

BIDDER'S STATEMENT

OFFER BY

INTREPID MINES LIMITED

to acquire all of your shares in

AIC RESOURCES LIMITED

in exchange for **one** Intrepid Share for every
three AIC Resources Shares that you own

**INTREPID'S DIRECTORS UNANIMOUSLY
RECOMMEND THAT YOU
ACCEPT**

THIS OFFER IN THE ABSENCE OF A SUPERIOR PROPOSAL

The Offer is dated 3 October 2018 and will close at 7.00pm (Sydney time) on 30 November 2018, unless extended.

Please call +61 2 9357 9000 if you require assistance with your acceptance.

**THIS DOCUMENT IS IMPORTANT AND
REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt as to how to deal with it, you should consult
your legal, financial or other professional adviser as soon as
possible**

LEGAL ADVISER

McCullough Robertson Lawyers

Lawyers | **McCullough
Robertson**



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Important notices

This Bidder's Statement is given by Intrepid Mines Limited ACN 060 156 452 (**Intrepid**) under part 6.5 of the Corporations Act and sets out certain disclosures required by the Corporations Act together with the terms of the Offer to acquire your shares in AIC Resources Limited ACN 619 035 737 (**AIC Resources**).

This Bidder's Statement is dated 3 October 2018. It includes an Offer dated 3 October 2018 on the Offer Terms set out in Schedule 1.

A copy of this Bidder's Statement was lodged with ASIC and ASX on 3 October 2018. None of ASIC, ASX nor any of their officers takes any responsibility for the content of this Bidder's Statement.

Investment decisions

This Bidder's Statement does not take into consideration your individual investment objectives, financial situation or particular needs. You may wish to seek independent financial and taxation advice before deciding whether or not to accept the Offer for your AIC Resources Shares.

Forward looking statements

This Bidder's Statement contains certain forward looking statements and statements of current intention. The forward looking statements in this Bidder's Statement reflect views held at the date of this Bidder's Statement.

You should be aware that those statements involve inherent risks and uncertainties. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and those deviations are both normal and to be expected.

None of Intrepid, its officers or any person named in this Bidder's Statement with their consent or involved in the preparation of this Bidder's Statement makes any representation or warranty as to the accuracy or likelihood of fulfilment of any forward looking statement. You should not place undue reliance on those statements.

Defined terms

A number of defined terms are used in this Bidder's Statement. These terms are explained in section 13.

Privacy statement

Intrepid has collected your information from the register of AIC Resources Shareholders. The Corporations Act permits information to be made available to certain persons, including Intrepid. Your information may also be disclosed on a confidential basis to Intrepid's related bodies corporate and external service providers and may be required to be disclosed to regulators such as ASIC. You can contact us for details of information held by us about you.

JORC Code compliance

The information in this Bidder's Statement pertaining to AIC Resources' mineral resources has been prepared in reliance on the information set out in section 5.10. Intrepid gives no guarantee, and otherwise makes no representation, that this information has been prepared in accordance with the JORC Code.



Information about AIC Resources

The information in this Bidder's Statement about AIC Resources is based on public information, including information that AIC Resources has provided to Intrepid from time to time. Intrepid does not, except as required by law, make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

Key Dates

Announcement Date	19 September 2018
Bidder's Statement lodged with ASIC	3 October 2018
Date of Offer	3 October 2018
Close of Offer Period (unless extended)	7.00pm (Sydney time) on 30 November 2018

How to accept

Acceptances for the Offer must be received before the close of the Offer Period.

There are different ways to accept the Offer depending on how you hold your AIC Resources Shares.

For CHESS Holdings

Instruct your stockbroker or other Controlling Participant to initiate acceptance of the Offer on your behalf in sufficient time for the Offer to be accepted before the end of the Offer Period.

For Issuer Sponsored Holdings

Complete and sign the enclosed Acceptance Form in accordance with the instructions on that form and within this Bidder's Statement and return it before the end of the Offer Period to:

BY HAND	BY MAIL (a reply paid envelope is enclosed)
Computershare Investor Services Pty Limited AIC Resources Limited Takeover 452 Johnston Street ABBOTSFORD VIC 3067 AUSTRALIA	Computershare Investor Services Pty Limited AIC Resources Limited Takeover GPO Box 52 MELBOURNE VIC 3001 AUSTRALIA

Acceptance Form

The Acceptance Form which accompanies this Bidder's Statement forms part of the Offer. The requirements on the Acceptance Form must be observed in accepting the Offer for your AIC Resources Shares.

Enquiries

If you are in any doubt how to deal with this document, you should consult your Broker or your legal, financial or other professional adviser.

If you have any questions about the Offer or how to accept it, please call the shareholder information line on +61 2 9357 9000 between 9.00am and 5.00pm (Sydney time) Monday to Friday.

Offers to Foreign Shareholders

If you are a Foreign Shareholder, unless Intrepid otherwise determines that:

- (a) it is lawful and not unduly onerous and not unduly impracticable to make the Offer to you and to issue you with Intrepid Shares on acceptance of the Offer; and



- (b) it is not unlawful for you to accept the Offer by the law of the relevant place outside Australia, its external territories or New Zealand,

you will not be entitled to receive Intrepid Shares as consideration for your AIC Resources Shares.

If you are a Foreign Shareholder and you accept the Offer or your AIC Resources Shares are compulsorily acquired, you will receive the cash amount calculated under clause 5.3 of Schedule 1.

Further information about the entitlement of a Foreign Shareholder is set out in section 12.7.

