

## INTREPID MINES LIMITED

ABN 11 060 156 452

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# NOTICE OF EXTRAORDINARY GENERAL MEETING

Thursday 19 November 2015 at 2:00 p.m. (AEDT) at the offices of Computershare,  
Level 4, 60 Carrington Street, Sydney, NSW

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Intrepid Mines Limited (the “**Company**”) hereby gives notice that an Extraordinary General Meeting of Shareholders will be held on Thursday 19 November 2015 at 2:00 p.m. (AEDT) at the offices of Computershare, Level 4, 60 Carrington Street, Sydney, NSW (“**Meeting**”).

**The Directors, with the exception of Mr Baumfield, who abstains from making recommendations, recommend that you vote against all resolutions before the Meeting.**

INTREPID MINES LIMITED ABN 11 060 156 452  
LEVEL 5, SUITE 502, 78-80 WILLIAM STREET, WOOLLOOMOOLOO, NSW 2011, AUSTRALIA  
T: +61 2 9357 9000 F: +61 2 9332 1336 E: INFO@INTREPIDMINES.COM W: WWW.INTREPIDMINES.COM



## **IMPORTANT INFORMATION FOR SHAREHOLDERS**

An Extraordinary General Meeting of Shareholders is scheduled for 2:00 p.m. (AEDT) on Thursday 19 November 2015 at the offices of Computershare, Level 4, 60 Carrington Street, Sydney, NSW.

A formal Notice of Meeting has been lodged with ASX and accompanies this letter.

The issues that will be before you at the Meeting are extremely important and have significant implications for the future of the Company.

**If you are unable to attend the meeting, you are encouraged to complete and return the enclosed proxy form by 2:00 p.m. (AEDT) on Tuesday 17 November 2015.**

You may also obtain information from our hotline:

**Within Australia: 0413 814 794    Outside of Australia: +61 413 814 794**

## CHAIRMAN'S LETTER

Dear Fellow Shareholder

For the third time in a little over two years, Intrepid Shareholders are being asked to vote on a proposal to remove their board and replace them with new directors. This is a very important choice, as it will determine what strategy your company follows for the immediate future, and I urge you to consider all the accompanying materials carefully. Most importantly, I strongly encourage you to cast your vote, either by attending the meeting in person, or by allocating your proxy.

There are two key questions you should consider in making your decision:

- Which approach is likely to deliver maximum value to you as a Shareholder: the strategy proposed by your Board (Messrs Oppenheimer, Carter and Lowe and Ms Bowman), or the intentions that may be inferred from the Requisitioning Shareholder's Member's Statement?
- Which slate of directors, your Board or the nominees of the Requisitioning Shareholder (Messrs Love, Evans and Baumfield), is better equipped to deliver maximum value to you as a Shareholder?

One key factor in your Board's strategy is that your Board believes that the exploration ground we hold is very prospective, and has the potential to add substantial value to the Kitumba asset. Therefore it proposes to spend an additional US\$1.5 million over the next three months to test the highly prospective targets already identified, before seeking either a development partner or buyer for the asset.

The key difference in skill and experience between the two slates is that your current Board have extensive networks and long experience in the business of metalliferous exploration and mining, and are familiar with Zambia and understand how to do business there. If you believe that more value can be created from our portfolio in Zambia, then these skills will be important. The significant experience the Board brings to bear in transaction generation and evaluation will be relevant not only in terms of delivering optimal value from our Zambian assets, but also in relation to any potential value-accretive transactions in the future.

The Company's cash balance is also an important asset that sets it apart from other junior explorers and developers. The A\$65 million (US\$50 million) in cash reported in the Company's last quarterly report provides more than sufficient funding for the medium term. At the Company's last AGM, Shareholder approval was sought and granted for up to 20% of the outstanding shares to be bought back on market. In the intervening period the Board has been weighing up the benefits of a share buy-back against alternative uses for the cash, including investment in income-generating assets. It is the current Board's intention that should it propose any major investment prior to the next AGM, that proposal would be subject to Shareholder approval.

It is also our intention that, in the absence of a compelling case to progress Kitumba based on the success of the current exploration drilling programme, or an alternative compelling investment opportunity being identified before the end of the first quarter of 2016, all options for the future of the Company will be considered and excess cash will be returned to Shareholders.

Your votes will help to determine how the Company seeks to create value for you, its Shareholders. Should you choose to return Messrs Oppenheimer, Carter and Lowe and Ms Bowman, we will continue to work on your behalf to enhance the value of your holding in Intrepid.

