



ACN 007 761 186

And Controlled Entities

Report for the
Half-Year Ended
31 December 2018

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Corporate Particulars

Directors

Peter Bilbe
Jon Price
Peter Hunt

Company Secretary

Bianca Taveira

Registered Office

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NEDLANDS WA 6009

Principal Place of Business

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NEDLANDS WA 6009

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Share Registry

Computershare Investor Services Pty Ltd
Level 11
172 St George's Terrace
PERTH WA 6000
T 1300 850 505

Auditors

Rothsay Chartered Accountants
Level 1, Lincoln House
4 Ventnor Avenue
WEST PERTH WA 6005

Stock Exchange Listing

Australian Stock Exchange
Code: IRC

Directors' Report

Your Directors present their report on the consolidated financial statements for the half-year ended 31 December 2018.

Directors

The following persons hold office as Directors of Intermin Resources Ltd at the date of this report or were Directors at a time during the half-year:

Peter Bilbe
Jon Price
Peter Hunt

Principal Activities

The principal continuing activities of Intermin Resources Ltd ('the Company') and its controlled entity ('the Group') during the period consisted of:

- Final completion of mining, processing, rehabilitation and mine closure at the Teal Gold Mine;
- mine development studies for Goongarrie Lady, Anthill, Jacques Find; and
- extensive exploration carried out at the Company's other gold prospects within Western Australia.

The economic entity made a loss of \$501,789 (December 2017: profit of \$1,997,370) for the half year.

Review of Operations

CORPORATE

Issued Capital

At 31 December 2018, Intermin Resources Ltd had 235,388,464 fully paid ordinary shares on issue (December 2017: 227,192,119).

In July 2018, 2,500,000 director shares were issued upon exercise of options at 7.5 cents per share raising \$187,500 and 1,750,000 director shares were issued upon exercise of options at 12.5 cents per share raising \$218,750.

During the period 3,946,345 shares were issued upon exercise of options at 17 cents per share raising \$670,879 which were issued as part of a placement and share purchase plan in September 2016. The remaining unexercised options expired on 31 August 2018.

Company Investments

At 31 December 2018, Intermin held 7,151,109 fully paid ordinary shares and 595,926 options with an exercise price of 24 cents and an expiry date of 30 June 2021 in Reward Minerals Ltd (ASX: RWD/RWDOA) valued at approximately \$730,000.

At 31 December 2018, the Company had cash on hand of approximately \$6.2m.

Merger

On 11 December 2018, the Company and Macpherson Resources Limited agreed to a merge and executed a Merger Implementation Agreement. Please see announcements dated 11 and 14 December 2018 and the merger presentation dated 6 February 2019 for further information.

Directors' Report

EXPLORATION AND DEVELOPMENT ACTIVITIES

During the half year the Company made progress on a number of fronts. Key developments were as follows:

Mine Development

Open pit mining, final ore processing, rehabilitation and mine closure was completed during the period. The mine produced 21,836 fine ounces from the mining of 229kt of ore with a reconciled grade of 3.2g/t Au and a 93.6% metallurgical recovery, ahead of Feasibility Study estimates.

Development studies, approvals and options for toll milling for the Goongarrie Lady, Jacques Find and Anthill gold projects advanced during the Period with further updates expected in the June Quarter 2019.

During the period and as announced to the ASX on 19 December 2018, the Company reached a resolution with mining contractor Resource Mining Pty Ltd over claims received by Intermin relating to the recently completed Teal gold mine Stages 1 and 2. Intermin and Resource Mining agreed to a full and final settlement of this matter. The total disputed variation claims amount was split on a 50:50 basis, while the remaining net operating cash was split 75% to Intermin and 25% to Resource Mining as originally agreed under the mining contract between the parties.

Exploration

Exploration activities continued during the period across Intermin's 100% owned tenure in the Goldfields of Western Australia. Over 56,000m of drilling was completed in 2018 focussing on resource extension and new discovery targeting. The drilling was highly successful and identified four key project areas, the Teal gold camp, Anthill, Binduli and Blister Dam. Regional drilling was also completed across the entire project portfolio.

For details on the drilling programs, we refer you to the announcements released on the ASX and on the Intermin website (www.intermin.com.au).

Results from the drilling were compiled and resource updates announced for Teal and Anthill gold projects during the period with a resource update for Binduli expected in the June Quarter 2019.