Letter from the Chairman

3 October 2018

Dear AIC Resources Shareholder

The Intrepid Mines Limited Offer

On behalf of Intrepid Mines Limited (**Intrepid**), I am pleased to present Intrepid's offer to acquire all of your shares in AIC Resources Limited (**AIC Resources**) by way of an off-market takeover bid, under which you would receive one Intrepid Share for every three AIC Resources Shares that you own (**Offer**). Intrepid's Offer, if successful, will result in AIC Resources Shareholders owning approximately 64% of the Merged Group.

Intrepid is a junior precious and base metals exploration and development company listed on ASX. Intrepid's key assets are its cash reserves, the Kitumba and Mumbwa Projects in Zambia (in respect of which it has entered into a conditional sale agreement), and its recently announced farm-in to the Doolgunna Station Project, which is contiguous with AIC Resources' Marymia Project. As at 30 June 2018, Intrepid had approximately \$14.4 million in cash. That cash balance will be supplemented by the proceeds from the sale of the Kitumba and Mumbwa Projects (see section 4.2 of the Bidder's Statement). Intrepid proposes to distribute up to \$10,339,494 to Intrepid Shareholders prior to close of the Offer.

Intrepid considers the merger of Intrepid and AIC Resources a logical combination, given that:

- (a) Intrepid's cash resources will be available to progress the Marymia Project;
- (b) the Merged Group will have a stronger and more diverse board and management team;
- (c) shareholders of both Intrepid and AIC Resources will benefit from potential synergies, including cost reductions as the Merged Group simplifies its corporate structure, and potentially from project synergies given that AIC Resources' Marymia Project is contiguous with the Doolgunna Station Project; and
- (d) shareholders of both Intrepid and AIC Resources will benefit from a more diverse members' register through the amalgamation of shareholders of Intrepid and AIC Resources.

The unaudited and estimated cash and short-term asset backing per Intrepid Share is approximately \$0.74 as at 30 September 2018 (see section 1.2 of the Bidder's Statement), assuming the proposed capital distribution occurs, and completion of the agreement for the sale of Intrepid's Kitumba and Mumbwa Projects (**Share Sale Agreement**) takes place. In the event that completion under the Share Sale Agreement does not occur for any reason, holders of Intrepid Shares would still have exposure to the value ascribed to the Kitumba and Mumbwa Projects' assets as set out in Intrepid's financial statements from time to time.

The Offer is subject to a number of Defeating Conditions, including a 90% minimum acceptance condition, Intrepid Shareholders approving the issue of Intrepid Shares in excess of Intrepid's existing placement capacity under Listing Rule 7.1, Intrepid Shareholders approving the acquisition by Intrepid of all of the AIC Resources Shares held by Brahman Pure Alpha Pte Ltd under the Offer for the purposes of Listing Rule 10.1, the Share Sale Agreement not being terminated and no circumstances arising which could reasonably be expected to result in termination of the Share Sale Agreement, and Intrepid receiving a public ruling from the Australian Taxation Office allowing it to distribute \$10,339,494 to



Intrepid's shareholders as capital. The Defeating Conditions are set out in full in Schedule 2 to this Bidder's Statement. The terms of the Offer are otherwise set out in Schedule 1 to this Bidder's Statement.

All of the AIC Resources Directors unanimously recommend that AIC Resources Shareholders accept the Offer and have indicated their intention to do so for the AIC Resources Shares that they hold or control, unless there is a Superior Proposal.

We encourage you to read this Bidder's Statement for more details about the Offer and about Intrepid. The Offer is open for your acceptance until 7.00pm (Sydney time) on 30 November 2018, unless extended. If you wish to accept the Offer, please complete and return the enclosed Acceptance Form.

If you have any questions about the Offer, please contact your legal, financial or other professional adviser or call the shareholder information line on +61 2 9357 9000 on weekdays 9.00am and 5.00pm (Sydney time) or visit the Intrepid website at www.intrepidmines.com.au.

Yours sincerely

A handwritten signature in black ink that reads "Richard Baumfield". The script is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Richard Baumfield
Chairman
Intrepid Mines Limited

1 Reasons why you should accept Intrepid's Offer

1	Access to Intrepid's cash resources
2	Cash and short-term asset backing
3	Exposure to the Doolgunna Station Project
4	Logical combination
5	AIC Resources Board support for the Offer
6	CGT rollover relief
7	Adverse consequences associated with not accepting the Offer

1.1 Access to Intrepid's cash resources

Intrepid's cash reserves, together with those of AIC Resources, will give the Merged Group appropriate funding to progress the Marymia Project and the Doolgunna Station Project substantially further than either Intrepid or AIC Resources would be able to do on its own. The additional cash resources will fund further exploration which, if successful, may defer future capital requirements until after a step-up in value of the Merged Group.

In particular, as at 30 June 2018, AIC Resources had cash reserves of approximately \$7.8 million. Intrepid's cash reserves as at the same time, but reduced by \$10,339,494 for the proposed return of capital and increased by approximately \$6.9 million¹ on the assumption that the sale of the Kitumba and Mumbwa Projects completes, would be approximately \$11 million.²

¹ Based on the average USD / AUD exchange rate over the 30-day period of September 2018.

² Excludes transaction costs associated with the sale of the Kitumba and Mumbwa Projects and the Offer, and restructuring costs incurred in connection with the Offer.

1.2 Cash and short-term asset backing

The unaudited and estimated cash and short-term asset backing per Intrepid Share is approximately \$0.74 as at 30 September 2018, assuming the proposed capital distribution occurs, and completion of the Share Sale Agreement takes place.