Yours faithfully



Ian McMaster AM  
Chairman



Mike Oppenheimer  
Chairman-Elect

## AGENDA

### Item 1 – Requisition Notice

To consider the notice received by the Company on 21 September 2015 from The Northern Trust Company of Delaware as legal holder for Lloyd I. Miller TRA-4 (“**Requisitioning Shareholder**”) under section 249D of the Corporations Act 2001 (Cth) (the “**Act**”) to requisition the Company to hold this Meeting.

### Item 2 – Resolutions

#### Resolution 1 – Removal of Ms Bowman as a Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That Ms Nicole Bowman be removed as a Director of the Company effective as at the closing of the meeting.”*

#### Resolution 2 – Removal of Mr Carter as a Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That Mr Derek Northleigh Carter be removed as a Director of the Company effective as at the closing of the meeting.”*

#### Resolution 3 – Removal of Mr Lowe as a Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That Mr Scott Frederick Lowe be removed as a Director of the Company effective as at the closing of the meeting.”*

#### Resolution 4 – Removal of Mr Oppenheimer as a Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That Mr Michael Carl Oppenheimer be removed as a Director of the Company effective as at the closing of the meeting.”*

#### Resolution 5 – Removal of New Appointees

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That any person appointed as a Director of the Company after the date on which the notice of requisition giving rise to this general meeting of members was given to the Company, be removed as a Director of the Company, effective as at the closing of the Meeting.”*

#### Resolution 6 – Appointment of Mr Love as a Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That Mr Peter James Mitchell Love, having consented to act and being eligible, be elected as a Director of the Company.”*

#### Resolution 7 – Appointment of Mr Evans as a Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That Mr Peter Evans, having consented to act and being eligible, be elected as a Director of the Company.”*

#### Resolution 8 – Re-election of Mr Baumfield as a Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“That Mr Richard Baumfield, who was appointed under Regulation 52.1 of the Company’s Constitution to fill a casual vacancy and holds office until the conclusion of the Company’s next General Meeting, and being eligible, offers himself for re-election, be re-elected as a Director of the Company.”*

## RECORD DATE - SNAP SHOT TIME

Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) permits the Company to specify a time, not more than 48 hours before the Meeting, at which time a 'snap shot' of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting. The Directors have determined such time will be 7:00 p.m. (AEDT) on 17 November 2015 ("**Record Date**").

## VOTING INSTRUCTIONS

Registered holders of the ordinary shares of the Company on the Record Date will be entitled either to attend the Meeting in person and vote the securities held by them or, provided a completed and executed Proxy Form has been delivered to the Company or its transfer agents as indicated below, vote their securities by proxy.

Proxy Forms for the Meeting are enclosed with this Notice of Meeting. These Proxy Forms provide further details on appointing a Proxy. 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 the Company's share registry, Computershare Investor Services Pty Limited by 2:00 p.m. (AEDT) on Tuesday 17 November 2015 by the following means:

- delivered by post to the Share Registry of the Company, Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001; or
- sent by fax to the Share Registry of the Company, Computershare Investor Services Pty Limited on 1800 783 447 (within Australia) or + 61 3 9473 2555 (outside Australia); or
- online by visiting [www.investorvote.com.au](http://www.investorvote.com.au) and logging in using the control number found on the front of the accompanying proxy form. Intermediary Online subscribers (Institutions/Custodians) may lodge their proxy instruction online by visiting [www.intermediaryonline.com](http://www.intermediaryonline.com).

**Any Proxy Form received after the relevant time noted above will not be valid for the Meeting.**

### IMPORTANT NOTE:

All Resolutions except Resolution 8 have been proposed by the Requisitioning Shareholder under section 249D of the *Corporations Act 2001* (Cth). The Resolutions have **NOT** been endorsed by and are **NOT** supported by the Directors who have considered the Resolutions. Mr Baumfield has recused himself from consideration of the Resolutions. The Directors have set out their recommendations on the Resolutions in the Explanatory Memorandum attached to this Notice of Meeting.

Dated: 6 October 2015

By Order of the Board of Directors

**Intrepid Mines Limited**



**Vanessa Chidrawi**

*Company Secretary*

## EXPLANATORY MEMORANDUM TO NOTICE OF EXTRAORDINARY GENERAL MEETING 2015

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This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be considered at the Meeting for the purposes set out in the accompanying Notice of Meeting. This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice of Meeting (collectively the "**Meeting Materials**"). Any information contained in this Explanatory Memorandum is current as at 6 October 2015 ("**Notice Date**"). The Company is listed on the Australian Securities Exchange ("**ASX**") under the symbol 'IAU'.