Menzies Gold Project Joint Venture

In 2016, Intermin executed a binding Heads of Agreement ("HoA") with Eastern Goldfields Limited (ASX: EGS) ("EGS") to form a strategic joint venture ("EGS JV") covering Intermin's projects in the Menzies and Goongarrie region (refer ASX announcement dated 5 September 2016).

Subsequent to the end of the period, EGS (Administrators appointed) and Intermin executed a Deed of Termination and Settlement with the Menzies and Goongarrie gold projects now returning to the Company on a 100% basis. A strategic review of the projects is now underway.

Janet Ivy (M26/446) Production Royalty

Intermin owns a \$0.50/t mining royalty that relates to ore mined and treated from M26/446 currently owned by Norton Gold Fields Limited. During the period, royalty payments continued on a quarterly basis with further payments expected on a quarterly basis for material scheduled by NGF to be treated.



Directors' Report

EXPLORATION AND DEVELOPMENT ACTIVITIES (continued)

Lehmann's Well Gold Joint Venture

As announced to the ASX on 7 November 2018, the company reached an agreement with Saracen Mineral Holdings Limited ("Saracen") to terminate the joint venture and divest its interest in an adjacent exploration license. As part of the agreement, Saracen paid A\$2.5 million in cash and a 2.5% Net Smelter Royalty payable once Saracen has produced 42,000 ounces of gold from the transaction tenements and ending once Saracen has produced 100,000 ounces from the transaction tenements.

This agreement was completed during the period as announced to the ASX on 20 November 2018.

Nanadie Well Copper – Gold Project Joint Venture

The Nanadie Well Project is located approximately 100km south east of Meekatharra in the Murchison Mineral Field of WA and covers an area of 145km². In December 2013, Intermin entered into a Farm-in and JV agreement with Mithril Resources Ltd (ASX: MTH) ("Mithril") whereby Mithril could earn a 75% interest by spending \$4M over 6 years. The project is highly prospective for Cu, Au, Ni, Co and PGE's.

Given the prospectivity for multiple commodities in the region, Mithril are now planning further exploration work at the Nanadie Well Copper Deposit and the adjacent Stark Copper Nickel Prospect. Limited work was conducted during the period. For details we refer you to the Mithril Resources ASX releases for the period (ASX: MTH).

Richmond Vanadium - Molybdenum Project

In December 2016, Intermin executed a binding Heads of Agreement ("HoA") with AXF Resources Pty Ltd ("AXF") to form a strategic joint venture ("AXF JV") covering Intermin's Richmond Vanadium – Molybdenum project in Queensland (refer ASX announcement dated 13 December 2016).

During the period, AXF continued the metallurgical test work in China focussed on optimising pre-concentration of the ore and downstream processing metallurgical testwork. As announced to the ASX on 26 November 2018, positive test work results were received with multiple tests utilising gravity, screening and flotation with concentrate grades averaging 1.6% V₂O₅ at an overall recovery of 73%.

A 17,500m drilling program also commenced during the period focussed on infill drilling at Lilyvale to upgrade the current resource to the measured and indicated categories.

The resource update and further results from the test work are expected in the June and September 2019 Quarters respectively.



Directors' Report

Auditor's Independence Declaration

In accordance with section 307C of the Corporations Act 2001, the Directors have obtained a declaration of independence from Rothsay Chartered Accountants, the consolidated entity's auditors, as presented on page 7 of this half-year's financial report.

This report is signed in accordance with a resolution of directors made pursuant to S306(3) of the Corporations Act 2001, and on behalf of the Board by:

MR JON PRICE
DIRECTOR

5 March 2019



Directors' Declaration

The Directors of the Company declare that:

- 1) The financial statements and notes, as set out within this financial report:
 - (a) comply with the Accounting Standard AASB 134: Interim Financial Reporting, the *Corporations Act 2001*; and other mandatory professional reporting requirements.
 - (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date.
- 2) In the Directors' opinion there are reasonable grounds to believe that Intermin Resources Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.

MR JON PRICE
DIRECTOR

5 March 2019



Auditor's Independence Declaration



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
P.O. Box 8716, Perth Business Centre WA 6849
Phone (08) 9486 7094 www.rothsayresources.com.au

The Directors
Intermin Resources Ltd
PO Box 1104
Nedlands WA 6909

Dear Sirs

In accordance with Section 307C of the Corporations Act 2001 (the "Act") I hereby declare that to the best of my knowledge and belief there have been:

- i) no contraventions of the auditor independence requirements of the Act in relation to the audit of the 31 December 2018 interim financial statements; and
- ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'Rolf Garda'.

