid Shares under the Takeover Bid.

Listing Rule 7.3

27 In accordance with Listing Rule 7.3, Intrepid Shareholders are advised of the following particulars:

Person to whom Intrepid Shares are to be issued	AIC Resources Shareholders who are entitled to be issued Intrepid Shares under the Takeover Bid – this includes, in the event that Intrepid obtains a relevant interest in at least 90% of the AIC Resources Shares and the bid is otherwise free of defeating conditions, those AIC Resources Shares which are compulsorily acquired under the Takeover Bid.
Date of issue	Intrepid will issue the Intrepid Shares under the Takeover Bid: (a) no earlier than the date on which the Offers under the Takeover Bid become unconditional; and (b) no later than the date within one month of the later of: (i) the date an AIC Resources Shareholder accepts the Offer; and (ii) the date the Offer becomes unconditional, and in any event within 21 days after the Offer closes (assuming all conditions of the Offer are satisfied or waived), but in any event no later than six months following the date of the Meeting.
Maximum number of Intrepid Shares	25,000,000 Intrepid Shares.[3]
Issue price per Intrepid Share	One Intrepid Share for every three AIC Resources Shares.

[3] Assuming Intrepid acquires all the ordinary shares in AIC Resources under the Offer.

Terms of Intrepid Shares issued	Fully paid ordinary shares ranking equally with all existing Intrepid Shares on issue. Those Intrepid Shares to be issued to AIC Resources Shareholders whose AIC Resources Shares are currently subject to mandatory escrow, including: (a) 4,166,667 Intrepid Shares, being those Intrepid Shares to be issued to AIC Resources Shareholder, Nordana Pty Ltd ACN 009 087 414, in exchange for its 12,500,001 AIC Resources Shares; (b) 333,333 Intrepid Shares, being those Intrepid Shares to be issued to AIC Resources Shareholder, BPM Capital Limited, in exchange for its 1,000,000 AIC Resources Shares; (c) 250,000 Intrepid Shares, being those Intrepid Shares to be issued to AIC Resources Shareholder, Brett Montgomery, in exchange for his 750,000 AIC Resources Shares; (d) 166,666 Intrepid Shares, being those Intrepid Shares to be issued to AIC Resources Shareholder, Heidi Anne Brown, in exchange for her 500,000 AIC Resources Shares; (e) 41,666 Intrepid Shares, being those Intrepid Shares issued to AIC Resources Shareholders, Brett Montgomery and Bonnie Tollafield as trustees for Tollafield Superannuation Fund, in exchange for their 125,000 AIC Resources Shares; and (f) 16,666 Intrepid Shares, being those Intrepid Shares issued to AIC Resources Shareholder, Lachlan Montgomery, in exchange for his 50,000 AIC Resources Shares, will be subject to voluntary escrow until 1 December 2019, noting that their AIC Resources Shares were subject to escrow until this time in any event.
Use of funds raised by the issue of the Intrepid Shares	Not applicable as no cash will be raised by Intrepid, noting that the Intrepid Shares are to be issued to AIC Resources Shareholders under the Takeover Bid.
Number of issues	It is expected that the Intrepid Shares will be issued on one date (with the issue of Intrepid Shares for compulsory acquisition occurring at a later date), but the Intrepid Shares may be issued progressively at Intrepid's discretion.

Other approvals

28 Other than the approvals of Intrepid Shareholders contemplated by this Notice of Meeting, there are no other regulatory approvals or waivers required, or other material conditions that must be satisfied for the Takeover Bid to become unconditional.

ASX

29 ASX takes no responsibility for the content of this Notice of Meeting.

No other material information

30 The Directors are not aware of any other information not previously disclosed to Intrepid Shareholders which is material to the making of a decision by an Intrepid Shareholder as to whether or not to approve resolution 1, other than as disclosed in this Explanatory Memorandum.

Directors' recommendation

31 The Directors unanimously recommend that you vote in favour of this resolution 1.

About Intrepid

Overview – Zambian projects

32 The Kitumba Project deposit lies within the large scale mining licence (19820-HQ-LML) which is located in the Mumbwa District, Central Province, Zambia. The licence lies approximately 200 kilometres west-northwest of the capital, Lusaka, and comprises one of five contiguous licences held by Intrepid Mines Zambia Limited. The Kitumba Project mining licence covers an area of approximately 250km^2.

33 Intrepid's Mumbwa Project is located in west-central Zambia, approximately 200 kilometres west of the capital, Lusaka. The Mumbwa Project comprises five contiguous licences with a total area of approximately 925km^2, including the Kitumba mining licence (19820-HQ-LML) which hosts the Kitumba Project. The Mumbwa Project lies within the southern end of a fold and thrust belt known as the Lufilian Arc, which also hosts the Zambian Copperbelt deposits. Within the Mumbwa Project, Intrepid has multiple targets at various stages of advancement.

34 The mineral resources and ore reserves attributed to Intrepid's Kitumba and Mumbwa Projects are set out in Intrepid's annual report for the year ended 31 December 2017.

Recent activities

35 On 7 September 2018, Intrepid announced that it and two of its wholly owned Australian subsidiaries had entered into a conditional share sale agreement with Vulcan Copper Limited (company no. 07684851), a subsidiary of Consolidated Mining and Investments Ltd (company no. 07330453), in respect of the sale of 100% of the share capital in Intrepid Mines Zambia Limited, a wholly owned Zambian subsidiary of Intrepid (**Share Sale Agreement**). Intrepid Mines Zambia Limited holds the interest in the Kitumba and Mumbwa Projects located in Zambia. The sale consideration comprises a payment of USD $5 million, subject to customary adjustments, payable on completion occurring under the Share Sale Agreement.

36 Intrepid also obtained shareholder approval at its extraordinary general meeting held on 2 February 2018 in relation to a potential return of capital of up to $0.8788 per Intrepid Share, subject to obtaining an appropriate class ruling from the Australian Taxation Office. The Takeover Bid is subject to fulfilment of a number of conditions, as set out in Schedule 2 of the Bidder's Statement, including receipt of a class ruling confirming that the return of $0.75 per Intrepid Share to Intrepid Shareholders will be treated as a return of capital.

37 As set out at paragraphs 13 to 15 of this Explanatory Memorandum, Intrepid has been actively assessing potential investments in its core operating area for the last 18 months. In January 2018, Intrepid acquired 3,333,333 shares in Tesoro Resources Limited ACN 618 093 306 (**Tesoro**), a non-related unlisted Australian company with gold and copper-gold exploration projects in Chile. The shares were acquired at a price of $0.15 per share, representing an

aggregate purchase price of approximately $500,000. This represented approximately 5.5% of the total issued shares in Tesoro as at the date of the issue and provides Intrepid with exposure to these prospective projects. More recently, as set out at paragraph 14 of this Explanatory Memorandum, on 4 June 2018, Intrepid announced that it had entered into an exploration farm-in and joint venture agreement with Ausgold Exploration, pursuant to which it could spend a minimum of $2,150,000 over two years to have a right to earn up to an 80% interest in the Doolgunna Station Project in Western Australia (though the agreement remains subject to satisfaction of certain conditions precedent, as announced to ASX on 4 June 2018).

Directors

38 The directors of Intrepid, and their profiles, are set out below:

Richard Baumfield
Chairperson and Independent Non-executive Director
Appointed Director 1 July 2015; Appointed Chairperson 2 March 2018

Mr Baumfield is currently an adjunct assistant professor of law at Bond University, having previously practiced for ten years as a partner with the New York law firm Andrews Kurth LLP. He is a strategic investment specialist, who brings with him experience in investment and corporate governance advisory.

Peter Evans
Independent Non-executive Director
Appointed Director 19 November 2015

Mr Evans was appointed to the Board at the extraordinary general meeting on 19 November 2015. Mr Evans has over 30 years' experience as a stockbroker with Paul E Morgan & Co and subsequent entities including Morgans Stockbroking, ABN Amro Morgans and RBS Morgans. He was 'Director – Sales' at Morgans entities from 1984 until 2013 and remained a director until his retirement in 2013. He is currently Chairman of Sleepy's Pty Ltd, QEnergy Limited, and Right at Home Australia and serves on a number of other boards. During the period he was also a Director of Talon Petroleum Limited until his resignation on 4 December 2017.

Tony Wolfe
Non-executive Director
Appointed Director 25 November 2016

Mr Wolfe has over 13 years' experience in asset management with over 11 years managing, researching and trading event driven and special situations portfolios across the Asia-Pacific region. Mr Wolfe currently holds the position of 'Portfolio Manager' for Brahman Capital Management Pte Ltd focusing on equity driven and special situation investments. Previously, Mr Wolfe held the position of 'Portfolio Manager' at Brummer & Partners AG, a multi-strategy hedge fund that manages over USD $15 billion in assets under management. Mr Wolfe also held senior portfolio management roles at Pengana Capital and Rubicon Asset Management in Sydney.

Brahman Pure Alpha Pte Ltd (**Brahman Pure Alpha**), an entity controlled by Brahman Capital Management Pte Ltd, is a substantial holder in Intrepid and has voting power of approximately 4.89% in AIC Resources.

Financial profile of Intrepid

39 Intrepid's financial position for the half year ended 30 June 2018 is set out below:

	Note#	Consolidated 30 June 2018 $'000	Consolidated 31 December 2017 $'000
Current assets			
Cash and cash equivalents		14,440	20,015
Trade and other receivables		306	389
Investments	4	967	-
Assets held for sale	5	4,470	4,187
Total current assets		**20,183**	**24,591**
Non-current assets			
Mining properties	6	-	-
Total non-current assets		**-**	**-**
TOTAL ASSETS		**20,183**	**24,591**
Current liabilities			
Trade and other payables		67	99
Employee benefit liabilities		147	88
Liabilities associated with held for sale assets	5	42	66
Total current liabilities		**256**	**253**
Non-current liabilities			
Employee benefit liabilities		39	36
Total non-current liabilities		**39**	**36**
TOTAL LIABILITIES		**295**	**289**
NET ASSETS		**19,888**	**24,302**
Equity			
Contributed equity	7	237,260	241,062
Foreign currency translation reserve		(12,444)	(12,743)
Accumulated losses		(204,928)	(204,017)
TOTAL EQUITY		**19,888**	**24,302**

The notes are set out in Intrepid's financial report for the half year ended 30 June 2018, incorporated in Intrepid's annual report for the half year ended 30 June 2018, lodged with ASX on11 September 2018.

40 Refer to the pro forma balance sheet of the Merged Group at paragraph 63 below for details in relation to material changes to Intrepid's position post-30 June 2018.

Publicly available information

41 Intrepid is a company listed on ASX (ASX: IAU) and is subject to the continuous and periodic disclosure requirements of the Listing Rules and the Corporations Act. A substantial amount of information on Intrepid is publicly available and may be accessed on www.asx.com.au. This information and other announcements made available by Intrepid to ASX may be relevant to your assessment of how to vote the resolution at the Meeting.

About AIC Resources

Disclaimer

42 The following information about AIC Resources has been prepared by Intrepid using publicly available information, and has not been independently verified. Accordingly, Intrepid does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on Intrepid in this Notice of Meeting should not be considered comprehensive. You should also consider the disclosure in the Bidder's Statement and in the Target's Statement (which is prepared by AIC Resources) for further information about AIC Resources.

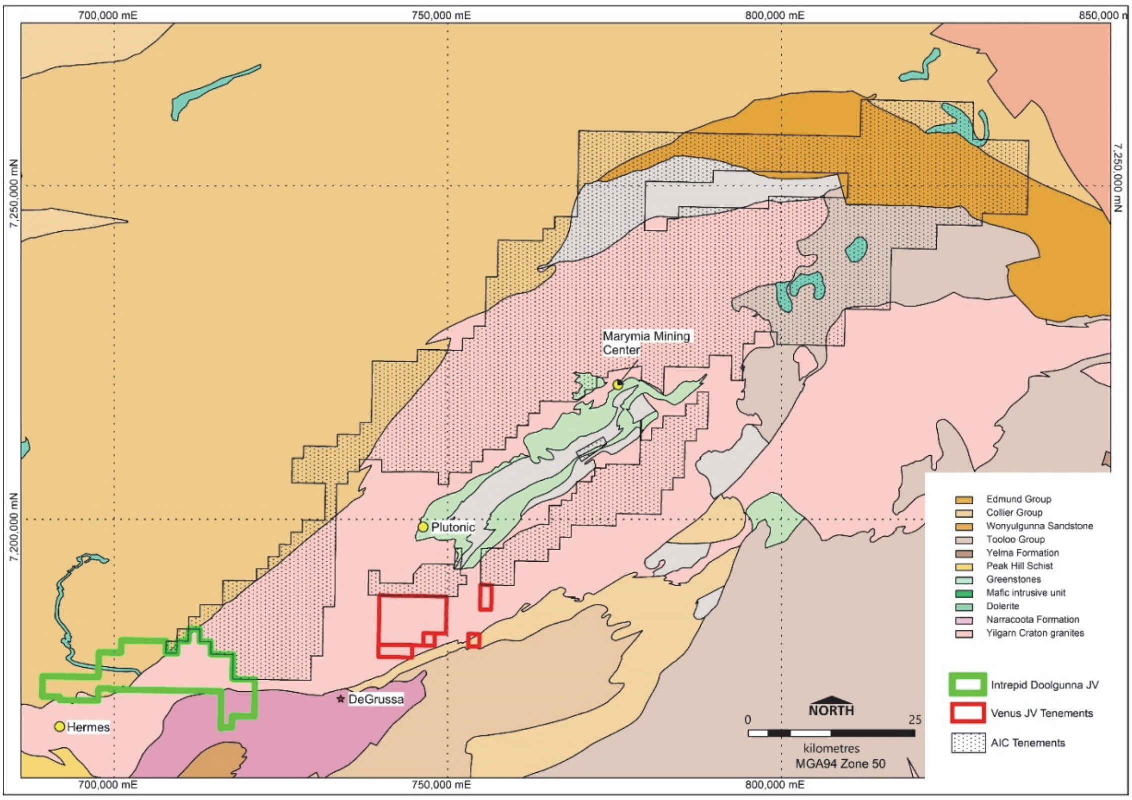
Overview

43 AIC Resources is an early stage gold exploration and development company. It is the 100% owner of the ~3,160km^2 Marymia Project, which is located 1,200km north-east of Perth on the northern margin of the Yilgarn in the Eastern Gascoyne region of Western Australia.

44 The Marymia Project is considered to have strong potential to host gold ore deposits. Additionally, some of the tenements held by AIC Resources have the potential to host base metal, lithium or rare earth metal mineralisation.

Figure 1: Location of the Marymia Project

Figure 2: Proximity of the Marymia Project, Venus' Doolgunna Project, and the Doolgunna Station Project



45 Being an early stage mining exploration company, AIC Resources' business is subject to a number of key dependencies and risks commonly associated with exploration activities, namely there is no guarantee that AIC Resources' exploration activities will succeed in the discovery of a commercially viable deposit. Additionally:

(a) AIC Resources' mining and exploration activities are dependent upon the maintenance (including renewal) of the tenements in which it has (or acquires) an interest;

(b) in the event that AIC Resources successfully delineates economic deposits on any of its mineral exploration licences, it will need to apply for a mining lease, and there is no guarantee that it will be granted a mining lease if one is applied for;

(c) AIC Resources' future revenues will primarily be derived from the sale of gold, and as such its future earnings will be closely related to, and dependent on, the price of gold;

(d) the Marymia Project is subject to Western Australian regulations regarding environmental matters, and the cost and complexity of complying with the applicable environmental laws and regulations may prevent AIC Resources from being able to develop potentially economically viable mineral deposits; and

(e) AIC Resources' growth through its proposed and future drilling and exploration campaigns will require substantial expenditure, and there can be no guarantees that the cash reserves of the Merged Group will be sufficient to successfully achieve all the objectives of AIC Resources' overall business strategy.

46 AIC Resources' replacement prospectus dated 2 November 2017 sets out a number of other more general risks relevant to the industry in which it operates, and is available for download on AIC Resources' website at https://www.aicresources.com.au.

Recent activities

47 AIC Resources was admitted to the official list of ASX on 29 November 2017 (ASX: A1C), so it has a limited history of disclosure in relation to its key asset, the Marymia Project.

48 The most recent quarterly report for AIC Resources was issued on 19 October 2018 and related to the quarter ended 30 September 2018. AIC Resources has also released its annual report for the year ended 30 June 2018, which was provided to ASX on 16 August 2018.

49 Throughout the calendar year to date, AIC Resources has undertaken exploration, on a regional and project scale, with recent activities concentrating on the geological and structural understanding of the known mineralisation at the Marymia North-East and Two Pools project areas.

50 In respect of the Two Pools project area, AIC Resources has mapped nearly four kilometres of greenstone in a deformed belt that is offset from the main Plutonic-Marymia greenstone belt by a major east-north-east trending, steeply north dipping, reverse fault. Shallow drilling during the early 1990s by Great Central Mines indicates that gold intersects greater than 0.5 g/t occur along the entire length of the Two Pools greenstone belt. Reverse circulation drilling is planned to target potential extensions to the known mineralisation at depth and along strike.

51 The Marymia North East (**MMNE**) prospect is located 9.5km NE of the abandoned Marymia Gold Mines and was previously explored by Great Central Mines from 1990 to 1994. Mapping and geological interpretation has been completed over the MMNE and a reverse circulation drilling program, to test the mineralisation at depth, commenced in early October 2018.

52 Mapping and geochemical sampling continued throughout the tenement areas during the quarter ended 30 September 2018. In respect of Copper Hills, historic data collation and infill surface geochemistry is in progress to determine drill targets. Soil sampling at Pinnyrini has extended anomalous gold results for up to 2km in strike length, however geochemical mapping is complicated by extensive active transported alluvial cover. Mapping of limited outcrop together with interpreted detailed airborne magnetic data suggests the project is located at a fold closure marked by a distinct, high magnetic band of iron rich, silicified schists (possibly after mafic or ultramafic) within felsic gneiss and near a granite of low magnetic response. Strong west-north-west trending interpreted faults disrupt both the granite and the gneiss contacts. An aircore drilling program has been planned over Pinnyrini to test geological and structural interpretation and bedrock geochemistry with the aim to determine a target for reverse circulation drilling.

53 A program of works for MMNE, Two Pools and Pinnyrini was submitted to the Western Australian Department of Mines, Industry Regulation and Safety, and approval has been received. Drilling has since commenced at MMNE, with the reverse circulation drilling program beginning in early October 2018, and drilling at Two Pools to follow. Regional reconnaissance will continue, focusing on geological mapping and sampling the 4G Hills and the northern extent to the Cooper Hills Schist Belt.

54 As announced by AIC Resources on 20 September 2018, AIC Resources has also entered into a farm-in and joint venture agreement with Venus, under which, subject to the satisfaction of certain regulatory consents, AIC Resources may earn an 80% interest in the Doolgunna tenements (comprising E52/3069, E52/3320, E52/3487, E52/3488 and E52/3489), located in the Eastern Gascoyne Region of Western Australia. After AIC Resources' spending commitment is met (being expenditure of $175,000 within two years), Venus will have the right to retain a 20% free-carried interest through to a decision to mine. This project covers ~90km^2 and is located approximately 12 kilometres to the south of the Plutonic Gold Mine, and is contiguous with AIC Resources' current land package (refer to Figure 2).

Directors

55 The directors of AIC Resources, and their profiles, are set out below:

Josef El-Raghy
Chairman

Mr Josef El-Raghy (age 47) holds a Bachelor of Commerce Degree (B.Comm) from the University of Western Australia and had a ten year career in stock broking. Mr El-Raghy is currently Chairman of Centamin plc, where he has been responsible for overseeing the transition from small explorer, through construction and into production. He was formerly a director of both CIBC Wood Gundy and Paterson Ord Minnett.

Brett Montgomery
Managing Director

Mr Brett Montgomery (age 64) has extensive experience in public company management, leadership, corporate governance and risk management in both executive and non-executive roles. Mr Montgomery is currently Non-Executive Director of Tanami Gold NL and Bard1 Life Sciences Limited. He was previously Managing Director of Kalimantan Gold NL, and Director of Grants Patch Mining Ltd, EZA Corporation Ltd and Magnum Gas and Power Ltd.

Heidi Brown
Non-Executive Director

Mrs Heidi Brown (age 38) is a Fellow Chartered Secretary (FCIS, FGIA) and a Graduate of the AICD Company Directors Course (GAICD). Heidi holds a Graduate Certificate of Applied Finance and Investment and a Diploma of Financial Advising from FINSIA. Mrs Brown was the company secretary of Centamin plc from July 2004 until December 2012, during which time she contributed to the company's growth from a small exploration company to a multi-billion dollar company.

Financial profile of AIC Resources

56 AIC Resources was only recently incorporated on 11 May 2017 (and was admitted to the official list of ASX on 29 November 2017). AIC Resources' financial report for the year ended 30 June 2018, as released to ASX on 16 August 2018, is available for download on AIC Resources' website at https://www.aicresources.com.au/investors/company-announcements/.

57 AIC Resources’ financial position for the year ended 30 June 2018 is set out below:

	Note#	30 June 2018 $	30 June 2017 $
Current assets			
Cash and cash equivalents	9	7,759,828	711,957
Trade and other receivables	10	85,229	136,515
Prepayments		260,745	-
Total current assets		**8,105,802**	**848,472**
Non-current assets			
Capitalised exploration and evaluation expenditure	12	1,200,000	1,200,000
Plant and equipment	11	156,283	5,233
Total non-current assets		**1,356,283**	**1,205,233**
TOTAL ASSETS		**9,462,085**	**2,053,705**
Current liabilities			
Trade and other payables	13	132,793	42,899
Total current liabilities		**132,793**	**42,899**
TOTAL LIABILITIES		**132,793**	**42,899**
NET ASSETS		**9,329,292**	**2,010,806**
Equity			
Issued capital	14	11,926,815	2,300,000
Accumulated losses		(2,597,523)	(289,194)
TOTAL EQUITY		**9,329,292**	**2,010,806**

The notes are set out in AIC Resources’ financial report for the year ended 30 June 2018, lodged with ASX on 16 August 2018.

58 AIC Resources advised the market that, as at 30 June 2018, it held approximately $7.8 million in cash.

Publicly available information

59 AIC Resources is a company listed on ASX and is subject to the periodic and continuous disclosure requirements of the Listing Rules and the Corporations Act. Further information about AIC Resources can be found on ASX’s website (www.asx.com.au) by typing the code ‘A1C’, or the AIC Resources' website (www.aicresources.com.au).

Recent share price performance

60 Shares under AIC Resources' initial public offering were issued at $0.20 per share. Below is a chart that shows the trading price of AIC Resources Shares since the date of its admission to the date immediately prior to announcement of the Offer:

Figure 3: Chart illustrating movement of the AIC Resources Share price

Source: Morningstar, Inc.

Profile of the Merged Group

Introduction

61 The profile of the Merged Group assumes that AIC Resources is a wholly-owned subsidiary of Intrepid.

Overview of the Merged Group

62 The Merged Group would be a gold exploration company with:

(a) cash of approximately $18.8 million;[4] and

(b) exposure to the Marymia Project, through its ownership of AIC Resources, and to the Doolgunna Station Project, through its farm-in agreement with Ausgold Exploration.

Pro forma balance sheet assuming Intrepid acquires 100% of AIC Resources

63 The information included in this section is pro forma financial information for the Merged Group comprising the respective groups of Intrepid and AIC Resources as at 30 June 2018. The pro forma balance sheets of the Merged Group have been produced by aggregating the individual balance sheets from the reviewed (in the case of Intrepid) and audited (in the case of AIC Resources) financial statements as at 30 June 2018. The financial information for Intrepid and AIC Resources relates to the latest publicly available information for each entity that is capable of being compared. The pro forma information does not represent what the Merged Group would

[4] Based on the cash balances of Intrepid and AIC Resources as at 30 June 2018, after adjusting for Intrepid's cash balance to remove the proposed return of capital of $10,339,494, and to include the consideration of approximately $6.9 million (USD $5 million) (based on the average USD / AUD exchange rate over the 30-day period of September 2018) in respect of the sale of the Kitumba and Mumbwa Projects as announced on 7 September 2018 (on the assumption that the sale of the Kitumba and Mumbwa Projects completes). This excludes transaction costs associated with the sale of the Kitumba and Mumbwa Projects and the Offer, and restructuring costs incurred in connection with the Offer.

look like on a consolidated basis, since it is not possible to produce this information from publicly available information. No adjustments for potential synergy benefits have been included as the exact timing and amount of such benefits cannot be reliably estimated. However, the pro forma balance sheets do reflect the issue of new Intrepid Shares to AIC Resources Shareholders. The pro forma balance sheets are unaudited and are for illustrative purposes only and are based on numerous assumptions that may or may not reflect the actual financial position of the Merged Group after completion of the Offer. In addition, these pro forma balance sheets are presented in a summary format and do not contain all the disclosures required under the Corporations Act. Financial information relating to AIC Resources has been sourced from its audited financial statements for the year ended 30 June 2018. Intrepid has relied on this information to prepare the pro forma financial information in this section. Intrepid does not, except as required by law, make any representations or warranty, express or implied, as to the accuracy or completeness of this information.

	Intrepid 30 June 2018 $'000	AIC Resources 30 June 2018 $'000	(i) Intrepid's return of capital $'000	Pro forma Merged Group (100%) $'000
Current assets				
Cash and cash equivalents	14,440	7,760	(10,339)	11,861
Trade and other receivables	306	346	-	652
Investments	967	-	-	967
Assets held for sale	4,470	-	-	4,470
Total current assets	**20,183**	**8,106**	**(10,339)**	**17,950**
Non-current assets				
Property, plant, and equipment	-	156	-	156
Mining properties	-	1,200	-	1,200
Goodwill	-	-	-	-
Total non-current assets	**-**	**1,356**	**-**	**1,356**
TOTAL ASSETS	**20,183**	**9,462**	**(10,339)**	**19,306**
Current liabilities				
Trade and other payables	67	133	-	200
Employee benefit liabilities	147	-	-	147
Liabilities associated with held for sale assets	42	-	-	42
Total current liabilities	**256**	**133**	**-**	**389**
Non-current liabilities				
Employee benefit liabilities	39	-	-	39
Total non-current liabilities	**39**	**-**	**-**	**39**
TOTAL LIABILITIES	**295**	**133**	**-**	**428**
NET ASSETS	**19,888**	**9,329**	**(10,339)**	**18,878**
Equity				
Contributed equity	237,260	11,927	(10,339)	238,847
Accumulated losses and reserves	(217,372)	(2,598)	-	(219,969)
TOTAL EQUITY	**19,888**	**9,329**	**(10,339)**	**18,878**

ASSUMPTIONS AND ADJUSTMENTS

General

The above pro forma financial information has been prepared using AIFRS and reflects the accounting policies of Intrepid. It has not been audited. Amounts presented are in Australian dollars and have been rounded to the nearest thousand.

Offer

The pro forma balance sheet of the Merged Group as at 30 June 2018 assumes the acquisition of AIC Resources by Intrepid had been completed at that date. The actual date of completion of the Offer will be at a later date. AASB 3 'Business Combinations' states that the acquirer shall, at the acquisition date, allocate the cost of a business combination by recognising the acquiree's identifiable assets, liabilities and contingent liabilities that satisfy the recognition criteria at their fair values as at that date. Accordingly, Intrepid will assess the fair value of identifiable net assets of Intrepid on completion of the Offer.

The pro forma balance sheet of the Merged Group is based on the assumption that the fair value of assets and liabilities of AIC Resources are equal to their book value. The difference between the book value of these assets and liabilities and the purchase consideration at the acquisition date has been assumed to relate to an intangible asset (i.e. goodwill). A full purchase price allocation will be undertaken post acquisition and the fair value of the assets and liabilities will be more accurately assessed at that time. This will not impact the valuation of the business, but may impact the classification between tangible assets and goodwill.

For fair value accounting purposes, each Intrepid Share issued under the Offer is assumed to have an issue price of $0.28 per Intrepid Share (the closing price of Intrepid Shares on ASX on 19 September 2018, being the date of announcement of the Offer, adjusted to reflect the estimated impact of the intended capital return of $0.75 per Intrepid Share announced on 19 September 2018). The actual fair value of Intrepid Shares to be issued under the Offer will be determined by the market price of Intrepid Shares at the actual date of acquisition of AIC Resources by Intrepid.

The accounting policies of Intrepid and AIC Resources are similar and consistent in all material aspects.

Pro forma adjustments

(i) As announced by Intrepid on 19 September 2018, Intrepid intends to complete a return of capital to Intrepid Shareholders of up to $0.75 per Intrepid Share, resulting in a total payment amount of up to $10,339,494 to existing Intrepid Shareholders prior to completion of the Offer.

(ii) The assumed consideration for AIC Resources has been calculated as follows based on the terms of the Offer by Intrepid:

AIC Resources Shares on issue	75,000,001
AIC Resources options to be converted to AIC Resources Shares	Nil
Total number of AIC Resources Shares	75,000,001
Number of AIC Resources Shares for every Intrepid Share	3
Intrepid shares issued under the Offer	25,000,000
Fair value based on share price of $0.28	$7,000,000

No goodwill has been recorded in the pro forma balance sheet above as the net book value of assets relevant to AIC Resources of $9,329,000 exceeds the estimated fair value of the consideration of $7,000,000 based on the adjusted Intrepid Share price at the date of announcement of the Offer. Acquisition accounting performed once the Offer is complete may result in a different outcome.

The value of Intrepid's investment in acquiring AIC Resources of $7,000,000 has not been included in the pro forma balance sheet as it eliminates to nil on consolidation.

Impact of the Takeover Bid on Intrepid's capital structure

64 Set out below is a table showing the number of Intrepid Shares that may be issued to AIC Resources Shareholders under the Takeover Bid, and the dilutive effect on existing Intrepid Shareholders:

Number of existing Intrepid Shares on issue[5]	13,785,992
Maximum number of Intrepid Shares to be issued under the Takeover Bid[6]	25,000,000
Number of Intrepid Shares on issue following completion of the Takeover Bid (i.e. shares on issue in the Merged Group)[7]	38,785,992

65 As such, it is expected that following the Takeover Bid, the issued share capital in the Merged Group will be held between AIC Resources Shareholders and Intrepid Shareholders as follows:[8]

AIC Resources Shareholders	~64%
Intrepid Shareholders	~36%

66 Based on substantial holder and directors' interest disclosure available to Intrepid at the date of this Notice of Meeting, the following persons will become (or continue to be) substantial holders of the Merged Group.

	Intrepid Shares	Voting power
Entities associated with Josef El-Raghy	6,684,667	17.23%
Brahman Pure Alpha	3,595,550	9.27%
Lloyd I Miller, III (estate)	3,272,780	8.44%

Board following Takeover Bid

67 Following the Takeover Bid being declared unconditional, Intrepid intends to appoint Brett Montgomery and Josef El-Raghy to the board of directors of the Merged Group. It is proposed that Peter Evans will step down as a director of Intrepid at that time, leaving the Merged Group with a board of four directors, being:

(a) Josef El-Raghy (non-executive Chairman), whose details are included at paragraph 55;

(b) Brett Montgomery (non-executive director and Chief Executive Officer), whose details are included at paragraph 55;

(c) Richard Baumfield (independent non-executive director), whose details are included at paragraph 38; and

(d) Tony Wolfe (non-executive director), whose details are included at paragraph 38.

[5] As at the date of this Notice of Meeting.
[6] Any fractional entitlements will be rounded down to the next whole number of Intrepid Shares.
[7] Assuming Intrepid acquires 100% of the AIC Resources Shares on issue at the date of this Notice of Meeting.
[8] Assuming the Offer is accepted by all AIC Resources Shareholders.

68 Richard Baumfield will be the only independent director of the Merged Group following completion of the Offer.

69 Otherwise, it is expected that the board of directors of the Merged Group will remain unchanged from Intrepid's existing Board, in the short to medium term.

Intrepid's intentions

Introduction

70 This section sets out Intrepid's current intentions for:

(a) the continuation of AIC Resources' and Intrepid's existing businesses;

(b) any major changes to be made to AIC Resources' and Intrepid's businesses, including any redeployment of the fixed assets of AIC Resources or Intrepid; and

(c) the future employment of the present employees of AIC Resources and Intrepid.

71 Intrepid's current intentions for AIC Resources have been formed following a review of facts, information and circumstances about AIC Resources that were either publicly available at the date of this Notice of Meeting or provided by AIC Resources during the course of the due diligence enquiries undertaken by Intrepid prior to the date of this Notice of Meeting. That review by Intrepid did not provide Intrepid with sufficient facts, information and circumstances necessary to finally determine its intentions for AIC Resources. As such, statements set out in this section are statements of current intention only which may change as new information becomes available or circumstances change. Further, following completion of the Takeover Bid, the board of directors of Intrepid will be re-comprised to better reflect the share ownership of the Merged Group. The intentions set out in this section have been determined without review by, or consultation with, those existing AIC Resources directors who will become Directors of Intrepid.

72 Only upon completion of a detailed review, and with the benefit of consultation with those AIC Resources' Directors who will be appointed to the Board, and in light of all material facts and circumstances will Intrepid finally determine its intentions for AIC Resources and will take the action as it considers desirable to achieve optimum integration and synergies.

Intentions upon acquisition of 90 percent or more of AIC Resources Shares

73 This section sets out Intrepid's current intentions if it acquires 90% or more of the AIC Resources Shares and is entitled to proceed to compulsory acquisition of the outstanding AIC Resources Shares.

Compulsory acquisition

74 Intrepid intends to compulsorily acquire any outstanding AIC Resources Shares under section 661B of the Corporations Act if it becomes entitled to do so.

75 In those circumstances, Intrepid is also entitled to acquire AIC Resources Shares issued after the Offer closes but before the compulsory acquisition notice is given (under section 661A(4)(b) of the Corporations Act).

76 Intrepid does not intend to waive the 90% acceptance condition, one of the defeating conditions to the Offer.

Amend AIC Resources constitution

77 Intrepid intends to amend the constitution of AIC Resources to reflect its status as a wholly-owned subsidiary of Intrepid and will seek to convert AIC Resources from a public company to a proprietary company.

ASX listing

78 Following the conclusion of the compulsory acquisition process, Intrepid intends to procure that AIC Resources be removed from the official list of ASX.

Directors

79 If AIC Resources becomes wholly owned by Intrepid, it is intended that the boards of directors of both Intrepid and AIC Resources will comprise:

(a) Richard Baumfield (currently an Intrepid Director);

(b) Tony Wolfe (currently an Intrepid Director);

(c) Brett Montgomery (currently an AIC Resources director); and

(d) Josef El-Raghy (currently an AIC Resources director).

Assets and operations

80 The Merged Group will focus its efforts and cash resources on the ongoing development of the Marymia Project, located in Western Australia, which the Board considers has considerable potential to host gold ore deposits, including progressing AIC Resources' proposed drilling program. The Merged Group will also pursue its farm-in rights in respect of the:

(a) Doolgunna Station Project where Intrepid has the right to earn up to an 80% interest in that project by spending a minimum of $2,150,000 over two years; and

(b) Doolgunna tenements where AIC Resources has the right to earn up to an 80% interest in five tenements in Western Australia by spending $175,000 within two years.

81 Any cash realised from the sale of the Kitumba and Mumbwa Projects will be applied to the projects described above.

Head office

82 It is Intrepid's intention to relocate the Intrepid office to Subiaco, integrating it with AIC Resources' existing Subiaco office, to better reflect the Western Australian focus of the Marymia Project and reinforce relationships with the Western Australian government.

Employees and contractors

83 With the benefit of its detailed review, Intrepid will consider the best allocation of AIC Resources and Intrepid employees to continuing and new roles. That review may result in additional staff recruitment in the Merged Group.

84 Given the focus of the Merged Group on the assets of AIC Resources, it is likely that Intrepid will continue the employment or engagement of AIC Resources' present employees or contractors, particularly those with technical skills relevant to the Marymia Project. While Intrepid will make

every effort to continue the employment of AIC Resources' and Intrepid's employees in accordance with their current terms, Intrepid anticipates that some degree of duplication exists within the executive teams and, in the interests of reducing costs, Intrepid may take steps to terminate employees in those duplicate roles. In particular, Intrepid has recently announced that the position of Acting Chief Executive Officer held by Mr Tony De Santis is redundant and he is engaged as a consultant to Intrepid. If any employees are made redundant in an effort by Intrepid to reduce costs, those employees will receive their full entitlements at law.

Financing

85 As a wholly-owned subsidiary of Intrepid, AIC Resources can be funded by debt or equity without regard to other shareholders.

Intentions generally

86 Except for the changes and intentions set out in this section, Intrepid intends, based on the information presently known to it:

(a) to continue the businesses of AIC Resources and Intrepid;

(b) not to make any major changes to the business of AIC Resources, the business of Intrepid, or the deployment of AIC Resources' or Intrepid's assets; and

(c) to continue the employment of the majority of AIC Resources and Intrepid employees.

Risks

87 The proposed future activities of the Merged Group are subject to a number of risks and other factors which may impact future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks will be outside the control of the directors and management of the Merged Group and cannot be mitigated. In particular, Intrepid Shareholders will have exposure to risks associated with gold exploration in Australia. The purpose of this section is to summarise some of those key risks.