### Notice to Canadian Shareholders:

The Company advises that as of 1 January 2015:

- (i) it is a designated foreign issuer as that term is defined in National Instrument 71-102 - Continuous Disclosure and Other Exemptions Relating to Foreign Issuers; and
- (ii) it is subject to the foreign regulatory requirements of the ASX, which is a foreign regulatory authority.

The full details of the resolutions to be considered at the Meeting are set out below. All references to Shareholders in the Meeting Materials are to Shareholders of record of ordinary shares, unless specifically stated otherwise.

All Resolutions are ordinary resolutions. This means that, to be passed, the resolution needs the approval of a simple majority of votes cast by Shareholders entitled to vote on the resolution.

## MEETING BUSINESS

### Item 1 – Requisition Notice

On 21 September 2015, the Company received a notice pursuant to Section 249D of the Act ("**Requisition Notice**") from the Requisitioning Shareholder who is the registered holder of in excess of 5% of the voting shares in Intrepid, requesting that the Company hold a general meeting of Shareholders to consider resolutions to remove 6 of the current Directors and replace them with 2 new directors nominated by the Requisitioning Shareholder.

Prior to receipt of the Requisition Notice, Messrs Ian McMaster and Alan Roberts had already tendered their respective resignations as Directors of the Company. Mr Roberts' resignation took effect on 30 September 2015 and he is no longer a Director of the Company, as at the date of this Notice. Mr McMaster has provided the Company with an irrevocable resignation to become effective on 31 October 2015.

Accordingly, resolutions contained in the Requisition Notice, and pertaining to the removal of Messrs McMaster and Roberts as Directors of the Company, have not been included for consideration at the Meeting.

**The Company's Board, with Mr Baumfield having recused himself from participation, provides the following statement in relation to the Company's strategy and related issues raised in the Member's Statement:**

## Company Strategy:

The Company's Board as currently constituted, with the exception of Mr Baumfield, who recused himself from participation in the compilation of this Notice of Meeting, is of the view that the best prospects for enhancing Shareholder value in the current environment, lie in taking a strategic approach, based on:

- enhancing the value of the Kitumba asset through staged studies and exploration success;
- establishing a strategic partner or buyer for the Kitumba project;
- considering value-accretive transactions or acquisitions; and
- returning cash to shareholders in excess of the reasonable needs of the prudent execution of the above.

This view is premised on the belief that there is a basis for continuing to fund exploration at the Kitumba Project in Zambia for a defined period of time, in order to seek to improve the Project's economic viability and marketability.

As the copper price has softened considerably over the past year, the Company has revised the development schedule for Kitumba and scaled back expenditure, to allow feasibility work to progress in a staged manner, aimed at enhancing project economics and generally making the project more robust within a weaker copper price environment.

In keeping with this strategy, the Board aims to spend US\$1.5 million by the end of 2015, to test already-identified highly prospective targets at Kitumba and on adjoining land. The programme seeks exploration success to enhance the project economics, with the potential for economic returns on investment even at weaker copper prices. The Company has defined a programme with the most prospective areas targeted, to be explored in a disciplined manner within a set timeframe.

Simultaneously, the Company has been evaluating a number of potential corporate investments that have arisen in the current weaker commodity-price environment. In considering potential transactions, scope has been limited to opportunities that

- generate income;
- add value for existing Intrepid Shareholders;
- have synergies with the Company's Zambian assets; and
- introduce assets that fit strategically with the Company's existing portfolio and management skill sets.

Given the potential for differing investment preferences amongst Shareholders, and the current state of capital markets, the Board anticipates that any substantial acquisition or corporate transaction presented before the Company's next AGM will be put to Shareholders for approval.

Should the current Board remain in place, it will continue to pursue the strategy and programmes set out above, within the indicated timeframes. A Board slate comprising Messrs Oppenheimer, Carter and Lowe, and Ms Bowman, have the skill set, background and corporate history appropriate to implement this strategy.

The Directors note that the Requisitioning Shareholder has not detailed a preferred strategy for the Company going forward, nor how the skill set of the nominated candidates are appropriate to the implementation of such strategy.

## Return of Capital:

At the Company's AGM held in May, the Board sought and received approval to undertake a buy-back of up to 20% of the Company's outstanding shares. The buy-back has not been implemented while the strategy to enhance value through a strategic acquisition and / or exploration success is being pursued, as the Board overall is not yet convinced that this would represent the best use of Shareholders' funds.

The Company recognises the need to preserve cash and is implementing the strategy with that objective clearly in mind. In the event that no value-accretive transaction is put forward, exploration success has not been achieved at Kitumba and the copper market remains depressed during the first quarter of 2016, we intend to return excess cash to Shareholders, and take steps to extract value from the Kitumba asset.

