

STATEMENT

13 March 2014

Dear Fellow Shareholder,

TO FACILITATE THE RETURN OF ALL CAPITAL TO SHAREHOLDERS PLEASE VOTE YES TO ALL OUR RESOLUTIONS

Quantum Pacific and Fides Capital Partners (collectively, the Requisitioning Shareholders or We) are together greater than 5% shareholders in Intrepid Mines Limited (the Company). We have requisitioned a general meeting of the Company to vote on motions to replace the majority of the current directors and appoint new directors with the commitment to have ALL capital in the Company returned to all shareholders of the Company (Shareholders) AS PROMPTLY AS POSSIBLE.

The Requisitioning Shareholders intend to vote in support of the pending settlement resolution (Settlement) announced on 19 February 2014 by the Board of Directors (Board) that will conclude the Company's legal battle over the Tujuh Bukit Mine (TB Project). The net effect of this Settlement is a sale of the Company's principle asset in Indonesia for US\$80 million in cash. In view of the time delay since we proposed our original plan last year, we believe the opportunity to negotiate a superior outcome has, unfortunately, now passed. Consequently, we share the Board's sentiment of the Settlement being a "disappointing conclusion to our [the Company's] efforts on the project."

Like most other Shareholders, we were drawn to the attractiveness and potential of the "world-class" TB Project. Upon approval of the pending Settlement, the Company will have no major asset other than its retained cash.

We strongly believe that ALL capital in the Company should be returned to Shareholders for the following reasons:

- The Company's business has materially changed following the loss of the TB Project
- Shareholders should be allowed to exercise their own judgement on investing their capital in other investment opportunities
- The Company should not be given the discretion to reinvest Shareholders' capital, particularly given the outcome of the investment in the TB Project
- The closing share price of A\$0.26 as at 12 March 2014 represents an estimated 22% discount to the underlying cash value of the Company after Settlement

In contrast, the Board in its 2013 Year End Management's Discussion & Analysis and Settlement announcement indicated its intention to proceed with further acquisitions:

- *"A short list of operating, development and advance exploration projects for potential investment has been identified."*
- *"Due diligence, including site visits to several mineral projects has been, or is close to completion."*

- *“I am confident that our shareholders will see the benefits of ... and recovering the US\$80m for redployment elsewhere”*

As concerned Shareholders of the Company, our goal is to return ALL capital to Shareholders.

By voting YES TO ALL PROPOSED RESOLUTIONS, you will be voting to remove five of the six existing directors and appoint three new independent directors. These new independent directors have one clear objective - return ALL of the Company’s capital to Shareholders AS PROMPTLY AS POSSIBLE.

UPON SUCCESSFUL VOTE ON ALL OUR RESOLUTIONS, THE OBJECTIVE OF THE PROPOSED DIRECTORS IS THE IMPLEMENTATION OF THE FOLLOWING ACTION PLAN:

1. Commence corporate actions to facilitate return of Shareholders capital including:
 - a. Halting all other strategic alternatives being pursued by the current Board, namely any mergers or acquisitions currently under consideration;
 - b. Preparing resolutions for Shareholders to vote on alternative methods to return cash;
 - c. Liquidating all remaining non-cash assets, and close out any outstanding creditor obligations, of the Company; and
 - d. Reducing operating expenses of the Company to the maximum extent possible.
2. Proceed with a return of ALL remaining capital to Shareholders, subject to Shareholder approval by the requisite majorities. Potential alternatives include:
 - a. Return ALL the Company’s capital to Shareholders to the extent permissible by way of an equal reduction of capital (“Return of Capital”). This is our preferred option. Thereafter or in conjunction, proceed with the sale of the Company; and
 - b. In the event the Return of Capital is not approved by Shareholders - undertake an equal access off-market share buy-back (“Buy Back”) targeting the underlying cash value per share to the extent financially prudent.

In addition to the resolutions to remove and appoint directors, we have also proposed two resolutions for consideration by Shareholders to facilitate the Return of Capital and the Buy Back. These two other resolutions do not require a change in the Board.

The proposed new Board Members are:

Mr. Cliff Sanderson (Independent non-executive; proposed Chairman) is a founder of Financial Services International (Australia) and a 26-year specialist in corporate restructuring and former Partner of Ernst & Young based in Indonesia.

Mr. Greg Mazur (Independent non-executive), a founding partner of Quantum Pacific Capital, has worked on projects valued at \$50 billion in 20 countries over 20 years, and was Managing Director, Head of Asian Energy & Resources of ABN Amro Bank.

Mr. Paul Lim (Independent non-executive) has over 25 years of banking experience with international investment banks including Morgan Stanley, Deutsche Bank, and Bankers Trust primarily in Southeast Asia with a focus on Indonesia.

In addition, we are proposing to retain Mr. Alan Roberts as a Company director.

THIS STATEMENT IS ISSUED BY THE CONCERNED SHAREHOLDERS WHO SIGNED THE SECTION 249D NOTICE REQUESTING THIS GENERAL MEETING

For further information please access our website www.intrepidcrisis.com.au.