The table below sets out the calculation of Intrepid's estimated cash and short-term asset position as at 30 September 2018 (rounded to the nearest thousand dollars):

Intrepid's cash balance as at 30 September 2018	\$13,493,000
Intrepid's investments, including:	\$883,000
(a) 16,665,000 shares in Ausgold at \$0.023 per share, being the closing price on 28 September 2018; and	
(b) 3,333,333 shares in Tesoro, a non-related unlisted Australian company with gold and copper-gold exploration projects in Chile, at \$0.15 per share.	
Estimated net proceeds from the sale of the Kitumba and Mumbwa Projects	\$5,935,000¹
Sundry debtors, including USD \$200,000 deferred and contingent consideration due from Troy Resources Limited	\$278,000¹
Proposed capital distribution of up to \$0.75 per Intrepid Share	(\$10,339,000)
Estimated remaining transaction costs associated with the Offer and the proposed capital distribution	(\$105,000)³
Adjusted cash position	\$10,145,000
Number of Intrepid Shares on issue as at the date of this Bidder's Statement	13,785,992
Estimated cash + short-term asset backing	\$0.7359 per Intrepid Share

In the event that the sale of the Kitumba and Mumbwa Projects does not complete, holders of Intrepid Shares would still have exposure to the value ascribed to the Kitumba and Mumbwa Projects as set out in Intrepid's financial statements from time to time.

Further information about the pro forma financial position of the Merged Group should the Offer successfully complete is set out in section 6.5.

You should fully consider the risks associated in the Offer as set out in section 8, and be aware that if you accept the Offer, the value of the consideration you will receive will depend upon the price of Intrepid Shares at the time those Intrepid Shares are issued to you under the Offer.

1.3 Exposure to the Doolgunna Station Project

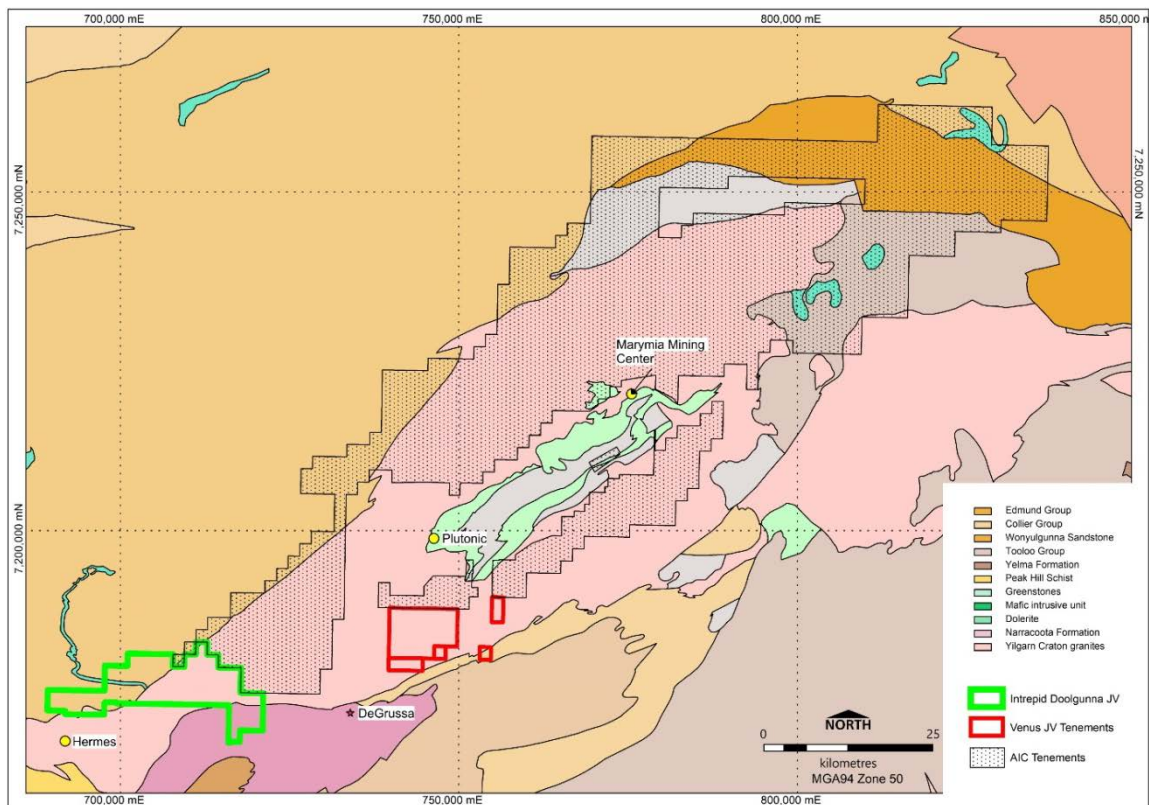
As announced to ASX on 4 June 2018, Intrepid has entered into an exploration farm-in and joint venture agreement with Ausgold Exploration to earn up to an 80% interest in the Doolgunna Station Project, by expending \$2,150,000 over a term of two years (though this agreement remains subject to satisfaction of a number of conditions precedent).

³ Excluding any landholder duty which may be payable by Intrepid as a result of the Offer (see section 10.5).

Importantly, the Doolgunna Station Project is:

- (a) contiguous with AIC Resources' Marymia Project and Venus' Doolgunna Project in which AIC Resources holds the right to earn up to an 80% interest, as announced to ASX on 20 September 2018; and
- (b) proximate to both the Degrudda copper-gold operations owned by Sandfire Resources NL and the Hermes and Plutonic gold projects owned by Superior Gold Inc.

Figure 1: Proximity of the Marymia Project, Venus' Doolgunna Project, and the Doolgunna Station Project



Providing AIC Resources Shareholders with exposure to the potential returns and upside available from Intrepid's interest in the Doolgunna Station Project is consistent with AIC Resources' strategy for developing and exploiting gold and base metals mineralisation within the Marymia Inlier.