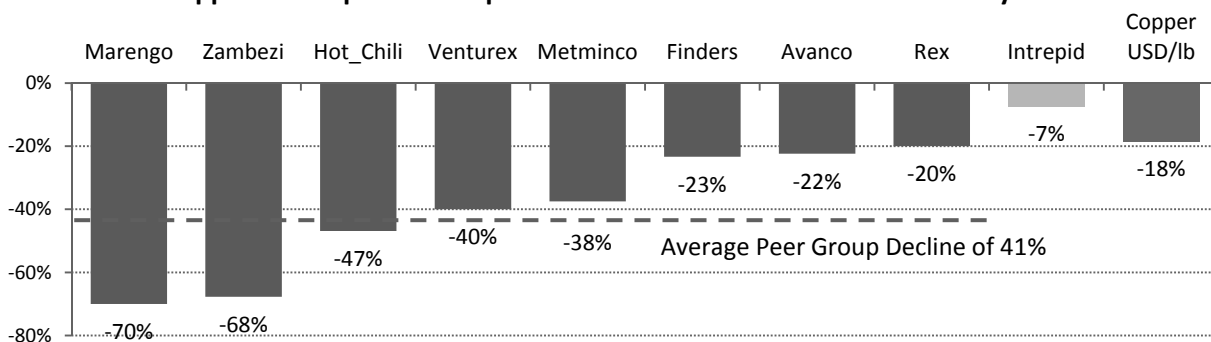


Shareholders are reminded that a return of excess cash to Shareholders does not allow for all cash reserves to be returned at any given time, as allowances need to be retained for costs associated with meeting the Company's ongoing and accrued liabilities.

### Share Price:

As all shareholders will be aware, the Company's shares are trading below cash-backing at present. There are a number of potential causes for this, including the current depression in commodity prices generally, and market concern about the ability to unlock value from development assets in particular. We note that many of our peers have faced similar depressed share prices due to these factors.

**Copper Development Companies - Share Price Decline since 1 January 2015**



Note: Altona has been excluded from the peer group due to its January 2015 capital return & dividend.

Source: Bloomberg, accessed 6 October 2015, table provided by Standard Chartered Bank.

Clearly all junior mining companies are suffering in the current depressed equities market and, more recently, from the significant declines in the copper price. However, as shown in the chart above, Intrepid's share price has performed significantly better than its ASX peer group in the period since the capital return was undertaken in December 2014.

### Kitumba Project:

Presently the market does not attribute any value to the Kitumba Project in the Company's share price.

This either reflects the market mispricing the asset, or alternatively that the prospects for developing the asset in the medium-term are limited. To help determine which factor has been at work, the Board has commissioned a series of independent assessments and reviews of the asset, to better understand its economic value and development potential in the current market environment.

The Company advised the market on 17 August 2015 of an overall resource downgrade but an increased resultant grade at Kitumba, following the inclusion of results from an additional 30 drill holes. The updated Mineral Resource estimate was calculated by an independent consultant, the MSA Group out of Johannesburg, and further independently peer-reviewed. The Company expects to announce a revised business case and reserves based on the new resource in the near future. The focus of this work has been on achieving a decreased capital requirement with a reduced throughput and a higher grade. There can be no argument that the Company is operating within depressed market conditions, and the Board is of the view that the necessary steps must be taken to retain optionality for delivering value from the Kitumba Project – either by improving the economic feasibility in order to develop the project, or by maintaining the licence and undertaking the necessary work to enhance the project's value for a strategic partner.

### **Cost Structure:**

The Company's quarterly report for the June quarter reflected corporate costs of US\$1.8 million. This included once-off costs associated with redundancies and restructuring costs following the merger with Blackthorn Resources of US\$1 million. Drilling costs and exploration-related costs at Kitumba of US\$2 million were further reflected. Going forward, on a normalised basis, corporate costs are anticipated to return to normal levels of approximately US\$0.7 million per quarter with efforts being made to reduce this further. Given current weak market conditions, the Company has been taking prudent steps to reduce its corporate expenses, including downsizing its board and placing certain services out for tender.

### **Board Structure:**

On 29 June 2015, the Company announced that it was undertaking a board restructure process, indicating that the board was being reviewed for size, as well as the mix of skills and experience contributed by directors. Pursuant to this review process, Mr Roberts and Mr McMaster tendered their resignations, with Mr Roberts retiring from the Board on 30 September 2015 and Mr McMaster set to retire on 31 October 2015. These resignations were announced by the Company on 21 September 2015, prior to receipt of the Requisition Notice.