Rolf Garda (Lead auditor)

Rothsay Auditing

Dated 5 March 2019



Liability limited by a scheme approved under Professional Standards Legislation



Independent Auditor's Review Report



Level 1, Lincoln House, 4 Ventnor Avenue, West Perth WA 6005
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Independent Review Report to the Members of Intermin Resources Limited

The financial report and directors' responsibility

The interim consolidated financial report comprises the statement of financial position, statement of comprehensive income, statement of changes in equity, cashflow statement, accompanying notes to the financial statements, and the directors' declaration for Intermin Resources Limited for the half-year ended 31 December 2018.

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim consolidated financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated financial position as at 31 December 2018 and the performance for the half year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Intermin Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Independence

In conducting our review we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim consolidated financial report of Intermin Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated financial position as at 31 December 2018 and of the performance for the half-year ended on that date; and
- complying with Australian Accounting Standard AASB134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in blue ink, appearing to read 'Rolf Garda'.

Rothsay Auditing

A handwritten signature in blue ink, appearing to read 'Rolf Garda'.

Rolf Garda
Partner

Dated 5 March 2019



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Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half-Year Ended 31 December 2018

	Note	Consolidated	
		December 2018	December 2017
		\$	\$
Continuing Operations			
Gold sales		-	11,802,226
Gold royalty		187,114	-
Interest income		10,800	8,258
Other income	2(a)	2,699,690	113,706
Net change in fair value on financial assets at fair value through profit or loss	2(c)	-	327,758
Total revenue from continuing operations		2,897,604	12,251,948
Cost of sales	2(b)	(1,716,763)	(9,443,847)
Depreciation expenses	2(b)	(9,445)	(13,372)
Exploration and evaluation expenditure	2(b)	(31,654)	(25,331)
Net change in fair value on financial assets at fair value through profit or loss	2(c)	(500,577)	-
Employee benefits expense		(260,174)	(205,983)
Share based payments	8	(137,812)	(261,493)
Building and occupancy costs		(30,435)	(36,071)
Consultancy and professional fees		(512,105)	(65,843)
Other expenses		(200,428)	(202,638)
(Loss)/Profit from continuing operations before income tax		(501,789)	1,997,370
Income tax (expense)/benefit		-	-
(Loss)/Profit for the period		(501,789)	1,997,370
Other comprehensive income for the period			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income for the period		-	-
(Loss)/Profit for the period and total comprehensive income attributable to owners of Intermin Resources Ltd		(501,789)	1,997,370
Basic (loss)/earnings per share		(0.25) cents	1.05 cents
Diluted (loss)/earnings per share		(0.25) cents	1.05 cents

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position as at 31 December 2018

	Note	Consolidated	
		December 2018 \$	June 2018 \$
Current Assets			
Cash and cash equivalents		6,284,346	10,297,176
Trade and other receivables		985,648	725,481
Total Current Assets		7,269,994	11,022,657
Non-Current Assets			
Financial assets at fair value through profit or loss	3	727,030	1,013,074
Other financial assets		257,927	257,927
Property, plant and equipment		185,122	203,156
Exploration, evaluation and development expenditure	4	16,767,193	13,812,610
Total Non-Current Assets		17,937,272	15,286,767
Total Assets		25,207,266	26,309,424
Current Liabilities			
Trade and other payables		729,573	2,541,350
Total Current Liabilities		729,573	2,541,350
Non-Current Liabilities			
Provisions		100,000	100,000
Total Non-Current Liabilities		100,000	100,000
Total Liabilities		829,573	2,641,350
Net Assets		24,377,693	23,668,074
Equity			
Contributed equity	5	28,597,190	27,523,594
Reserves		1,030,841	893,029
Accumulated losses		(5,250,338)	(4,748,549)
Total Equity		24,377,693	23,668,074

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the Half-Year Ended 31 December 2018