88 The risks described in this section are not an exhaustive list of the risks which will be faced by the Merged Group. The risks described in this section, and others not specifically referred to, may in the future materially affect the financial performance and position of the Merged Group and the value of Intrepid Shares.

Specific risks

89 The Board has identified the following list of non-exhaustive risks which are specific to the Takeover Bid or the Merged Group more generally.

Dilution risk

90 As the consideration payable for the Offer consists entirely of Intrepid Shares, the interests of existing Intrepid Shareholders will be materially diluted. Refer to paragraphs 64 to 66 above for further information on the impact of the Takeover Bid on Intrepid's capital structure.

Merger integration risks

91 Integrating two companies involves some risks, including combining management, information systems and work practices. Integration costs that are higher than expected could have a material adverse effect on Intrepid and the Merged Group.

Operational risks

92 The operations of the Merged Group may be affected by various factors which are beyond its control, including failure to locate or identify economic mineral deposits, failure to achieve development and production in accordance with forecasts, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, failure to secure and maintain title to tenements and required consents, difficulties in commissioning and operating plant and equipment and mining and processing facilities, mechanical failure or plant breakdown, design and/or construction issues, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Merged Group.

93 Exploration and mining are speculative undertakings which may be hampered by force majeure circumstances, land claims and unforeseen mining problems. Increased costs, lower output or high operating costs may all contribute to make a project less profitable than expected at the time of the development decision. There is no assurance that the Merged Group's attempts to exploit its exploration activities will be successful.

Title risk

94 The Merged Group's mining and exploration activities are dependent upon the maintenance (including renewal) of the tenements in which AIC Resources has (or which Intrepid or AIC Resources may in the future acquire) an interest.

95 Maintenance of AIC Resources' existing tenements is dependent on, among other things, AIC Resources' ability to meet the licence conditions imposed by relevant authorities including compliance with AIC Resources' work program requirements which, in turn, is dependent on AIC Resources being sufficiently funded to meet those expenditure requirements.

96 Although the Board has no reason to think that the tenements in which AIC Resources currently has an interest will not be renewed, there is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed by the relevant granting authority.

Ownership risk for E52/3087 (exploration licence application)

97 E52/3087 is the exploration licence application made on 30 May 2014 which is registered in the name of Cosmopolitan Minerals Ltd ACN 161 948 536 (**Cosmopolitan**). The application is yet to be granted. Notwithstanding that this application was sold by Cosmopolitan to AIC Resources under the tenement sale agreement between Cosmopolitan and AIC Resources dated 7 June 2017 (**Tenement Sale Agreement**), applications for exploration licences are not transferable under the *Mining Act 1978* (WA). The application is only able to be transferred to AIC Resources within the first 12 months following its grant with the consent of the Minister of the Western Australian Department of Mines, Industry Regulation and Safety. The Tenement Sale Agreement provides that:

(a) AIC Resources (as buyer under the Tenement Sale Agreement) is responsible for pursuing the grant of the application after completion of the sale;

(b) in the event beneficial ownership is not effectively passed at completion, Cosmopolitan grants to AIC Resources a contractual licence to enter upon the relevant tenements and do anything that Cosmopolitan may do in its capacity as registered holder; and

(c) until AIC Resources becomes the registered holder of a 100% interest in the relevant tenements, Cosmopolitan must (at AIC Resources' cost) provide any assistance reasonably requested by it to enable AIC Resources to keep the relevant tenements in good standing until such time as it becomes registered as the holder of the 100% interest.

98 There is a risk that the grant of this application may be further delayed, or that it will be refused. If this is the case, Intrepid and the Merged Group may suffer loss and be denied the opportunity to explore and develop mineral resources in respect of the relevant tenements.

Exploitation, exploration and mining licences

99 The mineral exploration licences that have been granted to AIC Resources only permit exploration on the Marymia Project. In the event that the Merged Group successfully delineates economic deposits on any of the mineral exploration licences, it will need to apply for a mining lease. There is no guarantee that the Merged Group will be granted a mining lease if one is applied for.

Exploration and exploitation risk

100 The Marymia Project tenements are at various stages of exploration, and investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of the tenements or any other tenements that may be acquired in the future will result in the discovery of any economic deposits. Even if the Merged Group identifies a viable deposit at the Marymia Project or elsewhere, there is no guarantee that the ore deposit can be economically exploited.

Commodity price volatility

101 As future revenues of the Merged Group will primarily be derived from the sale of gold, any future earnings will be closely related to the price of gold. Commodity prices fluctuate and are affected by numerous factors beyond the control of AIC Resources and the Merged Group. These factors include world demand for gold, forward selling by producers, and production cost levels in major gold producing regions.

102 Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the commodity as well as general global economic conditions. These factors may have an adverse effect on the Merged Group's exploration, development and production activities, as well as on its ability to fund those activities.

Currency volatility

103 International prices of various commodities, including gold, are denominated in United States dollars, whereas the income and expenditure of the Merged Group will be taken in account in Australian dollars, consequently exposing the Merged Group to fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined by the international markets.

Environmental risk

104 The Marymia Project is subject to Western Australian regulations regarding environmental matters. The governments and other authorities that administer and enforce environmental laws determine these requirements. As with all exploration projects and mining operations, the

Merged Group's activities are expected to have an impact on the environment, particularly if mine development proceeds.

105 The Merged Group intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws. However, the cost and complexity of complying with the applicable environmental laws and regulations may prevent the Merged Group from being able to develop potentially economically viable mineral deposits.

106 Further, the Merged Group may require additional approvals from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Merged Group from undertaking its desired activities.

107 The Board is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Merged Group's cost of doing business or affect its operations in any area.

108 There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Merged Group to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Merged Group's business, financial condition and results of operations.

Native title

109 The *Native Title Act 1993* (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on the Merged Group's operations and future plans.

110 Native Title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the Native Title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost its connection with the relevant land or waters. Native Title is not necessarily extinguished by the grant of mining leases, although a valid mining lease prevails over Native Title to the extent of any inconsistency for the duration of the title.

111 For tenements to be validly granted (or renewed) after 1 January 1994, the future act regime established by the *Native Title Act 1993* (Cth) must be complied with. The existence of a Native Title claim is not an indication that Native Title in fact exists on the land covered by the claim, as this is a matter ultimately determined by the Federal Court.

112 The Merged Group will also be required to comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of mining operations.

Metallurgy

113 Metal and/or mineral recoveries are dependent upon the metallurgical process, which by its nature contains elements of significant risk, including:

(a) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;

(b) developing an economic process route to produce a metal and/or concentrate; and

(c) changes in mineralogy in the ore deposit, which can result in inconsistent metal recovery affecting the economic viability of a project.

Change in regulations

114 Any material adverse changes in government policies, legislation or shifts in political attitude in Western Australia that affect mineral mining and exploration activities, tax laws, royalty regulations, government subsidies and environmental issues may affect the viability of a project or the Merged Group.

115 No assurance can be given that amendments to current laws and regulations or new rules and regulations will not be enacted, or that existing rules and regulations will not be applied in a manner which could substantially limit or affect the Merged Group's exploration.

Dependence upon key personnel

116 The Merged Group will have a core team of executives and senior personnel, whose loss (and the Merged Group's failure to secure and retain additional key personnel) could influence the Merged Group's progress in pursuing its growing exploration and production programs within the time frames and cost structures envisaged. The impact of such loss would be dependent upon the replacement employee's quality and time of appointment.

117 There is no guarantee that the key personnel of the Merged Group will be successful in their objectives despite their considerable experience and previous success.

Insurance risk

118 The Merged Group intends to insure its operations in accordance with industry practice. However, insurance of all risks associated with exploration will not always be available and, where it is available, the cost may be high. For example, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to companies in the mining industry on acceptable terms. The Merged Group will have insurance in place considered appropriate for its needs, though it may decide not to insure against certain risks because of high premiums or other reasons.

119 The business of the Merged Group will be subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as extreme weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties, buildings, personal injury or death, environmental damage to properties of the Merged Group or others, delays in mining, monetary losses and possible legal liability.

120 The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Merged Group. In addition, there is a risk that an insurer defaults in the payment of a legitimate claim by the Merged Group.

Payment obligations

121 Under the licences and certain other contractual agreements to which AIC Resources is a party (or which Intrepid or AIC Resources may in the future become party), AIC Resources is or may become subject to payment and other obligations. In particular, mineral licence holders are required to expend the funds necessary to meet the minimum work commitments attaching to the licences. Failure to meet these work commitments will render the licence liable to be cancelled.

Equipment risk

122 The operations of the Merged Group could be adversely affected if essential equipment fails or becomes unavailable to access in a timely manner.

New projects and acquisitions

123 The Merged Group may make acquisitions in the future as part of future growth plans. In this regard, the directors of the Merged Group will use their expertise and experience in the resources sector to assess the value of potential projects that have characteristics that are likely to provide returns to shareholders.

124 There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for shareholders. Such acquisitions may result in use of the Merged Group's cash resources and issuances of equity securities, which might involve a substantial dilution to shareholders.

Future capital requirements

125 The Merged Group's growth through its proposed and future drilling and exploration campaigns may require substantial expenditure. There can be no guarantees that the Merged Group's cash reserves will be sufficient to successfully achieve all the objectives of the Merged Group's overall business strategy.

126 If the Merged Group is unable to use debt or equity to fund expansion after the substantial exhaustion of existing working capital, there can be no assurance that the Merged Group will have sufficient capital resources for that purpose (or other purposes), or that it will be able to obtain additional resources on terms acceptable to the Merged Group (if at all).

127 Any additional equity financing may be dilutive to shareholders of the Merged Group and any debt financing if available, may involve restrictive covenants which limit the Merged Group's operations and business strategy. The Merged Group's failure to raise capital if and when needed could delay or suspend the Merged Group's business strategy and could have a material adverse effect on the Merged Group's activities.

Contractual disputes

128 As with any contract, there is a risk that the business could be disrupted in situations where there is a disagreement or dispute in relation to a term of the contract. Should such a disagreement or dispute occur, this may have an adverse impact on the Merged Group's operations and performance generally. It is not possible for the Merged Group to predict or protect itself against all such risks.

Third party risk

129 The operations of the Merged Group will require the involvement of a number of third parties, including suppliers, contractors and clients.

130 Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the Merged Group's operations and performance. It is not possible for the Merged Group to predict or protect itself against all such risks.

Competition

131 The gold industry in which the Merged Group will be involved is subject to domestic and global competition. While the Merged Group will undertake all reasonable due diligence in its business decisions and operations, it will have no influence or control over the activities or actions of its competitors and these activities or actions may positively or negatively affect the operating and financial performance of the Merged Group's projects and business.

132 Some of these companies may have greater financial and other resources than the Merged Group and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Merged Group will be able to compete effectively with these companies.

Occupational health and safety risk

133 The Merged Group will be committed to providing a healthy and safe environment for its personnel, contractors and visitors, and will provide appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems. However, mining activities have inherent risks and hazards, some of which cannot be foreseen or mitigated against.

General risks

134 The Board has identified the following list of non-exhaustive general risks.

Securities risk

135 Investors should be aware that the value of Intrepid Shares (and the performance of the Merged Group) may rise or fall over any given period. The stock market is prone to price and volume fluctuations, and there can be no guarantee that trading prices for Intrepid Shares will be sustained at a particular level following completion of the Offer. The market price of the Intrepid Shares may be affected by many factors including, but not limited to, the following:

(a) general economic outlook;

(b) interest rates and inflation rates;

(c) currency fluctuations;

(d) commodity price fluctuations;

(e) changes in investor sentiment toward particular market sectors;

(f) the demand for, and supply of, capital; and

(g) terrorism or other hostilities.

136 These factors may materially affect the market price of the Intrepid Shares, regardless of the Merged Group's operational performance. Neither the Board, nor any person associated with the Merged Group, can guarantee the Merged Group's performance, the performance of the Intrepid Shares, or the market price at which the Intrepid Shares will trade following completion of the Offer.

Economic risk

137 Changes in the general economic climate in which the Merged Group will operate may adversely affect the financial performance of the Merged Group. Factors that may contribute to that general economic climate include but are not limited to:

(a) the level of direct and indirect competition against the Merged Group;

(b) general economic conditions;

(c) changes in government policies, taxation and other laws;

(d) the strength of the equity and share markets in Australia and throughout the world;

(e) movement in, or outlook on, exchange rates, interest rates and inflation rates;

(f) industrial disputes in Australia and overseas;

(g) changes in investor sentiment toward particular market sectors;

(h) financial failure or default by an entity with which the Merged Group may become involved in a contractual relationship; and

(i) natural disasters, social upheaval or war.

Macro-economic risks

138 Changes in the general economic outlook in Australia and globally may impact the performance of the Merged Group and its projects. Such changes may include:

(a) uncertainty in the Australian economy or increases in the rate of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);

(b) abnormal stoppages in normal business operations due to factors such as war, political or civil unrest, infrastructure failure or industrial disruption;

(c) higher than budgeted costs associated with the provision of service offerings;

(d) increases in expenses (including the cost of goods and services used by the Merged Group);

(e) new or increased government taxes, duties or changes in taxation laws; and

(f) fluctuations in equity markets in Australia and internationally.

139 A prolonged and significant downturn in general economic conditions may have a material adverse impact on the Merged Group's trading and financial performance.

Legal proceedings

140 Legal proceedings may arise from time to time in the course of the business of the Merged Group. Legal proceedings brought by third parties including but not limited to customers, business partners or employees could negatively impact the business in the case where the impact of such litigation is greater than or outside the scope of the Merged Group's insurance.

As at the date of this Notice of Meeting, the Board is not aware of any existing legal proceedings affecting AIC Resources, nor any legal proceedings pending or threatened against AIC Resources.

Currency risk

141 In the future, the Merged Group may operate in multiple international jurisdictions, which exposes the Merged Group to multiple currencies and their future currency fluctuations. This may, in turn, affect future profitability of the Merged Group.

Accounting standards

142 Changes to any applicable accounting standards or to any assumptions, estimates or judgments applied by management in connection with complex accounting matters may adversely impact the Merged Group's financial position, results or condition.

Additional information

Takeover Implementation Deed

143 On 19 September 2018, Intrepid and AIC Resources entered into the Takeover Implementation Deed in relation to the Offer. The Takeover Implementation Deed sets out the agreed terms on which Intrepid will make the Offer, and the obligations of both Intrepid and AIC Resources in relation to the Offer.

144 The Takeover Implementation Deed contains the following defeating conditions:

(a) **(minimum acceptance)** at or before the end of the Offer period, Intrepid has a relevant interest in the number of AIC Shares that represents at least 90% of the aggregate of all the AIC Shares on issue and becomes entitled to compulsorily acquire all outstanding AIC Shares under Part 6A.1 of the Corporations Act;

(b) **(Intrepid Shareholder approval for the purpose of Listing Rule 7.1)** before the end of the Offer period, Intrepid Shareholders approve the issue of Intrepid Shares under the Transaction for the purposes of Listing Rule 7.1;

(c) **(Intrepid Shareholder approval for the purpose of Listing Rule 10.1)** before the end of the Offer period, Intrepid Shareholders approve the acquisition by Intrepid of all of the AIC Resources Shares held by Brahman Pure Alpha, and the issue by Intrepid of one Intrepid Share for every three AIC Resources Shares held by Brahman Pure Alpha, to Brahman Pure Alpha under, and on the terms of, the Offer, for the purposes of Listing Rule 10.1);

(d) **(Kitumba and Mumbwa Projects)** the Share Sale Agreement not having been terminated before the end of the Offer period, and no event or circumstance occurring during the Offer period which results, or could reasonably be expected to result, in the sale of the Kitumba and Mumbwa Projects not being completed in a manner consistent with, or substantially similar to that contemplated by, the terms of the Share Sale Agreement; and

(e) **(public ruling)** before the end of the Offer period, Intrepid receives a public ruling, in final form, from the Australian Taxation Office, confirming that a return of capital may be made to Intrepid Shareholders in the amount of $0.75 per Intrepid Share, such that a total of $10,339,494 may be returned to Intrepid Shareholders as capital.

145 Under the Takeover Implementation Deed, AIC Resources has agreed to use all reasonable endeavours to ensure that each director of AIC Resources:

(a) recommends that AIC Resources Shareholders accept the Offer; and

(b) undertakes to accept, or procure the acceptance of, the Offer in respect of all AIC Resources Shares held or controlled by him or her.

146 Each party has also agreed that it will, amongst other things:

(a) ensure the carrying on of its business in the ordinary course and in substantially the same manner as conducted at the date of the Takeover Implementation Deed and that it does not make any significant change to the nature or scale of its business or enter into any business or undertake any activities in which it was not engaged as at the date of the Takeover Implementation Deed;

(b) not perform or allow for certain customary prohibited actions to occur, including, amongst other things, issuing new equity securities or disposing of any interest in substantially all of the assets of its business (other than Intrepid's Kitumba and Mumbwa Projects, on the terms of the Share Sale Agreement); and

(c) provide various customary representations and warranties in favour of the other party.

147 In relation to paragraphs 145(a) and 145(b) above, each party will still be able to do such things and perform such actions in relation to matters that have been publicly announced on ASX prior to the date of the Takeover Implementation Deed, that are done with the prior written consent of the other party (such consent not to be unreasonably withheld or delayed), or which are done to permit the party to comply with its obligations under the Takeover Implementation Deed.

148 In addition, the parties have agreed to certain exclusivity arrangements until the earlier of the date of termination of the Takeover Implementation Deed or the end of the Offer period (**Exclusivity Period**). The Takeover Implementation Deed contains no shop, no talk and no due diligence restrictions during the Exclusivity Period (to the extent that complying with these restrictions does not involve a breach of either party's directors' fiduciary duties), that restrict the parties from soliciting any competing proposals from, entering into discussions with, or providing due diligence material to, any competing third party. However, these restrictions do not prevent either party from considering an unsolicited competing proposal that is or would reasonably be expected to result in a superior proposal where, amongst other things:

(a) not to do so would constitute a breach of that party's directors' fiduciary duties; and

(b) appropriate confidentiality agreements are first entered into to appropriately protect the confidential information of both Intrepid and AIC Resources.

149 Both Intrepid and AIC Resources have the right, but not the obligation, to match any competing proposal of this nature. The matching right under the Takeover Implementation Deed requires notice to be provided to the other party of a competing proposal, allowing that other party the right to counter offer. No break fee is payable under the terms of the Takeover Implementation Deed.

Voluntary escrow

150 As set out at paragraph 27 above, those Intrepid Shares to be issued to AIC Resources Shareholders whose AIC Resources Shares are currently subject to mandatory escrow will be

subject to voluntary escrow until 1 December 2019, pursuant to voluntary escrow deeds to be entered into between Intrepid and the relevant AIC Resources Shareholders.

Details of Intrepid's Directors' relevant interests in AIC Resources Shares

151 As at the date of this Notice of Meeting, no Director has a relevant interest in AIC Resources Shares. However, as set out at paragraph 38 above, Brahman Pure Alpha, an entity controlled by Brahman Capital Management Pte Ltd (of which a member of the Board, Tony Wolfe, is an employee), is a substantial holder in Intrepid and has voting power of approximately 4.89% in AIC Resources.

Resolution 2: Approval of acquisition of AIC Resources Shares from Brahman Pure Alpha Pte Ltd

Background

152 As announced to the market on 19 September 2018 (and as set out above in this Explanatory Memorandum), Intrepid is proposing to acquire all the issued ordinary share capital in AIC Resources by way of scrip takeover bid under Chapter 6 of the Corporations Act.

153 The Offer consideration under the Takeover Bid is one Intrepid Share for every three AIC Resources Shares.

154 Because Brahman Pure Alpha holds AIC Resources Shares, the successful completion of the Takeover Bid would involve Intrepid acquiring those AIC Resources Shares held by Brahman Pure Alpha (and issuing Brahman Pure Alpha one Intrepid Share for each of its AIC Resources Shares as consideration under the Offer) (**Brahman Share Acquisition**).

Relationship between Intrepid and Brahman

155 As set out at paragraphs 38 and 151 of this Explanatory Memorandum, Brahman Pure Alpha, an entity controlled by Brahman Capital Management Pte Ltd (of which a member of the Board, Tony Wolfe, is an employee), is a substantial holder in Intrepid and has voting power of approximately 4.89% in AIC Resources.

156 The details of Brahman Pure Alpha's holdings in each of Intrepid and AIC Resources are as follows:

	Number held	Voting power
Intrepid Shares	2,373,883	17.22%[9]
AIC Resources Shares	3,665,000	4.89%[10]

Terms of the Brahman Share Acquisition

157 The consideration which Brahman Pure Alpha would receive for each of its AIC Resources Shares, and the terms on which Brahman Pure Alpha's AIC Resources Shares would be acquired by Intrepid, are the same as for all other AIC Resources Shareholders.

[9] Calculated on the basis that there are 13,785,992 Intrepid Shares on issue at the date of this Notice of Meeting.
[10] Calculated on the basis that there are 75,000,001 AIC Resources Shares on issue at the date of this Notice of Meeting.

158 The terms of the Offer are set out in full in the Bidder's Statement.

Why Intrepid Shareholder approval is required

159 Listing Rule 10.1 has the effect that Intrepid cannot acquire a substantial asset from, or dispose of a substantial asset to, a person in a position of influence with Intrepid without the approval of Intrepid Shareholders.

160 The Board has determined that Brahman Pure Alpha is an entity to which Listing Rule 10.1 applies. In particular, Brahman Pure Alpha is a substantial holder in Intrepid, and has a relevant interest in at least 10% of the total votes attaching to Intrepid Shares (as set out in the table at paragraph 156 above) for the purposes of Listing Rule 10.1.3.

161 Under Listing Rule 10.2, an asset is substantial if its value is 5% or more of the equity interest of Intrepid in the latest accounts provided to ASX under the Listing Rules. A listed company's equity interests are the sum of paid up capital, reserves, and accumulated profits or losses, disregarding redeemable preference share capital and outside equity interests, as shown in the listed company's consolidated financial statements. The Board has determined that the Brahman Share Acquisition may, depending on the price of Intrepid Shares and AIC Resources Shares at the relevant time, involve a transaction in relation to a substantial asset for the purposes of Listing Rule 10.2.

162 The equity interests of Intrepid as set out in its latest financial accounts (being those provided to ASX in respect of the half year ended 30 June 2018) are equal to $994,400.

163 As Listing Rule 10.2 refers to both:

(a) the value of the asset acquired (in this case, the AIC Resources Shares held by Brahman Pure Alpha); or

(b) the consideration provided for the asset acquired (in this case, the Intrepid Shares issued to Brahman Pure Alpha as consideration under the Offer),

the price of Intrepid Shares and AIC Resources Shares at the time are relevant. As it is not possible to predict such prices with certainty, the Board has resolved to seek Shareholder approval for the purposes of Listing Rule 10.1.

Independent Expert's Report

164 The Board has appointed BDO Corporate Finance (WA) Pty Ltd ACN 124 031 045 (**Independent Expert**) as an independent expert to prepare the Independent Expert's Report in respect of the Takeover Bid. The Independent Expert's Report is included in the Annexure and forms part of this Notice of Meeting.

165 The Independent Expert's report includes a detailed consideration and assessment of the Brahman Share Acquisition in the context of the Takeover Bid. The Independent Expert has concluded that the Takeover Bid is not fair but reasonable to non-associated Intrepid Shareholders.

Fairness

166 In considering whether the Takeover Bid is fair, the Independent Expert considered how the value of an Intrepid Share (on a combined and control basis) given as consideration compares to the value of three AIC Resources Shares received (on a control basis), and how the value of the shareholding in the Merged Group received by AIC Resources Shareholders (in the net assets of

the Merged Group) compares to the value of net assets of AIC Resources acquired as a result of the Offer. On the basis of that analysis, the Independent Expert concluded that in the absence of any other relevant information, the Offer is not fair for Intrepid Shareholders. This analysis is summarised at paragraphs 5 to 8 of this Explanatory Memorandum, and is set out in full in the Independent Expert's Report.

Reasonableness

167 In considering whether the Takeover Bid is reasonable, the Independent Expert considered the key advantages and disadvantages of the Takeover Bid.

168 The key advantages of the Takeover Bid, as identified by the Independent Expert, include that:

(a) Intrepid Shareholders will get access to the Marymia Project;

(b) combining the two companies will deliver a large contiguous landholding which is prospective for gold and base metals in Western Australia;

(c) possible synergies will be delivered through cost savings;

(d) the Merged Group will have an experienced board and management team;

(e) there will be immediate liquidity for Intrepid Shareholders;

(f) the Merged Group will have a diverse shareholder base;

(g) the Merged Group will have better access to capital; and

(h) there will be increased liquidity of shares of the Merged Group.

169 The key disadvantages of the Takeover Bid, as identified by the Independent Expert, include that:

(a) there will be dilution of existing Intrepid Shareholders' interests; and

(b) investment in an early stage exploration company is subject to a number of key dependencies and risks.

170 On the basis of those advantages and disadvantages, the Independent Expert concluded that the Offer is reasonable because the advantages of the Offer are greater than the disadvantages. The Directors (excluding Mr Wolfe) agree with the key advantages and disadvantages of the Takeover Bid that were identified by the Independent Expert.

Directors' recommendation

171 The Directors (with Mr Wolfe abstaining) recommend that you vote in favour of this resolution 2.

Glossary

172 Capitalised terms in this Notice of Meeting and Explanatory Memorandum have the meaning set out below:

$	means Australian dollars, unless otherwise indicated.
AIC Resources	means AIC Resources Limited ACN 619 035 737.
AIC Resources Shareholder	means a person who is a registered holder of fully paid ordinary shares in AIC Resources as at 7:00pm (AEST) on 1 October 2018.
AIC Resources Shares	means fully paid ordinary shares in the capital of AIC Resources.
Announcement Date	means the date of announcement of the Offer.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691.
Ausgold	means Ausgold Limited ACN 140 164 496 (ASX: AUC).
Ausgold Exploration	means Ausgold Exploration Pty Ltd ACN 078 093 606, a subsidiary of Ausgold.
Bidder's Statement	means the bidder's statement in respect of the Takeover Bid, prepared by Intrepid in accordance with Chapter 6 of the Corporations Act.
Brahman Pure Alpha	means Brahman Pure Alpha Pte Ltd.
Brahman Share Acquisition	has the meaning given to that term in paragraph 154 of the Explanatory Memorandum.
Board	means the board of Directors of Intrepid.
Corporations Act	means *Corporations Act 2001* (Cth).
Cosmopolitan	has the meaning given to that term in paragraph 97 of the Explanatory Memorandum.
Director	means a director of Intrepid.
Exclusivity Period	has the meaning given to that term in paragraph 148 of the Explanatory Memorandum.
Explanatory Memorandum	means the explanatory statement accompanying the resolutions contained in this Notice of Meeting.
Extraordinary General Meeting or **Meeting**	means the Intrepid's extraordinary general meeting the subject of this Notice of Meeting.
Independent Expert	means BDO Corporate Finance (WA) Pty Ltd ACN 124 031 045.
Independent Expert's Report	means the independent expert's report prepared in relation to the Takeover Bid by the Independent Expert.
Independent Geologist	means Al Maynard & Associates Pty Ltd ACN 120 492 435 of 9/280 Hay Street, Subiaco, Western Australia, 6008.

Intrepid	means Intrepid Mines Limited ACN 060 156 452.
Intrepid Shareholder	means a person who is a registered holder of Intrepid Shares.
Intrepid Shares	means fully paid ordinary shares in the capital of Intrepid.
KMP or **Key Management Personnel**	means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
Listing Rules	means the listing rules of ASX.
Merged Group	means Intrepid and its subsidiaries following the acquisition by Intrepid of all, or a portion, of the issued fully paid ordinary shares in AIC Resources.
MMNE	has the meaning given to that term in paragraph 51 of the Explanatory Memorandum.
Notice Date	means 5:00pm (AEST) on 14 November 2018.
Notice of Meeting	means this notice of meeting and includes the Explanatory Memorandum.
Offer	means the offer of Intrepid Shares in exchange for fully paid ordinary shares in AIC Resources, made to all AIC Resources Shareholders under the Takeover Bid.
Proposed Sale	means the disposal of Intrepid's main undertaking on the terms set out in the Share Sale Agreement.
Record Date	means 7:00pm (AEST) on 12 December 2018.
Reverse Takeover	means a takeover bid or merger by way of scheme of arrangement under Part 5.1 of the Corporations Act where an entity is proposing to acquire securities of another body and the aggregate number of equity securities issued or to be issued by the entity: (a) under the takeover bid or scheme; and/or (b) to fund the cash consideration payable under the takeover bid or scheme, is equal to or greater than the number of fully paid ordinary securities on issue in the entity at the date of announcement of the takeover bid or scheme. Separate issues may be aggregated if, in ASX's opinion, they form part of the same commercial transaction.
Share Sale Agreement	has the meaning given to that term in paragraph 35 of the Explanatory Memorandum.
Takeover Bid	has the meaning given to that term in paragraph 1 of the Explanatory Memorandum.
Takeover Implementation Deed	means the takeover implementation deed entered into between Intrepid and AIC Resources on 19 September 2018.

Target's Statement	means the target's statement in respect of the Proposed Transaction, prepared by AIC Resources in accordance with Chapter 6 of the Corporations Act.
Tenement Sale Agreement	has the meaning given to that term in paragraph 97 of the Explanatory Memorandum.
Tesoro	means Tesoro Resources Limited ACN 618 093 306.
USD	means the lawful currency of the United States of America.
Venus	means Venus Metals Corporation Limited ACN 123 250 582 (ASX: VMC).
VWAP	means volume weighted average price.

INTREPID MINES LIMITED
Independent Expert's Report

OPINION: NOT FAIR BUT REASONABLE

24 October 2018

Financial Services Guide

24 October 2018

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 (‘**we**’ or ‘**us**’ or ‘**ours**’ as appropriate) has been engaged by Intrepid Mines Limited (‘**Intrepid**‘ or the ‘**Company**’) to provide an independent expert’s report on the proposal to acquire AIC Resources Limited (‘**AIC**‘) shares held by Brahman Pure Alpha Pte. Ltd. (‘**Brahman’**). You will be provided with a copy of our report as a retail client because you are a shareholder of Intrepid.

Financial Services Guide
In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (‘**FSG**’). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- Any relevant associations or relationships we have; and
- Our internal and external complaints handling procedures and how you may access them.

Information about us
BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide
We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide expert reports in connection with the financial product of another person. Our reports indicate who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice
We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, commissions and other benefits that we may receive
We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately $40,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Remuneration or other benefits received by our employees
All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Intrepid for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals
We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution
Internal complaints resolution process
As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme
A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ('**FOS**') or Australian Financial Complaints Authority ('**AFCA**') schemes. FOS will be transitioned to AFCA on the 1 November and until transition a compliant can be provided to either entity.

FOS is an independent organisation that was established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry. AFCA is the new external dispute resolution scheme which will provide these services from the 1 November and is being established to allow for the amalgamation of all FOS schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction, you can lodge a complaint with FOS up until the 1 November 2018, and AFCA at any time.

Our AFCA/FOS Membership Number is 12561. Further details about AFCA and FOS are available at the AFCA website www.afca.org.au and the FOS website www.fos.org.au, or by contacting them directly via the details set out below.

Australian Financial Complaints Authority & Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
FOS Free call: 1800 367 287
AFCA Free call : 1800 931 678
Emails: info@fos.org.au
info@afca.org.au

Contact details
You may contact us using the details set out on page 1 of the accompanying report.

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Australia

24 October 2018

The Directors
Intrepid Mines Limited
Suite 2, 24 Bolton Street
Newcastle NSW 2300

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 19 September 2018, Intrepid Mines Limited (**'Intrepid'** or **'the Company'**) and AIC Resources Limited (**'AIC'**) announced that they have entered into a takeover implementation deed (**'Implementation Deed'**) in respect of an off-market takeover offer to be made by Intrepid for all of the issued and fully paid ordinary shares in AIC (the **'Offer'**). Further to this announcement, on 3 October 2018, Intrepid offered to acquire all of the ordinary and fully paid AIC shares by way of an off-market takeover bid, under which each shareholder of AIC would receive one Intrepid share for three shares of AIC owned by the AIC shareholders (the **'Proposed Transaction'**). As a result of the Proposed Transaction (post all prerequisites including shareholder and necessary regulatory approvals), Intrepid will have 38,785,992 fully paid ordinary shares on issue and all of the current AIC shareholders owning 25,000,000 Intrepid shares (approximately 64.5%) of the merged group.

As at 30 September 2018, the fully paid ordinary shares outstanding of Intrepid were 13,785,992 and fully paid ordinary shares outstanding of AIC were 75,000,001. Furthermore, as at 30 September 2018, Brahman Pure Alpha Pte Ltd (**'Brahman'**) owned 2,373,883 (17.2%) ordinary fully paid shares of Intrepid and 3,665,000 (4.9%) shares of AIC. According to ASX Listing Rule 10.1, Transactions with persons in a position of influence, an entity must ensure that approval of holders of the entity's ordinary securities is in place prior to the acquisition from or disposal of a substantial asset to a related party of the entity. Furthermore, the Notice of Meeting (**'NoM'**) under ASX Listing Rule 10.1 must include the following:

1. a voting exclusion statement
2. a report on the transaction from an independent expert. The report must state the expert's opinion as to whether the transaction is fair and reasonable to holder of the entity's ordinary securities whose votes are not to be disregarded.

Accordingly, BDO has been engaged by Intrepid to act an independent expert and provide a report on the fairness and reasonableness of the Proposed Transaction as the Proposed Transaction results in the acquisition of the fully paid ordinary shares of AIC held by Brahman (a related party).

2. Summary and Opinion

2.1 Requirement for the report

The directors of Intrepid have requested that BDO Corporate Finance (WA) Pty Ltd (‘**BDO**’) prepare an independent expert’s report (‘**our Report**’) to express an opinion as to whether the Proposed Transaction is fair and reasonable to the non associated shareholders of Intrepid (‘**Shareholders**’).

Our Report is prepared pursuant to ASX Listing Rule 10.1 and is to be included in the NoM for Intrepid in order to assist the Shareholders in their decision whether to approve the Proposed Transaction.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission (‘**ASIC**’) Regulatory Guide 76 ‘Related Party Transactions’ (‘**RG 76**’), Regulatory Guide 111 ‘Content of Expert’s Reports’ (‘**RG 111**’) and Regulatory Guide 112 ‘Independence of Experts’ (‘**RG 112**’).

In arriving at our opinion, we have assessed the terms of the Proposed Transaction as outlined in the body of this report. We have considered:

- how the value of the assets being acquired compares to the value of the consideration to be paid for the assets;
- other factors which we consider to be relevant to the Shareholders in their assessment of the Proposed Transaction; and
- the position of Shareholders should the Proposed Transaction not proceed.

2.3 Opinion

We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that, in the absence of a similar alternate investment opportunity available at a discount to the consideration offered against the value received, the Proposed Transaction is not fair but reasonable and the advantages outweigh the disadvantages to Intrepid shareholders.

In our opinion, the Proposed Transaction is not fair because the value of an Intrepid Share offered as a consideration is higher than the value of three shares of AIC acquired as a result of the Proposed Transaction on a control basis. In addition, the resulting share of an AIC shareholder in Intrepid’s net assets (on a combined basis) is higher than the net assets of AIC acquired. However, we consider the Proposed Transaction to be reasonable because the advantages of the Proposed Transaction to the shareholders of Intrepid are greater than the disadvantages. In particular:

a) Intrepid Shareholders will get access to the Marymia project;

b) Combining the two companies will deliver a large contiguous land holding which is prospective for gold and base metals in Western Australia;

c) An experienced board and management team; and

d) Better access to capital.

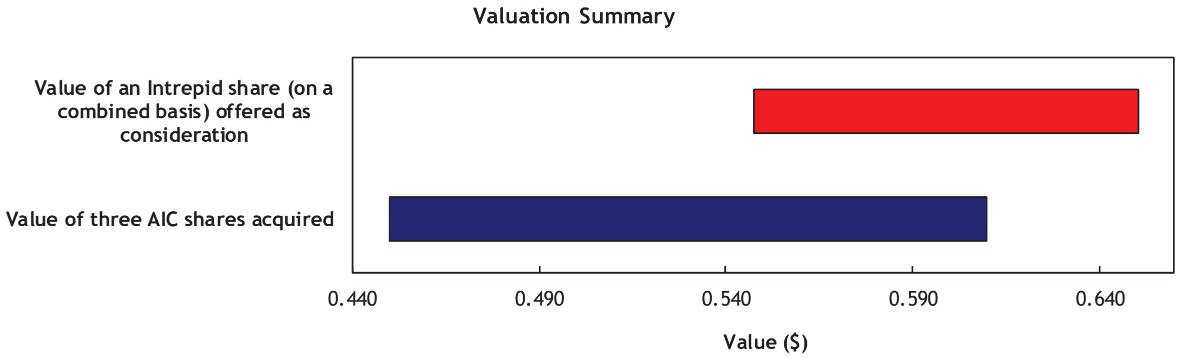
2.4 Fairness

In Section 12 we determined that the value of an Intrepid share on a combined and control basis given as consideration, compares to the value of three shares of AIC received on a control basis, as detailed below:

	Ref	Low $	Preferred $	High $
Value of an Intrepid share (on a combined basis) offered as consideration	10.5	0.547	0.594	0.651
Value of three AIC shares acquired	11.3	0.450	0.522	0.610

Source: BDO analysis

The above ranges are graphically presented below:



The value of shareholding received by AIC shareholders in the net assets of the combined/merged entity compares with the value of net assets of AIC acquired as a result, as detailed below:

	Ref	Low $'000	Preferred $'000	High $'000
Value of the share of AIC shareholders in the net assets of the combined/merged entity (approximately 64.5%)	10.3	13,684	14,844	16,263
Value of the net assets of AIC acquired	11.1	11,248	13,048	15,248

The above pricing indicates that in the absence of any other relevant information the Proposed Transaction is not fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in Section 13 of our Report, in terms of both

- advantages and disadvantages of the Proposed Transaction; and
- other considerations, including the position of Shareholders if the Proposed transaction does not proceed and the consequences of not approving the Transaction.