Mr Baumfield was appointed to the Board on 1 July 2015, as the nominee of the Requisitioning Shareholder. As his appointment increased the size of the Board beyond what had been previously contemplated, existing board members volunteered to take a 15% reduction in the directors' remuneration, in order not to increase the total pool of directors' remuneration payable.

Mr Lowe, as Chief Executive Officer, does not receive any additional remuneration for acting as Managing Director and sitting on the Company's Board.

Accordingly, following Mr McMaster's retirement, the Company will have a board of five directors, of whom four are remunerated as directors. This number includes Mr Baumfield, who is subject to re-election at the Meeting.

The Board recommends a slate of three Non-Executive directors for the Company going forward, which is equivalent to the number put forward by the Requisitioning Shareholder.

### **Interests of Directors:**

While all directors hold shares in the Company, the Board is of the view that individual holdings are of a size that allow for genuine independent decision-making in the interests of all Shareholders by individual board members.

### **Members' Statement**

The Requisitioning Shareholder has provided a statement pursuant to Section 249P of the Act which it has requested the Company provide to all Shareholders ("**Members' Statement**"). In accordance with its statutory obligations, the Company has attached a copy of the Members' Statement. The Company is not responsible for the content of the Members' Statement (including whether such statement is in compliance with all applicable law) and the Members' Statement does not form part of this Notice of Meeting.

## **Item 2 – Resolutions**

### **Resolutions 1 to 4 – Removal of Current Directors**

The Requisitioning Shareholder has nominated that the following Directors be removed at the Meeting:

- Nicole Bowman
- Derek Northleigh Carter
- Scott Lowe (Managing Director and CEO)
- Michael Carl Oppenheimer.

Each of the Directors has extensive industry experience and significant past involvement with the development and funding of the Company's Kitumba project and Zambian exploration portfolio. As directors of Blackthorn Resources Limited, they were involved in the acquisition and development of the Kitumba project prior to that company's merger with Intrepid, and together form a comprehensive depository of technical and commercial background relevant to the project. Information on the background and experience of each of the Directors the subject of resolutions 1 to 4 is included below.

### **Resolution 1 – Removal of Ms Bowman**

#### **Nicole Bowman - Independent Director**

Ms Nicole Bowman was appointed to the Board on 11 December 2014, upon implementation of the scheme of arrangement between the Company and Blackthorn Resources Limited. She is currently the Chair of the Company's Remuneration and Nomination Committee.

Ms Bowman joined the Board of Blackthorn Resources Limited ("Blackthorn", then Aim Resources Limited) in October 2008. During her time with Blackthorn, Ms Bowman was Chair of the Audit and Risk Committee from 2009 until 2013, and chair of the Remuneration Committee during 2014. As part of the Board of Blackthorn, she was closely involved in numerous significant transactions for that company, including the development of its zinc mine in Burkina Faso in partnership with Glencore, the subsequent sale of that interest to Glencore, a successful \$40 million capital raising, and the merger with Intrepid which ensured funds for the ongoing development of the Zambian assets.

Prior to 2008, Ms Bowman gained extensive experience as a corporate and commercial lawyer in private practice within a Top 10 Australian law firm. Ms Bowman held senior corporate counsel positions in BHP and Bluescope Steel, before moving into senior management and executive positions.

Ms Bowman's experience included key roles in merger and acquisition transactions, leading contract negotiations, and managing corporate restructures. Ms Bowman holds Bachelor of Economics and Bachelor of Law degrees from Sydney University and is a member of the Australian Institute of Company Directors.

#### **Recommendation**

**The Directors (with Ms Bowman and Mr Baumfield abstaining) recommend that Shareholders vote against Ms Bowman's removal.**

**The Chairman of the Meeting intends to vote all undirected proxies against the resolution.**

## **Resolution 2 – Removal of Mr Carter**

### **Derek Northleigh Carter – Independent Director**

Mr Derek Carter was appointed to the Board on 11 December 2014, upon implementation of the scheme of arrangement between the Company and Blackthorn Resources Limited. He is currently the Chair of the Company's Audit and Risk Committee.

Mr Carter has over 40 years' experience in exploration and mine geology, including over 17 years in management of ASX-listed exploration companies. He held senior positions in the Shell Group of Companies and Burmine Ltd before founding Minotaur Exploration in 1993, where he was responsible for the discovery of Prominent Hill, the >\$1 billion copper gold project, which has been one of the most significant new mine developments in Australia in the past decade and is now operated by OZ Minerals. Mr Carter was Managing Director of Minotaur from its inception until 2010, when he became Chairman of the company, and was a director of Blackthorn Resources Limited from February 2012 until the merger with Intrepid.