1.4 Logical combination

Intrepid considers the combination of Intrepid and AIC Resources provides a logical opportunity to create greater value for the shareholders of both companies, particularly given:

- (a) Intrepid's significant involvement with, and experience in, gold exploration historically;
- (b) that the Merged Group will have a stronger and more diverse board and management team, that can execute the Merged Group's strategy going forward;
- (c) that shareholders of both Intrepid and AIC Resources will benefit from potential synergies, including cost reductions as the Merged Group simplifies the corporate structure of Intrepid and AIC Resources, and project synergies as set out in section 1.2 above, given that AIC Resources' Marymia Project and Venus' Doolgunna Project are



contiguous with the Doolgunna Station Project (in respect of which Intrepid has a right to earn up to an 80% interest);

- (d) that the Merged Group is likely to benefit from an enhanced ability to source debt and equity (and on more favourable terms) as a result of the stronger balance sheet and broader share register with supportive substantial shareholders;
- (e) shares in Intrepid are expected to be more liquid due to the increase in capitalisation of the Merged Group;
- (f) that shareholders of both Intrepid and AIC Resources will benefit from a strengthened and more diverse members' register through the amalgamation of shareholders of Intrepid and AIC Resources; and
- (g) AIC Resources Shareholders may benefit from greater equity analyst coverage which the Merged Group is expected to attract, which is important in attracting and retaining institutional shareholders in particular.

1.5 AIC Resources Board support for the Offer

All of the AIC Resources Directors have unanimously recommended that you accept the Offer and have indicated their intention to do so for the AIC Resources Shares that they own or control, unless a Superior Proposal emerges.

1.6 CGT rollover relief

If Intrepid acquires more than 80% of the AIC Resources Shares on issue under the Offer, accepting AIC Resources Shareholders may be entitled to CGT rollover relief.

1.7 Adverse consequences associated with not accepting the Offer

If you choose not to accept the Offer, you should be aware that:

- (a) if Intrepid becomes entitled to compulsorily acquire your AIC Resources Shares, it intends to do so and if your AIC Resources Shares are compulsorily acquired, you will still receive the Offer Consideration for your AIC Resources Shares but at a later date than you would have received it if you had accepted the Offer; and
- (b) while there are many factors that will influence the market price of AIC Resources Shares, in the absence of the Offer or a competing bid, the AIC Resources Share price could fall below the value implied by the Offer.

2 Frequently asked questions about the Offer

Question	Answer
What is the Offer?	Intrepid is making an offer to acquire all your AIC Resources Shares. If you accept the Offer you will receive (subject to the conditions of the Offer being satisfied or waived) one Intrepid Share for every three AIC Resources Share that you own.
What is the cash and short-term asset backing of Intrepid Shares?	The unaudited and estimated cash and short-term asset backing per Intrepid Share is approximately \$0.74 as at 30 September 2018 (see section 1.2 of the Bidder's Statement), assuming the proposed capital distribution occurs, and completion of the Share Sale Agreement takes place.
Do the AIC Resources Directors support the Offer?	Yes, all AIC Resources Directors have recommended that AIC Resources Shareholders accept the Offer and have indicated their intention to do so for the AIC Resources Shares that they own or control, unless there is a Superior Proposal.
How long is the Offer open for?	The Offer opens on 3 October 2018 and is scheduled to close at 7.00pm (Sydney time) on 30 November 2018 (unless extended).
What are the conditions of the Offer?	The Offer is subject to the following Defeating Conditions: (a) 90% minimum acceptance; (b) Intrepid Shareholder approval for the purposes of Listing Rule 7.1 and Listing Rule 10.1; (c) the Share Sale Agreement not being terminated and no circumstances arising which could reasonably be expected to result in termination of the Share Sale Agreement; and (d) Intrepid receiving a public ruling from the Australian Taxation Office allowing it to distribute \$10,339,494 to Intrepid's shareholders as capital. This is only a summary of the key conditions. The conditions are set out in full in Schedule 2. Intrepid may choose to waive certain of the Defeating Conditions in accordance with the Offer Terms.
Do I have to pay any fees?	No brokerage, charges or stamp duty will be payable by you on acceptance of the Offer. If you choose to sell your AIC Resources Shares on market, you may incur brokerage costs and GST on those costs.
What should I do?	To accept the Offer, you should: (a) read this Bidder's Statement in full; (b) read AIC Resources' Target's Statement in full; (c) consult your Broker, financial or other professional adviser if you are in any doubt as to what action to take or how to accept the Offer; and (d) accept the Offer in the manner described in section 3. If you have any queries about the Offer, you may also call the shareholder information line on +61 2 9357 9000 between 9.00am and 5.00pm (Sydney time) Monday to Friday.