In our opinion, the position of Shareholders if the Proposed Transaction is approved is more advantageous than the position if the Proposed Transaction is not approved. Accordingly, in the absence of any other relevant information and/or an alternate proposal we believe that the Proposed Transaction is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.4	Intrepid Shareholders will get access to the Marymia project	13.5	Dilution of existing Shareholders' interests.
13.4	Combining the two companies will deliver a large contiguous land holding which is prospective for gold and base metals in Western Australia	13.5	Investment in an early stage exploration company
13.4	Possible synergies through cost savings		
13.4	An experienced board and management team		
13.4	Immediate liquidity for Intrepid shareholder		
13.4	Diverse shareholder base		
13.4	Better access to capital		
13.4	Increased liquidity of shares of the merged entity		

Other key matters we have considered include:

Section	Description
13.1	Similar alternative investment opportunities available at a discount to the consideration offered
13.2	Consequences of not approving the Proposed Transaction

3. Scope of the Report

3.1 Purpose of the Report

ASX Listing Rule 10.1 requires that a listed entity must obtain shareholders' approval before it acquires or disposes of a substantial asset, when the consideration to be paid for the asset or the value of the asset being disposed constitutes more than 5% of the equity interest of that entity at the date of the latest published accounts. Based on the Bidder Statement dated 3 October 2018, Intrepid will issue one share for every three AIC shares owned by Brahman, resulting in the issue of approximately 1,221,667 new Intrepid ordinary shares, which form 8.9% of Intrepid shares currently on issue (13,785,992). Listing Rule 10.1 applies where the vendor or acquirer of the relevant assets is a related party of the listed entity.

Listing Rule 10.10.2 requires the NoM for shareholders' approval to be accompanied by a report by an independent expert expressing their opinion as to whether the transaction is fair and reasonable to the shareholders whose votes are not to be disregarded.

Accordingly, an independent experts' report is required for the Proposed Transaction. The report should provide an opinion by the expert stating whether or not the terms and conditions in relation thereto are fair and reasonable to non-associated shareholders of Intrepid.

3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Proposed Transaction is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that, where an expert assesses whether a related party transaction is 'fair and reasonable' for the purposes of ASX Listing Rule 10.1, this should not be applied as a composite test—that is, there should be a separate assessment of whether the transaction is 'fair' and 'reasonable', as in a control transaction. An expert should not assess whether the transaction is 'fair and reasonable' based simply on a consideration of the advantages and disadvantages of the proposal.

We do not consider the Proposed Transaction to be a control transaction. As such, we have used RG 111 as a guide for our analysis but have considered the Proposed Transaction as if it were not a control transaction.

In determining whether the advantages of the Proposed Transaction outweigh the disadvantages, we have had regard to the views expressed by ASIC in RG 111. This Regulatory Guide suggests that an opinion as to whether the advantages of a transaction outweigh the disadvantages should focus on the purpose and outcome of the transaction, that is, the substance of the transaction rather than the legal mechanism to affect it.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. In the case of Intrepid, Intrepid shares offered as a consideration for AIC shares held by Brahman are the subject of the transaction. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. RG 111 states that when considering the value of the securities subject of the offer in a control transaction the expert should consider this value inclusive of a control premium. However, as stated in Section 3.2 we do not consider that the Proposed Transaction is a control transaction. As such, we have compared the value of Intrepid shares to the value of AIC shares.

Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any alternate options.

Having regard to the above, BDO has completed this comparison in two parts:

- a comparison between the value of one Intrepid share (post-merger) as consideration and the value of three AIC shares (fairness – see Section 12 'Is the Proposed Transaction Fair?'); and
- an investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolution, after reference to the value derived above (reasonableness – see Section 13 'Is the Proposed Transaction Reasonable?').

RG 111 suggests that the main purpose of an independent expert's report is to adequately deal with the concerns that could reasonably be anticipated of those persons affected by the transaction.

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('**APES 225**').

A Valuation Engagement is defined by APES 225 as follows:

'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

4. Outline of the Proposed Transaction

On 3 October 2018, Intrepid offered to acquire all of the ordinary and fully paid AIC shares by way of an off-market takeover bid, under which each shareholder of AIC would receive one Intrepid share for three shares of AIC owned by the AIC shareholders. As a result of the Proposed Transaction (post all prerequisites including shareholder and necessary regulatory approvals), Intrepid will have 38,785,992 fully paid ordinary shares on issue and all of the current AIC shareholders owning 25,000,000 Intrepid shares (approximately 64.5%) of the merged group. As at 30 September 2018, the fully paid ordinary shares outstanding of Intrepid were 13,785,992 and fully paid ordinary shares outstanding of AIC were 75,000,001. Furthermore, as at 30 September 2018, Brahman Pure Alpha Pte Ltd (**'Brahman'**) owned 2,373,883 (17.2%) ordinary fully paid shares of Intrepid and 3,665,000 (4.9%) shares of AIC.

The Offer is subject to a number of defeating conditions (**'Defeating Conditions'**) as follows:

1. **Minimum acceptance:** at or before the end of the Offer Period, Intrepid has a relevant interest in the number of AIC shares that represent at least 90.0% of the aggregate of all the AIC shares on issue and becomes entitled to compulsorily acquire all outstanding AIC shares under Part 6A.1 of the Corporations Act;
2. **Intrepid shareholders approving the issue of Intrepid shares:** in excess of Intrepid's existing placement capacity under Listing Rule 7.1;
3. **Intrepid shareholder approval for the purposes of Listing Rule 10.1**: before the end of the Offer Period, Intrepid shareholders approve the acquisition by Intrepid of all of the AIC shares held by Brahman; and the issue by Intrepid of one Intrepid share for every three AIC shares held by Brahman, to Brahman; and on the terms of the Offer, for the purposes of Listing Rule 10.1;
4. **Kitumba and Mumbwa Projects**: the Share Sale Agreement not having been terminated before the end of the Offer Period, and no event or circumstance occurring during the Offer Period which results, or could reasonably be expected to result, in the sale of the Kitumba and Mumbwa Projects not being completed in a manner consistent with, or substantially similar to that contemplated by the terms of the Share Sale Agreement; and
5. **Public ruling**: before the end of the Offer Period, Intrepid receives a public ruling, in final form, from the Australian Tax Office (**'ATO'**), confirming that a return of capital may be made to Intrepid shareholders in the amount of $0.75 per Intrepid share, such that a total of $10,339,494 may be returned to Intrepid shareholders as capital.

Under the Implementation Deed, AIC has agreed to use all reasonable endeavours to ensure that each director of AIC:

1. recommends that AIC accept the Offer; and
2. undertakes to accept, or procure the acceptance of, the Offer in respect of all AIC shares held or controlled by him or her.

Intrepid and AIC, under the implementation Deed, have also agreed that they will among other things:

1. ensure the carrying on of their businesses in the ordinary course and in substantially the same manner as conducted at the date of the Implementation Deed and not to make any significant change to the nature or scale of their businesses, or enter into any business, or undertake any activities in which they will not engage as at the date of the Implementation Deed;

2. not perform or allow for certain customary prohibited actions to occur, including among other things, issuing new equity securities or disposing of any interest in substantially all other assets of their businesses (other than Intrepid's Kitumba and Mumbwa Projects, on the terms of the Share Sale Agreement); and
3. provide various customary representations and warranties in favour of the other party.

In addition, Intrepid and AIC have agreed to certain exclusivity arrangements until the earlier of the date of termination of the Implementation Deed or the end of the Offer Period (**'Exclusivity Period'**). The Implementation Deed contains no shop, no talk and no due diligence restrictions during the Exclusivity Period (to the extent that complying with these restriction does not involve a breach of either party's directors' fiduciary duties), that restrict the parties from soliciting any competing proposals from, entering into discussion with, or providing due diligence material to, any competing third party. However, these restrictions do no prevent either party from considering unsolicited competing proposal that is or would reasonably be expected to result in a superior proposal where, amongst other things:

1. not to do so would constitute a breach of that party's directors' fiduciary duties; and
2. appropriate confidentiality agreements are first entered into to appropriately protect the confidential information for both Intrepid and AIC.

Both Intrepid and AIC have the right, but not the obligation, to match any competing proposal of this nature. The matching right under the Implementation Deed requires notice to be provided to the other party of a competing proposal, allowing the other party the right to counter offer. No break fee is payable under the terms of the Implementation Deed.

5. Profile of Intrepid

5.1 History

Intrepid is a company domiciled in Australia whose shares are publicly listed on the Australian Securities Exchange (**'ASX'**) and trade under the ASX code 'IAU'. The Company was registered in June 1993 in Western Australia and is currently headquartered in Sydney, Australia. Intrepid's principal exploration project is in Lusaka, Zambia, targeting copper and gold. However, during recent years, the Company has been involved in selling its Zambian assets.

The table below shows the shareholding percentage of Intrepid in its subsidiaries as at 30 December 2016, 2017 and 30 September 2018:

Subsidiaries	Country of incorporation	%age holding 2016	%age holding 2017	%age holding 2018
African Investments Pty Ltd	Australia	100	100	100
African Platinum Limited (1)	Mauritius	100	100	-
Blackthorn Resources Pty Ltd	Australia	100	100	100
Intrepid Mines (Zambia) Limited (2)	Zambia	100	100	100
Emperor Mines Pty Ltd	Australia	100	100	100
Inrepid Mines Mexico S.A. de C.V. (3)	Mexico	100	-	-
Intrepid NuStar Exchange Corporation (4)	Canada	100	-	-
Minera Sierra S.A. de C.V. (3)	Mexico	100	-	-
Nantou Mining Limited B.V.	Netherlands	100	100	100

Source: *Audited Financial Statements for the years ended 30 December 2017, and Management.*
1. Dissolved on 8 May 2018
2. Entered into Share Sale Agreement to dispose this subsidiary
3. Dissolved on 17 May 2017
4. Dissolved on 20 June 2017

On 12 December 2017, the Company announced that two of its wholly subsidiaries (**'Intrepid Subsidiaries'**), Blackthorn Resources Pty Ltd and African Investments Pty Ltd, had entered into a conditional share sale agreement with Weatherly International and a subsidiary of Weatherly International, Railor Ltd. (**'Weatherly Subsidiary'**), in respect of the sale of 100.0% of the share capital in Intrepid Mines (Zambia) Limited (**'Intrepid Zambia'**), a wholly owned Zambian subsidiary of Intrepid, which holds interest in the Mumbwa and Kitumba Copper Projects (together, the **'Projects'**) located in Zambia (**'Previous Share Sale Agreement'**).

As advised in the ASX announcement dated 24 April 2018, conditions in relation to the Previous Share Sale Agreement were not completed prior to the backstop date of 31 March 2018 and an extension to this date was not able to be agreed. As an extension to this date was not able to be agreed, the Previous Share Sale Agreement lapsed.

On 4 June 2018, Intrepid announced that it had entered into a Farm-in and Joint Venture Agreement (the **'JV Agreement'**) with Ausgold Limited (**'Ausgold'**) to earn up to an 80.0% interest of the Doolgunna Station Project (**'Doolgunna Project'**) by expending $2,150,000 over a term of two years. Doolgunna Project is located 150 kilometres north east of Meekatharra in West Australia's Bryah Basin. The JV Agreement remains subject to satisfaction of a number of conditions precedent.

On 7 September 2018, Intrepid announced that it and Intrepid Subsidiaries had entered into a conditional share sale agreement with Vulcan Copper Limited (company no. 07330453) (**'Vulcan'**), in respect to the sale of 100.0% of the share capital in Intrepid Zambia (**'Share Sale Agreement'**). Vulcan is a subsidiary of Consolidated Mining and Investments Limited (**'CMI'**). The sale consideration comprises a payment of US$5.0 million, subject to customary adjustments, payable on completion occurring under the Share Sale Agreement. According to the Bidder's Statement, this will result in the net proceeds of approximately $5,935,000 for Intrepid.

Intrepid also obtained shareholder approval at its extraordinary general meeting held on 2 February 2018 in relation to a potential return of capital of up to $0.8788 per Intrepid share, subject to obtaining an appropriate class ruling from the ATO. As stated earlier, receipt of a class ruling confirming that the return of $0.75 per Intrepid share to Intrepid shareholders will be treated as a return of capital is a Defeating Condition of the Offer.

According to the Bidder's Statement, during the past 18 months, Intrepid's Board of Directors (**'Intrepid's BoD'**) has evaluated numerous investment opportunities, including undertaking due diligence on several possible gold and copper projects, a number of which are located in Australia. In January 2018, Intrepid acquired 3,333,333 shares in Tesoro Resources Limited (**'Tesoro'**), a non-related unlisted Australian company with gold and copper-gold exploration projects in Chile. The shares were acquired at a price of $0.15 per shares, representing an aggregate purchase price of approximately $500,000. This represented approximately 5.5% of the total issued shares in Tesoro as at the date of the issue and provides Intrepid with exposure to these prospective projects.

Since 1995, Intrepid has been actively involved in mineral resource exploration, and has held interests in a number of gold deposits over the years. In 2007, Intrepid's senior management team sought to identify numerous investment opportunities in respect of gold projects in particular in many countries around the world, and had plans to spend approximately $5 million on exploration of such projects in 2007. In particular:

1. Intrepid has historically held interests in a number of gold deposits, including:
    a. Ashburton/Paulsens Gold Project in Western Australia (100.0%);
    b. Panakin Bore Gold Project in Western Australia (100.0%);
    c. Grafters Baden Powel Gold Project in Western Australia (100.0%);
    d. Cristina Gold Project in Argentina (option to earn an interest);
    e. Casposo Gold/Silver Project in Argentina (100.0%);
    f. Taviche High Grade Gold/Silver Project in Mexico (option to earn an interest); and
    g. Various grass-root gold exploration projects located near Cue and Wiluna in Western Australia, and in Gawler Craton in South Australia;
2. following a 2008 merger with Emperor Mines Limited, Intrepid held an 80.0% interest in the Tujuh Bakit Gold/Copper Project; and
3. in November 2012, Intrepid acquired an 11.78% interest in New Nadina Explorations Limited, which held the Silver Queens Copper/Gold Porphyry Exploration Project in British Columbia, Canada (to which Intrepid's subscription funds were committed).

Overview of the Zambian Projects

The Kitumba Project deposit lies within the large scale mining licence (19820-HQ-LML) which is located in the Mumbwa District, Central Province, Zambia. The licence lies approximately 200 kilometres west-northwest of the capital, Lusaka, and comprises one of the five contiguous licences held by Intrepid Zambia. The Kitumba Project mining licence covers an area of approximately 250 square kilometres.

Intrepid's Mumbwa Project is located in west-central Zambia, approximately 200 kilometres west of the capital, Lusaka. The Mumbwa Project comprises five contiguous licences with a total area of approximately 925 square kilometres, including the Kitumba mining licence (19820-HQ-LML) which hosts the Kitumba Project. The Mumbwa Project lies within the southern end of a fold and thrust belt known as the Lufilian Arc, which also hosts the Zambia Copper belt deposits. Within the Mumbwa Project, Intrepid has multiple targets at various stages of advancement.

As stated above, Intrepid has entered into a conditional share sale agreement with Vulcan in respect of the sale of 100% of the share capital of Intrepid Zambia. The key terms of the Share Sale Agreement are as follows:

1. **Consideration:** The Share Sale Agreement provides for cash consideration of US$5,000,000 subject to customary adjustments, payable by Vulcan to the Intrepid Subsidiaries on completion of the Share Sale Agreement.
2. **Conditions precedent:** Completion of the Share Sale Agreement is subject to satisfaction or waiver of a number of conditions, including:
    a. Intrepid's shareholders approving, by ordinary resolution, the proposed sale pursuant to ASX Listing Rule 11.2, and such other approvals of Intreped's Shareholders required by law (if any);
    b. receipt by Intrepid, in a form acceptable to Intrepid (acting reasonably), of any regulatory approvals required by it in connection with the proposal sale;
    c. submission and approval by the Ministry of Mines in Zambia of the revised development plan for the Project to be submitted by Vulcan;
    d. consent, in a form acceptable to Vulcan (acting reasonably), to the change of control of Intrepid Zambia from the Ministry of Mines in Zambia that Intrepid Zambia would not have any Project licence interest revoked in connection with completion of the Share Sale Agreement; and
    e. receipt by Vulcan for re-submitting and obtaining approval for the revision of the environmental impact study is approved in principle by the Zambia Environmental Management Agency to the reasonable satisfaction of Vulcan.

Overview of the Doolgunna Project

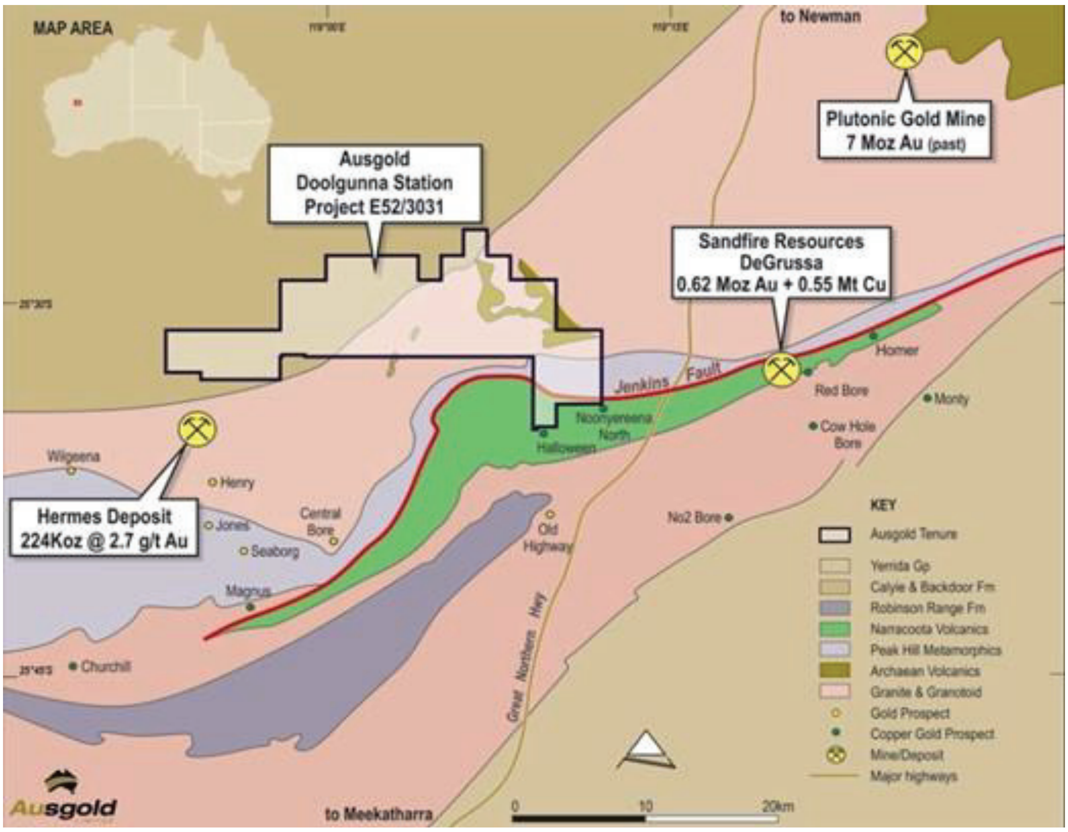
Doolgunna Project comprises E52/3031 covering 176 square kilometres and is located approximately 13 kilometres to the west and along trend from Sandfire Resources NL's DeGrussa copper-gold operations.

The Project is 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 Volcanic-Hosted Massive Sulphide ('**VHMS**') copper-gold mineralisation.

Under the terms of the Agreement:

1. Intrepid has the right to earn up to an 80.0% 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 70.0% interest in the Project to Intrepid and retain 30.0% contributing interest in the Project for itself; or
    b. transfer an 80.0% interest in the Project to Intrepid and retain 20.0% 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 in point 3 above), Intrepid and Ausgold will form an unincorporated joint venture for the purpose of exploration and development of the Project; and
5. during the Earning Period and, if applicable, the Sole-Funding Period, Intrepid must keep the Project in good standing.

The location of Doolgunna Project is presented in the chart below:



5.2 Historical Balance Sheet of Intrepid

Currency: $'000	Notes	31-Dec 2016 Audited	31-Dec 2017 Audited	30-Jun 2018 Reviewed	30-Sep 2018 Un-audited Management Accounts
Current assets:					
Cash and cash equivalents	1	23,864	20,015	14,440	13,494
Trade and other receivables		1,489	389	306	308
Investments		-	-	967	883
Assets held for sale	2	-	4,187	4,470	4,303
Total current assets		**25,353**	**24,591**	**20,183**	**18,988**
Non-current assets:					
Property, plant, and equipment		32	-	-	-
Mining properties	2	30,833	-	-	-
Total non-current assets		**30,865**	**-**	**-**	**-**
TOTAL ASSETS		**56,218**	**24,591**	**20,183**	**18,988**
Current liabilities:					
Trade and other payables		265	99	67	159
Employee benefit liabilities		80	88	147	15
Liabilities associated with held for sale assets		-	66	42	20
Total current liabilities		**345**	**253**	**256**	**194**
Non-current liabilities:					
Employee benefit liabilities		29	36	39	-
Total non-current liabilities		**29**	**36**	**39**	**-**
TOTAL LIABILITIES		**374**	**289**	**295**	**194**
NET ASSETS		**55,844**	**24,302**	**19,888**	**18,794**
Equity:					
Contributed equity	3	241,248	241,062	237,260	237,260
Reserves		41,855	(12,743)	(12,444)	(12,279)
Accumulated losses		(227,259)	(204,017)	(204,928)	(206,187)
TOTAL EQUITY		**55,844**	**24,302**	**19,888**	**18,794**

Source: *Audited Financial Statements for the years ended 31 December 2016, and 2017; Reviewed Financial Statements for the six months ended 30 June 2018, and Un-audited management accounts for the three months ended 30 September 2018.*

We have not undertaken a review of Intrepid's unaudited management accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However, nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

Note 1: Cash and cash equivalents

According to the management of Intrepid, as at 30 September 2018, there are no restrictions on the balance of cash and cash equivalents, presented in the balance sheet as at that date.

Note 2: Mining properties

During the year ended 31 December 2017, Intrepid recorded an impairment loss amounting to $25.9 million specific to the mining properties. On 12 December 2017, the Company entered into a Share Sale Agreement to dispose the Kitumba Project and other surrounding exploration licenses and as such the mining properties were classified as held for sale at the sale price less costs including commissions paid to consultants, estimated property transfer tax in Zambia, the cost of various regulatory applications, as well as other legal and administration costs associated with the sale.

Note 3: Contributed equity

The table below shows the movement in ordinary shares and the contributed equity from 1 January 2017 to 30 June 2018:

	Number of shares	$'000
Opening balance as at 1 January 2017	17,224,535	241,248
Share buyback	(156,678)	(185)
Less: transaction costs arising from share buyback	-	(1)
Balance as at 31 December 2017	**17,067,857**	**241,062**
Share buyback	(3,281,865)	(3,797)
Less: transaction costs arising from share buyback	-	(19)
Unclaimed monies recovered	-	14
	13,785,992	**237,260**

During 2017 the Company purchased and cancelled 156,678 shares. The shares were acquired at an average price of $1.18 per share, with prices ranging from $1.04 to $1.21.

During the period 1 January 2018 to 30 June 2018 the Company purchase and cancelled 3,281,865 shares. The shares were acquired at an average price of $1.16 per share, with prices ranging from $0.97 to $1.19.

5.3 Historical Statement of Comprehensive Income of Intrepid

Currency: $'000	For the year ended 31-Dec 2016	For the year ended 31-Dec 2017	For the six months ended 30-Jun 2018	For the nine months ended 30-Sep 2018
	Audited	Audited	Reviewed	Management
Other income	569	242	132	230
	569	**242**	**132**	**230**
Exploration and evaluation expenditure	(3,182)	-	(15)	(19)
General and administrative expenses	(1,444)	(1,280)	(621)	(1,056)
Integration and restructuring costs	(431)	-		(269)
Gain/(loss) on investments	-	-	(33)	(117)
Foreign exchange gain/(loss)	141	(1,220)	81	137
Profit/(loss) before income tax	**(4,347)**	**(2,258)**	**(456)**	**(1,094)**
Income tax benefit	-	-	-	-
Profit/(loss) for the period	**(4,347)**	**(2,258)**	**(456)**	**(1,094)**
Discontinued operations				
Loss after tax from discontinued operations	-	(28,040)	(455)	(1,076)
Other comprehensive income/(loss)				
Foreign exchange translation differences	3,057	(1,058)	299	464
Total comprehensive income/(loss)	**(1,290)**	**(31,356)**	**(612)**	**(1,706)**

Source: *Audited Financial Statements for the years ended 31 December 2016, and 2017; Reviewed Financial Statements for the six months ended 30 June 2018, and Un-audited management accounts for the three months ended 30 September 2018.*

We have not undertaken a review of Intrepid's unaudited management accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

Note 1: Exploration and evaluation expenditure

Exploration and evaluation expenditure mainly relate to employee benefits, and expenses related to drilling and exploration activities. As result of the Zambian subsidiary being classified as a disposal group held for sale, all the related exploration and evaluation expenses were reclassified to discontinued operations.

5.4 Capital Structure

The share structure of Intrepid as at 30 September 2018 is outlined below:

	Number
Total ordinary shares on issue	13,785,992
Top 20 shareholders	10,903,145
Top 20 shareholders - % of shares on issue	79.1%

Source: *Share registry*

The range of shares held in Intrepid as at 30 September 2018 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares	%Issued Capital
1-1,000	2,000	776,190	5.63%
1,001-5,000	468	939,215	6.81%
5,001-10,000	55	390,582	2.83%
10,001-100,000	56	1,411,113	10.24%
100,001 – and over	9	10,268,892	74.49%
TOTAL	**2,588**	**13,785,992**	**100%**

Source: *Share registry*

The ordinary shares held by the most significant shareholders as at 30 September 2018 are detailed below:

	No of ordinary shares held	Percentage of issued shares (%)
HSBC Custody Nominees (Australia) Limited	2,973,156	21.6%
Brahman Pure Alpha Pte Ltd	2,373,883	17.2%
J.P. Morgan Nominees Australia Limited	1,434,721	10.4%
Mr. Surya Paloh	1,384,000	10.0%
Singpac Investment Holding Pte Limited	1,145,116	8.3%
Total top 5	**9,310,876**	**67.5%**
Others	4,475,116	32.5%
Total ordinary shares on issue	**13,785,992**	**100.0%**

Source: *Share registry*

The share structure of Intrepid following the Proposed Transaction is outlined below:

	Number
Total ordinary shares on issue	13,785,992
New shares proposed to be issued to AIC shareholders	25,000,000
Total ordinary shares after issue of new shares	**38,785,992**

Source: *Share registry, Intrepid's Bidder Statement, AIC's Target Statement.*

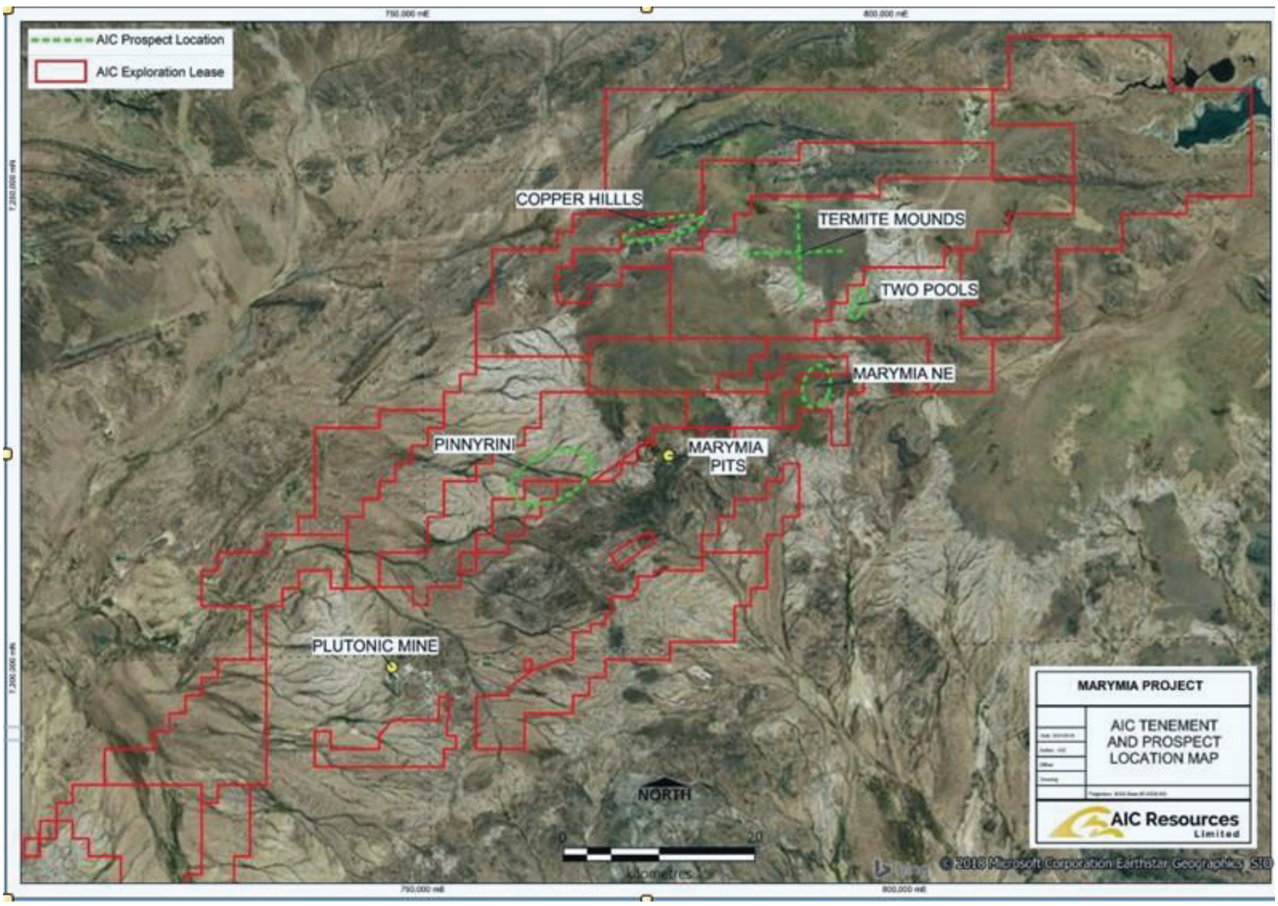
6. Profile of AIC

6.1 History

AIC is a for profit company domiciled in Australia and publicly listed on the ASX. AIC is a mineral exploration and development company with a current focus on gold and base metals exploration with its main asset, the Marymia gold project. It was incorporated on 11 May 2017 and admitted to the official list of ASX on 29 November 2019. AIC's registered office is located at A8, 431-435 Roberts Road, Subiaco WA 6008.

AIC's main asset is the Marymia gold project (**'Marymia Project'**) which is 100.0% owned by AIC. The Marymia Project encompasses approximately 3,160 square kilometres in area and is located 1,200 kilometres north-east of Perth on the northern margin of the Yilgarn. The Marymia Project is considered to have the potential to host gold ore deposits. Additionally, some tenements have the potential to host base metal, lithium or rate earth metal mineralisation. AIC proposes to undertake an exploration work program in order to define a mineral resource capable of sustaining an independent and viable mining operation.

The below map shows the location of AIC tenement and prospects:



Source: *AIC Annual Report for the year ended 30 June 2018.*

According to the Bidder's statement, being an early stage mining exploration company, AIC's business is subject to a number of key dependencies and risks commonly associated with exploration activities, namely there is no guarantee that AIC's exploration activities will succeed in the discovery of a commercially viable deposit. In addition:

1. AIC's mining and exploration activities are dependent upon the maintenance (including renewal) of the tenements in which it has (or acquires) an interest;
2. in the event that AIC successfully delineates economic deposits on any of its mineral exploration licences, it will need to apply for a mining lease, and there is no guarantee that it will be granted a mining lease if one is applied for;
3. AIC's future revenues will primarily be derived from the sale of gold, and as such its future earnings will be closely related to, and dependent on, the price of gold;
4. the Marymia Project is subject to Western Australian regulations regarding environmental matters, and the cost and complexity of complying with the applicable environmental laws and regulations may prevent AIC from being able to develop potentially economically viable mineral deposits; and
5. AIC's growth through its proposed and future drilling and exploration campaigns will require substantial expenditure.

6.2 Recent activities

According to the Quarterly report for the quarter ended 30 September 2018, the key exploration and corporate highlights of AIC are as follows:

- Rock chip and soil sampling at Two Pools returned soil samples up to 1.8g/t and quartz vein samples: 34.7 g/t, 32.4 g/t, 17.4 g/t, 13.8 g/t, 6.4 g/t and 5.5 g/t Au, from two separate quartz reefs (please see the map in Section 6.1);
- Reconnaissance mapping and sampling identified anomalous gold in soils up to 4.08 g/t with visible gold in an adjacent rock chip sample of iron cemented coarse sandstones, which returned an assay of 230.9 g/t Au at 4G Hill;
- 5,000m of RC drilling at Marymia NE commenced in early October, to be followed by 5,000m of RC drilling at Two Pools;
- Continuing to consolidate the land position surrounding the Plutonic Gold mine which has produced more than 5moz to date;
- As announced by AIC on 20 September 2018, AIC has also entered into a farm-in and joint venture agreement with Venus, under which, subject to the satisfaction of certain regulatory consents, AIC may earn an 80.0% interest in the Doolgunna tenements (comprising E52/3069, E52/3320, E52/3487, E52/3488, and E52/3489), located in the Eastern Gascoyne Region of Western Australia. After AIC's spending commitment is met (being expenditure of $175,000 within two years), Venus will have the right to retain a 20.0% free-carried interest through to a decision to mine. This project covers approximately 90 square kilometres and is located approximately 12 kilometres to the south of the Plutonic Gold Mine, and is contiguous with AIC's current land package.
- During the quarter, AIC applied for 1 new exploration tenement and 1 new prospecting tenement. 2 tenements previously applied for were also granted;
- On 16 October 2018, AIC singed a Land Access and Mineral Exploration Deed of Agreement with the Marputu Aboriginal Corporation.

In respect to the Two Pools project area, AIC has mapped nearly four kilometres of greenstone in a deformed belt that is offset from the main Plutonic-Marymia greenstone belt by a major east-north-east trending, steeply north dipping, reverse fault. Shallow drilling during the early 1990s by Great Central Mines indicates that gold intersects greater than 0.5 g/t occur along the entire length of the Two Pools greenstone belt.

The Marymia North East (**'MMNE'**) prospect is located 9.5 kilometres north east of the abandoned Marymia Gold Mines and was previously explored by Great Central Mines from 1990 to 1994.

6.3 Historical Balance Sheet of AIC

Currency: $'000	Notes	30-Jun 2017 Audited	30-Jun 2018 Audited	30-Sep 2018 Unaudited management accounts
Current assets:				
Cash and cash equivalents	1	712	7,760	6,950
Trade and other receivables		137	85	20
Prepayments		-	261	251
Total current assets		**848**	**8,106**	**7,221**
Non-current assets:				
Capitalised exploration and evaluation expenditure	2	1,200	1,200	1,200
Plant and equipment		5	156	135
Total non-current assets		**1,205**	**1,356**	**1,335**
TOTAL ASSETS		**2,054**	**9,462**	**8,555**
Current liabilities:				
Trade and other payables		43	133	7
Total current liabilities		**43**	**133**	**7**
TOTAL LIABILITIES		**43**	**133**	**7**
NET ASSETS		**2,011**	**9,329**	**8,548**
Equity:				
Issued capital	1	2,300	11,927	11,927
Accumulated losses		(289)	(2,598)	(3,378)
TOTAL EQUITY		**2,011**	**9,329**	**8,548**

Source: *Audited Financial Statements for the years ended 30 June 2017, and 2018; and Un-audited management accounts for the three months ended 30 September 2018.*

We have not undertaken a review of AIC's unaudited management accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

Note 1: Cash and cash equivalents and issued capital

AIC's cash balance increased from approximately $712,000 as at 30 June 2017 to approximately $7,760,000 as at 30 June 2018 mainly due to proceeds amounting to $10.2 million from the issue of shares.