Mr Carter is currently a member of the South Australian Minerals and Energy Advisory Council and the South Australian Minerals and Petroleum Experts Group, and Chairman of Highfield Resources Limited.

### **Recommendation**

**The Directors (with Mr Carter and Mr Baumfield abstaining) recommend that Shareholders vote against Mr Carter's removal.**

**The Chairman of the Meeting intends to vote all undirected proxies against the resolution.**

## **Resolution 3 – Removal of Mr Lowe**

### **Scott Lowe Grad Dip (Coal), MBA, Managing Director and Chief Executive Officer**

Mr Scott Lowe was appointed CEO and Managing Director of the Company on 1 November 2013. Prior to joining Intrepid, Mr Lowe was Managing Director and CEO of Blackthorn Resources Ltd for five years. He is a senior business executive with extensive experience spanning thirty years in the mining and maritime logistics industries, having held senior management positions within BHP Billiton, Peabody Pacific and P&O. Mr Lowe is a member of the Australian Institute of Company Directors and holds an MBA degree and tertiary qualifications in Mining Engineering.

### **Recommendation**

**The Directors (with Mr Lowe and Mr Baumfield abstaining) recommend that Shareholders vote against Mr Lowe's removal.**

**The Chairman of the Meeting intends to vote all undirected proxies against the resolution.**

## **Resolution 4 – Removal of Mr Oppenheimer**

### **Michael Oppenheimer Independent Non-executive Deputy Chairman**

Mr Michael Oppenheimer was appointed to the Board on 11 December 2014, upon implementation of the scheme of arrangement between the Company and Blackthorn Resources Limited. He has been a member of the Blackthorn Board since April 2011, and Chairman of that company since February 2014. He is currently a member of the Company's Audit and Risk Committee and the Remuneration and Nomination Committee. Mr Oppenheimer was previously Chairman of Blackthorn and under his stewardship that company realised value for the Perkoa asset in Burkina Faso through the sale to Glencore, and concluded the merger with Intrepid to ensure ongoing funding for the Zambian assets.

Mr Oppenheimer is a senior mining industry executive with over 35 years' experience in the resources sector. He has extensive business leadership and value delivery experience in the international mining industry. Now a principal and founder of a mining investment group, Mr Oppenheimer's most recent CEO position was with Ferrexpo Plc. Prior to his successful stewardship of Ferrexpo, Mr Oppenheimer was with BHP Billiton since 1988 in senior positions, including roles on the Executive Committee reporting to the CEO. His experience includes leadership of BHP Billiton's businesses in minerals and petroleum, and he played a significant role in the BHP and Billiton merger, integrating the energy coal businesses.

### **Recommendation**

**The Directors (with Mr Oppenheimer and Mr Baumfield abstaining) recommend that Shareholders vote against Mr Oppenheimer's removal.**

**The Chairman of the Meeting intends to vote all undirected proxies against the resolution.**

## **Resolutions 6 to 7 – Appointment of Directors Nominated by the Requisitioning Shareholder**

The Requisitioning Shareholder has nominated that the following persons to be appointed as Directors:

- Peter James Mitchell Love
- Peter Evans.

The Directors note that, based on the limited biographical information provided in the Requisition Notice, neither Mr Love nor Mr Evans appear to have experience or expertise in the metalliferous mining industry or in Africa, which would be relevant to realising value for the Kitumba asset.

Furthermore, the passing of the resolutions proposed by the Requisitioning Shareholder would result in the Company's entire board being composed of nominees of one shareholder, raising concerns around directors' independence and the representation of the interests of all shareholders.

The Company was unable to conduct independent background checks on Messrs Love and Evans in accordance with the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, due to the candidates' unwillingness to provide the relevant consents and personal information to the Company.

### **Recommendation**

**The Directors (with Mr Baumfield abstaining) recommend that Shareholders vote against the appointment of Messrs Love and Evans.**

**The Chairman of the Meeting intends to vote all undirected proxies against these resolutions.**

## **Resolutions 8 – Re-Election of Mr Baumfield**

### **Richard Baumfield – Non –Executive Director**

Mr Baumfield was appointed to the Company's Board as a non-executive director on 1 July 2015, as a nominee of shareholder Lloyd I. Miller III. Mr Baumfield is currently an Adjunct Assistant Professor of law at Bond University, having previously practised for ten years at the New York law firm of Andrews Kurth LLP, where he was a partner. He has extensive experience in a wide variety of corporate law issues.