	Contributed Equity \$	Asset Revaluation Reserve \$	Share Based Payment Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2018	27,523,594	144,976	748,053	(4,748,549)	23,668,074
Comprehensive income for the half-year					
Profit for the half-year	-	-	-	(501,789)	(501,789)
Total comprehensive income for the half-year	-	-	-	(501,789)	(501,789)
Transactions with owners in their capacity as owners:					
Issue of shares and options during the period	1,077,128	-	-	-	1,077,128
Issue of performance rights as remuneration	-	-	137,812	-	137,812
Share issue costs	(3,532)	-	-	-	(3,532)
Balance at 31 December 2018	28,597,190	144,976	885,865	(5,250,338)	24,377,693
Balance at 1 July 2017	26,848,742	144,976	539,327	(8,269,690)	19,263,355
Comprehensive income for the half-year					
Profit for the half-year	-	-	-	1,997,370	1,997,370
Total comprehensive income for the half-year	-	-	-	1,997,370	1,997,370
Transactions with owners in their capacity as owners:					
Issue of shares and options during the period	121,250	-	-	-	121,250
Issue of performance rights as remuneration	158,666	-	102,827	-	261,493
Share issue costs	(7,072)	-	-	-	(7,072)
Balance at 31 December 2017	27,121,586	144,976	642,154	(6,272,320)	21,636,396

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the Half-Year ended 31 December 2018

	Consolidated	
	December 2018 \$	December 2017 \$
Cash flows from Operating Activities		
Receipts from customers	384,311	18,292,375
Payments to suppliers and employees	(4,908,644)	(14,013,852)
Interest received	11,002	9,210
Net cash (outflow)/inflow from operating activities	(4,513,331)	4,287,733
Cash flows from Investing Activities		
Payments for property, plant and equipment	(2,271)	-
Payments for purchase of investments	(214,533)	-
Proceeds from sale of tenement interest	2,500,000	-
Proceeds from return of security bonds	-	55,000
Capitalised exploration and evaluation expenditure	(2,856,291)	(646,295)
Net cash outflow from investing activities	(573,095)	(591,295)
Cash flows from Financing Activities		
Proceeds from issues of ordinary shares	1,077,128	121,250
Share issue costs	(3,532)	(7,072)
Net cash inflow from financing activities	1,073,596	114,178
Net (decrease)/increase in cash and cash equivalents	(4,012,830)	3,810,616
Cash and cash equivalents at the beginning of the half-year	10,297,176	3,030,060
Cash and cash equivalents at the end of the half-year	6,284,346	6,840,676

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements for the Half-Year ended 31 December 2018

1 Basis of Preparation

The half-year financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards including AASB 134 *Interim Financial Reporting* and other mandatory professional reporting requirements. The interim financial statements were approved by the Board of Directors on 28 February 2019. The accounting policies applied by the Group in this interim financial report are the same as those applied by the Group in its financial report for the year ended 30 June 2018.

It is also recommended that the half-year financial report be considered together with any public announcements made by Intermin Resources Ltd during the half-year ended 31 December 2018 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

New accounting standards and interpretations

In the half-year ended 31 December 2018, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2018.

As a result of this review, the Group initially applied AASB 9 and AASB 15 from 1 July 2018.

Due to the transition methods chosen by the Group in applying AASB 9 and AASB 15, comparative information throughout the interim financial statements has not been restated to reflect the requirements of the new standards.

It has been determined that there is no material impact of the new and revised Standards and Interpretations on the financial position or performance of the Group.

The Group has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2018. The impact on the financial statements is not expected to be material.

2 Profit/(Loss) for the Half Year

The following income and expense items are relevant in explaining the financial performance for the interim period:

(a) Other Income:

	December 2018 \$	December 2017 \$
Recovery of administration costs	60,084	39,586
Profit on sale of tenement interest	2,429,858	-
Diesel fuel rebate	69,513	-
Other income	140,235	74,120
	2,699,690	113,706

Notes to the Financial Statements for the Half-Year ended 31 December 2018

	December 2018 \$	December 2017 \$
2 Profit/(Loss) for the Half Year (continued)		
(b) Expenses		
Cost of sales		
Mining & processing costs*	(1,716,763)	(7,712,490)
Amortisation	-	(1,731,357)
	<hr/>	<hr/>
Cost of sales	(1,716,763)	(9,443,847)
	<hr/>	<hr/>
Depreciation	(9,445)	(13,372)
Exploration and evaluation expenditure	(31,654)	(25,331)
	<hr/>	<hr/>
* Mining & processing costs for period ended 31 December 2018 includes balance of monies paid in settlement of mining dispute as per ASX announcement dated 19 December 2018, net of amounts previously set aside. Refer to Notes 6 and 9(d).		
(c) Significant Items:		
Net change in fair value of financial assets at fair value through profit or loss (Decrease)/increase in net market value of shares and options in listed companies	(500,577)	327,758
	<hr/>	<hr/>
	December 2018 \$	June 2018 \$
3 Financial Assets at Fair Value Through Profit or Loss		
Shares and options in listed companies at market value	727,030	1,013,074
	<hr/>	<hr/>