The table below shows the movement in the issued share capital:

	$'000
Issue of shares - 12,000,001 @ $0.10	1,200
Issue of shares - 11,000,000 @ $0.10	1,100
Balance as at 30 June 2017	**2,300**
Issue of shares - 2,000,00 @ $0.10	200
Issue of shares - 50,000,00 @ $0.20 ('**IPO**')	10,000
Capital raising fees net of tax	(573)
Balance as at 30 June 2018	**11,927**

Note 2: Capitalised exploration and evaluation expense

Capitalised exploration and evaluation expenditure relates to the acquisition of tenements during the period ended 30 June 2017. The consideration for tenements was the issue of 12,000,000 shares to Cosmopolitan Minerals Ltd. (**'CML'**) at $0.10 per share for acquisition of the tenements.

According to note 12 in the audited financial statements for the year ended 30 June 2018, this amount of $1,200,000 was considered to be the fair value of the tenements acquired on the basis that CML had spent the same amount on the tenements up to the date of acquisition by AIC. AIC believes that looking at historical expenditure is a reasonable method to fair value exploration tenements.

6.4 Historical Statement of Comprehensive Income

Currency: $'000		For the period ended 31-Dec 2017	For the year ended 30-Jun 2018	For the three months ended 30-Sep 2018
	Notes	Audited	Audited	Management
Other income		-	118	46
		-	**118**	**46**
Directors' and employee benefits expense		-	(347)	(133)
Exploration costs	1	(270)	(1,818)	(497)
Compliance costs		(4)	(53)	(150)
Cost of capital raising		(15)	(71)	-
Depreciation expense		-	(45)	(22)
Other administration expenses		(0)	(93)	(25)
Profit/(loss) before income tax		**(289)**	**(2,308)**	**(781)**
Income tax benefit		-	-	-
Profit/(loss) for the period		**(289)**	**(2,308)**	**(781)**

Source: *Audited Financial Statements for the years ended 30 June 2017, and 2018; and Un-audited management accounts for the three months ended 30 September 2018.*

We have not undertaken a review of AIC's unaudited accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

Note 1: Exploration costs

Exploration expenses comprise of costs related to airborne Geophysics, tenement costs (rents, rates, native title, etc.), computer software, wages and salaries of exploration employees/contractors, and other exploration costs.

BDO

6.5 Capital Structure

The share structure of AIC as at 30 September 2018 is outlined below:

	Number
Total ordinary shares on issue	75,000,001
Top 20 shareholders	48,518,953
Top 20 shareholders - % of shares on issue	64.7%

***Source:** Share registry*

The range of shares held in AIC as at 30 September 2018 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares	%Issued Capital
1 - 1,000	2	65	0.00%
1,001 - 5,000	13	48,215	0.06%
5,001 - 10,000	25	234,244	0.31%
10,001 - 100,000	180	8,016,099	10.69%
100,001 – and over	86	66,701,378	88.94%
TOTAL	**306**	**75,000,001**	**100%**

***Source:** Share registry*

The ordinary shares held by the most significant shareholders as at 30 September 2018 are detailed below:

	No of ordinary shares held	Percentage of issued shares (%)
Nordana Pty Ltd	12,500,001	16.7%
El Raghy Kriewaldt Pty Ltd	5,054,000	6.7%
Brahman Pure Alpha Pte Ltd	3,665,000	4.9%
HSBC custody nominees (Australia) Limited	3,597,950	4.8%
Mr Richard Arthur Lockwood	2,500,000	3.3%
Tazga Two Pty Ltd	2,500,000	3.3%
BPM Capital Limited	2,000,000	2.7%
Gold Elegant (HK) Investment Limited	2,000,000	2.7%
Total top 8	**33,816,951**	**45.1%**
Others	41,183,050	54.9%
Total ordinary shares on issue	**75,000,001**	**100.0%**

***Source:** Share registry*

7. Economic analysis

7.1 Global

Conditions in the global economy continues to remain positive. Available information suggests the global economy has continued to expand into the March quarter of 2018. A number of advanced economies are growing at an above-trend rate and unemployment rates are low. Growth picked up in the Asian economies in 2017, partly supported by increased international trade.

Growth in China was strong through 2017, however it has eased slightly in the recent quarter, reflecting the Chinese authorities' objective of more sustainable growth. In March 2018, the Chinese Government released a gross domestic product ('**GDP**') growth target of approximately 6.5 percent for 2018, down from its published GDP growth rate of 6.9% in 2017, suggesting some tolerance for a gradual slowing of growth. Investment in infrastructure and residential property remains strong, with demand from these sectors supporting modest growth in crude steel production, which in turn has supported demand for iron ore and coking coal.

The pick-up in the global economy has contributed to a rise in oil and other commodity prices over the past year. Even so, Australia's terms of trade are expected to decline over the next few years, but remain at a relatively high level.

Globally, inflation remains low, although it has increased in some economies and further increases are imminent given the tight labour markets. As conditions have improved in the global economy, a number of central banks have withdrawn some monetary stimulus and further steps in this direction are to be expected.

Both Chinese and United States of America authorities recently announced trade protectionist measures. The US increased import tariffs on certain items including steel and aluminium. The effect of the US tariffs on other economies is expected to be small, with many countries being granted temporary exemptions. The Chinese economy will be little affected as steel and aluminium exports to the US are only a small share of Chinese production. In response to the US tariffs on steel and aluminium, the Chinese authorities imposed tariffs on US$3 billion of US goods. With both countries foreshadowing further tariffs, there is a risk that trade protectionism could escalate, harming global growth significantly. Rising geopolitical risks, including tensions in the Korean Peninsula could also dampen confidence and create bouts of financial market volatility.

7.2 Australia

Domestic growth

The Australian economy grew by 2.4 per cent over 2017. The Reserve Bank of Australia ('**RBA**') is expecting faster growth in the next couple of years, with forecasts suggesting that average growth in 2018 and 2019 will be above 3%. Business conditions are positive, with overall business investment expected to continue growing over the next few years, as non-mining business investment increases. Mining investment is expected to slightly decline as construction on large liquefied natural gas projects concludes. Public spending is also supporting domestic economic activity. Public consumption has been growing strongly, in part supported by spending on the National Disability Insurance Scheme. Stronger growth in exports is expected after temporary weakness at the end of 2017. Household spending picked up in the December Quarter of 2017, and recent indicators suggest that household consumption growth has remained steady into early 2018, however low growth in household income and high debt levels remains a key risk to the outlook for household consumption.

Unemployment

Employment grew by 3.5% over the past year, with employment figures rising in all states. The strong growth in employment has been accompanied by a significant rise in labour force participation, particularly by women and older Australians. Indicators of labour demand, including job vacancies, continue to point to above average growth in employment over the next six months. The unemployment rate has declined slightly over recent years, but from mid-2017 has remained relatively unchanged, at around 5.5%. Conventional measures of full employment suggest the current unemployment rate is around 0.5% above full employment, implying spare capacity in the labour market. The various forward-looking indicators continue to point to strong growth in employment in the period ahead, with a further gradual reduction in the unemployment rate expected. Wages growth has picked up slightly, but remains low. The RBA cites spare capacity in the labour market, low inflation and continuing adjustments to the economy following the mining investment boom, as reasons for low wages growth. Low wages growth is likely to continue for a while yet, although the stronger economy should see some lift in wage growth over time.

Inflation

Inflation remains low and stable. Headline inflation and underlying inflation were both close to 0.5% for the March quarter 2018, and around 2% over the year. Inflation is likely to remain low for some time, reflecting spare capacity in the economy, low wages growth and strong competition in retailing. Inflation is expected to be around 2.25% over the next year, and long term inflation expected to be around 2.5%.

Currency movements

Since the start of the year, the Australian dollar has depreciated against the US dollar and on a trade weighted basis, however it remains within its narrow range of the past two years. The decline was a result of lower bulk commodity prices and narrowing interest rate differentials. An appreciating exchange rate would be expected to result in a slower pick-up in economic activity and inflation.

Source: www.rba.gov.au *Statement by Philip Lowe, Governor: Monetary Policy Decision 5 June 2018, Statement on Monetary Policy - June 2018*

8. Industry analysis

Gold is a soft malleable metal which is highly desirable due to its rarity and unique mineral properties. Gold has been used in jewellery and as a form of currency for thousands of years, however in more recent history there has been increasing demand for its use in the manufacture of electronics, dentistry, medicine and aerospace technology.

In addition to its practical applications, gold also serves as an international store of monetary value. Gold is widely regarded as a monetary asset as it is considered less volatile than world currencies and therefore provides a safe haven investment during periods of economic uncertainty.

Once mined, gold continues to exist indefinitely and is often melted down and recycled to produce alternative or replacement products. Consequently, demand for gold is supported by both gold ore mining and gold recycling. A summary of the supply of gold for the six years to 2017 and the two quarters of 2018 is provided in the table below:

Gold supply (tonnes)	2012	2013	2014	2015	2016	2017	Q1 2018	Q2 2018
Mine production	2,911	3,073	3,150	3,223	3,263	3,269	770	835
Net producer hedging	(45)	(28)	105	13	33	(30)	6	(10)
Recycled gold	1,691	1,263	1,189	1,120	1,295	1,160	288	295
Total supply	**4,557**	**4,308**	**4,444**	**4,356**	**4,591**	**4,399**	**1,064**	**1,120**

The gold ore mining industry (the **'Industry'**) has performed steadily in recent years, with growth driven by price increases and slow economic growth. The outlook for gold production appears to be optimistic as several gold miners reported strong levels of Q2 production, which was the highest second quarter on record.

Key external drivers

Global gold prices have a significant impact on the revenue generated by Industry operators. When gold prices are low, gold miners are less likely to commit to projects with lower gold grades and higher production costs. Ultimately, a decline in gold prices reduces the viability of new and existing projects, which hinders Industry growth. According to IBIS World, the global price for gold is forecast to decrease over the next five years.

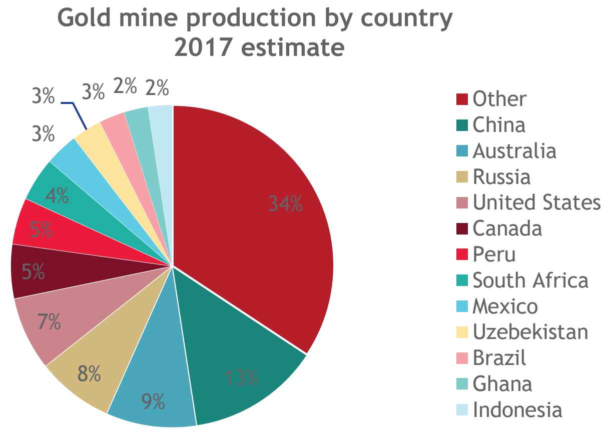
The global gold price is denominated in US dollars (**'USD' or 'US$'**) and therefore, the exchange rate directly affects the returns received by local Industry operators. A weaker Australian Dollar (**'AUD'**) benefits the domestic industry by reducing prices in export markets and pushing up domestic prices, likely resulting in higher volumes. In 2017-18, IBIS World predicts the AUD will depreciate.

Global demand for gold is also inversely related to global economic performance. As gold is regarded as a store of value and is particularly sought after during periods of economic uncertainty, demand follows a counter cyclical pattern. Strong global gross domestic product (**'GDP'**) growth can therefore have a negative impact on gold demand and the Industry. According to IBIS World, global economic performance is expected to improve in 2017-18, reducing demand for gold. As a result, Industry revenue is projected to decline at an annualised 1.8% over the five years through 2022-23, to total $15.1 billion.

Gold ore mining trends

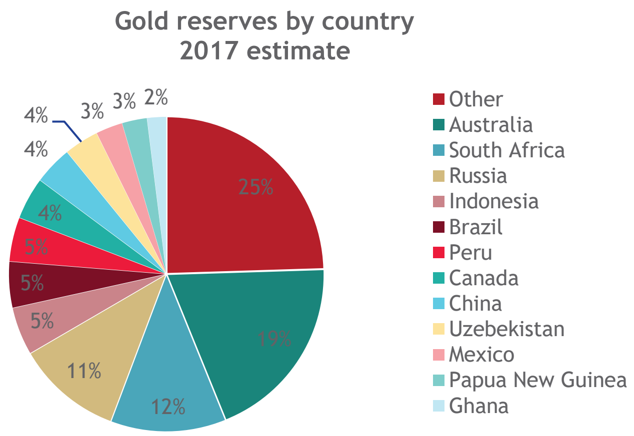
Gold ore mining is a capital intensive and high cost process, which is becoming increasingly difficult and more expensive as the quality of ore reserves diminishes. The Industry also incurs many indirect costs related to exploration, royalties, overheads, marketing and native title law. Typically, many of these costs are fixed in the short term as a result of Industry operators' inability to significantly alter cost structures once a mine commences production.

Until the late 1980s, South Africa produced approximately half of the total gold ore mined globally. More recently however, the Industry has diversified geographically and China and Australia now dominate global gold production. According to the United States Geological Survey for January 2018, total estimated global gold ore mined for 2017 was approximately 3,150 metric tonnes. The chart below illustrates the estimated global gold production by country for 2017.



***Source:** United States Geological Survey and BDO analysis*

Despite China leading global gold production in 2017, Australia, South Africa and Russia hold the largest known gold reserves globally. As depicted below, collectively these three countries collectively account for approximately 42% of global gold reserves.



***Source:** United States Geological Survey and BDO analysis*

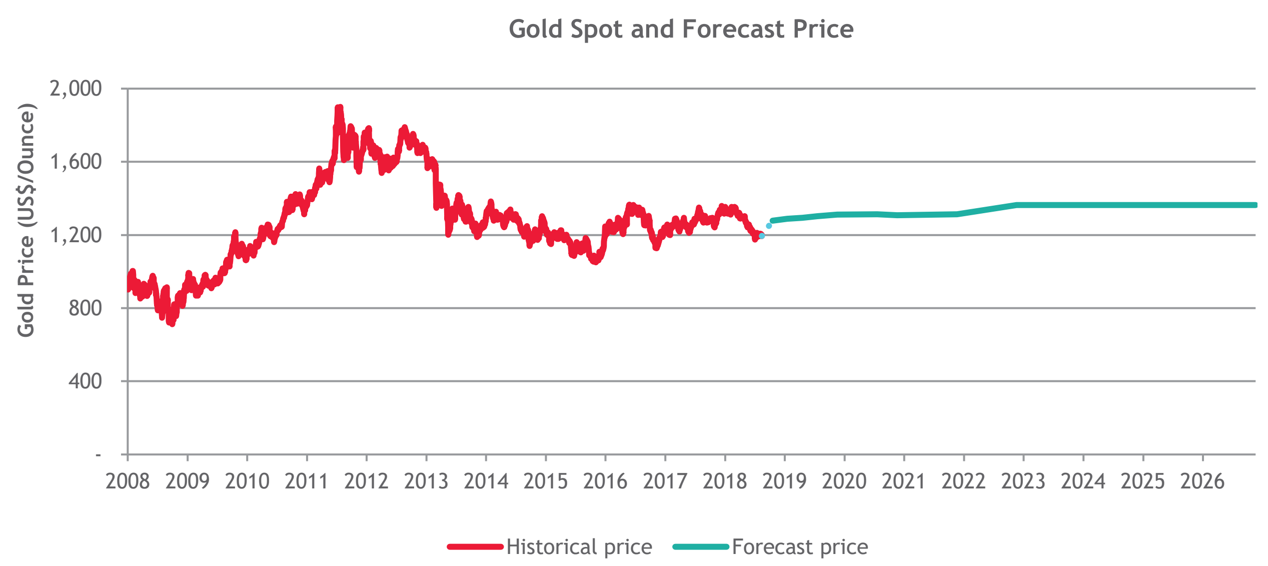
According to the 2017 US Geological Survey, Australia holds 9,800 tonnes of gold, representing 19% of global reserves and the largest percentage held by any country. In 2017-18, IBIS World predicts domestic Industry revenue to increase by 2.7% to reach $16.6 million, boosted by increased domestic production. Over the five years through 2022-23 however, it is forecast that revenue will decline by an annualised 1.8%, influenced by a stronger AUD and reduced global demand.

Gold prices

The price of gold peaked at US$1,900 on 5 September 2011, due largely to the debt market crisis in Europe and the Standard and Poor's downgrade of the US credit rating. Global stock markets subsequently went into turmoil, which saw investors opt for the stability offered by gold.

The price of gold fluctuated around US$1,700 during 2012 before entering a steep decline in 2013. The downturn represented the beginning of a correction in the price of gold, which had almost tripled in the two-year period prior to the European crisis in 2011. Improved market sentiment and increased risk appetite from investors saw gold prices continue to decline throughout 2014 and 2015 to US$1,051 in December 2015.

During 2016, gold prices strengthened, likely as a result of heightened uncertainty surrounding the US Presidential election and the United Kingdom's exit from the European Union. The price of gold reached US$1,363 in late 2016 before stabilising around US$1,200 to US$1,300 throughout 2017. In January 2018, the gold price reached a six-month high of US$1,358. The gold spot price since 2008 and forecast prices through to 2023 are depicted in the graph below:



Source: *Bloomberg, Consensus Economics and BDO analysis*

According to Consensus Economics, gold prices are forecast to remain relatively stable with a long-term nominal price forecast of approximately US$1,360 per ounce.

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings (‘**FME**’)
- Discounted cash flow (‘**DCF**’)
- Quoted market price basis (‘**QMP**’)
- Net asset value (‘**NAV**’)
- Market based assessment

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information. In our assessment of the value of Intrepid and AIC shares we have chosen to employ the following methodologies:

9.1 Valuation of Intrepid share on a combined basis and AIC share on standalone basis

In our assessment of the value of an Intrepid share on a combined basis, we have chosen to employ the following methodologies:

- NAV on a going concern basis as our primary valuation methodology; and
- QMP as our secondary methodology as this represents the value that a shareholder can receive for a share if sold on market.

We have chosen these methodologies for the following reasons:

- Intrepid’s mineral assets do not currently generate any income nor are there any historical profits that could be used to represent future earnings. Furthermore, Intrepid is in the process of selling its mineral assets and therefore will have significant amount of cash, even after capital distribution to its shareholders. Similarly, AIC’s mineral assets do not currently generate any income nor are there any historical profits that could be used to represent future earnings. Therefore, on a combined basis, the FME approach is not appropriate to use;
- Intrepid and AIC both currently have no foreseeable future net cash inflows, so the application of the DCF valuation approach is not appropriate;
- Consequently, we have adopted the NAV approach as our primary valuation method. Mineral assets of Intrepid and AIC are currently not producing assets and no revenue or cash flows are currently generated by these assets. Therefore, we consider that the NAV approach is best suited for the valuation; and
- We have adopted QMP as our secondary approach. The QMP basis is a relevant methodology to consider because Intrepid's shares are listed on the ASX. This means there is a regulated and observable market where Intrepid's shares can be traded. However, in order for the QMP methodology to be considered appropriate, the listed shares should be liquid and the market should be fully informed of the company's activities.

10. Valuation of Intrepid shares proposed to be offered as Consideration

10.1 Net Assets of Intrepid

The value of Intrepid's adjusted assets on a going concern basis is reflected in the table below:

Currency: $'000	Notes	30-Sep 2018	Adjustments	Adjusted
Current assets:				
Cash and cash equivalents	1	13,494	(4,509)	8,985
Trade and other receivables		308	-	308
Investments		883	-	883
Assets held for sale	2	4,303	(4,303)	-
Total current assets		**18,988**	**(8,812)**	**10,176**
Non-current assets:				
Property, plant, and equipment		-	-	-
Mining properties		-	-	-
Total non-current assets		**-**	**-**	**-**
TOTAL ASSETS		18,988	(8,812)	10,176
Current liabilities:				
Trade and other payables		159	-	159
Employee benefit liabilities		15	-	15
Liabilities associated with held for sale assets		20	-	20
Total current liabilities		**194**	**-**	**194**
Non-current liabilities:				
Employee benefit liabilities		-	-	-
Total non-current liabilities		**-**	**-**	**-**
TOTAL LIABILITIES		194	-	194
NET ASSETS		18,794	(8,812)	9,982

Source: *Management and BDO Analysis*

We have been advised that there has not been a significant change in the net assets of Intrepid since 30 September 2018. The value of Intrepid assets on a combined basis and the value of Intrepid's shares proposed to be offered as consideration is presented in section 10.2 and 10.3 below.

The following adjustments were made to the net assets of Intrepid as at 30 September 2018 in arriving at our valuation.

Note 1: Adjustments to cash and cash equivalents

Cash and cash equivalents have been adjusted for estimated net proceeds from the sale of the Kitumba and Mumbwa Projects, proposed capital distribution of up to $0.75 per Intrepid share, and estimated transaction costs associated with the offer to acquire AIC shares and the proposed capital distribution.

The table below shows the details of adjustments to cash and cash equivalents and the adjusted cash and cash equivalent balance:

	$'000
Cash and cash equivalents as at 30 September 2018	13,494
Estimated proceeds from sale of Kitumba and Mumbwa Projects	5,935
Proposed capital distribution	(10,339)
Estimated transaction costs	(105)
Adjusted cash and cash equivalent balance	**8,985**

Source: Management and BDO Analysis

Note 2: Adjustments to assets held for sale

Assets held for sale relate to the Kitumba and Mumbwa Projects. These have been adjusted to reflect the sale of the Projects.

10.2 Net assets of Intrepid on a combined basis

The value of Intrepid's assets on a combined basis is presented in the table below:

Currency: $'000	Intrepid 30-Sep 2018	AIC 30-Sep 2018	Combined 30-Sep 2018
	Adjusted	Management	
Current assets:			
Cash and cash equivalents	8,985	6,950	15,935
Trade and other receivables	308	271	579
Investments	883	-	883
Assets held for sale	-	-	-
Total current assets	**10,176**	**7,221**	**17,397**
Non-current assets:			
Property, plant, and equipment	-	135	135
Mining properties	-	1,200	1,200
Total non-current assets	**-**	**1,335**	**1,335**
TOTAL ASSETS	10,176	8,555	18,731
Current liabilities:			
Trade and other payables	159	7	166
Employee benefit liabilities	15	-	15
Liabilities associated with held for sale assets	20	-	20
Total current liabilities	**194**	**7**	**201**
TOTAL LIABILITIES	194	7	201
NET ASSETS	9,982	8,548	18,530

Source: Management and BDO Analysis

10.3 Value of Intrepid's shares proposed to be offered as consideration

The value of Intrepid's shares on a combined basis proposed to be offered as a consideration is presented in the table below:

Currency: $'000	Notes	Low 30-Sep 2018	Preferred 30-Sep 2018	High 30-Sep 2018
Current assets:				
Cash and cash equivalents		15,935	15,935	15,935
Trade and other receivables		579	579	579
Investments		883	883	883
Assets held for sale		-	-	-
Total current assets		**17,397**	**17,397**	**17,397**
Non-current assets:				
Property, plant, and equipment		135	135	135
Capitalised exploration and evaluation expenditure	1	3,900	5,700	7,900
Total non-current assets		**4,035**	**5,835**	**8,035**
TOTAL ASSETS		**21,431**	**23,231**	**25,431**
Current liabilities:				
Trade and other payables		166	166	166
Employee benefit liabilities		15	15	15
Liabilities associated with held for sale assets		20	20	20
Total current liabilities		**201**	**201**	**201**
Non-current liabilities:				
Employee benefit liabilities		-	-	-
Total non-current liabilities		**-**	**-**	**-**
TOTAL LIABILITIES		**201**	**201**	**201**
NET ASSETS VALUE [A]		**21,230**	**23,030**	**25,230**
Number of Intrepid ordinary shares '000 (post issue of new shares)		38,786	38,786	38,786
Value of Intrepid share offered as consideration		**0.547**	**0.594**	**0.651**
New Intrepid shares to be issued		25,000	25,000	25,000
AIC shareholding in the combined entity [B]		64.5%	64.5%	64.5%
Share of AIC in the net assets of combined entity ($'000) [C]=[A]x[B]		**13,684**	**14,844**	**16,263**

***Source:** Management and BDO Analysis*

Note 1: Adjustments to capitalised exploration and evaluation expenditure

We instructed Dunbar Resource Management (**'DRM'**) to provide an independent market valuation of the exploration assets held by AIC. DRM has chosen to value the exploration assets of AIC on the basis of comparable transactions and a geoscientific or Kilburn valuation as the primary method and to use the Prospectivity Enhancement Multiplier (**'PEM'**) or Multiple of Exploration Expenditure (**'MEE'**) method as a cross check by estimating an appropriate expenditure per annum and applying prospectivity factors to arrive at the technical value.

We consider these methods to be appropriate for AIC's exploration assets.

Full details of DRM's valuation are provided in Appendix 3 to our Report.

The range of values for each of AIC's exploration assets as assessed by DRM is set out below:

		Low *$'000*	*Preferred* *$'000*	*High* *$'000*
Marymia project	Comparable transactions	3,900	5,700	7,900
	Kilburn	3,400	5,700	8,000
	PEM valuation	3,600	4,500	5,400
	Recommended	**3,900**	**5,700**	**7,900**

Source: *Independent technical specialists report and valuation*

10.4 Quoted Market Prices for Intrepid shares prior to the announcement

To provide a comparison to the valuation of Intrepid in Section 10.1, we have also assessed the quoted market price for an Intrepid's share prior to and post announcement of the offer to acquire AIC.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

Therefore, our calculation of the quoted market price of an Intrepid share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

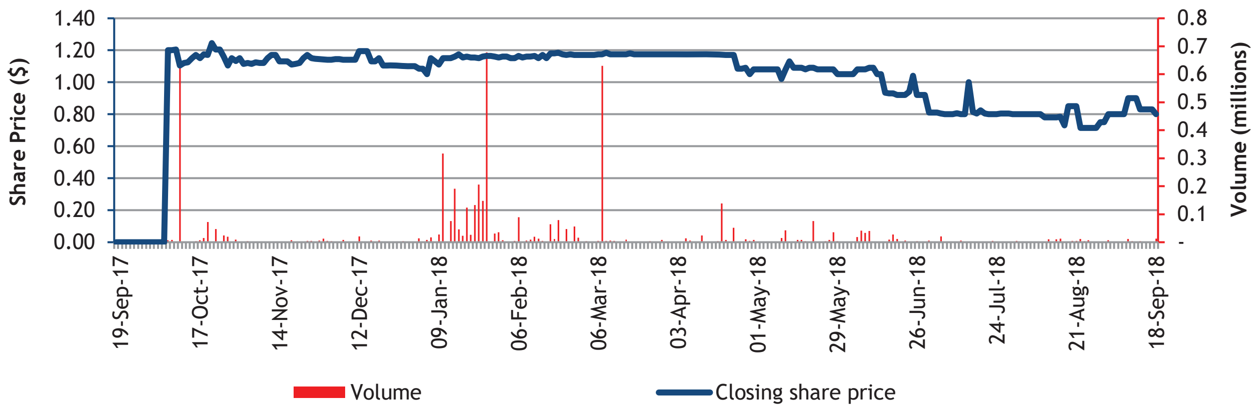
Minority interest value

Our analysis of the quoted market price of an Intrepid share is based on the pricing prior to and post announcement of the offer to acquire AIC's shares. However, we believe that the relevant quoted market price of an Intrepid share for our analysis is post announcement. This is because the value of an Intrepid share after the announcement may include the effects of any change in value as a result of the Offer. Information on the Offer was announced to the market on 19 September 2018.

Share price movement prior to the announcement

The following chart provides a summary of the share price movement over the 12 months to 18 September 2018 which was the last trading day prior to the announcement:

IAU share price and trading volume history



The daily price of Intrepid shares from 5 October 2017 to 18 September 2018 has ranged from a low of $0.715 on 28 August 2018 to a high of $1.245 on 23 October 2017. The share price remained relatively stable from 5 October 2017 to 23 April 2018 and thereafter a declining trend can be observed. Intrepid's share price closed at $0.715 on 22 August 2018 with a traded volume of 11,008 shares. The share price then recovered to close at $0.800 on 31 August 2018 and closed at $0.800 on 18 September 2018. The highest single day of trading was 678,179 on 25 January 2018.

During this period a number of announcements were made to the market. The key announcements are set out below:

Date	Announcement	Closing Share Price Following Announcement $ (movement)			Closing Share Price Three Days After Announcement $ (movement)		
07/09/2018	Agreement to sell Zambian assets for US $5 million	0.900	▲	12.5%	0.830	▼	7.8%
31/07/2018	Quarterly Cash flow Report	0.800	▶	0.0%	0.800	▶	0.0%
31/07/2018	Quarterly Activities Report	0.800	▶	0.0%	0.800	▶	0.0%
04/06/2018	AUC: Doolgunna Farm in Agreement with Intrepid	1.050	▶	0.0%	1.080	▲	2.9%
04/06/2018	Doolgunna Farm in Agreement with Intrepid	1.050	▶	0.0%	1.080	▲	2.9%
21/05/2018	Update on sale of Zambian Project	1.090	▶	0.0%	1.080	▼	0.9%
30/04/2018	Quarterly Cash flow Report	1.080	▲	2.9%	1.080	▶	0.0%
30/04/2018	Quarterly Activities Report	1.080	▲	2.9%	1.080	▶	0.0%
30/04/2018	Update on sale of Zambian Project	1.080	▲	2.9%	1.080	▶	0.0%
24/04/2018	Update on sale of Zambian Project	1.085	▼	-7.3%	1.050	▼	3.2%
04/04/2018	Update on sale of Zambian Project	1.175	▶	0.0%	1.175	▶	0.0%
30/01/2018	Quarterly Cash flow Report	1.155	▼	-0.4%	1.150	▼	0%
30/01/2018	Quarterly Activities Report	1.155	▼	-0.4%	1.150	▼	0%
12/12/2017	Agreement to sell Zambian assets	1.195	▲	4.8%	1.130	▼	4.8%

Date	Announcement	Closing Share Price Following Announcement $ (movement)			Closing Share Price Three Days After Announcement $ (movement)		
11/12/2017	Trading Halt	1.140	►	0.0%	1.195	▲	4.8%
31/10/2017	Quarterly Cash flow Report	1.150	▲	1.5%	1.115	▼	3.0%
31/10/2017	Quarterly Activities Report	1.150	▲	1.5%	1.115	▼	3.0%
04/10/2017	Reinstatement to Official Quotation	-	►	0%	1.205	►	0%

On 7 September 2018, IAU announced it had entered into a conditional share sale agreement with Vulcan in respect of the 100.0% sale of Intrepid Mines Zambia. On the date of the announcement, the share price increased by 12.5% to close at $0.900, before decreasing by 7.8% over the subsequent three-day trading period to close at $0.830.

On 31 July 2018, IAU released its quarterly cash flow and activities reports, in which it highlighted its key developments made during the quarter, including the Farm-in Joint Venture agreement and investment in Ausgold, along with the lapsed share sale agreement in the sale of Intrepid Mines Zambia with Weatherly. On the date of the announcement the share price remained steady at $0.800 and stayed at $0.800 in the subsequent three-day period following the announcement.

On 4 June 2018, IAU announced it entered into a Farm-in Agreement for the Doolgunna Station Project with Ausgold. As part of the agreement, IAU will spend invest $2.15 million over two years to earn up to a 70.0% interest. On the date of the announcement the share price remained steady at $1.050, increasing by 2.9% in the subsequent three-day period following the announcement to close at $1.080.

On 21 May 2018, IAU announced that the Zambian Ministry of Mines and Minerals Development conditional approval for Weatherly to purchase the Zambian assets had lapsed. On the day of the announcement the share price remained steady at $1.090, but declined by 0.9% in the subsequent three-day period following the announcement to close at $1.090.

On 30 April 2018, IAU released its quarterly cash flow and activities reports, in which it highlighted developments made during the quarter, including an update on the on-market share buyback and the appointment of Richard Baumfield as Chairperson. On the same day IAU also announced an update of the sale of its Zambian project, stating all approvals had been received from the Zambian authorities for Weatherly to purchase the mines but that consent from the Zambian authorities remains conditional upon payment by Intrepid of Property Transfer Tax on the transaction by 18 May 2018. On the day of the announcements the share price increased by 2.9% to close at $1.080 and remained at the same price in the subsequent three-day period following the announcements.

On 24 April 2018, IAU announced that it had not been able to agree to an extension to the backstop date with Weatherly in respect of the conditional share sale agreement and as a result it had lapsed. On the day of the announcement the share price declined by 7.3% to close at $1.085 and continued to decrease by 3.5% in the subsequent three-day period following the announcement to close at $1.050.

On 4 April 2018, IAU announced that, in relation to the sale of the Zambian Project, that it did not receive the consent to the change of control of Intrepid Mines Zambian from the Ministry of Mines in Zambia. This is a conditions precent of the conditional share sale agreement with Weatherly. On the day of the announcement the share price remained steady at $1.175 and remained the same in the subsequent three-day period following the announcement.

On 30 January 2018, IAU released its quarterly cash flow and activities report, in which it highlighted developments made during the quarter, including entering into a conditional share sale agreement with Weatherly and an investment in a non-related unlisted Australian company with gold and copper-gold exploration projects in Chile. On the day of the announcement the share price declined slightly from previous day close and closed at $1.155 on the day of announcement. The share price declined slightly over the three three-day period following the announcement to close at $1.150.

On 12 December 2017, IAU announced that two of its wholly owned subsidiaries had entered into a conditional share sale agreement with Weatherly in respect to the 100% sale of Intrepid Mines Zambia. On the day of the announcement the share price increased by 4.8% to close at $1.195. However, it declined by 5% in the subsequent three-day period following the announcement to close at $1.130 (a decline of 5.4%).

On 11 December 2017, IAU announced it will be placed into a trading halt pending the release of an announcement. On the day of the announced trading halt the share price remained steady at $1.140, but increased by 4.8% in the subsequent three-day period following the announcement to close at $1.195.

On 31 October 2017, IAU released its quarterly cash flow and activities report, in which it highlighted developments made during the quarter including, the selection of the preferred bidder of IAU's interested in the Zambian Project and a cash balance of $20.7 million at 30 September 2017. On the day of the announcement the share price increase by 1.5% to close at $1.150. It declined by 3.0% in the subsequent three-day period following the announcement to close at $1.115.

On 4 October 2017, it was announced that Intrepid will be reinstated to official quotation after providing the ASX with an announcement in relation to the carrying value of the mining properties stated in its interim financial report for the 6 months ended 30 June 2017.

To provide further analysis of the market prices for an IAU share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 18 September 2018.

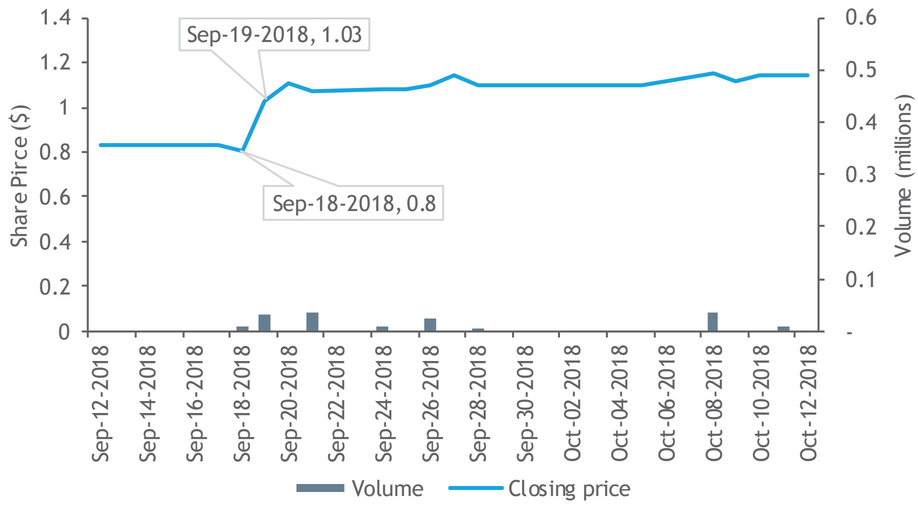
Share Price per unit	18-Sep-18	10 Days	30 Days	60 Days	90 Days
Closing price	$0.800				
Volume weighted average price (VWAP)		$0.848	$0.802	$0.805	$0.970

Source: *Bloomberg, BDO analysis*

The above weighted average prices are prior to the date of the announcement of the Proposed Transaction to avoid the influence of any increase in price of Intrepid shares that has occurred since the Proposed Transaction was announced.

Share price movement after the announcement

The following chart presents the share price movement from 12 September 2018 to 12 October 2018 indicating the share price movement post announcement the offer by Intrepid to acquire AIC:



Source: *S&P Capital IQ*

As shown in the chart above, the share price of Intrepid increased from a closing price of $0.800 on 18 September 2018 (a day prior to the announcement) to close at $1.03 on 19 September 2018 (the day of the announcement), indicating an increase of approximately 28.8%. During the following three days, it increased approximately 4.9% to close at $1.080 on 24 September 2018. Intrepid's share closed at a price of $1.145 on 12 October 2018, indicating a 43.1% increase in price from the close price prior to the day of the announcement (i.e. $0.800).

The lowest price of $1.030 from 19 September 2018 to 12 October 2018 was recorded on 19 September 2018, and the highest price recorded of $1.145 was recorded on 12 October 2018.