The Directors, other than Mr Baumfield, note that, bearing in mind the desire to reduce size and costs, Mr Baumfield's participation on the Board is not necessary in the implementation of the strategy detailed above, in light of his lack of experience or expertise in the metalliferous mining industry or in Africa, which would be relevant to realising value for the Kitumba asset and in evaluating business development opportunities.

### **Recommendation**

**The Directors (with Mr Baumfield abstaining) recommend that Shareholders vote against the re-election of Mr Baumfield.**

**The Chairman of the Meeting intends to vote all undirected proxies against these resolutions.**

## VOTING

### i) Appointment and Revocation of Proxies for Holders of Ordinary Shares

A Shareholder of one or more ordinary share is entitled to attend and vote at the Meeting or, if unable to attend, a Shareholder may, by using the applicable Proxy Form enclosed, appoint another person (who need not be a Shareholder of the Company), to attend the Meeting and represent the Shareholder (a “**Proxy**”). The Chairman of the Meeting will be appointed as Proxy if a Proxy Form is submitted by a Shareholder, but no one is named on the form.

A Shareholder desiring to appoint a Proxy may do so by inserting another person's name in the blank space provided in the Proxy Form and returning the completed and executed Proxy Form by no later than 2:00 p.m. (AEDT) on 17 November 2015 to the Company's share registry, Computershare Investor Services Pty Limited, in accordance with the lodgement instructions detailed on the applicable Proxy Form.

A Shareholder is entitled to appoint up to two Proxies to attend the Meeting and represent the Shareholder. If a Shareholder appoints two Proxies, the Shareholder must specify the percentage of votes or number of shares for each Proxy; otherwise each Proxy may exercise half of the votes.

A Proxy can be appointed by the Shareholder or the Shareholder's attorney duly authorised in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorised.

A Shareholder submitting the Proxy Form may indicate the manner in which the Proxy is to vote with respect to any specific item of business by ticking the appropriate box. If the Shareholder wishes to confer discretionary authority on the Proxy (or Chairman of the Meeting) with respect to any item of business, then the boxes opposite the item can be left blank. The shares represented by the Proxy Form submitted by a Shareholder will be voted in accordance with the directions, if any, given in the Proxy Form.

In addition to any other manner permitted by law, the Proxy may be revoked before it is exercised. Such revocation must be in writing and executed and delivered in the same manner as the Proxy Form at any time up to and including 2:00 p.m. AEDT on 17 November 2015 or delivered to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, prior to the time of voting and upon either such occurrence, the Proxy is revoked.

### ii) Exercise of Discretion by Proxies

The persons appointed as Proxy may attend the Meeting and will vote the shares or voting rights in respect of which they are appointed in accordance with the directions of the persons appointing them.

The enclosed Proxy Form confers discretionary authority upon the persons named therein with respect to any amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting.

However, if any such amendments, variations, or other matters which are not now known to management, should properly come before the meeting, the ordinary shares and voting rights represented by the Proxies hereby solicited will be voted in accordance with the best judgment of the person or persons voting such Proxies.


**Where the Chairman has been appointed as proxy and there is no direction from Shareholders, all available Proxies' shares for the following resolutions shall be voted 'AGAINST':**

- |              |   |
|--------------|---|
| Resolution 1 | Removal of Ms Bowman as a Director        |
| Resolution 2 | Removal of Mr Carter as a Director        |
| Resolution 3 | Removal of Mr Lowe as a Director          |
| Resolution 4 | Removal of Mr Oppenheimer as a Director   |
| Resolution 5 | Removal of New Appointees                 |
| Resolution 6 | Appointment of Mr Love as a Director      |
| Resolution 7 | Appointment of Mr Evans as a Director     |
| Resolution 8 | Re-election of Mr Baumfield as a Director |

Dated: 6 October 2015

By Order of the Board of Directors

**Intrepid Mines Limited**



**Vanessa Chidrawi**  
Company Secretary



# Member's statement

## Intrepid Mines Limited

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The Northern Trust Company of Delaware (as legal holder of the Lloyd I. Miller TR A-4) (**Requisitioning Member**) requests that the Company give to all its members the following statement about the proposed resolutions set out in the request by the Requisitioning Member that the directors of the Company call and arrange to hold a general meeting under section 249D of the Corporations Act, attached to this request (**Requisition Notice**).