Notes to the Financial Statements for the Half-Year ended 31 December 2018

4 Exploration, Evaluation and Development Expenditure

During the half year ended 31 December 2018, the Group incurred and capitalised the following exploration, evaluation and development expenditure:

Exploration and evaluation phase

	December 2018 \$	June 2018 \$
Carrying amount at beginning of period	12,717,664	9,630,270
Capitalised during the year	3,024,725	3,519,459
Purchases of tenements	-	20,000
Sale of tenements	(70,142)	-
Impairment loss on tenements	-	(452,065)
Carrying amount at end of period	15,672,247	12,717,664
Mine properties		
Carrying amount at beginning of the year	1,094,946	4,535,863
Capitalised during the year	-	589,079
Amortised during the year	-	(4,029,996)
Carrying amount at end of period	1,094,946	1,094,946
Total exploration and mine properties	16,767,193	13,812,610

The ultimate recoupment of these costs is dependent on successful development and commercial exploration, or alternatively, the sale of the respective areas.

5 Contributed Equity

	December 2018 No.	June 2018 No.	December 2018 \$	June 2018 \$
Share capital				
Opening Balance	227,192,119	218,412,952	27,523,594	26,848,742
Options exercised during the period	8,196,345	3,345,834	1,077,128	331,292
New shares issued during the period	-	2,016,667	-	293,949
Part payments for subscription of shares	-	3,416,666	-	110,000
Capital raising costs	-	-	(3,532)	(60,389)
Total Contributed Equity	235,388,464	227,192,119	28,597,190	27,523,594

Notes to the Financial Statements for the Half-Year ended 31 December 2018

6 Joint Operations

A Mining and Finance Heads of Agreement was executed with Resource Mining Pty Ltd (“RM”) on 7 October 2016 in relation to the development of the Teal Gold Project Stage 1 (TS1) as announced to the ASX on 19 July 2016.

Under the agreement, the net operating cash from mining operations was split 75% to Intermin and 25% to RM.

As at 30 June 2018, final ore processing at TS1 was completed, and profit shares due to RM had been included as payables at 30 June 2018. In December 2018, RM and Intermin agreed a further settlement of disputed amounts and all payments were made pursuant to the settlement agreement by 31 December 2018. Refer to Note 9(d) for further information.

7 Segment Information

Management has determined the operating segments based on the reports reviewed by the board that are used to make strategic decisions.

The board considers that the reportable segments are defined by the nature of the exploration and mining activities. As such there are two reportable segments being Vanadium/Molybdenum tenements and Gold tenements.

	Vanadium/ Molybdenum \$	Gold \$	Total \$
31 December 2018			
Revenue	-	187,114	187,114
Profit/(loss) before Income tax	-	(12,012)	(12,012)
31 December 2017			
Revenue	-	11,802,226	11,802,226
Profit/(loss) before Income tax	-	1,661,354	1,661,354
31 December 2018			
Total Segment Assets	756,367	23,723,869	24,480,236
30 June 2018			
Total Segment Assets	756,367	24,539,983	25,296,350

Notes to the Financial Statements for the Half-Year ended 31 December 2018

7 Segment Information (continued)

	December 2018 \$	December 2017 \$
Segment profit/(loss)		
Segment profit/(loss) reconciles to profit/(loss) before income tax as follows:		
Segment profit/(loss) before income tax	(12,012)	1,661,354
Interest revenue	10,800	8,258
Unallocated costs net of other revenue consisting of:		
Net change in fair value on financial assets at fair value through profit and loss	(500,577)	327,758
Profit/(loss) before income tax	(501,789)	1,997,370
Segment assets		
Segment assets reconcile to total assets as follows:		
Unallocated assets consisting of:		
Financial assets through profit and loss	727,030	1,013,074
Total assets	25,207,266	26,309,424

Notes to the Financial Statements for the Half-Year ended 31 December 2018

8 Share Based Payments

In November 2017, directors and employees were granted 10,000,000 performance rights.

The performance rights were granted at nil consideration, do not have an exercise price and will lapse if the vesting conditions are not met.