Question	Answer
How do I accept the Offer?	The Offer may only be accepted for all of your AIC Resources Shares. The manner in which you accept the Offer depends on whether you hold your AIC Resources Shares in an Issuer Sponsored Holding, a CHESS Holding, or if you are a Broker or a Non-Broker Participant. Full details on how to accept the Offer are set out in section 3. For CHESS Holdings you should instruct your stockbroker or other Controlling Participant to initiate acceptance of the Offer on your behalf in sufficient time for the Offer to be accepted before the end of the Offer Period. For Issuer Sponsored Holdings you must complete, sign and return the Acceptance Form in accordance with the instructions on it. Return it to the address indicated on the form so that it is received before the end of the Offer Period. A reply paid envelope (not able to be used by AIC Resources Shareholders outside Australia) is enclosed for your convenience. Mailing and delivery addresses If you reside in Australia, you can use the reply paid envelope enclosed with this Bidder's Statement. The mailing address is: Computershare Investor Services Pty Limited AIC Resources Limited Takeover GPO Box 52 MELBOURNE VIC 3001 AUSTRALIA Alternatively, you may deliver the Acceptance Form and any associated documents to: Computershare Investor Services Pty Limited AIC Resources Limited Takeover 452 Johnston Street ABBOTSFORD VIC 3067 AUSTRALIA
If I accept the Offer, when will I receive consideration for my AIC Resources Shares?	Provided that the necessary transfer documents accompany your Acceptance Form, you will be issued Intrepid Shares within one month of the later of: (a) the date you accept the Offer; and (b) the date the Offer becomes unconditional. In any event, you will receive your Intrepid Shares within 21 days after the Offer closes (assuming all conditions of the Offer are satisfied or waived).
What rights will my Intrepid Shares have?	The Intrepid Shares issued under the Offer will be fully paid and will rank equally for dividends and other rights with existing Intrepid Shares. A detailed explanation of the rights and liabilities attaching to Intrepid Shares is set out in section 12.2.

Question	Answer
Will my Intrepid Shares be listed on ASX?	Intrepid will apply to ASX for quotation of the Intrepid Shares to be issued under the Offer on the official list of ASX. Quotation of the Intrepid Shares to be issued under the Offer will not be automatic but will depend on ASX exercising its discretion to admit them to the official list. However, Intrepid is already admitted to the official list of ASX and shares in Intrepid in the same class or on the same terms as those to be issued under the Offer are already quoted.
What happens if I accept the Offer?	If you accept the Offer and it becomes or is declared unconditional, you will be issued Intrepid Shares within the time specified above. Once you accept the Offer (even while it remains subject to Defeating Conditions) you will not be able to sell your AIC Resources Shares on market or otherwise deal with the Rights attaching to your AIC Resources Shares, subject to your limited statutory rights to withdraw your acceptance in certain circumstances.
What happens if I do not accept the Offer?	If you do not accept the Offer, you will remain an AIC Resources Shareholder and will not be issued Intrepid Shares. However, if Intrepid becomes entitled to compulsory acquire your AIC Resources Shares, it intends to do so. If this occurs, you will still receive the Offer Consideration for your AIC Resources Shares but at a later date than you would have received it if you had accepted the Offer.
What are the tax implications of accepting the Offer?	A general description of the taxation treatment for certain Australian resident AIC Resources Shareholders accepting the Offer is set out in section 10. You should not rely on that general description as advice for your own affairs. You should consult your taxation adviser for detailed taxation advice before making a decision as to whether or not to accept the Offer for your AIC Resources Shares. AIC Resources Shareholders should be aware that if Intrepid does not acquire ownership of 80% of AIC Resources Shares, then rollover relief will not be available to AIC Resources Shareholders. However, Intrepid does not intend to waive the 90% acceptance condition, one of the Defeating Conditions to the Offer.
What are Intrepid's intentions for AIC Resources?	Section 7 sets out detailed information about Intrepid's intentions for AIC Resources.
What are the significant risks of the Offer?	You should carefully consider the risk factors that could affect the performance of Intrepid and the Merged Group before deciding whether to accept the Offer. Many of these risks are outside the control of Intrepid and its Directors, and cannot be mitigated. A summary of the key risks is set out in section 8.

3 How to accept the Offer

3.1 Issuer Sponsored Holdings

If you hold your AIC Resources Shares in an Issuer Sponsored Holding, you will need to complete, sign and return the Acceptance Form accompanying this Bidder's Statement in accordance with the instructions on that form and deliver it or send it by post so that it is received by Intrepid's share registry before the end of the Offer Period. A reply paid envelope (for use within Australia only) is enclosed with this Bidder's Statement.

3.2 CHESS Holdings

If you hold your AIC Resources Shares in a CHESS Holding:

- (a) instruct your Controlling Participant (for example, your Broker) to initiate acceptance of the Offer on your behalf under Rule 14.14 of the ASX Settlement Operating Rules;
- (b) complete, sign and send the Acceptance Form accompanying this Bidder's Statement directly to your stockbroker or Controlling Participant; or
- (c) complete, sign and return the Acceptance Form in accordance with the instructions on it so that Intrepid is authorised to instruct your Controlling Participant to initiate acceptance of the Offer on your behalf,

before the end of the Offer Period.

A reply paid envelope (for use within Australia only) is enclosed for your convenience.

3.3 Brokers or Non-Broker Participants

If you are a Broker or a Non-Broker Participant, you will need to initiate acceptance of the Offer under the requirements of the ASX Settlement Operating Rules before the end of the Offer Period.

4 Profile of Intrepid

4.1 Overview – Zambian projects

The Kitumba Project deposit lies within the large scale mining licence (19820-HQ-LML) which is located in the Mumbwa District, Central Province, Zambia. The licence lies approximately 200 kilometres west-northwest of the capital, Lusaka, and comprises one of five contiguous licences held by Intrepid Mines Zambia Limited. The Kitumba Project mining licence covers an area of approximately 250km².

Intrepid's Mumbwa Project is located in west-central Zambia, approximately 200 kilometres west of the capital, Lusaka. The Mumbwa Project comprises five contiguous licences with a total area of approximately 925km², including the Kitumba mining licence (19820-HQ-LML) which hosts the Kitumba Project. The Mumbwa Project lies within the southern end of a fold and thrust belt known as the Lufilian Arc, which also hosts the Zambian Copperbelt deposits. Within the Mumbwa Project, Intrepid has multiple targets at various stages of advancement.