Liquidity and depth of Intrepid shares

An analysis of the volume of trading in Intrepid shares for the twelve months to 19 September 2018 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	$0.800	$0.830	12,749	0.09%
10 Days	$0.800	$0.900	33,959	0.25%
30 Days	$0.715	$0.900	111,012	0.81%
60 Days	$0.715	$1.000	171,794	1.25%
90 Days	$0.715	$1.093	509,497	3.70%
180 Days	$0.715	$1.240	4,012,397	29.10%
249 Days	$0.715*	$1.250	5,063,820	36.73%

Source: *Bloomberg and Capital IQ*
**Excludes the period of trading halt (i.e. 18 September 2017 to 4 October 2017) from the analysis period*

This table indicates that Intrepid's shares display a low level of liquidity, with approximately 36.7% of the Intrepid's current issued capital being traded in a 249-day trading period from the date prior to the announcement of the Offer. Similarly, 29.1% of the issued capital was traded in the 180 days prior to the announcement of the Offer. For a 28-day period, ended 19 September 2018, the total volume of shares traded was less than 1.0% of the issued capital. For the 90-day period ending 19 September 2018, the total volume of shares traded was 3.70%. For the subsequent 90-day period, ended 16 May 2018, the total volume of shares traded was 25.4%. During this time there was a 39-day period starting 12 January 2018 through 7 March 2018, in which the volume of shares traded was 20% of the issued capital. From 19 September 2018 to 12 October 2018 (an 18-day period), total shares traded constituted 1.33% of the total share capital.

RG 111.69 states that for the quoted market price methodology to be an appropriate methodology there needs to be a 'liquid and active' market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'liquid and active', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Intrepid, the average weekly traded volume from 18 September 2017 to 18 September 2018 (including the temporary trading halt period) was 0.99% of the total ordinary shares on issue (and 1.02% of the total ordinary shares on issue – excluding the temporary trading halt period). However, out of 36 weekly observations, only 7 observations were identified over the period where the average weekly volume traded exceed 1.0% of the total ordinary shares issued.

We consider there is less depth and liquidity in the Company's traded shares with only 3.7% of the Company's current issued ordinary shares being traded over a 90-day period prior to the announcement of the Offer.

Our assessment is that a range of values for Intrepid shares based on market pricing, based on post announcement pricing, is between $1.03 and $1.150 with a mid-point of $1.090.

Control Premium

The quoted market price per share reflects the value to minority interest shareholders. In order to value an Intrepid share on a control basis, we have added a control premium that is based on our analysis set out below.

We have reviewed control premiums on completed transactions, paid by acquirers of both gold companies and all ASX-listed companies. In assessing the appropriate sample of transactions from which to determine an appropriate control premium, we have excluded transactions where an acquirer obtained a controlling interest (20% and above) at a discount (i.e. less than a 0% premium). We have summarised our findings below.

Gold companies

Year	Number of Transactions	Average Deal Value (AU$m)	Average Control Premium (%)
2018	2	20.9	77.32
2017	2	5.2	41.04
2016	7	48.8	52.79
2015	5	68.2	62.24
2014	9	106.9	52.19
2013	9	185.6	50.26
2012	8	112.1	52.34
2011	8	1,619.6	33.73
2010	11	850.6	48.63

Source: *Bloomberg, BDO analysis*

All ASX listed companies

Year	Number of Transactions	Average Deal Value (AU$m)	Average Control Premium (%)
2018	22	1287.48	49.77
2017	27	795.55	44.00
2016	42	534.87	49.58
2015	33	676.37	33.23
2014	45	483.54	40.00
2013	41	128.39	50.99
2012	52	486.45	51.68
2011	68	910.98	44.43
2010	54	517.53	44.05

Source: *Bloomberg, BDO analysis*

The mean and median of the entire data sets comprising control transactions from 2010 onwards for general mining companies and all ASX listed companies, respectively, is set out below:

	Gold Companies		All ASX listed companies	
Entire Data Set Metrics	**Average Deal Value (AU$m)**	**Average Control Premium (%)**	**Average Deal Value (AU$m)**	**Average Control Premium (%)**
Mean	435.7	50.21	617.48	45.41
Median	35.8	41.63	99.31	35.44

Source: *Bloomberg, BDO analysis*

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction;
- Level of liquidity in the trade of the acquiree's securities.

When performing our control premium analysis, we considered completed transactions where the acquirer held a controlling interest, defined at 20% or above, pre transaction or proceeded to hold a controlling interest post transaction in the target company.

The table above indicates that the long term average control premium paid by acquirers of gold companies and all ASX listed companies is approximately 50.21% and 45.41%, respectively. In assessing the transactions included in the table, we noted transactions that appear to be extreme outliers. These outliers included transaction for which the announced premium was in excess of 100%. We have removed these transactions because we consider it likely that the acquirer in these transactions would be paying for special value and/or synergies in excess of the standard premium for control. Whereas, the purpose of this analysis is to assess the premium that is likely to be paid for control, not specific strategic value to the acquirer.

In a population where there are extreme outliers, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the last eight years was approximately 41.63% for gold companies and 35.44% for all ASX listed companies. Based on the above analysis, we consider an appropriate premium for control to be applied is between 30% and 40%, with a midpoint of 35%.

Quoted market price of Intrepid including control premium

Applying a control premium to Intrepid's quoted market share price results in the following quoted market price value including a premium for control:

Intrepid Mining Limited Post Annoucement QMP	Low $	Midpoint $	High $
Quoted market price value	1.030	1.090	1.150
Control premium	30%	35%	40%
QMP valuation including a premium for control	**1.339**	**1.472**	**1.610**

Therefore, our valuation of an Intrepid share based on the quoted market price method and including a premium for control is between $1.339 and $1.610, with a midpoint value of $1.472.

10.5 Assessment of the value of an Intrepid share proposed to be offered as consideration

The results of the valuations performed are summarised in the table below:

	Low $	Preferred $	High $
Value based on NAV methodology	0.547	0.594	0.651
Value based on ASX market prices	1.339	1.472	1.610
Less: proposed capital distribution per share	(0.750)	(0.750)	(0.750)
Value based on ASX market prices (net of capital distribution)	0.589	0.722	0.860

Source: BDO Analysis

In our opinion the value of an Intrepid share offered as consideration on a combined basis is between $0.547 and $0.651 with a preferred value of $0.594.

We consider the NAV to be the most appropriate methodology, given that the core value of the combined company lies in the mineral assets that it holds. Furthermore, cash and cash equivalents constitute approximately 85.1% of the total assets of Intrepid on a combined basis (unadjusted for the fair market value of Capitalised exploration and evaluation expenditure) which are already close to their fair market value.

We instructed an independent specialist (**'DRM'**) to value AIC's mineral assets in accordance with the VALMIN code, which we have included in our net asset value. The NAV on a combined basis also best represents the value offered to Brahman as a consideration for its shares in AIC.

We note that our NAV value is lower than the value obtained using the QMP methodology. We attribute this difference in value derived under the two methods to the following:

- the NAV value is lower than the QMP value, which often occurs for companies focused on exploration which regularly trade at a premium to their net asset value. The reason for this is that mining companies at the pre-production stage generally anticipate a potential upside of 'blue-sky' prospects for the company and its mineral assets, which is factored into the share price often prior to such value being warranted by public announcements.
- Intrepid, after sale of its Zambian assets, will have substantial cash to invest. In addition, it has also announced the distribution of capital to its shareholders at $0.75 per share. Intrepid's shares may incorporate a view that given the level of cash Intrepid will not have to raise to funds in the near term for exploration which will enable the combined entity to potentially add value to the projects acquired. General market investors may have priced in the potential value of a future corporate transaction given the level of cash on hand and the Company may have been perceived to be able to attract quality assets
- the nature of the transaction is such that the different assets are involved pre and post the merger. Post-merger the assets of combined entity present a different risk and return profile. Consequently, it is advantageous to consider the value of consideration given against the value of assets acquired on a consistent basis and this is more readily achieved with a NAV value because the QMP value on a post announcement basis still contains an element of doubt about whether the merger will be approved. In addition, the QMP post announcement may not have fully incorporated the risks associated with the operations of the combined entity; and

- our NAV includes the assessment of value in an independent technical report on AIC's mineral assets performed by DRM which utilises a combination of valuation methods reflecting the market value of AIC's mineral assets. Based on the results above, we consider the value of a share of Intrepid (on a combined basis) to be in the range from $0.547 to $0.651, with a preferred value of $0.594.

11. Valuation of AIC shares

11.1 Net Assets of AIC

The value of AIC's assets on a going concern basis is reflected in our valuation below:

Currency: $'000	Low 30-Sep 2018	Preferred 30-Sep 2018	High 30-Sep 2018
Current assets:			
Cash and cash equivalents	6,950	6,950	6,950
Trade and other receivables	271	271	271
Investments	-	-	-
Assets held for sale	-	-	-
Total current assets	**7,221**	**7,221**	**7,221**
Non-current assets:			
Property, plant, and equipment	135	135	135
Mining properties	3,900	5,700	7,900
Total non-current assets	**4,035**	**5,835**	**8,035**
TOTAL ASSETS	**11,255**	**13,055**	**15,255**
Current liabilities:			
Trade and other payables	7	7	7
Employee benefit liabilities	-	-	-
Liabilities associated with held for sale assets	-	-	-
Total current liabilities	**7**	**7**	**7**
Non-current liabilities:			
Employee benefit liabilities	-	-	-
Total non-current liabilities	**-**	**-**	**-**
TOTAL LIABILITIES	**7**	**7**	**7**
NET ASSETS	**11,248**	**13,048**	**15,248**
Number of AIC ordinary shares '000	75,000	75,000	75,000
Value of AIC shares	**0.150**	**0.174**	**0.203**
Value of three AIC shares	**0.450**	**0.522**	**0.610**

11.2 Quoted Market Prices for AIC shares prior to the announcement

To provide a comparison to the valuation of AIC in Section 10.1, we have also assessed the quoted market price for an AIC share prior to the announcement of the offer to acquire AIC.

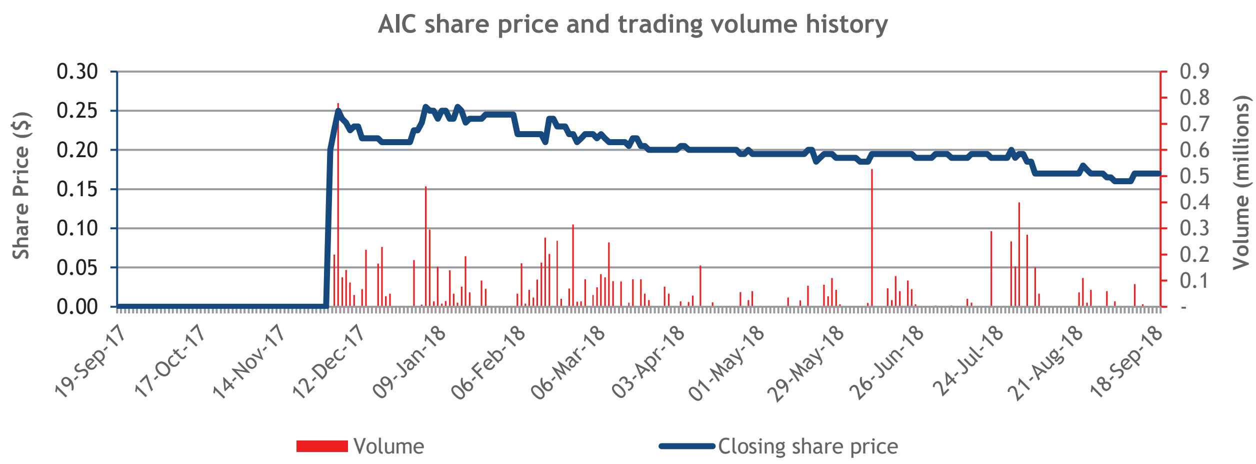
The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

Therefore, our calculation of the quoted market price of an AIC's share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

Minority interest value

Our analysis of the quoted market price of an AIC share is based on the pricing prior to the announcement of the Offer. This is because the value of an AIC share after the announcement may include the effects of any change in value as a result of the merger. In addition, for the purpose of Listing Rule 10.1, we have compared the value of consideration given and the value of assets acquired, consequently, the value of assets acquired is most reflective by the market prices prior to the announcement of the Offer.

Information on the Proposed Transaction was announced to the market on 19 September 2018. Therefore, the following chart provides a summary of the share price movement from 29 November 2018 (which was the day it was admitted to the official ASX list) to 18 September 2018 which was the last trading day prior to the announcement.



Source: *Bloomberg, BDO analysis*

The daily price of AIC shares from 18 September 2018 to 29 November 2018 has ranged from a low of $0.160 on 7 September 2018 to a high of $0.260 on 9 January 2018. From 15 January 2018 the share price has been following a declining trend to close at $0.170 on 18 September 2018.

During this period the following key announcements were made to the market:

Date	Announcement	Closing Share Price Following Announcement $ (movement)			Closing Share Price Three Days After Announcement $ (movement)		
27/07/2018	Quarterly Activities Report and Appendix 5B	0.200	▲	5.3%	0.195	▼	2.5%
26/04/2018	Quarterly Activities Report and Appendix 5B	0.200	▲	2.6%	0.195	▼	2.5%
31/01/2018	Quarterly Report and Appendix 5B	0.245	►	0.0%	0.220	▼	10.2%
29/11/2017	Admission to Official List	0.000	►	0.0%	0.250	►	0.0%

On 27 July 2018, AIC released its quarterly cash flow and activities report, in which it highlighted developments made during the quarter including, geological mapping of Two Pools and a drilling program planned for late 2018. On the day of the announcement the share price increased by 5.3% to close at $0.200, but declined by 2.5% in the subsequent three-day period following the announcement to close at $0.195.

On 26 April 2018, AIC released its quarterly cash flow and activities report, in which it highlights developments made during the quarter including, strong potential gold mineralisation at Marymia North East and continued geochemical sampling at Pinnyrini that has expanded the existing gold anomaly by 2km. On the day of the announcement the share price increased by 2.6% to close at $0.200, but declined by 2.5% in the subsequent three-day period following the announcement to close at $0.195.

On 31 January 2018, AIC released its quarterly report and Appendix 5B. The quarterly report announced the completion of the airborne magnetic survey and the discovery of a clearly defined gold anomaly at Copper Hills. It also announced that geotechnical sampling at Pinnyrini outlined a substantial gold anomaly traceable for approximately 1.5km. On the day of the announcement the share price remained steady to close at $0.245, but declined by 10.2% in the subsequent three-day period following the announcement to close at $0.220.

On 29 November 2018, it was announced that AIC was admitted to the official quotation list and commenced trading.

To provide further analysis of the market prices for an AIC share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 18 September 2018.

Share Price per unit	18-Sep-18	10 Days	30 Days	60 Days	90 Days
Closing price	$0.170				
Volume weighted average price (VWAP)		$0.170	$0.170	$0.184	$0.187

The above weighted average prices are prior to the date of the announcement of the Offer to avoid the influence of any increase in price of AIC shares that has occurred since the Offer was announced.

An analysis of the volume of trading in Intrepid shares for the twelve months to 19 September 2018 is set out below:

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
1 Day	$0.170	$0.170	-	0.00%
10 Days	$0.160	$0.170	97,370	0.13%
30 Days	$0.160	$0.180	422,370	0.56%
60 Days	$0.160	$0.200	2,049,461	2.73%

Trading days	Share price low	Share price high	Cumulative volume traded	As a % of Issued capital
90 Days	$0.160	$0.200	3,440,070	4.59%
180 Days	$0.160	$0.255	7,722,352	10.30%
208 days	$0.160	$0.260	10,990,763	14.65%

Source: *Bloomberg, BDO analysis*

This table indicates that AIC shares display a low level of liquidity, with 14.65% of the Company's current issued capital being traded in a 209-day period since listing. Of this, 10.30% of the issued capital was traded in the 180 days prior to the announcement of the proposed transaction. In the 119 days following AIC's listing, the volume of shares traded was 10.07%.

In the case of AIC, the average weekly traded volume from 18 September 2017 to 18 September 2018 was 0.51% of the total ordinary shares on issue. However, out of 29 weekly observations, only 5 observations were identified over the period where the average weekly volume traded exceed 1.0% of the total ordinary shares issued.

In case of AIC, we consider there is less depth and liquidity in its traded shares with only 4.59% of the Company's current issued ordinary shares being traded over a 90-day period prior to the announcement of the Offer.

Our assessment is that a range of values for AIC shares based on market pricing, after disregarding post announcement pricing, is between $0.170 and $0.187 with a mid-point of $0.179.

Quoted market price of AIC including control premium

Applying a control premium to AIC's quoted market share price results in the following quoted market price value including a premium for control:

AIC Resourced Limited Pre Annoucement QMP	Low $	Midpoint $	High $
Quoted market price value	0.170	0.179	0.187
Control premium	30%	35%	40%
QMP valuation including a premium for control	**0.221**	**0.241**	**0.262**
QMP valuation of three AIC shares	**0.663**	**0.723**	**0.786**

Therefore, our valuation of an AIC share based on the quoted market price method and including a premium for control is between $0.221 and $0.262, with a midpoint value of $0.241. Similarly, the value of three AIC shares under QMP method and including a premium for control is between $0.663 and $0.786, with a midpoint value of $0.723.

11.3 Assessment of the value of AIC shares acquired against a consideration of one Intrepid share

The results of the valuations performed are summarised in the table below:

	Low $	Preferred $	High $
Value based on NAV methodology of one AIC share	0.150	0.174	0.203
Value based on NAV methodology of three AIC share	**0.450**	**0.522**	**0.610**
Value based on ASX market prices of one AIC share	0.221	0.241	0.262
Value based on ASX market prices of three AIC share	**0.663**	**0.723**	**0.786**

Source: *BDO Analysis*

In our opinion the value of the three AIC's shares received against a consideration of one Intrepid share is between $0.450 and $0.610 with a preferred value of $0.522.

We consider the net asset value to be the most appropriate methodology, given that the core value of the company lies in the mineral assets that it holds. We instructed an independent specialist (DRM) to value AIC's mineral assets in accordance with the VALMIN code, which we have included in our net asset value. The net asset value also best represents the value received in AIC against the shares issued in Intrepid.

We note that our NAV value is lower than the value obtained using the QMP methodology. We attribute this difference in value derived under the two methods to the following:

- the NAV value is lower than the QMP value, which often occurs for companies focused on exploration which regularly trade at a premium to their net asset value. The reason for this is that mining companies at the pre-production stage generally anticipate a potential upside of 'blue-sky' prospects for the company and its mineral assets, which is factored into the share price often prior to such value being warranted by public announcements,
- the nature of the transaction is such that the different assets are involved pre and post the merger. Post-merger the assets of combined entity present a different risk and return profile. Consequently, it is advantageous to consider the value of consideration given against the value of assets acquired on a consistent basis and this is more readily achieved with a NAV value because the QMP value on a post announcement basis still contains an element of doubt about whether the merger will be approved; and
- our NAV includes the assessment of value in an independent technical report on AIC's mineral assets performed by DRM which utilises a combination of valuation methods reflecting the market value of AIC's mineral assets. Based on the results above, we consider the value of a share of AIC to be in the range from $0.150 to $0.203, with a preferred value of $0.174. Similarly, we consider the value of three shares of AIC to be in the range from $0.450 to $0.610, with a preferred value of $0.522.

12. Is the Proposed Transaction fair?

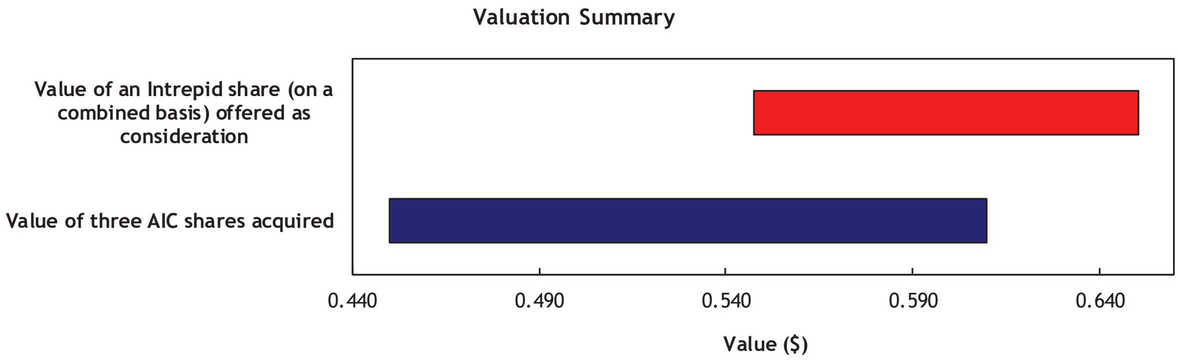
On a per share basis

The value of an Intrepid share on combined and control basis given as consideration compares to the value of three shares of AIC received on a control basis, as detailed below:

	Ref	Low $	Preferred $	High $
Value of an Intrepid share (on a combined basis) offered as consideration	10.5	0.547	0.594	0.651
Value of three AIC shares acquired	11.3	0.450	0.522	0.610

We note from the table above that the value of an Intrepid share offered as consideration is greater than the value of three shares of AIC received/acquired. Therefore, we consider that the Proposed Transaction is not fair.

The above ranges are graphically presented below:



On a net assets basis

The value of shareholding received by AIC shareholders in the net assets of the combined/merged entity compares with the value of net assets of AIC acquired as a result, as detailed below:

	Ref	Low $'000	Preferred $'000	High $'000
Value of the share of AIC shareholders in the net assets of the combined/merged entity (approximately 64.5%)	10.5	13,684	14,844	16,263
Value of the net assets of AIC acquired	11.3	11,248	13,048	15,248

We note from the table above that the value of the share of AIC shareholders in the net assets of the combined/merged entity is greater than the value of three shares of the net assets of AIC acquired. Therefore, we consider that the Proposed Transaction is not fair.

13. Is the Proposed Transaction reasonable?

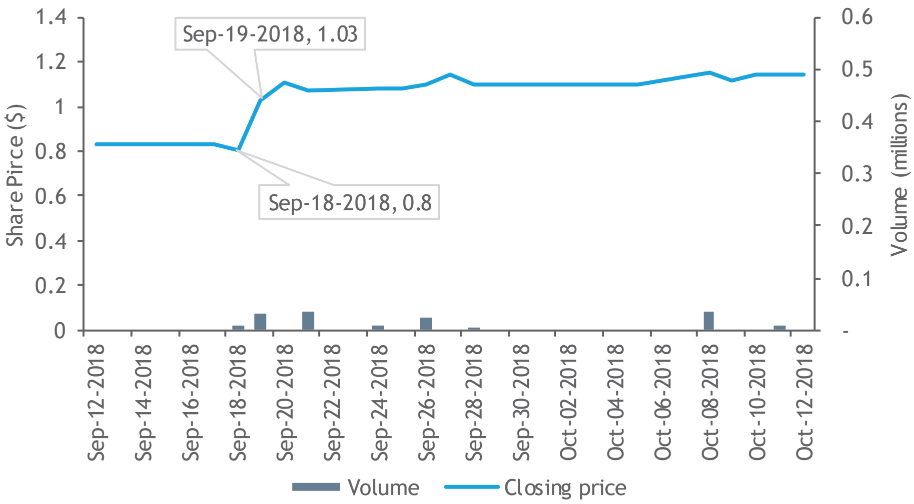
13.1 Alternative investment opportunity

We are unaware of any alternative investment opportunity similar to acquiring AIC that might be available to the Shareholders of Intrepid at a discount to the value of consideration offered by the Intrepid shareholders to AIC's shareholders.

13.2 Consequences of not Approving the Proposed Transaction

Potential decline in share price

We have analysed movements in Intrepid's share price since the Offer was announced on 19 September 2018. A graph of Intrepid's share price share price and trade volume leading up to and following the announcement of the Offer is set out below:



Source: *S&P Capital IQ*

The daily closing price of Intrepid's shares for the period 12 September 2018 to 12 October 2018 ranged from a low of $0.800 (18 September 2018) to a high of $1.150 on 8 October 2018. On the day of the announcement, the share price closed higher from the previous trading day i.e. 19 September 2018, at $1.03 (an increase of 28.8%). A total of 34,451 shares were traded on the day of the announcement, which represents approximately 0.25% of the Company's total issued capital. On 20 September 2018, the first full day of trading following the announcement the share price closed higher from the previous day, at $1.105 with a traded volume of 2,833 shares.

The table below details the Volume Weighted Average Price (**'VWAP'**) of Intrepid shares for the 5-day period subsequent to the announcement of the Offer on 19 September 2018.

Share Price per unit	19-Sep-18	10 days pre announcement	5 days post announcement
Closing price	$1.030		
Volume weighted average price (VWAP)		$0.8479	$1.0915

Source: Bloomberg

Following the announcement of the Proposed Transaction, Intrepid's share price has increased from a VWAP of $0.8479 over the ten days prior to the announcement to $1.0915 over the five days subsequent to the announcement. Given the above analysis, if the Proposed Transaction is not approved then Intrepid's share price may decline back to pre-announcement levels.

13.3 Terms offered to the related party

We note that the related party for which Intrepid is required to obtain shareholder approval is acquiring Intrepid shares post-merger as consideration on the same terms as all AIC shareholders

13.4 Advantages of Approving the Proposed Transaction

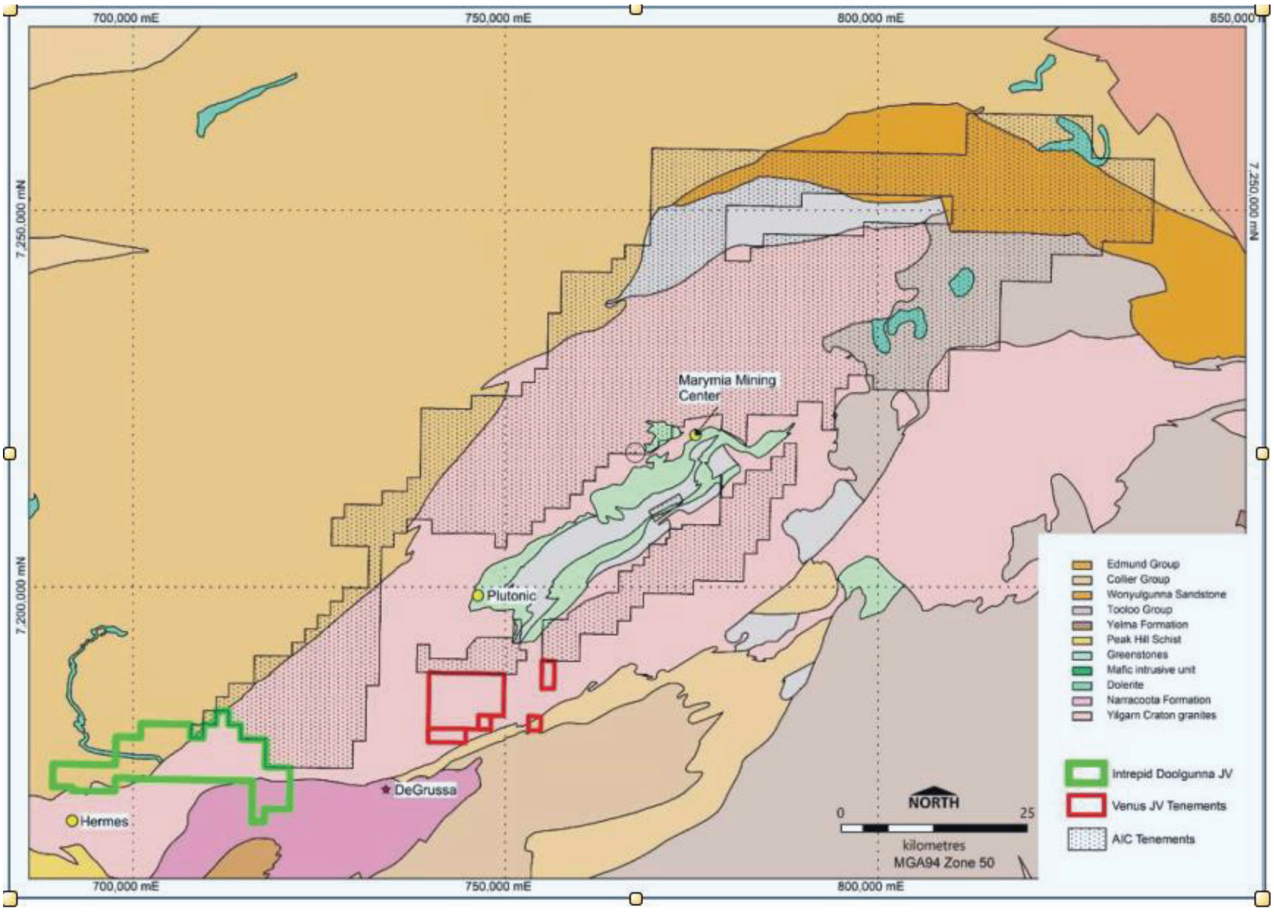
We have considered the following advantages when assessing whether the Proposed Transaction is reasonable.

Advantage	Description
Intrepid Shareholders will get access to Marymia project.	AIC's main asset is the Marymia gold project ('Marymia Project') which it owns 100.0%. The Marymia Project encompasses approximately 3,160 square kilometres in area and is located 1,200 kilometres north-east of Perth on the northern margin of the Yilgarn. The Marymia Project is considered to have the potential to host gold ore deposits. Additionally, some tenements have the potential to host base metal, lithium or rare earth metal mineralisation.
Combining the two companies will deliver a large contiguous land holding which is prospective for gold and base metals in Western Australia;	The Doolgunna Project is contiguous with AIC's Marymia Project and Venus' Doolgunna Project in which AIC holds the right to earn up to 80.0% interest, as announced to ASX on 20 September 2018. Please see the map below.
Possible synergies through cost savings	According to the Joint ASX Announcement on the 19 September 2018, combining both companies result in a reduction in general and administration costs of over $500,000 per annum, allowing more in ground expenditure. The Bidder's Statement further elaborates that these may possibly be achieved by having a more simplified corporate structure in place for the merger entity partly because AIC's Marymia Project and Venus' Doolgunna Project are contiguous with the Doolgunna Project (in respect of which Intrepid has a right to earn up to an 80.0% interest).

Advantage	Description
An experienced board and management team	Combined entity is proposed to have an experienced board and management team which can add strategic value to the direction of the combined entity. It is proposed that Brett Montgomery will be the CEO, Josef El-Raghy will be the Chairman, and Richard Baumfield and Tony Wolfe (existing directors of Intrepid) will be the non-executive directors. Please see below for detailed profiles.
Immediate liquidity for Intrepid shareholder	Post approvals from relevant authorities, Intrepid shareholders will receive the capital distribution of approximately $0.75 per share prior to the merger taking place resulting in an immediate cash liquidity for Intrepid shareholders.
Diverse shareholder base	The shareholders of both Intrepid and AIC may benefit from a strengthened and more diverse members' register through the amalgamation of shares of Intrepid and AIC.
Better access of capital	The merged entity is likely to benefit from an enhanced ability to source debt and equity (may be on more favourable terms) as a result of a stronger balance sheet (total assets of combined entity of approximately $18.7 million compared to standalone Intrepid total assets as at 30 September 2018 of $10.2 million post adjustments of sale of Kitumba and Mumbwa projects and capital distribution) and diverse shareholder base.
Increased liquidity of shares of the merged entity	Possible increase in the liquidity of the shares of the merged entity (Intrepid) due to increased capitalisation of the merged entity.

13.4.1. Large contiguous land holding post-merger

The map below shows the proximity of Marymia Project, Venus' Doolgunna Project Project, and the Doolgunna Station Project:



Source: *Bidder's Statement*

13.4.2. Profiles of the proposed key persons

Josef El-Raghy – Proposed Chairman

Mr. Josef El-Raghy holds a Bachelor of Commerce Degree from the University of Western Australia and had a ten year career in stock broking. He is currently the Chairman of AIC.

Mr. El-Raghy is also currently the Chairman of Centamin Plc, where he has been responsible for overseeing the transition from small explorer, through construction and into production. He was formerly a director of both CIBC Wood Gundy and Paterson Ord Minnett.

Below are some of the current senior positions held by Mr. El-Raghy:

Company	Title	Since
Centamin Plc (Gold)	Executive Chairman	2002
Ampella Mining Ltd.	Chairman	2014
AIC Resources Ltd. (Gold)	Non-Executive Chairman	2017

Brett Montgomery - Proposed CEO

Mr. Brett Montgomery has extensive experience in public company management, leadership, corporate governance and risk management in both executive and non-executive roles. He is also currently the Managing Director of AIC.

In addition, Mr. Montgomery is currently the Non-Executive Director of Kalimantan Gold NL, and Director of Grants Patch Mining Ltd, EZA Corporation Ltd and Magnum Gas and Power Ltd.

Below are some of the current senior positions held by Mr. Montgomery:

Company	Title	Since
Tanami Gold NL (Gold)	Independent Non-Executive Director	2013
BARD1 Life Sciences Ltd. (Biotechnology & Medical Research	Non-Executive Director	2014
AIC Resources Ltd. (Gold)	Managing Director	2017

Richard Baumfield - Proposed Non-Executive Director

Mr. Richard Baumfield is currently the Chairperson (appointed on 2 March 2018) and Independent Non-Executive Director (appointed on 1 July 2015) of Intrepid. He is also an adjunct assistant professor of law at Bon University, having previously practiced for ten years as a partner with the New York law firm Andrews Kurth LLP. He is a strategic Investment specialist, who brings with him experience in investment and corporate governance advisory.

Tony Wolfe - Proposed Non-Executive Director

Mr. Tony Wolfe is currently a Non-Executive (appointed on 25 November 2016) of Intrepid. Mr. Wolfe has over 13 years' experience in asset management with over 11 years managing, researching and trading event driven and special situations portfolios across the Asia-Pacific region. Mr. Wolfe currently holds the position of 'Portfolio Manager' for Brahman Capital Management Pte. Ltd. focusing on equity driven and special situation investments. Previously, Mr. Wolfe held the position of 'Portfolio Manager' at Brummer & Partners AG, a multi-strategy hedge fund that manages over US$15 billion in assets under management. Mr. Wolfe also held senior portfolio management roles at Pengana Capital and Rubicon Asset Management in Sydney.

Brahman Pure Alpha Pte Ltd, an entity controlled by Brahman Capital Managemet Pte Ltd, is a substantial holder in Intrepid and has voting power of approximately 4.89% in AIC Resources.

13.5 Disadvantages of Approving the Proposed Transaction

If the Proposed Transaction is approved, in our opinion, the potential disadvantages to Intrepid's shareholders include those listed in the table below:

Disadvantage	Description
Dilution of existing Shareholders' interests.	As the Proposed Transaction will involve the issue of more than 100.0% of Intrepid's current issued capital, the Proposed Transaction is classified as a 'reverse takeover'. AIC's current shareholders will approximately own 64.5% of the new merged entity and therefore the shareholding of the current shareholders will dilute substantially.

Disadvantage	Description
Investment in an early stage exploration company	Being and early stage exploration company, AIC’s business is subject to a number of key dependencies and risks commonly associated with exploration activities, namely there is no guarantee that AIC’s exploration activities will succeed in the discovery of a commercially viable deposit. Additionally: • AIC's mining and exploration activities are dependent upon the maintenance (including renewal) of the tenements in which it has (or acquires) an interest; • In the event that AIC successfully delineates economic deposits on any of its mineral exploration licences, it will need to apply for a mining lease, and there is no guarantee that it will be granted a mining lease if one is applied for; • AIC's future revenues will primarily be derived from the sale of gold, and as such its future earnings will be closely related to, and dependent on, the price of gold; • The Marymia Project is subject to Western Australian regulations regarding environmental matters, and the cost and complexity of complying with the applicable environmental laws and regulations may prevent AIC from being able to develop potentially economically viable mineral deposits; and • AIC's growth through its proposed and future drilling and exploration campaigns will require substantial expenditure. and there can be no guarantee that the cash reserves of the Intrepid and AIC combined will be sufficient to successfully achieve all the objectives of AIC's overall business strategy.

14. Opinion

We have considered the terms of the Proposed Transaction as outlined in the body of this Report and have concluded that in the absence of a similar alternative investment opportunity available at a discount to the consideration given against the value received, the Proposed Transaction is not fair but reasonable to Shareholders.

In our opinion, the Proposed Transaction is not fair because the value of a share of Intrepid offered as a consideration is higher than the value of three shares of AIC acquired as a result of the Proposed Transaction on a control basis. However, we consider the Proposed Transaction to be reasonable because the advantages of the Proposed Transaction to the shareholders of Intrepid are greater than the disadvantages. In particular:

a. Intrepid Shareholders will get access to Marymia project;

b. Combining the two companies will deliver a large contiguous land holding which is highly prospective for gold and base metals in Western Australia;

c. An experienced board and management team; and

d. Better access of capital

15. Sources of information

This report has been based on the following information:

- Draft Notice of General Meeting on or about the date of this report;
- Audited financial statements of Intrepid for the years ended 31 December 2016 and 31 December 2017;
- Reviewed financial statements of Intrepid for the six months ended 30 June 2018;
- Unaudited management accounts of Intrepid for the three months ended 30 September 2018;
- Audited financial statements of AIC for the period ended 30 June 2017 and 31 June 2018;
- Unaudited management accounts of AIC for the three months ended 30 September 2018;
- Independent Valuation Report of AIC's mineral assets dated 15 October 2018 performed by Dunbar Resource Management (**'DRM'**);
- Bidder's Statement dated 3 October 2018;
- Target's statement dated 3 October 2018;
- Takeover Implementation Deed dated 19 September 2018;
- Join ASX announcement of Intrepid takeover offer for AIC dated 19 September 2018;
- Exploration Farm-in and Joint Venture Agreement – Doolgunna Project;
- Sale and Purchase Agreement between Blackthorn Resources Pty Ltd, African Investments Pty Ltd, Intrepid Mines Limited, Vulcan Copper Limited, and Consolidated Mining Investments Limited;
- Share registry information;
- Information in the public domain; and
- Discussions with directors and management.