The Performance Rights are issued under the Intermin Resources Employee Incentive Scheme (EIS) approved by shareholders at the General Meeting held of 17 October 2016. The issue to Directors was approved at the Annual General Meeting on 23 November 2017.

Each Performance Right will, at the election of the holder, vest and convert to one fully paid ordinary share, subject to the satisfaction of certain Performance Conditions.

The Performance Conditions are:

1. Class A Performance Rights – Prior to 1 July 2018 a feasibility study on the Goongarrie Lady Project is completed projected to deliver more than \$8,000,000 net cash flow and the total JORC resource increases to result in an estimate of more than 710,000 ounces of gold.
2. Class B Performance Rights – Prior to 1 January 2018 the volume weighted average price of the Company's Shares over 5 consecutive trading days on which the Shares trade is 15 cents or more.
3. Class C Performance Rights – Prior to 1 July 2018 the volume weighted average price of the Company's Shares over 5 consecutive trading days on which the Shares trade is 20 cents or more.
4. Class D Performance Rights – Prior to 1 July 2019 the volume weighted average price of the Company's Shares over 20 consecutive trading days on which the Shares trade is 25 cents or more.
5. Class E Performance Rights – Prior to 1 July 2020 the volume weighted average price of the Company's Shares over 20 consecutive trading days on which the Shares trade is 30 cents or more.
6. Class F Performance Rights – Prior to 1 July 2018 the volume weighted average price of the Company's Shares over 5 consecutive trading days on which the Shares trade is 18 cents or more.
7. Class G Performance Rights – Delivery of gold production and cashflow for the Teal Gold Project in accordance with market guidance by 31 March 2018.

Notes to the Financial Statements for the Half-Year ended 31 December 2018

8 Share Based Payments (continued)

During the half-year ended 31 December 2018, \$137,812 was expensed as a share based payment, with the fair value being recognised over the vesting period.

The fair value and model inputs for the share based payments expensed during the half-year ended 31 December 2018 are as follows:

	Class A	Class B	Class C	Class D	Class E	Class F	Class G	Total
Number granted	933,333	933,333	933,334	3,300,000	3,300,000	300,000	300,000	10,000,000
Grant date	23-Nov-17	23-Nov-17	23-Nov-17	23-Nov-17	23-Nov-17	23-Nov-17	23-Nov-17	
Expiry date of milestone achievements	01-Jul-18	01-Jan-18	01-Jul-18	01-Jul-19	01-Jul-20	01-Jul-18	31-Mar-18	
Share price hurdle	Commercial hurdle	15 cents	20 cents	25 cents	30 cents	18 cents	Commercial hurdle	
Fair value per right*	0.17	0.17	0.121	0.938	0.1019	0.135	0.17	
Total fair value that would be recognised over the vesting period if rights are vested	0	158,667	94,783	262,640	285,320	40,500	0	841,910
Number cancelled, expired or vested at 30 June 2018	933,333	933,333	933,334	500,000	500,000	300,000	300,000	4,400,000
Number cancelled, expired or vested at 31 December 2018	0	0	0	0	0	0	0	0
Number remaining at 31 December 2018	0	0	0	2,800,000	2,800,000	0	0	5,600,000
Amount expensed in prior year	0	158,667	94,783	98,770	66,005	40,500	0	458,725
Amount expensed in current period	0	0	0	82,608	55,204	0	0	137,812
Amount to be expensed in future periods if all vesting conditions met	0	0	0	81,262	164,111	0	0	245,373

*The valuation for the Rights was arrived at using a Hoadley's Barrier 1 model. The total fair value will be expensed over the expected vesting period.

Notes to the Financial Statements for the Half-Year ended 31 December 2018

9 Contingent Liabilities

- (a) Native title claims have been made with respect to areas which include tenements in which Intermin Resources Ltd and the controlled entity have interests. The entities are unable to determine the prospects for success or otherwise of the claims and, in any event, whether or not, and to what extent, the claims may significantly affect them or their projects.
- (b) Security bonds are held with respect to tenements held in Northern Territory. Bonds are set by the Department of Primary Industry and Resources, however there is no certainty that such bonds will be adequate to cover any environmental damage. Intermin Resources Ltd and its controlled entities are not able to determine the nature or extent of any further liability in view of changing environmental requirements.
- (c) Intermin Resources Ltd has been advised of a potential liability arising as a result of the storage of laboratory waste material at the White Range project site and is currently awaiting approval from the NT Environmental Protection Authority to bury the material at White Range. As at the date of this report, the potential liability for the rectification remains unquantifiable.
- (d) The Company announced to the ASX on 30 April 2018, that it had received a purported cost variation claim from Resource Mining relating to the Teal Stage 1 project up until September 2017 and that it was working to resolve this and any additional claims that may be forthcoming from Resource Mining. The Company subsequently received a further purported cost variation claim from Resource Mining for Teal Stages 1 and 2 through to project completion. This further purported cost variation claim adopts a different methodology to the previous claim.

