Intrepid Reports Further Positive Gold and Silver Drilling Results in El Salvador

August 28, 2006 – Intrepid Mines Limited (TSX: IAU, IXN & ASX:IAU) reports additional results of ongoing exploration at its San Cristobal project in eastern El Salvador. Results of initial drilling from two areas of the San Jacinto- Minitas- Oro Nuevo system (see figure 1) confirm an extensive network of low sulphidation gold-bearing quartz veins and vein breccia structures believed to be part of an interconnected system extending over a 10 km north-south trend.

Best drill intercepts to date were obtained at the Minitas target including 20.6 g/t gold and 1,056 g/t silver over 2.75 metres and 7.95 g/t gold and 295 g/t silver over 6.5 metres.

The structural corridor from San Jacinto to the Guapinol caldera is well mineralized but represents different vertical zonations within a large epithermal system. Results are presented for seven drill holes from San Jacinto and two from Minitas. Drilling currently continues at Oro Nuevo where geophysical anomalies identified earlier this year are being tested. This program follows the 2004 discovery and initial drilling of an extensive mineralized stockwork hosted by the Guapinol caldera and horst structures.

Minitas

Two holes were drilled to test a north trending vein structure in an area of small scale historic mine workings (press release dated June 22, 2005). The mine area is also traversed by a north-west trending structure. Mine workings suggest both vein systems were evaluated underground. MN01-06, drilled to the west, encountered strongly mineralized tuffs hosting well developed quartz-cemented breccias and stockworks. The best intercept of 2.75 metres of 20.6 g/t gold and 1,056 g/t silver occurs in a moderately colloform banded quartz vein hosted within a broad brecciated and silicified package.

MN02-06 was drilled below MN01-06 on the same section, intersecting the same multistage quartz vein approximately 40 metres down dip from the first intercept. The key structure has an apparent dip of 50 degrees to the east and a persistent high grade core, which in hole MN02-06, grades 12.79 g/t gold and 616 g/t silver over an interval of 2.30 metres. Intercepts are summarized in Table 1.

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Table 1 Minitas Prospect Drill Intersections [1]

Hole #	From (m)	To (m)	Width (m)	Gold (g/t)	Silver (g/t)
MN01-06	36.80	55.15	18.35	1.71	20
including	37.45	38.90	1.45	7.73	178
and	44.30	45.40	1.10	4.60	19
	112.90	115.65	2.75	20.58	1056
MN02-06	14.40	16.0	1.60	1.85	12
	46.00	47.0	1.00	4.50	44
	126.1	132.6	6.50	7.95	295
including	127.0	128.4	2.30	12.79	616

San Jacinto
A total of seven holes were completed along a 650 metre strike length of exposed vein at San Jacinto where previous grab samples had returned up to 40 g/t gold in banded silica. Based on textural evidence seen in core from the vein intersections, the epithermal mineralization is high level. The program has revealed a robust structure hosting significant widths of hydrothermal breccia with gold values up to 7 g/t over 1.1 metres of core length. Much of the quartz stockwork intersected returned anomalous gold values (> 0.3 g/t gold) over core lengths of 5 to 30 metres.
A summary of current intercepts is noted in Table 2.

Table 2: San Jacinto Drill Intersections [1]

Hole #	From (m)	To (m)	Width (m)	Gold (g/t)
SJ01-06	29.20	33.95	4.75	1.86
including	31.55	33.95	2.40	2.44
SJ03-06	42.05	44.40	2.35	2.12
SJ05-06	3.40	18.50	15.10	1.34
including	15.30	17.50	2.20	2.70
SJ06-06	111.25	143.45	32.20	1.46
including	139.00	143.45	4.45	3.43
and	140.95	143.45	2.50	4.65
SJ02-06, SJ04-06, SJ07-06 - no significant results				

[1] *All samples were analyzed at CAS Labs of Honduras, utilizing standard 30 g. charge AA analysis with fire assay finish and gravimetric check assays on samples reporting greater than 1.0 g/t gold. Silver assays were obtained by standard gravimetric analysis only. Internal standards provided by an independent company and locally derived blank samples have been inserted for quality control purposes. William McGuinty, P.Geo. is Intrepid's Qualified Person on this project.*

The north trending vein system and associated fault structures appear to be dipping 35 to 45 degrees to the west. Based on vein and breccia textures encountered, the San Jacinto system will require further testing to target gold-bearing epithermal mineralization at greater depth to determine the focus of gold mineralization.

Oro Nuevo
Phase 1 drilling at Oro Nuevo consisted of 13 holes completed in 2005 within a zone of extensive stockwork contained in a horst structure within the Guapinol caldera. Best trench values were 53 metres of 3.55 g/t gold (press release dated March 11, 2004). Initial drill results reported wide intervals of weakly anomalous gold mineralization but no significant areas of enrichment. In early 2006, an IP/Resistivity geophysical program was undertaken to identify targets below alluvium within the caldera. Geophysics defined numerous conductive targets over a 1.4 km north-south trend within a 700 to 800 metre wide corridor.