16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of $40,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Intrepid in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Intrepid, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Intrepid and AIC and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Intrepid and AIC and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with Intrepid, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Intrepid and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

BDO is the brand name for the BDO International network and for each of the BDO Member firms.

BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

17. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 30 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 300 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Chairman of BDO in

Western Australia, Corporate Finance Practice Group Leader of BDO in Western Australia and the Global Natural Resources Leader for BDO.

Adam Myers is a member of the Australian Institute of Chartered Accountants. Adam's career spans 20 years in the Audit and Assurance and Corporate Finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

18. Disclaimers and consents

This report has been prepared at the request of Intrepid for inclusion in the Notice of Meeting which will be sent to all Intrepid Shareholders. Intrepid engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider whether the transaction of offering an Intrepid share as a consideration against the value of three AIC shares acquired is fair and reasonable.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Notice of Meeting. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Notice of Meeting other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to the acquisition of AIC. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Proposed Transaction, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Intrepid, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by AIC.

The valuer engaged for the mineral asset valuation, Paul Dunbar of Dunbar Resource Management, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD

Sherif Andrawes

Director

Adam Myers

Director

Appendix 1 – Glossary of Terms

Reference	Definition
AFCA	Australian Financial Complaints Authority
AIC	AIC Resources Limited
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 ‘Valuation Services’
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
AUD	Australian Dollar
Ausgold	Ausgold Limited
BDO	BDO Corporate Finance (WA) Pty Ltd
Brahman	Brahman Pure Alpha Pte. Ltd
CMI	Consolidated Mining and Investments Limited
Commitment Expenditure	Intrepid has the right to earn up to an 80.0% interest in the Project by expending $2,150,000
Company	Intrepid Mines Limited (Australia)
Corporations Act	The Corporations Act 2001 Cth
DCF	Discounted Future Cash Flows
Defeating Conditions	The Offer is subject to a number of defeating conditions as follows: 1. Minimum acceptance 2. Intrepid shareholders approving the issue of Intrepid shares 3. Intrepid shareholder approval for the purposes of Listing Rule 10.1 4. Kitumba and Mumbwa Projects 5. Public ruling
Doolgunna Project	Doolgunna Station Project – located 150 kilometres north east of Meekatharra in West Australia’s Bryah Basin

Reference	Definition
DRM	Dunbar Resource Management
Earning Period	Term of two years
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Exclusivity Period	Intrepid and AIC have agreed to certain exclusivity arrangements until the earlier of the date of termination of the Implementation Deed or the end of the Offer Period
FME	Future Maintainable Earnings
FOS	Financial Ombudsman Service
FSG	Financial Services Guide
GPD	Gross Domestic Product
Implementation Deed	Takeover implementation deed
The Industry	Gold ore mining industry
Intrepid's BoD	Intrepid's Board of Directors
Intrepid Subsidiaries	Blackthorn Resources Pty Ltd and African Investments Pty Ltd
Intrepid Zambia	Intrepid Mines (Zambia) Limited
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
JV Agreement	Farm-in and Joint Venture Agreement with Ausgold Limited
Marymia Project	Marymia gold project
MEE	Multiple of Exploration Expenditure
MMNE	Marymia North East
NAV	Net Asset Value
NoM	Notice of Meeting
Offer	Off-market takeover to be made by Intrepid for all of the issued and fully paid ordinary shares in AIC

Reference	Definition
PEM	Prospectivity Enhancement Multiplier
Previous Share Sale Agreement	On 12 December 2017, Intrepid Subsidiaries entered into a conditional share sale agreement with Weatherly Subsidiary, Railor Ltd., in respect to the sale of 100% of the share capital in Intrepid Zambia
Projects	Mumbwa and Kitumba Copper Projects located in Zambia
Proposed Transaction	Acquisition of all ordinary and fully paid AIC shares by way of an off-market takeover bid, under which each shareholder of AIC would receive one Intrepid share for three shares of AIC owned by the AIC shareholders
QMP	Quoted market price
RBA	Reserve Bank of Australia
Regulations	Corporations Act Regulations 2001 (Cth)
Our report	This Independent Expert's Report prepared by BDO
QMP	Quoted market price basis
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
Section 411	Section 411 of the Corporations Act
Section 611	Section 611 of the Corporations Act
Shareholders	Shareholders of AIC Resources Limited not associated with Intrepid Mines Limited
Share Sale Agreement	The sale of 100% of the share capital in Intrepid Zambia
Sole Funding Period	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
Tesoro	Tesoro Resources Limited
USD	United States Dollar
Valmin Code	Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (2015 Edition)
Valuation Engagement	An Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation

Reference	Definition
	Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.
VHMS	Volcanic-Hosted Massive Sulphide
Vulcan	Vulcan Copper Limited
VWAP	Volume Weighted Average Price
WACC	Weighted Average Cost of Capital
Weatherly Subsidiary	Railor Ltd.

The Directors

BDO Corporate Finance (WA) Pty Ltd

38 Station Street

SUBIACO, WA 6008

Australia

Appendix 2 – Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax (‘**EBIT**’) or earnings before interest, tax, depreciation and amortisation (‘**EBITDA**’). The capitalisation rate or ‘earnings multiple’ is adjusted to reflect which base is being used for FME.

4 *Discounted future cash flows (‘DCF’)*

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

5 *Market Based Assessment*

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

Appendix 3 – Independent Valuation Report

DUNBAR RESOURCE MANAGEMENT

Consultants in Economic Geology & Management

INDEPENDENT TECHNICAL SPECIALISTS REPORT & VALUATION

AIC RESOURCES LIMITED MINERAL ASSETS

Final

October 2018

Report Commissioned by BDO Corporate Finance

Valuation Date:	19 September 2018
Report Date:	15 October 2018
Primary Author:	Paul Dunbar

Distribution:
BDO Corporate Finance
AIC Resources Limited
Intrepid Mines Limited
Dunbar Resource Management

Document Reference	AIC VALMIN Report October 2018 Final.pdf	
Distribution	AIC Resources Limited Intrepid Mines Limited BDO Corporate Finance Dunbar Resource Management	
Author	Paul Dunbar BSc Hons (Geology) MSc (MINEX) M AusIMM M AIG	Date: 15 October 2018
Valuation Date	19 September 2018	

Executive Summary

BDO Corporate Finance (WA) Pty Ltd (BDO) commissioned Dunbar Resource Management (DRM), the trading name of Jewell Dunbar Pty Ltd to prepare an Independent Technical Assessment and Valuation Report ("the Report" or the ITAR) of the mineral assets of AIC Resources Limited (ASX: A1C) (AIC).

The Report provides an opinion to support an Independent Expert's Report to be prepared by BDO, and has been prepared as a public document, in the format of an independent specialist's report and in accordance with the 2015 VALMIN Code.

This report is a technical review of the Marymia Exploration Project located in Western Australia and owned by AIC Resources. In addition to the Marymia Project a Joint Venture on a part of the Venus Metals Corporation Limited (Venus) Doolgunna Project between AIC and Venus (announced 20 September 2018) is also included in the valuation as it in DRM's opinion it is reasonable that this transaction be considered to be underway at the time of the AIC – Intrepid announcement on 19 September 2018. The Intrepid Joint Venture with Ausgold limited adjacent to the Marymia Project has not been valued as a part of this report.

This report includes a technical evaluation of the exploration and potential within the project tenements and a fair market valuation of these Mineral Assets. In accordance with the VALMIN code DRM has undertaken several valuation methods for exploration tenements. Importantly, as neither the principal author nor DRM hold an Australian Financial Securities Licence, this valuation is not a valuation of AIC Resources nor Intrepid Mines but rather a valuation of the Marymia exploration project.

This valuation is current as of 19 September 2018, being the date that the proposed transaction was announced. As commodity prices, exchange rates and cost inputs fluctuate over time this valuation is subject to change. The valuation derived by DRM is based on information provided by AIC Resources and Intrepid Mines along with publicly available data including Australian Stock Exchange (ASX) releases and public data obtained from various government geological surveys. DRM has made all reasonable endeavours to confirm the accuracy, validity and completeness of the technical data which forms the basis of this report. The opinions and statements in this report are given in good faith and under the belief that they are accurate and not false nor misleading. The default currency is Australian dollars. As with all technical valuations the valuation included in this report is the likely value of the mineral projects and not an absolute value. A range of likely values for the various mineral assets is provided with that range providing an indication of the accuracy of the valuation.

Marymia Exploration Project

The Marymia Project consists of 30 exploration licences (27 granted and three applications) and one prospecting licence application. These tenements cover a total of 3,391 km^2 however in DRM's opinion as several other granted tenements or applications have priority it is likely that the total area that would be granted to AIC is 3,158 km^2.

The area has had several phases of exploration, primarily within the early 1990's targeting gold within the remanent greenstone stratigraphy within the Marymia Dome region. Recent exploration by AIC has identified several areas which require additional exploration and an extensive compilation of the historical exploration has identified several prospects that require additional work.

There have been no Mineral Resource or Ore Reserve Estimates completed within the Marymia Project.

It is, in the opinion of DRM that ongoing and modern exploration activities may delineate potentially economic gold mineralisation including extensions to the known mineralisation. A portion of this exploration would include extensional drilling both along strike and at depth below the current prospects.

This report documents the technical aspects of the Marymia project along with determining a valuation for the project, in accordance with the 2015 VALMIN Code.

Conclusions

The Marymia Project contains several encouraging prospects and historical targets. There are significant high-grade drill intersections in several prospects which require additional investigation. In DRM's opinion there is good exploration potential within the project, especially given the lack of recent exploration and the highly encouraging exploration from the early 1990's. Additional data compilation and work to validate the historical exploration activities is required, including additional drilling. The gold price in the early 1990's when the majority of the previous exploration was undertaken was around US$350/oz compared to the current gold price of US$1,203/oz.

During the preparation of this report and while reviewing all the technical documents associated with the project no material flaws or errors were identified in the technical reporting of the exploration activities.

In DRM's opinion, the mineral assets owned by AIC have a fair market value of between $3.9 million to $7.9 million with a preferred mineral asset value of $5.7 million.

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1. Introduction

Dunbar Resource Management (DRM), the trading name of Jewell Dunbar Pty Ltd, was engaged by BDO Corporate Finance (WA) Pty Ltd (BDO) to undertake an Independent Technical Assessment and Valuation Report (ITAR) on the Marymia Project owned by AIC Resources Limited (AIC).

DRM understands that this ITAR will be included in the Independent Experts Report being prepared by BDO to determine the merit of the proposed transaction between AIC and Intrepid Mines announced on 19 September 2018 and to be included in the notice of meeting to obtain shareholder approval from the AIC shareholders.

On 19 September 2018 Intrepid Mined and AIC Resources announced a takeover of AIC by Intrepid.

1.1. Compliance with the JORC and VALMIN Codes and ASIC Regulatory Guides

The ITAR has been prepared in accordance with the 2012 JORC and the 2015 VALMIN Codes. Both of these industry codes are mandatory for all members of the Australian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. These codes are also requirements under Australian Securities and Investment Commission (ASIC) rules and guidelines and the listing rules of the Australian Securities Exchange (ASX)

This ITAR is as a Public Report as described in the VALMIN Code (Clause 5) and the JORC Code (Clause 9). It is based on, and fairly reflects, the information and supporting documentation provided by AIC Resources Limited and Intrepid Mines Limited to the Competent Persons listed as signatories to this ITAR and additional publicly available information.

1.2. Scope of Work

DRM's primary obligation in preparing mineral asset reports is to independently describe mineral projects in compliance with the JORC and VALMIN Codes. These require that the Public Report contains all the relevant information at the date of disclosure, which investors and their professional advisors would reasonably require in making a reasoned and balanced judgement regarding the project.

DRM has compiled the ITAR based upon the principle of reviewing and interrogating both the work of AIC and previous exploration within the area. This report is a summary of the work conducted, completed and reported to the various companies to 19 September 2018 and is based on information supplied to DRM by Intrepid and AIC along with the various ASX releases and historical exploration reports that are in the public domain, to the extent required by the 2012 JORC Code and the 2015 VALMIN Code.

DRM has prepared an Independent Valuation of the Marymia Project within the Marymia Dome of the northern Murchison of Western Australia

DRM understands that its review and valuations will be relied upon and appended to an Independent Expert's Report prepared by BDO for inclusion in a notice of meeting, to assist AIC shareholders in their decision regarding the approval of a proposed transaction. As such, it is understood that DRM's review and valuation will be a public document. Accordingly, this report has been prepared in accordance with the requirements of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (the VALMIN Code, 2015).

1.3. Statement of Independence

Dunbar Resource Management (DRM), the trading name of Jewell Dunbar Pty Ltd, was engaged to undertake an Independent Technical Assessment and valuation of the mineral assets of AIC Resources Limited. This work has been conducted in accordance with the 2012 JORC and the 2015 VALMIN codes. In addition to these industry codes the work also complies with ASIC Regulatory Guideline 111 – Content of Expert Reports (RG111) and ASIC Regulatory Guidelines 112 Independence of Experts (RG112).

Mr Dunbar of Dunbar Resource Management, the trading name of Jewell Dunbar Pty Ltd has not had any association with AIC or Intrepid, its individual employees, or any interest in the securities of A1C or IAU, which could be regarded as affecting the ability to give an independent, objective and unbiased opinion. Neither DRM or Mr Paul Dunbar hold an AFS licence and the valuation contained within this report is limited to a valuation of the mineral assets being reviewed. Dunbar Resource Management will be paid a fee for this work on standard commercial rates for professional services. The fee is not contingent on the results of this review and is estimated at $18,000.

1.4. Competent Persons Declaration and Qualifications

This report was prepared by Mr Paul Dunbar as the primary author.

The report and information that relates to geology, exploration and the mineral asset valuation is based on information compiled by Mr Paul Dunbar, BSc (Hons), MSc (Minex), a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Dunbar is employed by Jewell Dunbar Pty Ltd, trading as Dunbar Resource Management, a Geology and Exploration Management consultancy, which has been engaged by BDO Corporate Finance (WA) Pty Ltd. Mr Dunbar has a Master of Science in Mineral Exploration and Mineral Economics and has sufficient experience, which is relevant to the style of mineralisation, geology and type of deposit under consideration and to the activity being undertaken to qualify as a competent person under the 2012 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the 2012 JORC Code) and a specialist under the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The 2015 VALMIN Code). Mr Dunbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

1.5. Reliance on Experts

Mr Paul Dunbar, the author of this report is not qualified to provide extensive commentary on the legal aspects of the mineral properties or the compliance with the Western Australian Mining Act. Dunbar Resource Management has interrogated the websites of the state departments (DMIRS) to confirm the validity of the tenements and aspects relating to the compliance with the various government acts. All have confirmed that the tenements are reported as being in good standing and that all tenement matters including annual reports, rents and renewals have been lodged and are progressing in accordance with the various Mining Acts. As DRM and the authors of this report are not experts in the Mining Acts, no warranty or guarantee, be it express or implied, is made by the authors with respect to the completeness or accuracy of the legal aspects regarding the security of the tenure.

For the Marymia project DRM has relied upon the following reports and information;

- Various ASX releases, publicly available information and regional datasets.
- Historical exploration reports from Barrick Gold, Homestake Gold, Plutonic, Great Central Mines (GCM), Resolute, Dampier Gold and DeGrey Mining
- AIC Quarterly Reports, Venus Metals ASX releases.
- Previous exploration work in the area.

1.6. Sources of Information

All information and conclusions within this report are based on information made available to DRM to assist with this report by AIC, Intrepid and other relevant publicly available data to 1 October 2018. Reference has been made to other sources of information, published and unpublished, including government reports and reports prepared by previous interested parties and Joint Venturers to the areas, where it has been considered necessary. DRM has, as far as possible and making all reasonable enquiries, attempted to confirm the authenticity and completeness of the technical data used in the preparation of this report and to ensure that it had access to all relevant technical information. DRM has relied on the information contained within the reports, articles and databases provided by AIC and Intrepid as detailed in the reference list. A draft of this report has been provided to AIC and Intrepid (via BDO) to identify and address any factual errors or omissions prior to finalisation of the report. The valuation sections of the report were not provided to the companies until the technical aspects were validated and the report was declared final.

1.7. Site Visit

No specific site visit has occurred as a part of this report or valuation however the author has previously worked at the adjacent Plutonic Gold Mine and the surrounding area including parts of the Marymia Project tenements as a

Project Exploration Geologist. Additionally, as the project is an early stage exploration project it is considered that a site visit would not provide any additional information that would modify the opinion or valuation of the project.

2. Mineral Assets

The mineral asset that is included in this review is the Marymia Project of AIC Resources Limited and the Joint Venture between Venus Metals and AIC on a part of the Venus Doolginna project. In undertaking this report DRM has assumed that AIC will attain its full entitlement of 80% interest in the Venus Joint Venture.

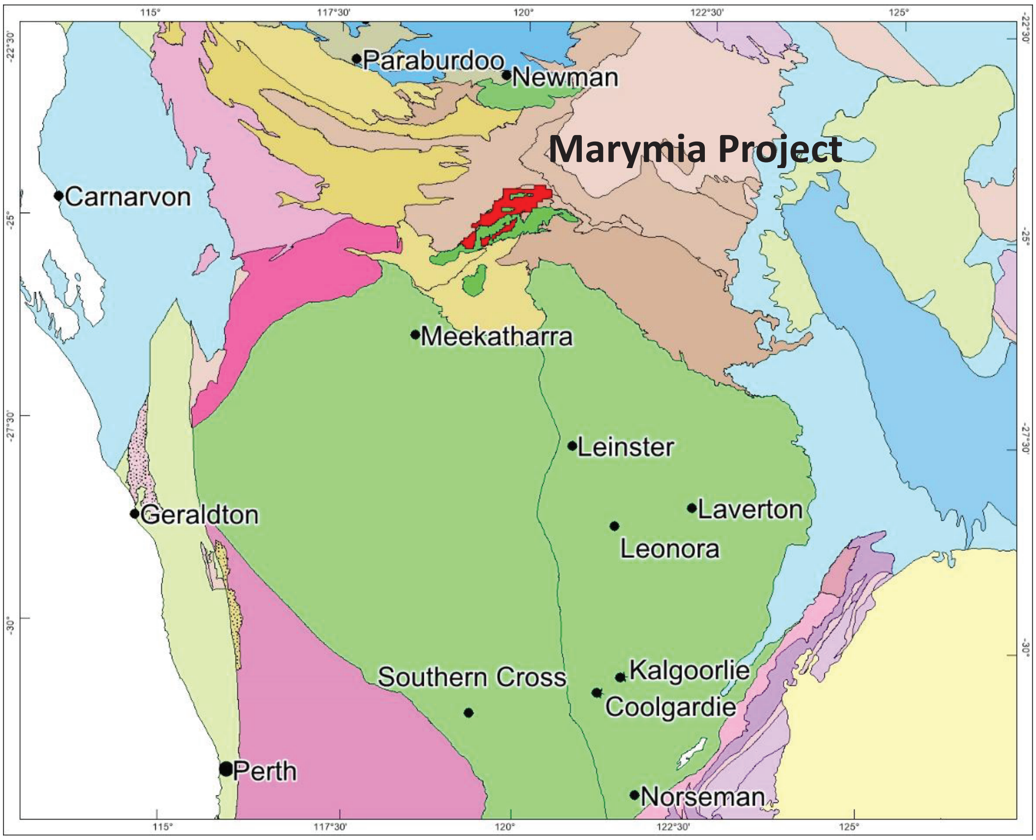

Figure 1 Location of the Marymia project tenements (in red)

3. AIC Resources – Marymia Project

The main mineral asset owned by AIC is the Marymia Project consisting of several tenements that cover a total of 3,391km^2 with the area that is likely to be granted to AIC being 3,158km^2. This report reviews the location, geology, exploration potential and valuation of this project. This area includes the Venus Metals Joint Venture tenements.

3.1. Location and Access

The Marymia project is located approximately 790km northeast of Perth and 140 – 260km northeast Meekatharra, Western Australia.

Access to the project from Perth is via the sealed Great Northern Highway via Mt Magnet, Meekatharra then via station and exploration tracks. While the Great Northern Highway is sealed the other tracks are unsealed gravel roads but in generally good condition however access is potentially impacted by wet weather. The project essentially surrounds the Plutonic gold mining operation and the Plutonic Greenstone belt. Given the remote location there is reasonable infrastructure in the area including a gas pipeline, and infrastructure associated with the mining operation at Plutonic.

The project lies on the Three Rivers, Marymia and Kumarina Pastoral stations.

Figure 1 shows the location of the Marymia Project while Figure 2 shows the tenements that constitute the project with the tenements shown in green being granted tenements while the blue tenement are applications..

3.2. Mineral Tenure

The Marymia Project consists of a near contiguous block of exploration licences (27 granted and 3 applications) and one prospecting licence application. There are no competing applications to the prospecting licence applications, as such it is expected to progress toward grant under the standard procedure. One of the exploration licences, E52/3648 has a competing application which was lodged the day prior to the AIC application and as such it is the opinion of DRM that this licence will likely be rejected in favour of the prior application. A second exploration licence application, E52/3622 partly covers several granted mining leases and as such the area that is likely to be granted to AIC is significantly less than the current application. Table 1 documents the tenements while Figure 2 shows the Marymia project tenements.

DRM has interrogated the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS) website that confirmed that the tenements are listed in Table 1 are reported as being in good standing and that all tenement matters including annual reports, rents and renewals have been lodged and are progressing in accordance with the Mining Act. As DRM and the authors of this report are not experts in the Mining Acts no warranty or guarantee, be it express or implied, is made by the authors with respect to the completeness or accuracy of the legal aspects regarding the security of the tenure.

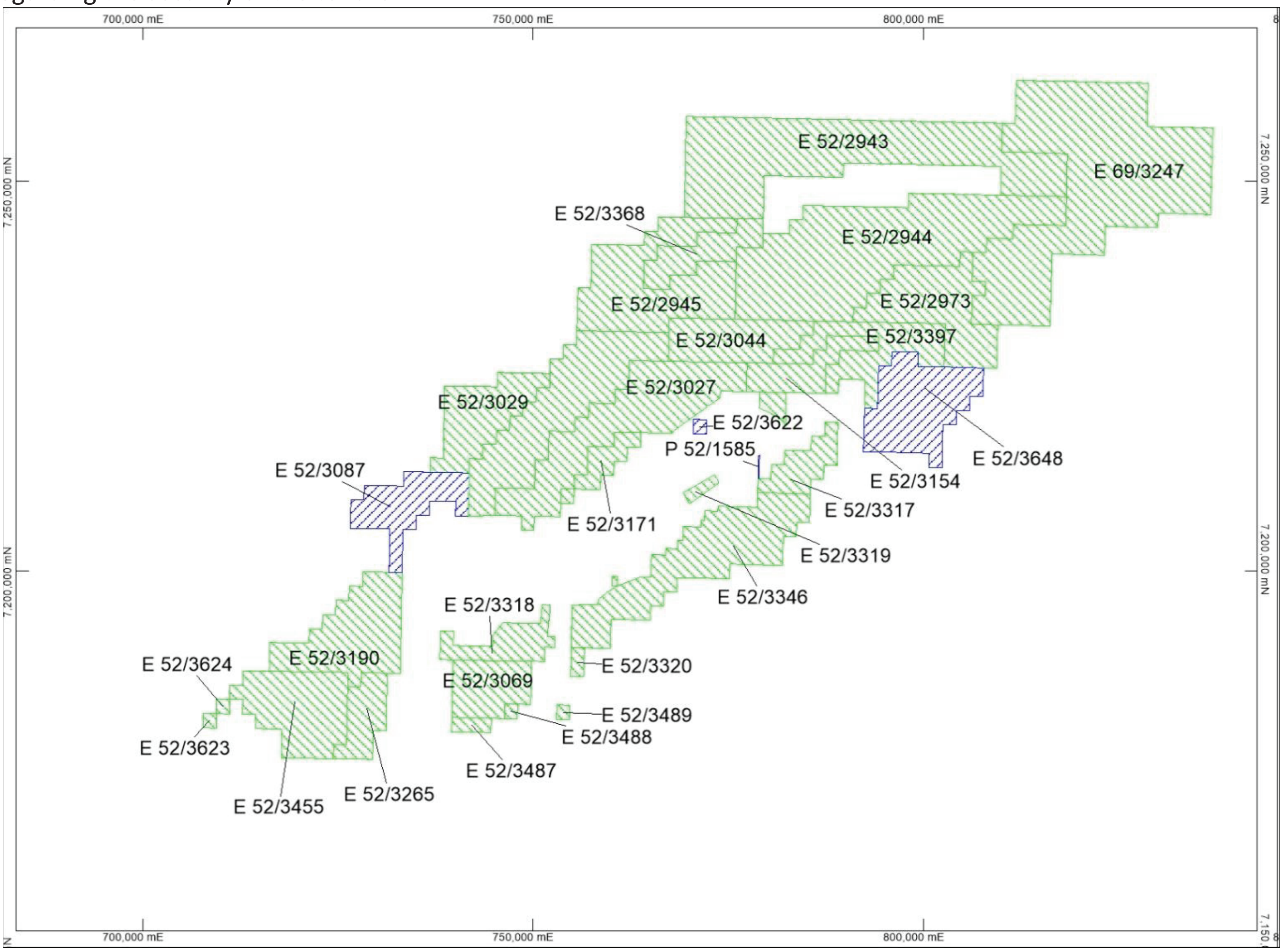

Figure 2 Marymia Project Tenements, green tenements are granted while blue are applications.

Table 1 AIC Resources Marymia Project Tenement Schedule

Tenement	Holder	Status	AIC Equity	Area		Application	Grant Date	End Date	Rent	Exploration Expenditure
				Blocks	Ha					
E52/2943	AIC	Granted	100%	117		14/08/2013	29/04/2015	28/04/2020	$25,740	$175,500
E52/2944	AIC	Granted	100%	125		14/08/2013	17/06/2015	16/06/2020	$27,500	$187,500
E52/2945	AIC	Granted	100%	62		14/08/2013	17/06/2015	16/06/2020	$13,640	$93,000
E52/2973	AIC	Granted	100%	44		4/09/2013	29/04/2015	28/04/2020	$9,680	$66,000
E69/3247	AIC	Granted	100%	158		28/11/2013	5/06/2015	4/06/2020	$34,760	$237,000
E52/3027	AIC	Granted	100%	70		11/12/2013	1/07/2015	30/06/2020	$15,400	$105,000
E52/3028	AIC	Granted	100%	66		11/12/2013	15/05/2015	14/05/2020	$14,520	$99,000
E52/3029	AIC	Granted	100%	32		11/12/2013	15/05/2015	14/05/2020	$7,040	$48,000
E52/3044	AIC	Granted	100%	29		17/02/2014	17/06/2015	16/06/2020	$6,380	$43,500
E52/3154	AIC	Granted	100%	18		26/08/2014	20/10/2015	19/10/2020	$3,960	$20,000
E52/3171	AIC	Granted	100%	10		3/10/2014	18/11/2015	17/11/2020	$2,200	$20,000
E52/3190	AIC	Granted	100%	46		7/11/2014	23/03/2017	22/03/2022	$6,256	$46,000
E52/3265	AIC	Granted	100%	16		24/02/2015	13/05/2016	12/05/2021	$3,250	$20,000
E52/3317	AIC	Granted	100%	20		30/06/2015	4/10/2016	3/10/2021	$2,720	$20,000
E52/3318	AIC	Granted	100%	21		30/06/2015	27/07/2016	26/07/2021	$4,620	$21,000
E52/3319	AIC	Granted	100%	7		30/06/2015	27/07/2016	26/07/2021	$1,540	$20,000
E52/3346	AIC	Granted	100%	67		17/09/2015	23/03/2017	22/03/2022	$9,112	$67,000
E52/3368	AIC	Granted	100%	19		13/11/2015	27/07/2016	26/07/2021	$4,180	$20,000
E52/3397	AIC	Granted	100%	33		8/12/2015	23/03/2017	22/03/2022	$4,488	$33,000
E52/3455	AIC	Granted	100%	41		7/06/2016	16/08/2016	15/08/2021	$9,020	$41,000
ELA52/3087	Cosmopolitan	Pending	0%	28		30/05/2014	N/A	N/A	$3,332	$28,000
ELA52/3622	AIC	Pending	0%	1		22/03/2018	N/A	N/A	$322	$10,000
E52/3623	AIC	Granted	100%	1		22/03/2018	18/09/2018	17/09/2023	$322	$10,000
E52/3624	AIC	Granted	100%	1		22/03/2018	18/09/2018	17/09/2023	$322	$10,000
ELA52/3648	AIC	Pending	0%	45		17/07/2018	N/A	N/A	$6,030	$45,000
P52/1585	AIC	Pending	0%		42	20/8/2018	N/A	N/A	$109	$2,000
E52/3069	Venus	Granted	0%	22		15/05/2014	10/02/2016	9/02/2021	$4,840	$22,000
E52/3320	Venus	Granted	0%	2		2/07/2015	20/12/2016	19/12/2021	$272	$15,000
E52/3487	Venus	Granted	0%	3		1/11/2016	19/01/2018	18/01/2023	$408	$15,000
E52/3488	Venus	Granted	0%	1		1/11/2016	15/05/2018	14/05/2023	$322	$10,000
E52/3489	Venus	Granted	0%	1		2/11/2016	15/05/2018	14/05/2023	$322	$10,000
Total				**1106**	**42**				**$222,607**	**$1,559,500**

Notes:

1. the tenement schedule is based on the AIC June 2018 Quarterly Report and validated by checking the Department of Mines, Industry Regulation and Safety (DMIRS) Mineral Titles online database.
2. Venus - Venus Metals Corporation, AIC – AIC Resources Limited, Cosmopolitan - Cosmopolitan Minerals Limited

3.3. Geology

The project is located predominantly within the Marymia Inlier, a large granite greenstone complex to the north of the Yilgarn Craton in Western Australia.

The current geological interpretation is that the Marymia Inlier is a deformed extension to the Eastern Goldfields Superterrane of the Yilgarn. This interpretation is supported by both stratigraphic correlations and relationships, geophysical interpretation both regional magnetic datasets and gravity surveys. Previous interpretations have included that it is the eastern extent of the Narryer Gneiss Terrain while another stratigraphic correlation has suggested that it is the northern extension of the Youanmi Terrain.

The oldest rocks within the project are the various Archean granite-greenstones including the Plutonic Greenstone Belt and other remanent greenstone belts within the Marymia Inlier. The inlier is in fault contact with metasedimentary rocks of the Yerrida Basin to the south, unconformably overlain by metasedimentary rocks of the Earaheedy Basin to the east and Collier Basin to the north. The Copper Hills schists that occur on the north eastern contact between the Marymia Inlier and the Collier Basin have been recently interpreted as being Archean (Thorne and Blay 2017) while previous interpretations were uncertain of the age of the schists. This has a significant impact on the gold prospectivity of the northern tenements however if the banded iron formations within the Copper Hills schists are stratigraphic equivalent to the Millidie Creek Formation then this could result in the area being more prospective for base metal deposits similar to the DeGrussa VMS deposits hosted in the Narracoota Volcanics. The Scorpion Basin is in parts unconformably overlies the Copper Hills schists while in other parts has been interpreted as being a faulted contact.

Overall the region has been subjected to multiple deformation events from the Archean to the Proterozoic. The Plutonic Greenstone belt and the surrounding Marymia Inlier is dominated by north east oriented faults and a distinct district wide foliation. The northern contact between the granites and the greenstone stratigraphy of the Plutonic Greenstone belt is a significant regionally extensive thrust. Younging indicators in the ultramafic units at or near the Plutonic deposit suggest that the ultramafic unit is overturned. At depth below the Plutonic deposit there are course grained polymict conglomerates similar to those observed in the northern greenstone belt at the Apollo deposit. Polymict conglomerates including cobbles of granites and all greenstone lithologies are commonly associated with the upper stratigraphic sequenced in Archaean greenstone belts like the Norseman – Wiluna greenstone belt in the Yilgarn craton of Western Australia and the Abitibi Greenstone belt of the Superior Craton, Canada. These observed younging indicators along with the general stratigraphy of the greenstone belt suggest that at least the northern portion of the belt is overturned. The age of this deformation is unknown but presumably is associated with the collision between the Pilbara and Yilgarn Cratons in later orogenic deformation.

Recent detailed aeromagnetic surveys and interpretation has suggested that there are significantly more greenstones in the Marymia Inlier than previously interpreted this is due to the extensive cover in the area along with the previous regional magnetic datasets. Exploration drilling in the 1990's has identified several remnant greenstone units in areas previously interpreted as being granite or granitic gneiss. Additionally the recent detailed magnetics shows a distinct circular anomaly to the north of the tenement package near the northern edge of the Marymia Inlier, this has been interpreted by AIC as being due to an intrusive unit possibly a late tectonic granite, if that interpretation is confirmed and the Copper Hills Schists are highly deformed Naracoota Volcanics then there is potential in the Copper Hills Schists and northern Marymia Inlier to host VMS however at this stage the potential is considered to be low.

Figure 3 shows the AIC tenement outline, broad regional geology and active operations and the Trident exploration prospect (owned by Vango Mining) while Figure 4 is the local geology of the project.

The project area is covered extensively by sand, sheetwash, scree or lateritic cover. Historical drilling and geological mapping indicate that the north eastern portion of the project area consists of extensive greenstones either as extension to the Plutonic Greenstone belt or additional fault bound greenstones within the granites of the Marymia Inlier.
Middle to late Proterozoic Collier Basin or Scorpion Basin sediments in part unconformably overlie or are faulted against the basement granitoids.

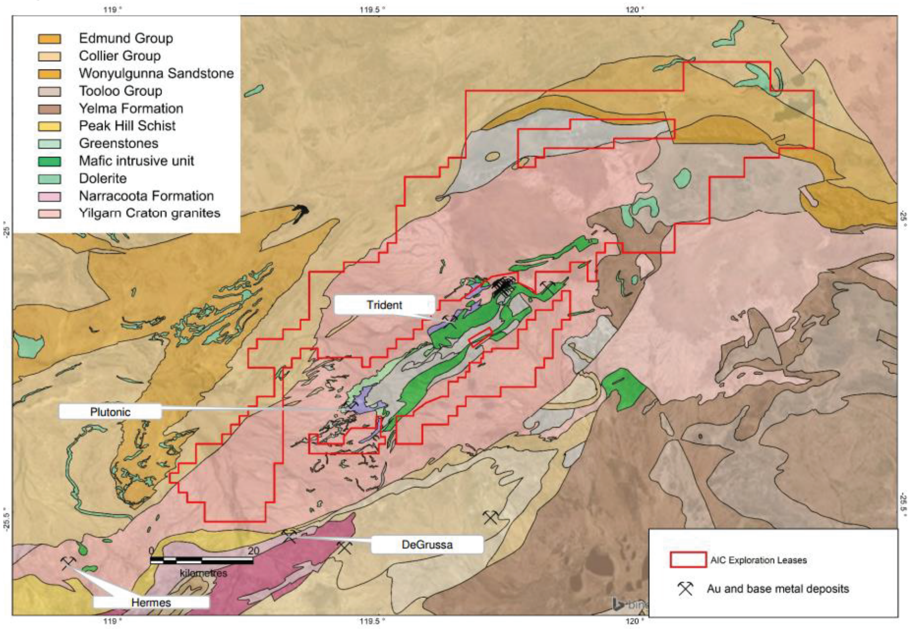

Figure 3 Regional geology and location of the Marymia project – Note the tenement outline in this diagram excludes the recent Venus Joint Venture tenements and several recent tenement applications.
(source Oct 2017 A1C presentation)

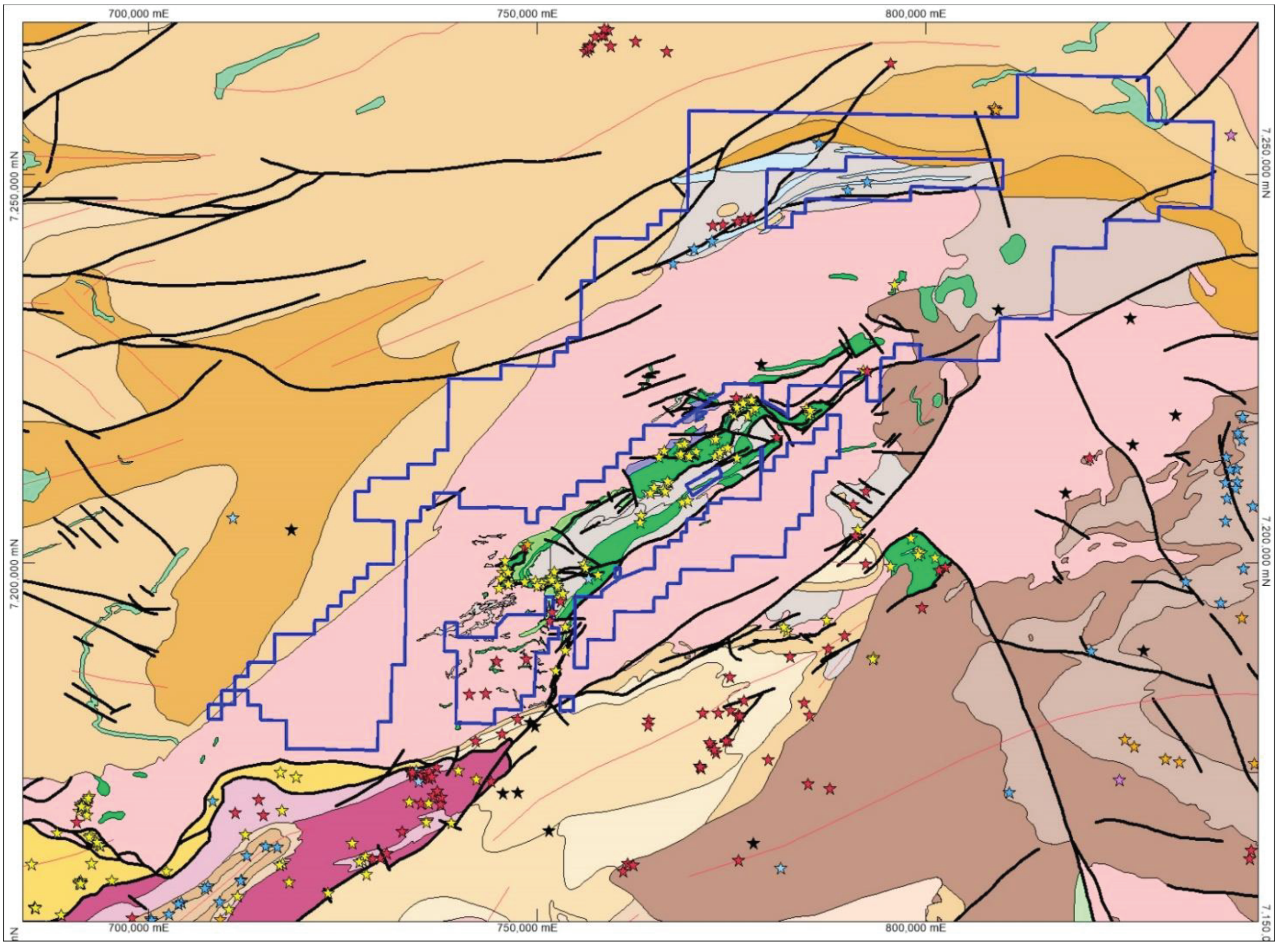

Figure 4 Detailed geology of the Marymia project.