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

4.2 Recent activities

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

Intrepid also obtained shareholder approval at its extraordinary general meeting held on 2 February 2018 in relation to a potential return of capital of up to \$0.8788 per Intrepid Share, subject to obtaining an appropriate class ruling from the Australian Taxation Office. Receipt of a class ruling confirming that the return of \$0.75 per Intrepid Share to Intrepid Shareholders will be treated as a return of capital is a Defeating Condition of the Offer.

Over the previous 18 months, the board of Directors of Intrepid has evaluated numerous investment opportunities, including (as set out in Intrepid's 2017 annual report) undertaking due diligence on several possible gold and copper projects, a number of which are located in Australia. In January 2018, Intrepid acquired 3,333,333 shares in Tesoro Resources Limited (**Tesoro**), a non-related unlisted Australian company with gold and copper-gold exploration projects in Chile. The shares were acquired at a price of \$0.15 per share, representing an aggregate purchase price of approximately \$500,000. This represented approximately 5.5% of the total issued shares in Tesoro as at the date of the issue and provides Intrepid with exposure to these prospective projects. More recently, on 4 June 2018, Intrepid announced that it had entered into an exploration farm-in and joint venture agreement with Ausgold Exploration pursuant to which it could spend a minimum of \$2,150,000 over two years to have a right to earn up to an 80% interest in the Doolgunna Station Project in Western Australia (though the agreement remains subject to satisfaction of certain conditions precedent, as announced to ASX on 4 June 2018). AIC Resources owns 100% of the ~3,160km Marymia Project which is contiguous with the Doolgunna Station Project to the South.

The strategy to focus on gold exploration is not new to Intrepid. Since 1995, Intrepid has been actively involved in mineral resource exploration, and has held interests in a number of gold

deposits over the years. In 2007, Intrepid's senior management team sought to identify numerous investment opportunities in respect of gold projects in particular in many countries around the world, and had plans to spend approximately \$5 million on exploration of such projects in 2007. In particular:

- (a) Intrepid has historically held interests in a number of gold deposits, including:
 - (i) Ashburton/Paulsens Gold Project in Western Australia (100%);
 - (ii) Panakin Bore Gold Project in Western Australia (100%);
 - (iii) Grafters Baden Powel Gold Project in Western Australia (100%);
 - (iv) Cristina Gold Project in Argentina (option to earn an interest);
 - (v) Casposo Gold/Silver Project in Argentina (100%);
 - (vi) Taviche High Grade Gold/Silver Project in Mexico (option to earn an interest); and
 - (vii) various grass-roots gold exploration projects located near Cue and Wiluna in Western Australia, and in Gawler Craton in South Australia;
- (b) following a 2008 merger with Emperor Mines Limited, Intrepid held an 80% interest in the Tujuh Bukit Gold/Copper Project; and
- (c) in November 2012, Intrepid acquired an 11.78% interest in New Nadina Explorations Limited, which held the Silver Queen Copper/Gold Porphyry Exploration Project in British Columbia, Canada (to which Intrepid's subscription funds were committed).

4.3 Directors and senior management

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

Richard Baumfield

Chairperson and Independent Non-executive Director

Appointed Director 1 July 2015; Appointed Chairperson 2 March 2018

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

Peter Evans

Independent Non-executive Director

Appointed Director 19 November 2015

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

Tony Wolfe

Non-executive Director

Appointed Director 25 November 2016

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

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

The members of senior management of Intrepid, and their profiles, are set out below:

Tony De Santis

Consultant

Mr De Santis was appointed Acting Chief Executive Officer of Intrepid on 31 December 2015 and served in that role until 19 September 2018, at which time he became a consultant to Intrepid. Mr De Santis also acted as Intrepid's Chief Operating Officer prior to his role as Acting Chief Executive Officer, from 11 December 2014 to 31 December 2015. Mr De Santis has over 35 years' experience in the mining industry, having held senior operational and management roles with BHP, Anglo American and Peabody Pacific. Mr De Santis has also served as the Chief Operating Officer and Acting Chief Executive Officer of DeltaSBD Limited, and as Executive Director of DeltaSBD Limited from 14 August 2009 to 5 May 2011. He is a graduate member of the Australian Institute of Company Directors. Mr De Santis holds a New South Wales First Class (Mine Manager's) Certificate of Competency and post graduate qualification in Business Management (MBA) from the University of Wollongong.

Mark Davison

Chief Financial Officer

Mr Davison has served as Chief Financial Officer of Intrepid since May 2016. He came to Intrepid after 15 years with PriceWaterhouseCoopers Australia and Canada, including specific experience working with mining and exploration companies listed in those countries.

Andrew Crawford

Company Secretary

Mr Crawford has over 17 years chartered and commercial accounting experience, having commenced his career with KPMG in 2001. He currently holds the office of company secretary for two ASX listed companies, whilst also delivering specialist accounting, taxation and corporate services to his private clients. Mr Crawford is a Chartered Accountant and Registered Tax Agent, and holds a Bachelor of Commerce and Diploma of Financial Services.

4.4 Intrepid capital structure

The total number of Intrepid Shares on issue is 13,785,992 quoted fully paid ordinary shares. Intrepid has no other securities (for example options or performance rights) on issue.

The effect of the Offer on Intrepid's capital structure is set out in section 6.