### Reasons for the Requisition Notice

The Requisitioning Member is alarmed about the Company's performance, particularly the rate at which the Company's valuable cash reserves continue to be spent and the ongoing poor share price performance. In particular, the Requisitioning Member asks shareholders to consider the following:

- 1 *Strategy:* The Company's poor share price performance might suggest, among other things, that the market does not understand or believe in the board's strategy for the Company; the Requisitioning Member is also concerned that spending the Company's cash reserves on exploration activities and associated administrative and overhead costs is not the most appropriate use of the Company's valuable cash reserves in the current environment.
- 2 *No plan to return excess capital to shareholders:* The Requisitioning Member believes the board ought to prioritise implementing a plan to return excess cash to shareholders.
- 3 *Share price / lack of market confidence:* The Company's poor share price performance (which trades significantly below its cash backing) might suggest, among other things, that the market has lost confidence in the current board's ability to deliver value to the Company's shareholders.
- 4 *Mumbwa Project negative value:* Given the Company's share price currently trades at a discount to cash reserves, the market is attributing a negative value to the Company's primary non-cash asset – the Mumbwa Project; the Requisitioning Member believes that it is appropriate, before any more cash is committed to the project, to undertake an independent and comprehensive assessment of the best means of realising value for shareholders, including a potential disposal of the Mumbwa Project.
- 5 *Cost structure:* The Requisitioning Member is concerned about the Company's current cost structure – for example, in the quarter ending 30 June 2015, the Company reported negative net operating cash flows in excess of USD\$4.4 million.
- 6 *Board structure and remuneration:* There are currently seven members on the board; the Requisitioning Member would like to see a substantial reduction in board and executive remuneration.
- 7 *The directors have no material interest in the Company:* Based on the 2014 Annual Report, the current directors, **in the aggregate**, hold less than 1.5% of the issued shares of the Company.
- 8 *Kitumba Reserve Downgrade:* On 17 August 2015, the Company issued an announcement that the Kitumba reserve had been downgraded by over 25%. For the reasons set out above, the Requisitioning Member believes the Company ought to conduct an independent review of the project before it commits to spending any more of the Company's limited cash reserves on it.

The Requisitioning Member believes it is time for a new board to be appointed to bring a fresh approach to the Company with a view to delivering new opportunities and increased shareholder value.

The Requisition Notice seeks to remove all current directors of the Company (other than Mr Richard Baumfield, who was recently appointed as a nominee of the Requisitioning Member) and appoint Mr Peter Love and Mr Peter Evans. Brief biographies of Mr Love and Mr Evans are set out below.

#### ***Mr Peter Love***

Peter is Chairman of Talon Petroleum Limited, an operator of unconventional oil projects in South Texas. He is corporate advisor to Byron Energy Limited, a GOM shelf resources company. Peter was formerly Vice President of Operations for Maverick Drilling & Exploration Limited and prior to that was an analyst at Trojan Equity Limited.

#### ***Mr Peter Evans***

Mr Evans' stockbroking career spanned 30 years at Paul E Morgan & Co and subsequent entities including Morgans Stockbroking, ABN Amro Morgans and RBS Morgans. He was Director – Sales at the Morgans entities from 1984 until 2003 and remained a Director until his retirement in 2013. He is Chairman of Sleepy's Pty Ltd and QEnergy Limited and is a director of Talon Petroleum Limited.

Mr Love and Mr Evans are currently directors of Talon Petroleum Limited, and recently undertook a process of cutting overheads and administrative expenses with a view to realising the value of Talon Petroleum Limited's assets for shareholders.

The Requisitioning Member wants a board that is deeply committed to creating and preserving shareholder value. If elected, the Requisitioning Member will request the new board to immediately consider:

- Reducing expenditure to an absolute minimum (including a reduction in directors' fees by at least 50%).
- Returning excess capital to shareholders immediately.
- Assessing the viability of the Mumbwa Project.

#### **Important action for you to take**

You will receive from the Company a Notice of Meeting and Proxy Form. You can support the changes by attending the general meeting and voting in favour of all the resolutions. If you cannot attend, your support can be given by completing the Proxy Form instructing the proxy to vote in favour of those resolutions.

In considering the proposed resolutions, shareholders should consider the following questions:

- Do you believe the current directors have enhanced shareholder value?
- Is the Kitumba Project viable, especially in light of the decline in the price of copper and the recent reserve downgrades announced by the Company?
- Would you prefer the Company to return a portion of that cash immediately to shareholders?

The Requisitioning Member strongly recommends that you vote in favour of all of the proposed resolutions for the reasons outlined above.

Executed by  
The Northern Trust Company of Delaware by:

^ Alexis L. Barvelli  
Officer

^ Danielle Merritt  
Asst. Secretary

^ Alexis L. Barvelli  
Full name of Officer

^ Danielle Merritt  
Asst. Secretary