3.4. Exploration History

The Marymia Project, within the Marymia Inlier is a large tenement holding covering several prospective stratigraphic sequences and structural settings. Previous exploration within the region resulted in several major mineral discoveries. These include the Plutonic Gold Deposit and Marymia group of gold deposits within the Archean Plutonic Greenstone Belt, the DeGrussa and Monty copper gold deposits in the Paleoproterozoic Naracoota volcanics of the Bryah Basin, the Abra polymetallic base metal deposit in the Proterozoic Edmund Group.

Within the Marymia Project tenements there has been an extensive exploration history with exploration in a modern context commencing in the 1990's when Great Central Mines (GCM) commenced gold and diamond exploration within the eastern extensions of the Plutonic Greenstone belt. GCM intersected several highly anomalous zones of mineralisation, in particular at the Two Pools, Marymia North East and the Beyondie prospects.

Companies that have actively exploration in the region since 1990's include Great Central Mines, Johnsons Well Mining, Plutonic Operations, Homestake Gold of Australia, Barrick Gold, Resolute, WMC, Quadrant Resources, Astro Mining, De Grey Mining, Northern Star, Alchemy Resources and Emergent Resources. The majority of these companies were targeting gold within extensions to the Plutonic Greenstone Belt including the Two Pools Greenstone Belt and minor base metal exploration within the Copper Hills Schists.

The Department of Mines and Petroleum (now DMIRS) requires all exploration data to be lodged in a specific digital format. Since this was implemented along with a policy where historical Annual Technical Exploration reports are publicly available after a specified period there is a significant publicly available database of historical drilling However there is still significant additional data compilation work required and the Geological Survey of Western Australia (GSWA) drilling database still has an extensive number of pre 1995 reports that have not been digitally captured or are only partly included in the public drilling database.

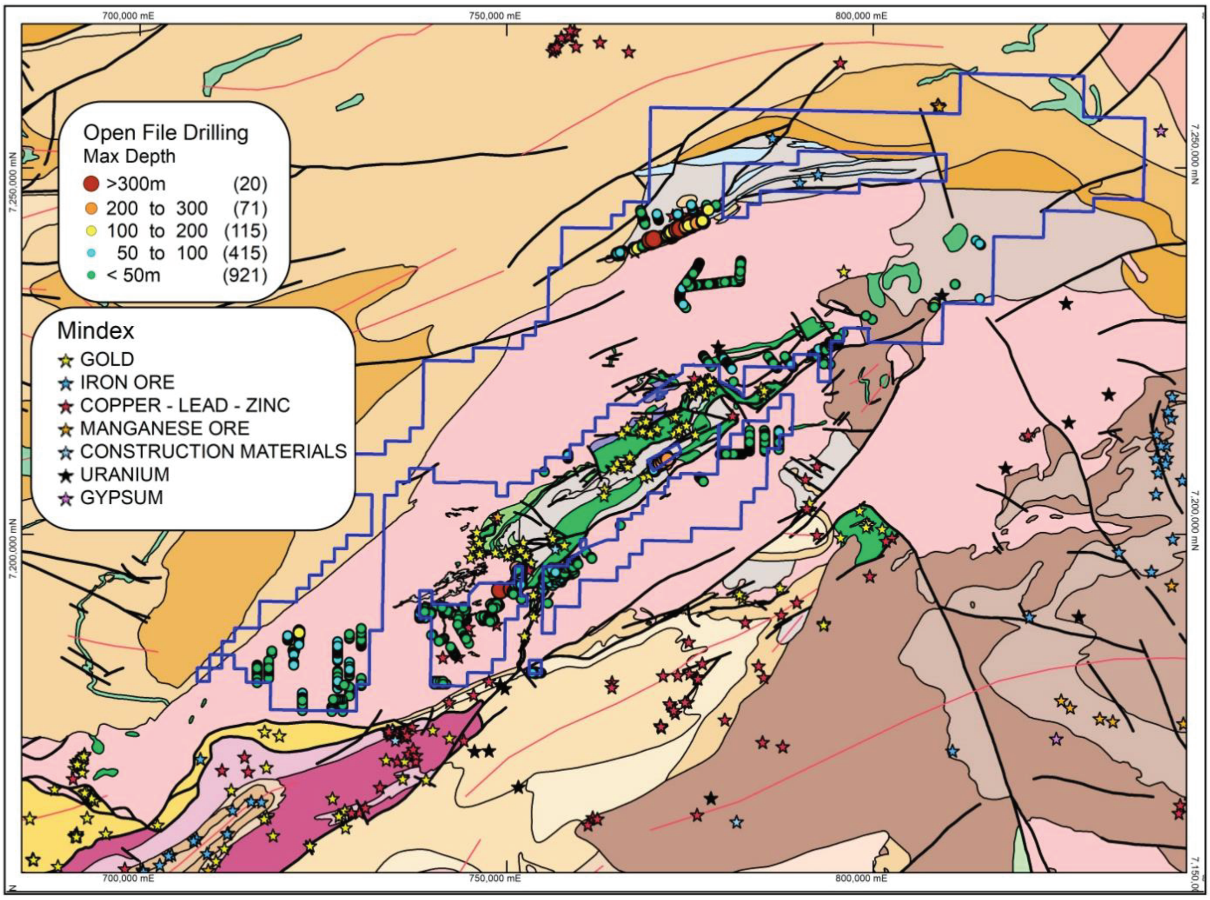

Figure 5 Open File Drilling overlain on the geology of the Marymia project. Pre 1994 drilling is not shown in this figure.

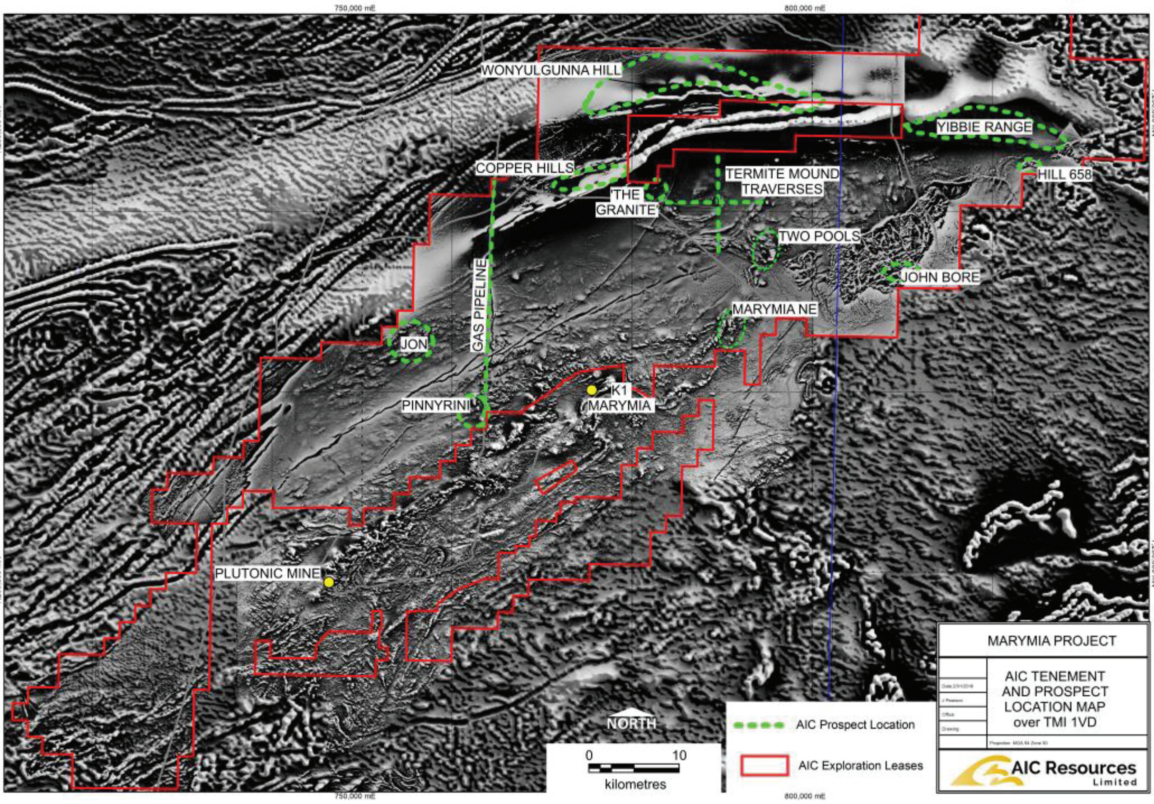

Figure 6 Marymia Project Prospect Location map over new high-resolution magnetic image

The AIC prospectus detailed a significant number of the more significant historical exploration reports including a compilation of the historical drilling. Since the AIC IPO in late 2017 the company has been actively compiling, validating and digitally capturing the historical exploration reports. This process is ongoing with exploration activities including geochemical sampling, geological mapping and drill planning actively underway over several targets including Two Pools, Marymia NE, Copper Hills, a new prospect called Termite Mounds and the Pinnyrini prospects. A preliminary review of the south western tenements by has indicated that they are extensively covered. AIC's compilation of the historical drilling suggests that most of the holes failed to penetrate the cover sequences. DRM has reviewed the open file drilling data which suggests that there are extensive holes that would penetrate the cover. Additional data compilation in this area is recommended.

Below is a summary of the higher priority prospects.

Two Pools Prospect

Within the Two Pools prospect work by AIC has included mapping of a semi continuous ≈4km long sequence of highly deformed greenstones, that is offset from the main Plutonic-Marymia greenstone belt by a major east-north-east trending, steeply north dipping reverse fault. Directly south of Two Pools, the fault offsets Archaean granites and gneiss on the northern hanging wall against Proterozoic shales and cherts to the south. Shallow drilling during the early 1990's by GCM intersected sporadic gold greater than 0.5 g/t occur along the entire length of the Two Pools greenstone sequence. Significant intercepts occurring in an interpreted fold hinge near the northern extremity. The greenstone is structurally complex with faults and shears observed in N-S, E-W, NW-SE and NE-SW directions, many of which are interpreted to be Proterozoic. GCM considered gold mineralisation to be associated with quartz veins within both mafic and ultramafic amphibolite units, however the structural complexity prohibited interpreted continuity of the mineralised veins. With the benefit of the completed airborne magnetic survey and integration with geological mapping, AIC have re-interpreted the geology and structural setting of the greenstone belt.

According to the June AIC quarterly report a summary of GCM drilling in the proximity of the Two Pools greenstone belt includes: 263 RAB holes for 12147 (an average depth of 46m); and 175 RC holes for 11549 (an average depth of 66m). DRM has undertaken a preliminary review of the historical GCM exploration reports and has identified a significant number of additional drill holes, many with significant drill intersections, these include drilling reported in WAMEX report a37122 where 91 RAB holes and 22 RC holes were completed targeting gold within E52/547. The better drill intersections included 4m at 3.31g/t Au from 13m in MRB1469, 1m at 8.7g/t Au from 28m in MRB1476 and 20m at 1.25g/t in MRB1609 from 8m. RC drill intersections included 1m at 1.7g/t Au from 66m in MRC47 and 1m at 1.32g/t Au from 16m in MRC104. There were only two RC holes drilled near the anomalous RAB holes. These two RC holes approximately 600m to the northeast of the RAB drill holes and do not test the mineralisation intersected in the RAB drilling. No RC holes were reported in a37122 as targeting the anomalous RAB drilling with one of the recommendations being to RC drill test for depth extensions of the mineralisation intersected in the RAB drilling. The report concluded that gold mineralisation at the Two Pools prospect in the southern part of E52/547 appears to be widely spread and occurred in all the large blocks of greenstone and is associated with both mafic and ultramafic lithologies. A detailed review of the Two Pools data for the main zone of drilling indicates that the drilling to date has intersected two parallel relatively high grade north striking, east dipping mineralised zones that are up to 5 metres wide. Additional work was recommended.

Marymia NE Prospect

AIC has undertaken a compilation and summary previous exploration including GCM drilling which totals 1297 RAB holes for 56152m (an average depth of 43.3m), 265 RC holes for 20599m (an average depth of 77.7m) and 9 Diamond Drill Holes for 1413.7m (an average depth of 157.1m).

An interpretation and analysis of the drilling data indicates that drilling targeted high-grade gold along a granodiorite/mafic contact within the shallow supergene environment with only limited follow up to mineralised intersects within fresh rock at depth. Previous drilling intersected supergene mineralisation including 40m at 5.51g/t Au from 10m in MRC054 (an RC hole) and 8m at 4.18 g/t Au, from 12m, including 3m at 10.1 g/t Au in MRB095 (a RAB hole) (WAMEX Exploration Reports a33219 and a35448). Intersections in fresh rock include 8m at 5.3g/t Au from 183m in diamond hole MD005. There appears to be limited deep drilling around this drill hole and the mineralisation interpreted as being open along strike and depth.

Table 2 Drill Assay Results for the Marymia NE Diamond drilling (report a35448 page 26)

Hole ID	Dip/Azimuth	Total Depth	From	To	Thickness	Au
		(m)	(m)	(m)	(m)	(g/t)
MD2	-60/135	151.1	72	73.23	1.23	12.06
			147	148	1	1.29
MD4	-75/135	222.4	130	130.9	0.9	2.71
MD5	-75/135	201.6	118.8	119.2	0.4	1.95
			183	191	8	5.3
MD6	-75/135	174.3	122	123	1	2.47
MD7	-90/0	120	100	101	1	1.48
MD8	-90/0	92	14	15	1	4.15
MD9	-90/0	61	21	22	1	1.66
			24	25	1	1.27
			38	39	1	1.71

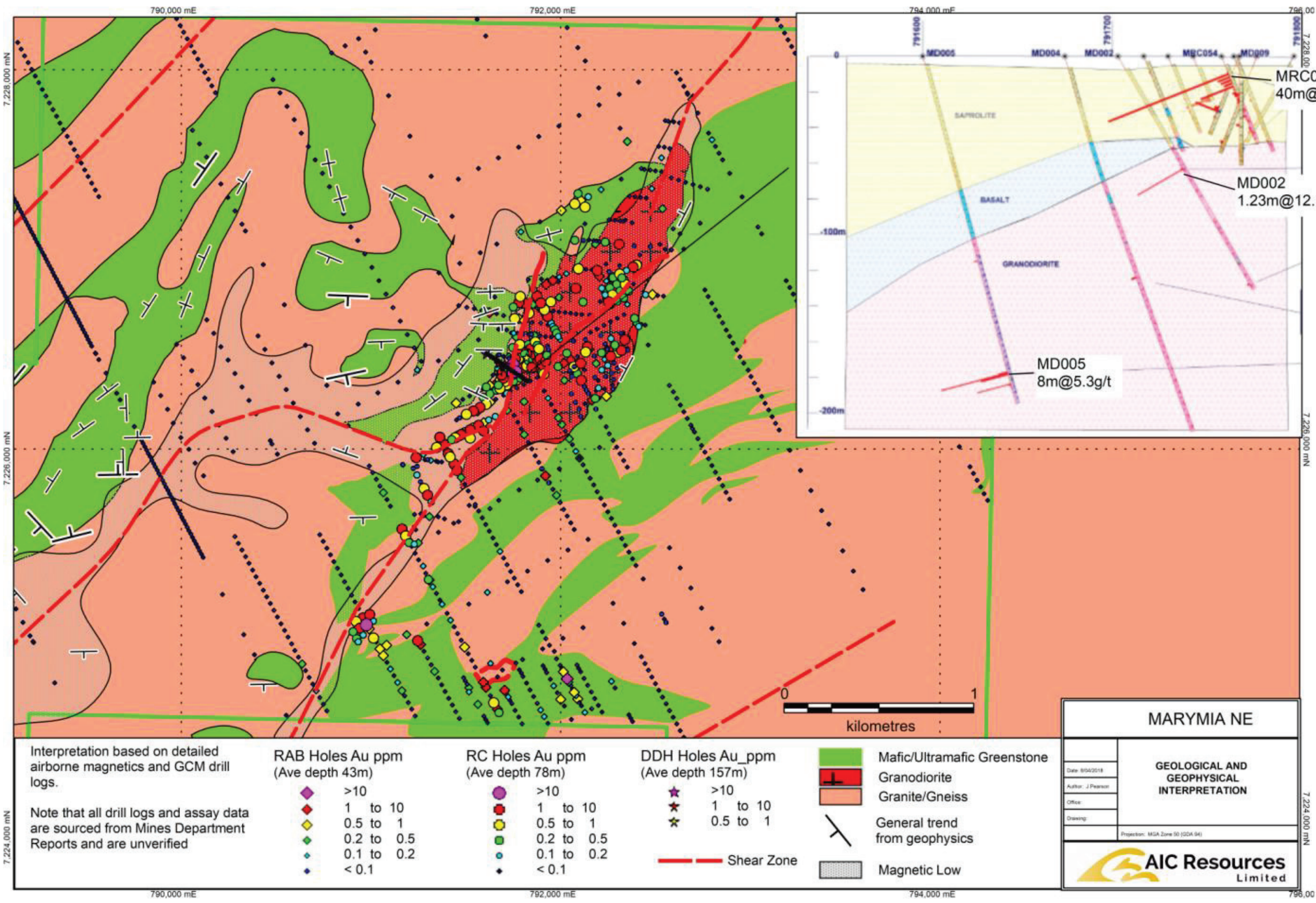

Figure 7 Marymia NE Geological mapping and historical drilling (from AIC ASX Release)

Pinnyrini Prospect

Soil sampling at Pinnyrini by AIC has extended anomalous gold results for up to 2km in strike length. Geochemical targeting is complicated by extensive active transported alluvial cover. Mapping of limited outcrop together with interpreted detailed airborne magnetic data suggests the project is located at a fold closure marked by a distinct, high magnetic band of iron rich, silicified schists (possibly after mafic or ultramafic) within felsic gneiss and near a granite of low magnetic response. Strong west-north-west trending interpreted faults disrupt both the granite and the gneiss contacts. Additional work is recommended.

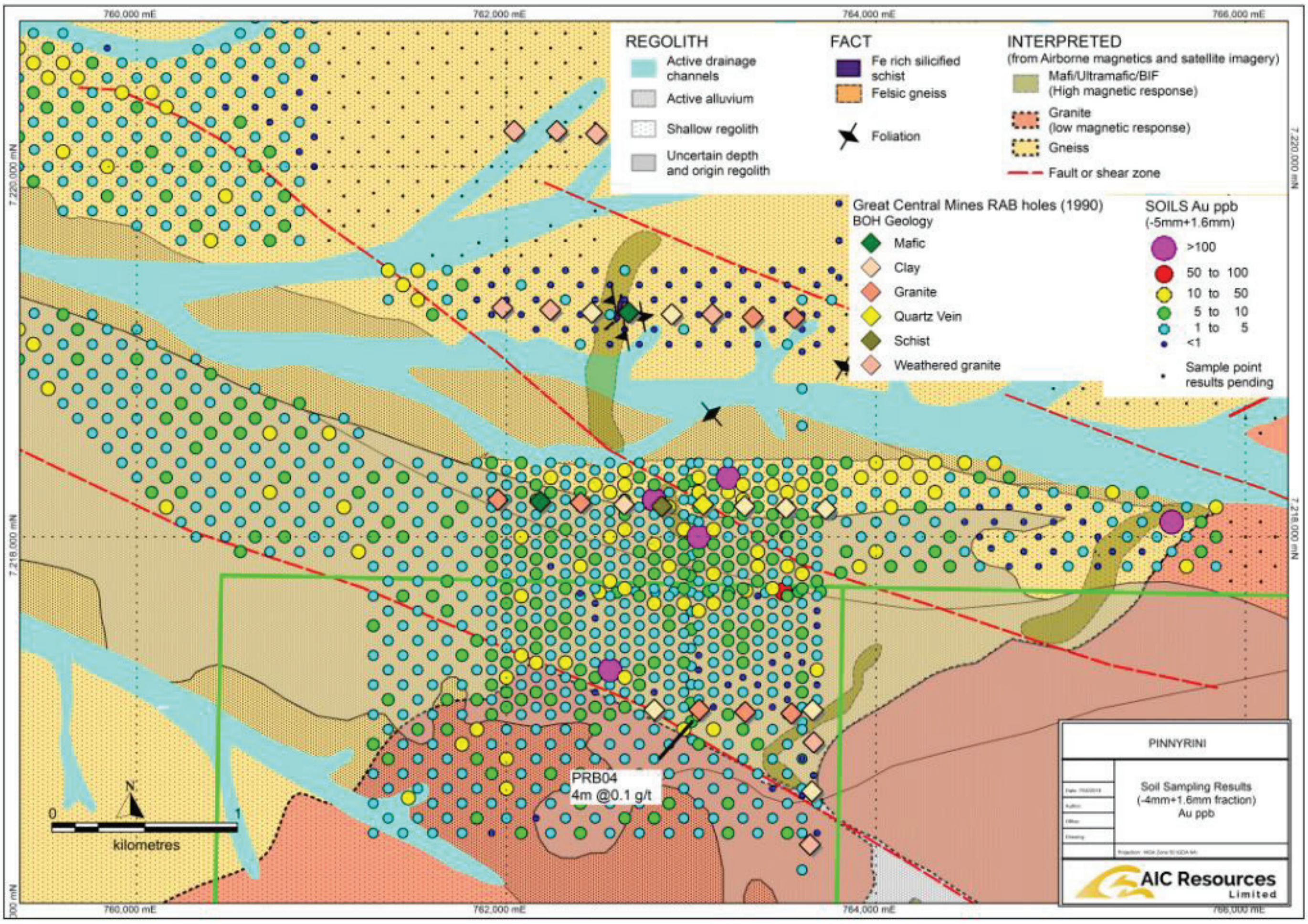

Figure 8 Pinnyrini Prospect Recent Soil samples overlain on historical exploration and interpreted geology (from AIC ASX release)

3.5. Exploration Potential

Given the highly encouraging historical drill results, historical exploration results and the recent initial work undertaken by AIC in DRM's opinion there is significant potential for a large gold system in the greenstone sequences at both Two Pools and Marymia NE. In addition to these high priority more advanced gold targets there are also highly anomalous preliminary soil sampling programs completed at the Pinnyrini prospect. The early stage geochemical sampling at Termite Mounds and the correlation between copper and gold and arsenic and molybdenum while early stage provides indications of a metal association that would usually only be associated with hydrothermal fluids. Additional exploration, evaluation and analysis is required on this early stage target.

While the Copper Hills target is an early stage exploration target AIC has undertaken limited exploration with several anomalous soils samples. AIC has reported that historical data compilation and infill surface geochemistry is in progress. In DRM's opinion additional work should consist of geophysical interpretation, where feasible and viable additional geochemistry including rock chips and soil samples prior to any drilling.

3.6. Mineral Resources, Ore Reserves and Mining

There are no Mineral Resource or Ore Reserve estimates within the Marymia Project.
No historical or modern mining activities are reported from within the project. The overall Plutonic Greenstone belt and the greater Marymia Inlier is essentially devoid of any significant historical mining activities or prospector activity.

4. Valuation Methodology

The VALMIN code outlines various valuation approaches that are applicable for projects at various stages of the development pipeline. These include valuations based on market based transactions, income or costs as shown in Table 3 and provides a guide as to the most applicable valuation techniques for different assets.

Table 3 VALMIN Code 2015 valuation approaches suitable for mineral projects

Valuation Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

The AIC Resources Marymia Project is best described as an exploration project. There are no Resources or Reserves within the project, therefore DRM does not consider an income valuation methodology is appropriate. Due to the early exploration stage of the projects the preferred valuation for the project is based on market transactions with support from geoscientific and replacement cost valuation methods.

The Market based valuation approach is detailed in Section 5.3 below.

4.1. Previous Valuations

DRM has not been provided with nor has it been able to source any previous valuations on the mineral assets being valued as a part of this report.

4.2. Valuation Subject to Change

The valuation of any mineral project is subject to several critical inputs most of these change over time and this valuation is using information available as of 1 October 2018. This valuation is subject to change due to variations in the geological understanding, variable assumptions and mining conditions, climatic variability that may impact on the development assumptions, the ability and timing of available funding to advance the project, the current and future gold prices, exchange rates, political, social, environmental aspects of a possible development, a multitude of input costs including but not limited to fuel and energy prices, steel prices, labour rates and supply and demand dynamics for critical aspects of the potential development like mining equipment. While DRM has undertaken a review of multiple aspects that could impact the valuation there are numerous factors that are beyond the control of DRM.

4.3. General assumptions

Mineral Assets of AIC Resources are valued using appropriate methodologies as described Table 3 in the following sections. The valuation is based on a number of specific assumptions detailed above, including the following general assumptions;

- That all information provided to DRM and its associates is accurate and can be relied upon,
- The valuations only relate to the mineral assets of AIC Resources and not AIC Resources Limited nor their shares or market value,
- That the mineral rights, tenement security and statutory obligations were fairly stated to DRM and that the mineral licences will remain active,
- That all other regulatory approvals for exploration and mining are either active or will be obtained in the required and expected timeframe
- That the owners of the mineral assets can obtain the required funding to continue exploration activities,
- The gold price assumed (where it is used in the valuation) is as at 19 September 2018, being US$ 1,203.30 per ounce and the US$ - AUS$ exchange rate of 0.7273 resulting in an Australian dollar price of $1,654 per ounce.
- All currency in this report are Australian Dollars, unless otherwise noted, if a particular value is in United States Dollars, it is prefixed with US$.

4.4. Market Based Valuations

As most the majority of the project being valued in this report is predominantly prospective for gold with minor base metal potential it is important to note the current market conditions of the primary commodity being targeted, in this case the gold.

Gold Market

The gold price is fundamentally different to many of the other commodities as the gold price is frequently seen as a pseudo currency and is considered by many as a safe haven investment option, especially in the current monetary policies of many of the major countries reserve banks. Figure 9 shows the gold price over the last five years. Due to the significant variations in the price over such a short period it is considered critical to ensure that any transactions that are used in a market or transactional based valuation are normalised to the current gold price. This allows a more accurate representation of the value of the mineral asset under the current market environment.

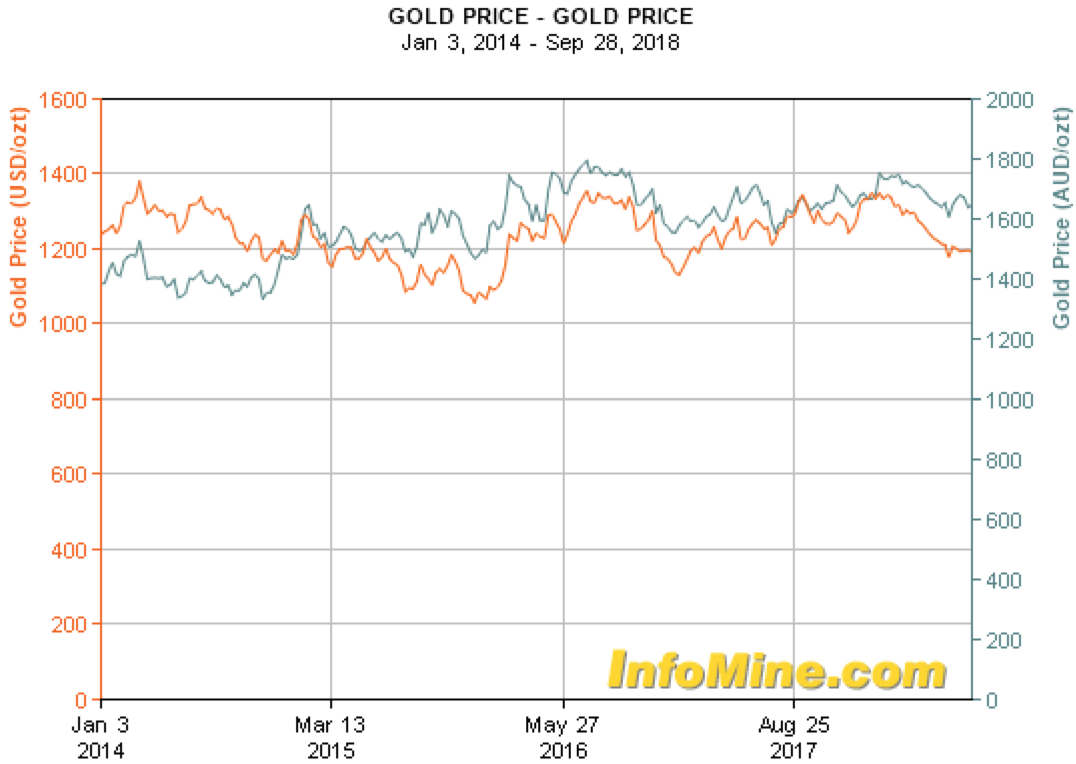

Figure 9 Five-year US$ and AUS$ Gold Price graph (source www.infomine.com)

4.4.1. Valuation of Advanced Projects

There are several valuation methods that are suitable for advanced projects these include;

- Financial modelling including DCF valuations (limited to projects with published Reserves),
- Comparable Market Based transactions including Resource and Reserve Multiples
- Joint Venture Transactions
- Yardstick valuations

As the Marymia project is considered an early stage exploration project the valuation techniques that are common for advanced projects are not suitable for any early stage exploration projects, especially prior to the estimation of Mineral Resources.

4.4.2. Exploration Asset Valuation

To generate a value of an early stage exploration project or the exploration potential away from a mineral deposit it is important to value all the separate parts of the mineral assets under consideration. In the case of the advanced projects (with reserves or resources) the most significant value drivers for the overall project are the Resources or Reserves for earlier stage projects a significant contributor to the projects value is the exploration potential. There are several ways to determine the potential of pre-resource projects, these being;

- A Geoscientific (Kilburn) Valuation
- Comparable transactions (purchase) based on the projects' area
- Joint Venture terms based on the projects' area
- A prospectivity enhancement multiplier (PEM)

DRM considers the Geoscientific (Kilburn) Valuation method to be the most robust and is commonly the primary valuation method used for early stage projects. The Geoscientific (Kilburn) Valuation method is checked using the other valuation methods with a preference toward Joint Venture terms and comparable transactions. It is the view of DRM that the least transparent and most variable valuation method is a PEM valuation. The reason DRM usually prefers the geoscientific valuation method over comparable transaction valuations is that it is very rare to identify two truly comparable projects. Therefore, extreme care is required in selecting comparable transactions. Where completed transactions for broadly comparable projects have been identified a discount or premium can be assigned to a comparable transaction multiple based on observed differences between the various comparable transactions.

4.4.2.1. Geoscientific (Kilburn) Valuation

One valuation technique that is widely used to determine the value of a project that is at an early exploration stage without any mineral resources or reserve estimates was developed and is described in an article published in the CIM bulletin by Kilburn (1990). This method is widely termed the geoscientific method where a series of factors within a project are assessed for their potential. While this technique is somewhat subjective and open to interpretation it is a method that when applied correctly and by a suitably experienced specialist enables an accurate estimate of the value of the project. There are five critical aspects that need to be considered when using a Kilburn or Geoscientific valuation, these are the base acquisition cost, which put simply is the cost to acquire and continue to retain the tenements being valued. The other aspects are the proximity to both adjacent to and along strike of a major deposit (Off Property Factors), the occurrence of a mineral system on the tenement (On Property Factors), the success of previous exploration within the tenement (Anomaly Factors) and the geological prospectivity of the geological terrain covered by the mineral claims or tenements (Geological Factors)

While this valuation method is robust and transparent it can generate a very wide range in valuations, especially when the ranking criteria are assigned to a large tenement. This method was initially developed in Canada where the mineral claims are generally small therefore reducing the potential errors associated with spreading both favourable and unfavourable ranking criteria to be spread over a large tenement. Therefore, DRM either values each tenement or breaks down a larger tenement into areas of higher and lower prospectivity.

Table 4 documents the ranking criteria while the inputs and assumptions that were used to derive the base acquisition cost (BAC) for each tenement are detailed in the valuation section of each of the projects.

Table 4 Ranking criteria are used to determine the geoscientific technical valuation

<table>
<tr><th>Rating</th><th>Off-property factor</th><th>On-property factor</th><th>Anomaly factor</th><th>Geological factor</th></tr>
<tr><td>0.1</td><td rowspan="3"></td><td rowspan="3"></td><td></td><td>Generally unfavourable geological setting</td></tr>
<tr><td>0.5</td><td>Extensive previous exploration with poor results</td><td>Poor geological setting</td></tr>
<tr><td>0.9</td><td>Poor results to date</td><td>Generally favourable geological setting, under cover</td></tr>
<tr><td>1.0</td><td>No known mineralisation in district</td><td>No known mineralisation within tenement</td><td>No targets defined</td><td rowspan="2">Generally favourable geological setting</td></tr>
<tr><td>1.5</td><td>Mineralisation identified</td><td>Mineralisation identified</td><td rowspan="2">Target identified, initial indications positive</td></tr>
<tr><td>2.0</td><td rowspan="2">Resource targets identified</td><td rowspan="2">Exploration targets identified</td><td rowspan="2">Favourable geological setting</td></tr>
<tr><td>2.5</td><td rowspan="2">Significant intersections - not correlated on section</td></tr>
<tr><td>3.0</td><td rowspan="2">Along strike or adjacent to known mineralisation</td><td rowspan="2">Mine or abundant workings with significant previous production</td><td rowspan="2">Mineralised zones exposed in prospective host rocks</td></tr>
<tr><td>3.5</td><td rowspan="3">Several significant ore grade intersections that can be correlated</td></tr>
<tr><td>4.0</td><td>Along strike from a major mine(s)</td><td rowspan="2">Major mine with significant historical production</td><td rowspan="2"></td></tr>
<tr><td>5.0</td><td>Along strike from world class mine</td></tr>
</table>

The technical valuation derived from the Kilburn ranking factors are frequently adjusted to reflect the geopolitical risks associated with the location of the project and also the current market conditions toward a specific commodity or geological terrain. These adjustments can either increase or decrease the technical value to derive the fair market valuation.

Using the ranking criteria from Table 4 along with the base acquisition costs tabulated in the Appendices an overall technical valuation was determined.

The technical valuation was discounted to derive a market valuation. A market factor was derived to account for the geopolitical risks of operating in Western Australia and the status of the market to early stage gold projects.
While Australia has lower geopolitical risks (governmental risks) there are higher risks of environmental compliance and approvals. One of the governmental risks is the 2017 announcement by the Western Australian government where they propose to increase the gold royalty by 50% to 3.75% from the current 2.5%. This is considered a significant risk to the overall minerals industry. Therefore a 2% discount was applied to the Technical Valuation to account for this increased risk.
In addition to the jurisdictional risks there are also market based factors that can dramatically change the market valuation. Therefore, an additional discount has been applied for to account for the current state of the commodity price and general market sentiment. While the market for advanced gold projects is currently quite robust that appears to be limited to well understood, technically simple and low risk advanced stage or development ready projects, exploration projects remain difficult to fund and advance toward a development decision. Additionally, the market factors can change depending on the local currency commodity prices. For example, in Australia the gold price, in Australian dollar terms is quite strong however it remains difficult to attract exploration funds to advance small gold projects, therefore, it is considered reasonable to apply a small discount the commodity price environment. For gold projects in Australia the gold price, in Australian dollars, is currently above the moving 5-year average and close to the highest gold price experienced in the past 5 years.