In December 2018, Intermin and Resource Mining agreed to a full and final settlement of this matter. The total disputed variation claims amount was split on a 50:50 basis, while the remaining net operating cash was split 75% to Intermin and 25% to Resource Mining as originally agreed under the mining contract between the parties.

10 Commitments

As announced to the ASX on 11 and 14 December 2018, Intermin and MacPhersons Resources Limited (MacPhersons) executed a Merger Implementation Agreement (MIA) to combine the two companies by way of a Scheme of Arrangement, subject to MacPhersons shareholder and court approval.

Under the Scheme of Arrangement, MacPhersons shareholders will receive one (1) new fully paid ordinary Intermin share for approximately every 1.8227 MacPhersons fully paid ordinary shares held. Intermin shareholders will hold approximately 55% of the merged entity and MacPhersons shareholders will hold the remaining 45% of the merged entity. The Directors of MacPhersons recommend that MacPhersons shareholders vote in favour of the Scheme of Arrangement and intend to vote the MacPhersons shares in which they have a relevant interest in favour of the Scheme of Arrangement in the absence of a superior proposal and subject to the Independent Expert appointed by MacPhersons concluding that the Scheme of Arrangement is in the best interests of MacPhersons shareholders.

The MIA is subject to a number of conditions being fulfilled, which were in progress as at 31 December 2018 and at the date of this report.

There have been no other significant changes to the Group's commitments since 30 June 2018.



Notes to the Financial Statements for the Half-Year ended 31 December 2018

11 Subsequent Events

Subsequent to the end of the period, Eastern Goldfields Limited (Administrators appointed) and Intermin executed a Deed of Termination and Settlement with the Menzies and Goongarrie gold projects now returning to the Company on a 100% basis. A strategic review of the projects is now underway.

As announced to the ASX on 11 February 2019, the Company entered into an Exclusivity Deed with Focus Minerals Limited relating to the potential acquisition of Focus' 2.1Moz Coolgardie Gold Project, which includes the 1.2Mtpa Three Mile Hill processing plant (currently on care and maintenance).

The key terms of the Exclusivity Deed include:

- Within 7 business days of execution of the Exclusivity Deed, Intermin will pay A\$300,000 exclusivity deposit to Focus.
- The parties will use their reasonable endeavours to negotiate the formal documents for the Proposed Transaction on terms consistent with those set out in the Schedule to this announcement within the 5 month exclusivity period ("Exclusivity Period").
- Focus has agreed to customary "no shop" and "no talk" restrictions in favour of Intermin, as well as notification and matching rights in respect of any competing proposals Focus may receive for the Coolgardie Gold Project, subject to customary fiduciary carve-outs for Focus' benefit.
- If the parties execute formal documents for the Proposed Transaction within the Exclusivity Period, the A\$300,000 exclusivity deposit will be applied towards the cash consideration payable by Intermin. Otherwise, depending on the circumstances in which the Exclusivity Deed is terminated, the deposit will either be retained by Focus, or refunded to Intermin.

Having completed respective due diligence investigations, the Exclusivity Period will allow Focus and Intermin the opportunity to negotiate and seek to finalise formal binding written agreements ("Formal Documentation") for the Proposed Transaction (to be on terms consistent with those set out in the Schedule to this announcement) and to secure all necessary approvals to enter into and complete it.

As the Proposed Transaction remains subject to the negotiation of, and entry into, the Formal Documentation and the receipt of necessary approvals, there is no assurance that the Proposed Transaction will proceed. Neither Focus nor Intermin is under any obligation to proceed with the Proposed Transaction or to enter into the Formal Documentation unless they are satisfied in all respects with the terms and conditions of the Formal Documentation.

Intermin's entry into the Exclusivity Deed was consented to by MacPhersons.

For further details on the Deed including the key commercial terms of the potential transaction, please refer to the ASX announcement dated 11 February 2019.