4.5 Intrepid substantial holders

Based on Intrepid's 2017 annual report and substantial holder notices released to ASX since 31 December 2017, as at the date of this Bidder's Statement, each of the following persons identified itself as having a substantial holding (greater than 5% of the share capital on issue) in Intrepid:

Intrepid Shareholder	Number of Intrepid Shares	Percentage ⁴
Neil S. Subin, Estate of Lloyd I. Miller, III	3,272,780	23.74%
Brahman Pure Alpha Pte Ltd; Brahman Capital Management Pte Ltd ⁵	2,373,883	17.22%
Mr Surya Paloh	1,384,000	10.04%
Glencore Plc	1,258,516	9.13%

4.6 Recent trading in Intrepid Shares

Intrepid Shares are quoted on ASX under the code 'IAU'. Set out below is a table showing recent trading prices of Intrepid Shares on ASX:

Comparative period of Intrepid Shares	Price
Highest closing price in the three month period before the date this Bidder's Statement was lodged with ASIC	\$1.145
Lowest closing price in the three month period before the date this Bidder's Statement was lodged with ASIC	\$0.715
Closing price on the last trading day prior to Intrepid's announcement of its intention to make the Offer, being 19 September 2018	\$0.80

4.7 Intrepid dividend history

No dividends were declared or paid by Intrepid during the financial year ending 31 December 2017.

4.8 Financial profile of Intrepid

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

⁴ Calculated on the basis that there are 13,785,992 Intrepid Shares on issue at the date of this Bidder's Statement.

⁵ A member of the board of Directors of Intrepid, Tony Wolfe, is an employee of Brahman Capital Management Pte Ltd, which controls Brahman Pure Alpha Pte Ltd.



The following is a consolidated balance sheet for Intrepid:

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

The notes are set out in Intrepid's financial report for the half year ended 30 June 2018, incorporated in Intrepid's annual report for the half year ended 30 June 2018, lodged with ASX on 11 September 2018.

Refer to the pro forma balance sheet of the Merged Group in section 6.5 below for details in relation to material changes to Intrepid's position post-30 June 2018.

4.9 Publicly available information

Intrepid is a company listed on ASX (Code: IAU) and is subject to the continuous and periodic disclosure requirements of the Listing Rules and the Corporations Act. A substantial amount of information on Intrepid is publicly available and may be accessed by referring to Intrepid on ASX's website at www.asx.com.au.

A list of announcements made by Intrepid to ASX between 1 July 2018 and the date of this Bidder's Statement is set out in Schedule 3. This information may be relevant to your assessment of the Offer. Copies of the announcements are available from ASX.

4.10 Further information

Further information about Intrepid can be found on Intrepid's website at www.intrepidmines.com.au.

5 Profile of AIC Resources

5.1 Disclaimer

The following information on AIC Resources has been prepared by Intrepid using publicly available information, and has not been independently verified. Accordingly, Intrepid does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

The information on AIC Resources in this Bidder's Statement should not be considered comprehensive. Certain information and risks in relation to AIC Resources may exist in relation to which Intrepid is unaware.

In addition, the Corporations Act requires AIC Resources to provide a Target's Statement to AIC Resources Shareholders in response to this Bidder's Statement, setting out certain material information concerning AIC Resources. The AIC Resources Board will have an opportunity to identify any additional information that may be material to an AIC Resources Shareholder's decision in the Target's Statement.

5.2 Overview – Marymia Project

AIC Resources is an early stage gold exploration and development company. It is the 100% owner of the ~3,160km² Marymia Project, which is located 1,200km north-east of Perth on the northern margin of the Yilgarn in the Eastern Gascoyne region of Western Australia.

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

According to the Independent Geologist:

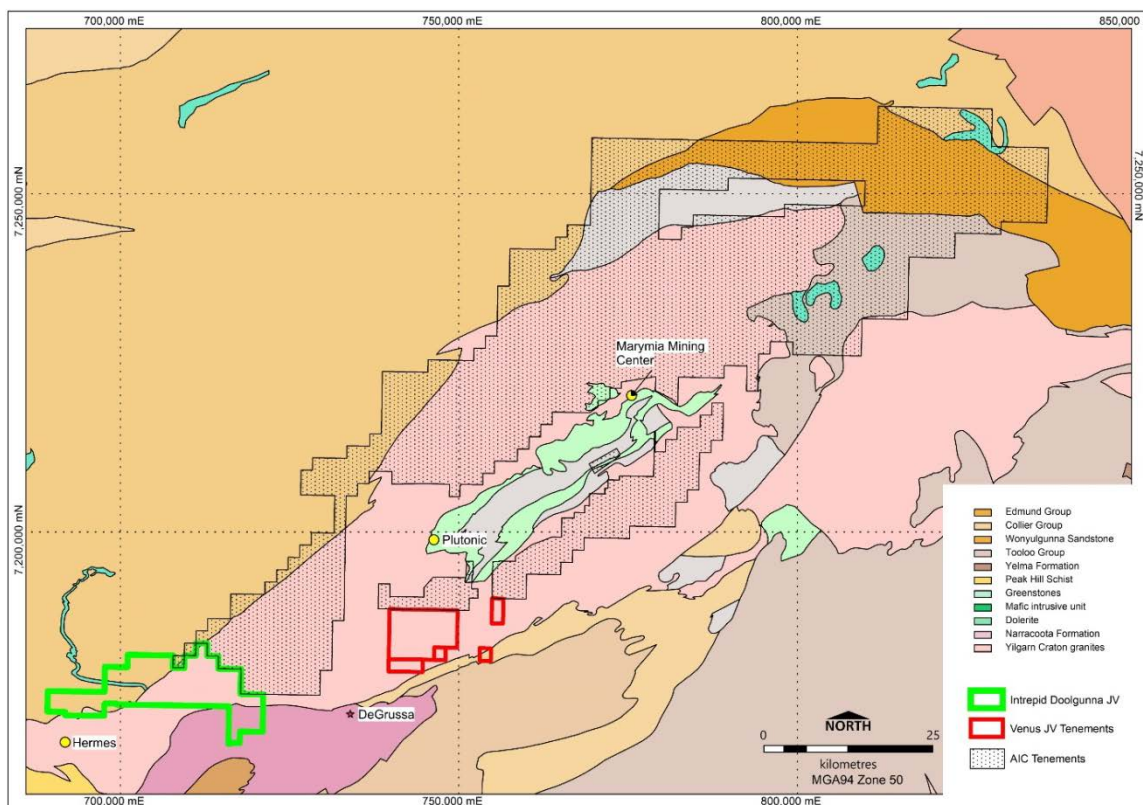
*"[t]he Marymia Project is considered to have significant potential to host economic gold mineralisation. In addition, some licences also have potential to host base metal, lithium or REE mineralisation. The Marymia Project comprises a single contiguous project area that offers the potential to host significant gold resources subject to successful exploration. The Marymia Project surround the Marymia Inlier that hosts the renowned Plutonic and Marymia gold deposits that have a combined production of over six million ounces of gold."*⁶