On that basis, the technical valuations are discounted by 2% for the geopolitical / environmental regulatory risks and the commodity price discount of 5% for gold is also applied to the technical valuation to determine the fair market valuation of the project.

4.4.2.2. Comparable Market Based Transactions

A comparable Transactional valuation is a simple and easily understood valuation method which is broadly based on the real estate approach to valuation. It can be applied to a transaction based on the contained metal (for projects with Mineral Resource Estimated reported) or on an area basis for non-resource projects. Advantages of this type of valuation method include that it is easily understood and applied, especially where the resources or tenement area is comparable and the resources are reported according to an industry standard (like the JORC Code or NI43-101) but it is not as robust for projects where the resources are either historic in nature, reported according to a more relaxed standard or are using a cut-off grade that reflects a commodity price that is not justified by the current market fundamentals. If the projects being valued are in the same or a comparable jurisdiction, then it removes the requirement for a geopolitical adjustment. Finally, if the transaction being used is recent then it should reflect the current market conditions, to partly counteract the differences in the commodity markets the comparable transactions are often normalised to the commodity price at the time of the transactions and the current commodity price.

Difficulties arise when there are a limited number of transactions, where the projects have subtle but identifiable differences that impact the economic viability of one of the projects, for example the requirement for a very fine grind required to liberate gold from a sulphide rich ore or where the ore is refractory in nature and requires a non-standard processing method.

The information for the comparable transactions has been derived from various sources including the ASX releases associated with these transactions, a database compiled by DRM for exploration stage projects (with resources estimated) and development ready projects and a monthly publication by PCF Capital termed the Resource Thermometer.

This valuation method is the primary valuation method for exploration or advanced (pre-development) projects where Resources or Reserves have been estimated but no DCF or financial models have been completed. The preference is to limit the transactions and Resource / Reserve multiples to completed transactions from the past two to three years.

The comparable transactions have been compiled for early stage exploration projects. Appendix A details the area based comparable transaction multiples for broadly comparable projects to the Marymia project.

4.4.2.3. Prospectivity Enhancement Multiplier or Cost Based Valuation

As outlined in Table 3 above and in the VALMIN code a cost based or appraised value method is an appropriate valuation technique for an early stage exploration project. Under this method, the previous exploration expenditure is assessed as either improving or decreasing the potential of the project. The prospectivity enhancement multiplier (PEM) involves a factor which is directly related to the success of the exploration expenditure to advance the project. There are several alternate PEM factors that can be used depending on the specific project and commodity being evaluated. Onley, (1994) included several guidelines for the use and selection of appropriate PEM criteria. The PEM ranking criteria used in this ITA are outlined in Table 5 below. DRM considers the PEM valuation method as a secondary valuation method and no higher PEM ranges are used as once a resource has been estimated it is, in the opinion of the author, preferable to use resource multiples for comparable transactions once a resource has been estimated. Table 5 documents the criteria and PEM used to determine the upper and lower valuation. The preferred valuation is the midpoint between the upper and lower valuations.

Table 5 Prospectivity Enhancement Multiplier (PEM) ranking criteria

Range	Criteria
0.2 – 0.5	Exploration downgrade the potential
0.5 – 1	Exploration has maintained the potential
1.0 - 1.3	Exploration has slightly increased the potential
1.3 – 1.5	Exploration has considerably increased the potential
1.5 – 2.0	Limited Preliminary Drilling intersected interesting mineralised intersections
2.0 – 2.5	Detailed Drilling has defined targets with potential economic interest
2.5 – 3.0	A Mineral Resource has been estimated at an Inferred category

5. Valuation of the AIC Resources Marymia Project

This ITAR has undertaken several valuation methods for the Marymia project, including a comparable transaction, a geoscientific (Kilburn) and a prospectivity enhancement multiplier (PEM) valuation. As outlined above a search of the DMIRS mineral titles online database has been undertaken to confirm the tenements associated with the project are current, confirm the tenement areas, the holding costs tenement rents and future expenditure commitments and to obtain the reported form 5 exploration expenditure. Exploration expenditure since the most recent tenement anniversary was obtained from the AIC Resources (through Tribute Resources)

As there are no mineral resource or ore reserve estimates for the Marymia project the primary valuation was determined using an area based comparable transactions and a geoscientific or Kilburn valuation. A supporting or secondary valuation (PEM) has been undertaken as a check to the primary valuation methods. The details of these valuations are below and are based on the information and tenement schedule above.

5.1.1.1. Comparable Transactions

As detailed in Appendix A, DRM has reviewed a series of transactions that are considered broadly comparable to the Marymia project.

From the analysis of the seven comparable completed transactions from Western Australia since 2014 DRM has determined that the for broadly comparable projects range a multiple of $230/km^2 to $3030/km^2. When these value per square kilometre are normalised for the Australian dollar gold price at the time of the transaction and the gold price as at the valuation date these transactions have occurred at between $231/km^2 and $3440/km^2.

An analysis of these transaction indicates the normalised average is $2002/km^2 with a median multiple of $1953/km^2 and a 25th percentile of $965/km^2 and a 75th percentile of $3279/km^2.

These transactions are summarised in Appendix A.

In DRM's opinion these multiples are based on transactions that are dominated by tenements that cover prospective greenstone belts while the majority of the tenure within the Marymia project is within granite and granitic gneiss with remanent greenstone belts within several of the tenements. There is also extensive cover which may be concealing prospective greenstone sequences. Therefore, due to the geological differences in the comparable transactions and the Marymia Project DRM considers that a multiple of between $$1,250/km^2 and $2,500/km^2 with a preferred multiple of $1,800/km^2 is reasonable.

The resource multiples detailed above and supported by the information in Appendix A have been used along with the area of the tenements that are either granted or likely to be granted to AIC resources to derive the value of the project shown in Table 6.

Table 6 Comparable transaction valuation summary for the Marymia Project.

AIC Resources Marymia Project Comparable transaction Valuation			
Marymia Project	**Lower**	**Preferred**	**Upper**
Area (Km^2).	3,158	3,158	3,158
Multiple ($/km^2)	$1,250	$1,800	$2,500
Valuation ($ million)	**$3.9**	**$5.7**	**$7.9**

Note appropriate rounding has been applied the valuation.

The project area has been determined from the tenements that are either granted or the area expected to be granted to AIC Resources. Exploration licence allocation E52/3622 has been reduced in size to account for the underlying granted mining leases that have priority over the exploration licence application while all of exploration licence application E52/3648 has been excluded from the project area as there is a previous application that in DRM's opinion is likely to have priority.

Therefore, DRM considers the Marymia Project to be valued, based on comparable transactions, at between **$3.9 million** and **$7.9 million** with a preferred valuation of **$5.7 million.**

5.1.1.2. Geoscientific Valuation

There are several specific inputs that are critical in determining a valid geoscientific or Kilburn valuation, these are ensuring that the practitioner undertaking the valuation has a good understanding of the mineralisation styles within the overall region, the tenements and has access to all the exploration and geological information to ensure that the rankings are based on a thorough knowledge of the project. In addition to ensuring the rankings are correct deriving the base acquisition costs (BAC) is critical as that is the primary driver of the final value. In this case the BAC is derived by the current costs of applying for a tenement of the specific type and the exploration commitment to maintain the tenement in good standing. If the valuation is being undertaken on a large area with disparate exploration potential it is preferable to break down the larger area into smaller zones to ensure that an area with a high ranking is not spread over a large area, thereby artificially increasing the valuation. The opposite can occur with large areas of low potential. No value as been assigned to E52/3648 as in DRM's opinion it is unlikely that the tenement will be granted to AIC.

For the Marymia Project, each tenement was ranked individually as the areas of most of the tenements are relatively small, the geology and exploration potential from regional Geological Survey mapping well understood. Three tenements were divided into two where the potential was significantly diverse within the tenement. The BAC was derived from the Western Australian Department of Mines, Industry Regulation and Safety (DMIRS) (previously the Department of Mines and Petroleum) and the costs are based on the updated tenement costs as at 1 July 2017.

The Geoscientific rankings were derived for each of the tenements. The rankings that underpin this geoscientific valuation are tabulated in Appendix B.

Table 7 details the technical value of the exploration potential within the Marymia Project while the Fair Market Value of the exploration potential is detailed in Table 8.

Table 7 Technical Valuation for the Exploration Potential within the Marymia Project

Tenement	Technical Valuation (AUS$)		
E52/2943	235500	378550	521600
E52/2944	139800	331150	522500

E52/2945	97000	135600	174200
E52/2973	851400	1424700	1998000
E69/3247	176600	310250	443900
E52/3027	619200	859050	1098900
E52/3027	44700	66050	87400
E52/3028	73800	109000	144200
E52/3029	35800	52850	69900
E52/3044	32400	47900	63400
E52/3154	258800	419300	579800
E52/3171	14400	21300	28200
E52/3190	30600	48200	65800
E52/3265	13600	21450	29300
E52/3317	13300	20950	28600
E52/3318	30200	120800	211400
E52/3318	7100	11250	15400
E52/3319	38800	99350	159900
E52/3346	49500	73100	96700
E52/3368	141500	288350	435200
E52/3397	562300	899700	1237100
E52/3455	29300	46150	63000
ELA52/3087	16600	26150	35700
ELA52/3622	34800	67550	100300
E52/3623	6700	9900	13100
E52/3624	6700	9900	13100
ELA52/3648	0	0	0
P52/1585	4200	8650	13100
E52/3069	17600	58200	98800
E52/3069	6900	10850	14800
E52/3320	11100	17750	24400
E52/3487	22200	56150	90100
E52/3488	13400	34900	56400
E52/3489	13400	34900	56400
Total (million)	**$3.6**	**$6.1**	**$8.6**

Notes

1) The table above is the technical valuation which is the base acquisition cost multiplied by the ranking factors outlined in Appendix B.
2) E52/3069, E52/3318 and E52/3027 have duplicate valuations as one is based on the prospective region within the tenement while the other is the less prospective region.

Table 8 Fair Market Valuation for the Exploration Potential within the Marymia Project

Tenement	Fair Market Valuation (AUS$M)		
E52/2943	0.22	0.35	0.49
E52/2944	0.13	0.31	0.49
E52/2945	0.09	0.13	0.16
E52/2973	0.79	1.33	1.86
E69/3247	0.16	0.29	0.41
E52/3027	0.58	0.8	1.02
E52/3027	0.04	0.06	0.08
E52/3028	0.07	0.1	0.13
E52/3029	0.03	0.05	0.07
E52/3044	0.03	0.04	0.06
E52/3154	0.24	0.39	0.54
E52/3171	0.01	0.02	0.03
E52/3190	0.03	0.04	0.06
E52/3265	0.01	0.02	0.03
E52/3317	0.01	0.02	0.03
E52/3318	0.03	0.11	0.2
E52/3318	0.01	0.01	0.01
E52/3319	0.04	0.09	0.15
E52/3346	0.05	0.07	0.09
E52/3368	0.13	0.27	0.41
E52/3397	0.52	0.84	1.15
E52/3455	0.03	0.04	0.06
ELA52/3087	0.02	0.02	0.03
ELA52/3622	0.03	0.06	0.09
E52/3623	0.01	0.01	0.01
E52/3624	0.01	0.01	0.01
ELA52/3648	0	0	0
P52/1585	0	0.01	0.01
E52/3069	0.02	0.05	0.09
E52/3069	0.01	0.01	0.01
E52/3320	0.01	0.02	0.02
E52/3487	0.02	0.05	0.08
E52/3488	0.01	0.03	0.05
E52/3489	0.01	0.03	0.05
Total	**$3.4**	**$5.7**	**$8.0**

Notes
1) Appropriate rounding to the valuation has been undertaken.
2) E52/3069, E52/3318 and E52/3027 have duplicate valuations as one is based on the prospective region within the tenement while the other is the less prospective region.

Table 8 is the fair market valuation (in AUS$) which is the technical valuation multiplied by two additional valuation factors, the geopolitical or sovereign risk factor and the market factor. In this case the location factor is 98%. As the gold industry in Australia is currently strong a factor of 95% has been applied to the technical valuations in Table 7.

Based on this Geoscientific (Kilburn) valuation, DRM considers a reasonable valuation for the Marymia Project to be between $3.4 million and $8.0 million with a preferred valuation of $5.7 million.

5.1.1.3. Prospectivity Enhancement Multiplier (PEM)

As detailed in section 5.4.2.2 the prospectivity enhancement multiplier or multiple of exploration expenditure (MEE) is a valuation method derived on the basis that money spent on exploration has either increased or decreased the value of the project.

Table 9 details the expenditure on the tenement since they were granted as reported in the Form 5 expenditure reports. Exploration expenditure since the most recent tenement anniversary were provided by the company while the previously reported (Form 5) expenditure reports were obtained directly from the DMIRS Mineral Titles Online database. In DRM's opinion only, expenditures for the past five years or since the project was acquired by the current holder and the acquisition costs (if purchased in the past five years) should be used in determining a PEM valuation.

Table 10 assigns the prospectivity enhancement multiplier to these expenditures based on the PEM rankings from Table 5.

As this valuation is a secondary valuation method there has been no adjustment for inflation of the previous expenditure.

Table 9 Previous expenditure as reported in the various Form 5 Expenditure reports for each of the tenements of the Marymia project.

Tenement	2016	2017	2018	Recent	TOTAL
Source	Form5	Form5	Form5	Company	
E52/2943	119,261	119,032	199,827	26,155	464,275
E52/2944	127,543	138,565	307,438	51,284	624,830
E52/2945	65,043	68,929	164,625	15,111	313,708
E52/2973	45,739	47,251	122,304	207,768	423,062
E69/3247	163,095	158,103	226,955	55,860	604,013
E52/3027	73,964	84,039	228,675	14,576	401,254
E52/3028	71,364	71,064	178,357	49,483	370,268
E52/3029	35,737	33,189	75,382	23,428	167,736
E52/3044	33,476	39,573	67,633	12,180	152,862
E52/3154	24,454	22,160	-	69,332	115,946
E52/3171	23,803	24,628	-	56,648	105,079
E52/3190			73,245	17,898	91,143
E52/3265		23,026	34,262	1,981	59,269
E52/3317		20,867	-	37,974	58,841
E52/3318		23,154	36,320	17,809	77,283
E52/3319		20,006	37,839	5,371	63,216
E52/3346			115,921	31,429	147,350
E52/3368		20,134	124,134	17,543	161,811
E52/3397			105,830	104,572	210,402
E52/3455		42,423	56,634	701	99,758
ELA52/3087			-	38,406	38,406
ELA52/3622			-	2,164	2,164
E52/3623			-	3,860	3,860
E52/3624			-	2,852	2,852
ELA52/3648			-	8,219	8,219
P52/1585			-	1,020	1,020
E52/3069		185,836	169,587	$22,000	377,423
E52/3320		17,063	-	$15,000	32,063
E52/3487			-	$15,000	15,000
E52/3488			-	$10,000	10,000
E52/3489			-	$10,000	10,000
Total	**664,218**	**1,040,010**	**2,125,141**	**919,470**	**4,748,839**

Note: where there is expenditures for E52/3069, E52/3320, E52/3487 – 3489 since the last anniversary date (or grant) are assumed.

Table 10 Valuation of the Marymia Project based on a prospectivity enhancement multiples (PEM)

Tenement	Total Expenditure	PEM Low	Lower Valuation	PEM High	Upper Valuation
E52/2943	464,275	1.0	464,275	1.3	603,557
E52/2944	624,830	0.8	499,864	1.1	687,313
E52/2945	313,708	0.8	250,966	1.1	345,079
E52/2973	423,062	0.5	211,531	1.0	423,062
E69/3247	604,013	0.5	302,006	1.0	604,013
E52/3027	401,254	1.1	441,379	1.3	521,630
E52/3028	370,268	0.7	259,187	1.1	407,294
E52/3029	167,736	0.5	83,868	1.0	167,736
E52/3044	152,862	0.7	107,004	1.1	168,149
E52/3154	115,946	1.2	139,135	1.4	162,324
E52/3171	105,079	0.7	73,556	1.1	115,587
E52/3190	91,143	0.7	63,800	1.1	100,257
E52/3265	59,269	0.7	41,488	1.1	65,196
E52/3317	58,841	0.7	41,189	1.0	58,841
E52/3318	77,283	1.1	85,011	1.2	92,739
E52/3319	63,216	1.1	69,537	1.2	75,859
E52/3346	147,350	0.7	103,145	1.1	162,086
E52/3368	161,811	1.1	177,992	1.4	226,535
E52/3397	210,402	1.1	231,442	1.4	294,562
E52/3455	99,758	0.7	69,831	1.1	109,734
ELA52/3087	38,406	0.5	19,203	1.0	38,406
ELA52/3622	2,164	1.1	2,380	1.3	2,813
E52/3623	3,860	0.5	1,930	1.0	3,860
E52/3624	2,852	0.5	1,426	1.0	2,852
ELA52/3648	8,219	0.1	822	0.1	822
P52/1585	1,020	0.5	510	1.0	1,020
E52/3069	377,423	0.7	264,196	1.2	452,908
E52/3320	32,063	0.5	16,032	1.0	32,063
E52/3487	15,000	0.5	7,500	1.0	15,000
E52/3488	10,000	0.5	5,000	1.0	10,000
E52/3489	10,000	0.5	5,000	1.0	10,000
Total	**4,748,839**		**3,600,000**		**5,400,000**

Notes: The Total Lower and Upper PEM valuation is rounded as considered appropriate.

Therefore, in DRM's opinion that the value of the Marymia project based on previous expenditure is between $3.6 million and $5.4 million with a preferred valuation being based on the midpoint of $4.5 million.

6. Preferred Valuations

Based on the valuation techniques detailed above Table 11 provides a summary of the valuations derived by the various techniques with the preferred valuation range is documented in Table 12.

All three valuation techniques provide a similar range with the exception of the PEM multiplier. This is possibly due to the PEM valuation being somewhat lower due to the limited expenditure since the tenements were granted. In DRM's opinion the preferred valuation method is the comparable transaction valuation.

Table 11 Valuation Summary.

	Valuation Technique	Lower Valuation (AUS$ million)	Preferred Valuation (AUS$ million)	Upper Valuation (AUS$ million)
Marymia Project	Comparable Transactions	$3.9	$5.7	$7.9
	Kilburn	$3.4	$5.7	$8.0
	PEM Valuation	$3.6	$4.5	$5.4

Table 12 DRM's preferred valuation of the Marymia Project, the only mineral asset of AIC Resources

Mineral Asset	Lower Valuation (AUS$ million)	Preferred Valuation (AUS$ million)	Upper Valuation (AUS$ million)
Marymia Project Valuation	$3.9	$5.7	$7.9

7. Conclusion

DRM considers the AIC Resources mineral assets (the Marymia project) to have a value within a range of $3.9 million to $7.9 million with a preferred total mineral asset value of $5.7 million.

8. References

The reference list below is dominated by unpublished company reports. Where they are published the publication is noted. None of the ASX releases of AIC Resources have been listed in the Reference list but are available on the companies' and the ASX websites.

JORC, 2012, *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code)* [online]. Available from: http://www.jorc.org (The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia).

Kilburn, L.C., 1990, *Valuation of mineral properties which do not contain exploitable reserve*, CIM Bulletin, 83, pp. 90–93.

Naidoo, T., O'Callaghan, P., Cobb, M., *2016 Independent Technical Specialist's Report, Valuation of Renaissance Minerals' Okvau Gold Project, Cambodia, CSA Global Report No 236.2016,* in Renaissance Minerals Limited Independent Expert's Report, BDO, Renaissance Minerals Target Statement 2016.

VALMIN, 2015, *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code)* [online]. Available from: http://www.valmin.org (The VALMIN Committee of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists).

9. Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Webmineral www.webmineral.com, Wikipedia www.wikipedia.org,

The following terms are taken from the 2015 VALMIN Code

Annual Report means a document published by public corporations on a yearly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Australasian means Australia, New Zealand, Papua New Guinea and their off-shore territories.

Code of Ethics means the Code of Ethics of the relevant Professional Organisation or Recognised Professional Organisations.

Corporations Act means the Australian Corporations Act 2001 (Cth).

Experts are persons defined in the Corporations Act whose profession or reputation gives authority to a statement made by him or her in relation to a matter. A Practitioner may be an Expert. Also see Clause 2.1.

Exploration Results is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to http://www.jorc.org for further information.

Feasibility Study means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility Study.

Financial Reporting Standards means Australian statements of generally accepted accounting practice in the relevant jurisdiction in accordance with the Australian Accounting Standards Board (AASB) and the Corporations Act.

Independent Expert Report means a Public Report as may be required by the Corporations Act, the Listing Rules of the ASX or other security exchanges prepared by a Practitioner who is acknowledged as being independent of the Commissioning Entity. Also see ASIC Regulatory Guides RG 111 and RG 112 as well as Clause 5.5 of the VALMIN Code for guidance on Independent Expert Reports.

Information Memoranda means documents used in financing of projects detailing the project and financing arrangements.

Investment Value means the benefit of an asset to the owner or prospective owner for individual investment or operational objectives.

Life-of-Mine Plan means a design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.

Market Value means the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. Also see Clause 8.1 for guidance on Market Value.

Materiality or being **Material** requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Technical Assessment or Mineral Asset Valuation being reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion. Also see Clause 3.2 for guidance on what is Material.

Member means a person who has been accepted and entitled to the post-nominals associated with the AIG or the AusIMM or both. Alternatively, it may be a person who is a member of a Recognised Professional Organisation included in a list promulgated from time to time.

Mineable means those parts of the mineralised body, both economic and uneconomic, that are extracted or to be extracted during the normal course of mining.
Mineral Asset means all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction and processing of Minerals in connection with that Tenure.
Most Mineral Assets can be classified as either:
(a) **Early-stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified;
(b) **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category;
(c) **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken;
(d) **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study;
(e) **Production Projects** – Tenure holdings – particularly mines, wellfields and processing plants – that have been commissioned and are in production.
Mine Design means a framework of mining components and processes taking into account mining methods, access to the Mineralisation, personnel, material handling, ventilation, water, power and other technical requirements spanning commissioning, operation and closure so that mine planning can be undertaken.
Mine Planning includes production planning, scheduling and economic studies within the Mine Design taking into account geological structures and mineralisation, associated infrastructure and constraints, and other relevant aspects that span commissioning, operation and closure.
Mineral means any naturally occurring material found in or on the Earth's crust that is either useful to or has a value placed on it by humankind, or both. This excludes hydrocarbons, which are classified as Petroleum.
Mineralisation means any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis or composition.
Mineral Project means any exploration, development or production activity, including a royalty or similar interest in these activities, in respect of Minerals.
Mineral Securities means those Securities issued by a body corporate or an unincorporated body whose business includes exploration, development or extraction and processing of Minerals.
Mineral Resources is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to http://www.jorc.org for further information.
Mining means all activities related to extraction of Minerals by any method (e.g. quarries, open cast, open cut, solution mining, dredging etc).
Mining Industry means the business of exploring for, extracting, processing and marketing Minerals.
Modifying Factors is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to http://www.jorc.org for further information.
Ore Reserves is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to http://www.jorc.org for further information.
Petroleum means any naturally occurring hydrocarbon in a gaseous or liquid state, including coal-based methane, tar sands and oil-shale.

Petroleum Resource and **Petroleum Reserve** are defined in the current version of the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council and the Society of Petroleum Evaluation Engineers. Refer to http://www.spe.org for further information.

Practitioner is an Expert as defined in the Corporations Act, who prepares a Public Report on a Technical Assessment or Valuation Report for Mineral Assets. This collective term includes Specialists and Securities Experts.

Preliminary Feasibility Study (Pre-Feasibility Study) means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

Professional Organisation means a self-regulating body, such as one of engineers or geoscientists or of both, that:

(a) admits members primarily on the basis of their academic qualifications and professional experience;

(b) requires compliance with professional standards of expertise and behaviour according to a Code of Ethics established by the organisation; and

(c) has enforceable disciplinary powers, including that of suspension or expulsion of a member, should its Code of Ethics be breached.

Public Presentation means the process of presenting a topic or project to a public audience. It may include, but not be limited to, a demonstration, lecture or speech meant to inform, persuade or build good will.

Public Report means a report prepared for the purpose of informing investors or potential investors and their advisers when making investment decisions, or to satisfy regulatory requirements. It includes, but is not limited to, Annual Reports, Quarterly Reports, press releases, Information Memoranda, Technical Assessment Reports, Valuation Reports, Independent Expert Reports, website postings and Public Presentations. Also see Clause 5 for guidance on Public Reports.

Quarterly Report means a document published by public corporations on a quarterly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

Reasonableness implies that an assessment which is impartial, rational, realistic and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation.

Royalty or Royalty Interest means the amount of benefit accruing to the royalty owner from the royalty share of production.

Securities has the meaning as defined in the Corporations Act.

Securities Expert are persons whose profession, reputation or experience provides them with the authority to assess or value Securities in compliance with the requirements of the Corporations Act, ASIC Regulatory Guides and ASX Listing Rules.

Scoping Study means an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.

Specialist are persons whose profession, reputation or relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets.

Status in relation to Tenure means an assessment of the security of title to the Tenure.

Technical Assessment is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.

Technical Assessment Report involves the Technical Assessment of elements that may affect the economic benefit of a Mineral Asset.

Technical Value is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

Tenure is any form of title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be (or is known to be) contained. Tenure can include third-party ownership of the Minerals (for example, a royalty stream). Tenure and Title have the same connotation as Tenement.

Transparency or being **Transparent** requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of Material information that is known to the Practitioner.

Valuation is the process of determining the monetary Value of a Mineral Asset at a set Valuation Date.

Valuation Approach means a grouping of valuation methods for which there is a common underlying rationale or basis.

Valuation Date means the reference date on which the monetary amount of a Valuation in real (dollars of the day) terms is current. This date could be different from the dates of finalisation of the Public Report or the cut-off date of available data. The Valuation Date and date of finalisation of the Public Report **must** not be more than 12 months apart.

Valuation Methods means a subset of Valuation Approaches and may represent variations on a common rationale or basis.

Valuation Report expresses an opinion as to monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related Securities.

Value means the Market Value of a Mineral Asset.

10. Appendices

Appendix A – Comparable Gold Transactions

The table below documents several transactions that were analysed to determine an area-based transaction multiple for recently completed transactions. The transactions highlighted in Green are considered comparable. DRM has where possible limited the transactions to being completed transactions within the general Marymia region (the Murchison Province of the Yilgarn Craton, Western Australia)

Excluded transactions include projects that are more advanced, are targeting base metals rather than gold, have established resources

Project / Company	Date	Equity	Area	$	$/km2	Gold Price ($US/oz) at transaction date	Exchange Rate (xe.com)	Gold Price ($AUS/oz) at transaction date	Gold Price ($AUS/oz) 19/9/18	Normalised $/km2	Comments
Enterprise gold JV eastern goldfields	29/09/2017	90%	190	450,000	2,630	1283.1	0.7839	1636.76	1,654	2,658.45	includes 5 years of exploration expenditure
Enterprise VMS and Au Cue area	26/06/2017	100%	87	100,000	1,150	1,245	0.7921	1572.10	1,654	1,210.26	
Enterprise VMS Doolgunna	12/10/2016	75%	975	1,800,000	2,460						Base Metal JV not comparable
Enterprise Cue area	9/10/2017	100%	733	170,000	230	1,279	0.7764	1647.04	1,654	231.04	
Enterprise Darlot JV	25/11/2013	51%	740	1,200,000	3,180						Base Metal JV not comparable
Alto Sandstone excludes Performance Shares	23/03/2016	100%	723	880,000	1,220	1,218	0.7530	1616.97	1,654	1,248.30	
Dampier sale of Plutonic project	19/01/2016	40%	412	2,445,240	14,840						Too high due to resources
Dampier JV & sale Vango	19/11/2013	75%	412	6,000,000	19,420						Too high due to resources
Hermies Area JV Alchemy - NST	20/02/2015	80%	219	1200000	6,850						Too high due to resource at Wilgeena
Musgrave	18/07/2017	20%	272	1,500,000	27,570						Too high due to resources
Talisman Sandfire JV	20/12/2013	70%	324.2	15000000	66,100						Base Metal Project
IGO JV with Alchemy	29/01/2014	80%	300	6500000	27,080						Base Metal Project
Sandfire Alchemy	6/08/2018	80%	319.5	3100000	12,130						Base Metal Project
DRM - Mithril	4/11/2015	85%	202.6	522634	3,030	1,115	0.7172	1554.31	1,654	3,225.26	Along strike of Gnaweeda
Alloy / DRM Horse Well	23/05/2014	60%	950	2000000	3,510						Existing 100k Resource
DRM - Gnaweeda	16/07/2014	94%	184.1	500000	2,890	1,301	0.9360	1389.91	1,654	3,440.09	Extensive exploraiton history

Analysis of the transactions results in the following

Average	$2,002
25 percentile	$965
75 percentile	$3,279
Median	$1,953

Due to the majority of the transactions above being for tenements that are entirely over prospective greenstone stratigraphy in DRM's opinion the following multiples are realistic and reasonable fort the Marymia Project. A Lower multiple of $1,250/km^2$, an upper multiple of $2,500/km^2$ and a preferred multiple of $1,800/km^2$.

Appendix B – Marymia Project Geoscientific (Kilburn) Rankings – Exploration Potential

Tenement	Grant	Expiry	Area Blocks	Area Ha	BAC (AUS$)	Equity	Off Property		On Property		Anomaly Factor		Geology Factor		Technical Valuation (AUS$)			Fair Market Valuation (AUS$M)		
E52/2943	29/04/2015	28/04/2020	117		201,240	100%	1.3	1.5	1	1.2	1	1.2	0.9	1.2	235500	378550	521600	0.22	0.35	0.49
E52/2944	17/06/2015	16/06/2020	125		215,000	100%	1.3	1.5	1	1.2	1	1.5	0.5	0.9	139800	331150	522500	0.13	0.31	0.49
E52/2945	17/06/2015	16/06/2020	62		106,640	100%	1.3	1.5	1	1.1	1	1.1	0.7	0.9	97000	135600	174200	0.09	0.13	0.16
E52/2973	29/04/2015	28/04/2020	44		75,680	100%	1.5	2	2	2.2	2.5	3	1.5	2	851400	1424700	1998000	0.79	1.33	1.86
E69/3247	5/06/2015	4/06/2020	158		271,760	100%	1.3	1.5	1	1.1	1	1.1	0.5	0.9	176600	310250	443900	0.16	0.29	0.41
E52/3027	1/07/2015	30/06/2020	30		51,600	100%	1.5	2	2	2.2	2	2.2	2	2.2	619200	859050	1098900	0.58	0.8	1.02
E52/3027	1/07/2015	30/06/2020	40		68,800	100%	1.3	1.5	1	1.1	1	1.1	0.5	0.7	44700	66050	87400	0.04	0.06	0.08
E52/3028	15/05/2015	14/05/2020	66		113,520	100%	1.3	1.5	1	1.1	1	1.1	0.5	0.7	73800	109000	144200	0.07	0.1	0.13
E52/3029	15/05/2015	14/05/2020	32		55,040	100%	1.3	1.5	1	1.1	1	1.1	0.5	0.7	35800	52850	69900	0.03	0.05	0.07
E52/3044	17/06/2015	16/06/2020	29		49,880	100%	1.3	1.5	1	1.1	1	1.1	0.5	0.7	32400	47900	63400	0.03	0.04	0.06
E52/3154	20/10/2015	19/10/2020	18		23,960	100%	1.5	2	1.8	2.2	2	2.5	2	2.2	258800	419300	579800	0.24	0.39	0.54
E52/3171	18/11/2015	17/11/2020	10		22,200	100%	1.3	1.5	1	1.1	1	1.1	0.5	0.7	14400	21300	28200	0.01	0.02	0.03
E52/3190	23/03/2017	22/03/2022	46		52,256	100%	1.3	1.5	1	1.2	0.9	1	0.5	0.7	30600	48200	65800	0.03	0.04	0.06
E52/3265	13/05/2016	12/05/2021	16		23,250	100%	1.3	1.5	1	1.2	0.9	1	0.5	0.7	13600	21450	29300	0.01	0.02	0.03
E52/3317	4/10/2016	3/10/2021	20		22,720	100%	1.3	1.5	1	1.2	0.9	1	0.5	0.7	13300	20950	28600	0.01	0.02	0.03
E52/3318	27/07/2016	26/07/2021	11		13,420	100%	2.5	3.5	1	1.5	0.9	1.5	1	2	30200	120800	211400	0.03	0.11	0.2
E52/3318	27/07/2016	26/07/2021	10		12,200	100%	1.3	1.5	1	1.2	0.9	1	0.5	0.7	7100	11250	15400	0.01	0.01	0.01
E52/3319	27/07/2016	26/07/2021	7		21,540	100%	2	3	1	1.5	0.9	1.1	1	1.5	38800	99350	159900	0.04	0.09	0.15
E52/3346	23/03/2017	22/03/2022	67		76,112	100%	1.3	1.5	1	1.1	1	1.1	0.5	0.7	49500	73100	96700	0.05	0.07	0.09
E52/3368	27/07/2016	26/07/2021	19		24,180	100%	1.5	2	2	2.5	1.5	2	1.3	1.8	141500	288350	435200	0.13	0.27	0.41
E52/3397	23/03/2017	22/03/2022	33		37,488	100%	1.5	2	2	2.5	2.5	3	2	2.2	562300	899700	1237100	0.52	0.84	1.15
E52/3455	16/08/2016	15/08/2021	41		50,020	100%	1.3	1.5	1	1.2	0.9	1	0.5	0.7	29300	46150	63000	0.03	0.04	0.06
ELA52/3087	N/A	N/A	28		28,322	100%	1.3	1.5	1	1.2	0.9	1	0.5	0.7	16600	26150	35700	0.02	0.02	0.03
ELA52/3622	N/A	N/A	1		10,322	100%	1.5	2	1.5	1.8	1.5	1.8	1	1.5	34800	67550	100300	0.03	0.06	0.09
E52/3623	18/09/2018	17/09/2023	1		10,322	100%	1.3	1.5	1	1.1	1	1.1	0.5	0.7	6700	9900	13100	0.01	0.01	0.01
E52/3624	18/09/2018	17/09/2023	1		10,322	100%	1.3	1.5	1	1.1	1	1.1	0.5	0.7	6700	9900	13100	0.01	0.01	0.01
ELA52/3648	N/A	N/A	45		51,030	100%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
P52/1585	N/A	N/A		42.00	2,109	100%	2	2.5	1	1.5	1	1.1	1	1.5	4200	8650	13100	0	0.01	0.01
E52/3069	10/02/2016	9/02/2021	10		12,200	80%	2	2.5	1	1.5	0.9	1.5	1	1.8	17600	58200	98800	0.02	0.05	0.09
E52/3069	10/02/2016	9/02/2021	12		14,640	80%	1.3	1.5	1	1.2	0.9	1	0.5	0.7	6900	10850	14800	0.01	0.01	0.01
E52/3320	20/12/2016	19/12/2021	2		15,268	80%	1.3	1.5	1	1.1	1	1.1	0.7	1.1	11100	17750	24400	0.01	0.02	0.02
E52/3487	19/01/2018	18/01/2023	3		15,402	80%	2	2.5	1	1.3	0.9	1.5	1	1.5	22200	56150	90100	0.02	0.05	0.08
E52/3488	15/05/2018	14/05/2023	1		10,322	80%	2	2.5	1	1.3	0.9	1.5	0.9	1.4	13400	34900	56400	0.01	0.03	0.05
E52/3489	15/05/2018	14/05/2023	1		10,322	80%	2	2.5	1	1.3	0.9	1.5	0.9	1.4	13400	34900	56400	0.01	0.03	0.05
Total															**$ 3.6**	**$ 6.1**	**$ 8.6**	**$ 3.4**	**$ 5.7**	**$ 8.0**

Discount Factors

Location	98%
Gold	95%

Intrepid Mines Limited
ACN 060 156 452

IAU

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:

Online:
www.investorvote.com.au

By Mail:
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GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

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For all enquiries call:

(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form

XX

Vote and view the Notice of Meeting online

- Go to www.investorvote.com.au **or** scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 11:00am (AEST) Wednesday, 12 December 2018

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate “Certificate of Appointment of Corporate Representative” prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

GO ONLINE TO VOTE,
or turn over to complete the form ➔

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with '**X**') should advise your broker of any changes.

I 9999999999 I ND

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Intrepid Mines Limited hereby appoint

☐ **the Chairman of the Meeting** **OR** ______________________

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Intrepid Mines Limited to be held at **McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane, Queensland, 4000 on Friday, 14 December 2018 at 11:00am (AEST)** and at any adjournment or postponement of that Meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Special Business		For	Against	Abstain
1	Issue of Intrepid Shares under Takeover Bid	☐	☐	☐
2	Approval of acquisition of AIC Resources Shares from Brahman Pure Alpha Pte Ltd	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1	Securityholder 2	Securityholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name ______________________ **Contact Daytime Telephone** ______________________ **Date** ____ / ____ / ____