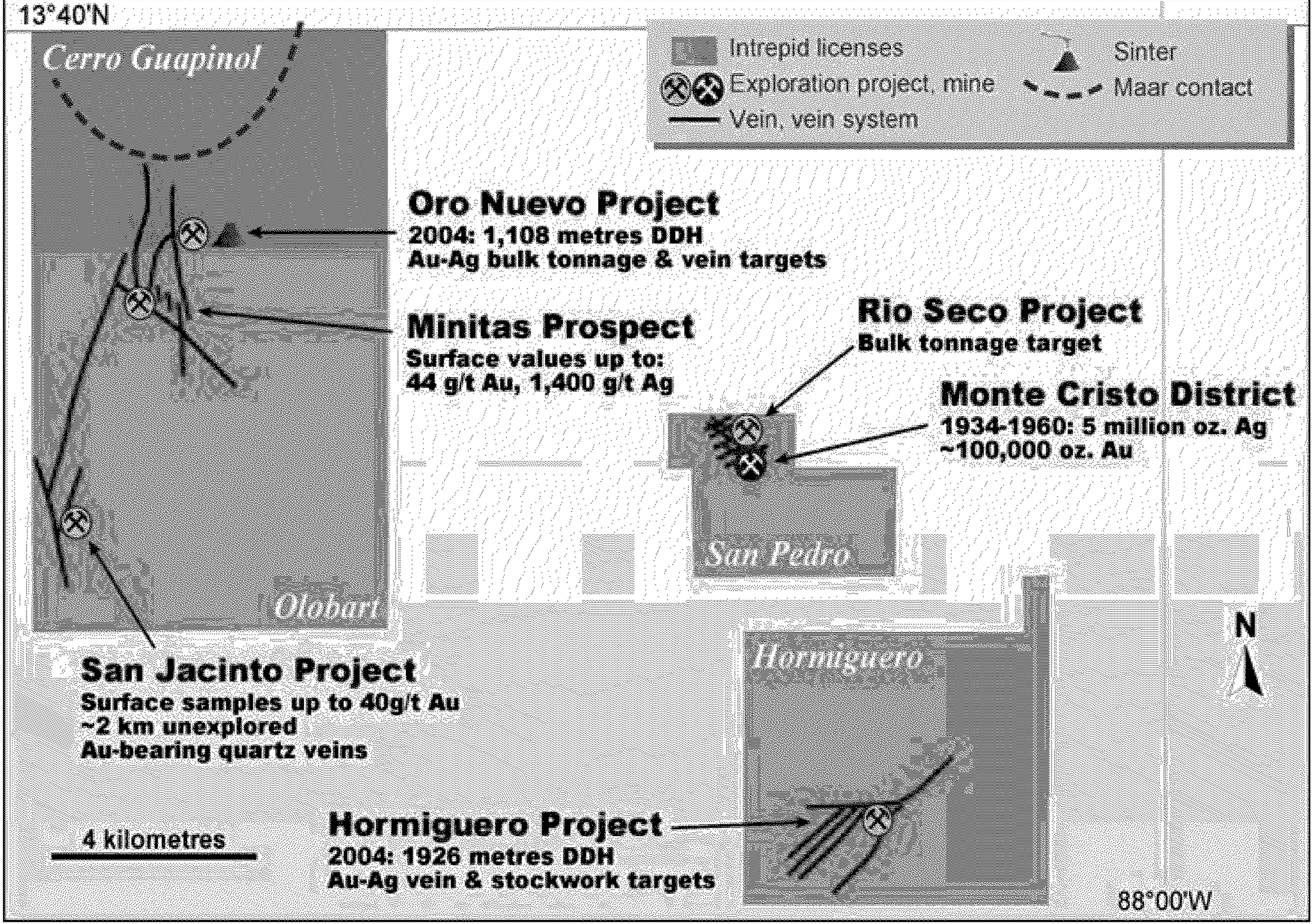
Phase 2 drilling is in progress at Oro Nuevo and results will be reported in the current quarter.

Summary
The positive drill results from the San Jacinto and Minitas vein systems indicate that the hydrothermal system developed on the Olobart-Guapinol concessions is potentially large and warrants sustained drilling over the next year. The Oro Nuevo system to the north is at a shallower level and drilling on all three targets will continue to determine the structural controls of the precious metal mineralization. Fifteen hundred metres of diamond drilling has been completed to date out of a planned four thousand metre program in 2006.

Intrepid Mines Limited has an international production, development and exploration profile, and holds interests in several gold-silver and silver-base metal properties in Australia, Argentina, El Salvador, and Canada, either directly or through joint venture partnership. The issued capital is 150,032,576 shares comprised of 118,581,968 ordinary shares of Intrepid Mines Limited quoted on the TSX:IAU and ASX:IAU and 31,450,608 Exchangeable Shares of Intrepid NuStar Exchange Corporation quoted on the TSX:IXN.

On behalf of the Board of Directors of Intrepid Mines,

Laurence Curtis, President & CEO



13°40'N
Cerro Guapinol
Intrepid licenses
Exploration project, mine
Vein, vein system
Sinter
Maar contact
Oro Nuevo Project
2004: 1,108 metres DDH
Au-Ag bulk tonnage & vein targets
Minitas Prospect
Surface values up to:
44 g/t Au, 1,400 g/t Ag
Rio Seco Project
Bulk tonnage target
Monte Cristo District
1934-1960: 5 million oz. Ag
~100,000 oz. Au
San Pedro
Olobart
San Jacinto Project
Surface samples up to 40g/t Au
~2 km unexplored
Au-bearing quartz veins
Hormiguero
N
Hormiguero Project
2004: 1926 metres DDH
Au-Ag vein & stockwork targets
4 kilometres
88°00'W