⁶ See page 1 ('Executive Summary') of the report from the Independent Geologist in the replacement prospectus of AIC Resources dated 2 November 2017.

Figure 2: Location of the Marymia Project



Figure 3: Proximity of the Marymia Project, Venus' Doolgunna Project, and the Doolgunna Station Project



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

- (a) AIC Resources' mining and exploration activities are dependent upon the maintenance (including renewal) of the tenements in which it has (or acquires) an interest;
- (b) in the event that AIC Resources successfully delineates economic deposits on any of its mineral exploration licences, it will need to apply for a mining lease, and there is no guarantee that it will be granted a mining lease if one is applied for;
- (c) AIC Resources' future revenues will primarily be derived from the sale of gold, and as such its future earnings will be closely related to, and dependent on, the price of gold;
- (d) the Marymia Project is subject to Western Australian regulations regarding environmental matters, and the cost and complexity of complying with the applicable environmental laws and regulations may prevent AIC Resources from being able to develop potentially economically viable mineral deposits; and
- (e) AIC Resources' growth through its proposed and future drilling and exploration campaigns will require substantial expenditure, and there can be no guarantees that the cash reserves of the Merged Group will be sufficient to successfully achieve all the objectives of AIC Resources' overall business strategy.

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

5.3 Recent activities

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

The most recent quarterly report for AIC Resources was issued on 27 July 2018 and related to the quarter ended 30 June 2018. AIC Resources has also more recently released its annual report for the year ended 30 June 2018, which was provided to ASX on 16 August 2018.

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

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

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

Mapping and geochemical sampling continued throughout the tenement areas during the quarter ended 30 June 2018, in particular at the Copper Hills and Termite Mounds areas. In respect of

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

The access and mineral exploration agreement with The Gingirana Native Title Claim Group has been agreed in principle. A program of works for MMNE, Two Pools and Pinnyrini was also submitted to the Western Australian Department of Mines, Industry Regulation and Safety, and approval has now been received. Once clearance has been obtained from The Gingirana Native Title Claim Group, drilling can commence at MMNE and Two Pools. Aircore drilling at Pinnyrini and other regional targets will follow.

As announced by AIC Resources on 20 September 2018, AIC Resources has also entered into a farm-in and joint venture agreement with Venus, under which, subject to the satisfaction of certain regulatory consents, AIC Resources may earn an 80% interest in the Doolgunna tenements (comprising E52/3069, E52/3320, E52/3487, E52/3488 and E52/3489), located in the Eastern Gascoyne Region of Western Australia. After AIC Resources' spending commitment is met (being expenditure of \$175,000 within two years), Venus will have the right to retain a 20% free-carried interest through to a decision to mine. This project covers ~90km² and is located approximately 12 kilometres to the south of the Plutonic Gold Mine, and is contiguous with AIC Resources' current land package (refer to Figure 3).

5.4 Directors

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

Josef El-Raghy

Chairman

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

Brett Montgomery

Managing Director

Mr Brett Montgomery (age 63) has extensive experience in public company management, leadership, corporate governance and risk management in both executive and non-executive roles. Mr Montgomery is currently Non-Executive Director of Tanami Gold NL and Bard1 Life Sciences Limited. He was previously Managing Director of Kalimantan Gold NL, and Director of Grants Patch Mining Ltd, EZA Corporation Ltd and Magnum Gas and Power Ltd.

Heidi Brown

Non-Executive Director

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



contributed to the company's growth from a small exploration company to a multi-billion dollar company.

5.5 AIC Resources' capital structure

The total number of AIC Resources Shares on issue is 75,000,001 fully paid ordinary shares. AIC Resources has no other securities (for example options or performance rights) on issue.

Intrepid is to acquire all of the issued AIC Resources Shares for the Offer Consideration.

5.6 AIC Resources' substantial holders

Based on substantial holder and directors' interest notices released to ASX since AIC Resources listed on ASX in November 2017, each of the following persons identified itself as having a substantial holding (greater than 5% of the share capital on issue) in AIC Resources:

AIC Resources Shareholder	Number of AIC Resources Shares	Percentage ⁷
Nordana Pty Ltd; BPM Capital Limited; El-Raghy Kriewaldt Pty Ltd; Josef El-Raghy	20,054,001	26.74%

5.7 Recent trading in AIC Resources Shares

AIC Resources Shares are quoted on ASX under the code 'A1C'. Set out below is a table showing recent trading prices of AIC Resources Shares on ASX:

Comparative period of AIC Resources Shares	Price
Highest closing price in the three month period before the date this Bidder's Statement was lodged with ASIC	\$0.20
Lowest closing price in the three month period before the date this Bidder's Statement was lodged with ASIC	\$0.16
Closing price on the last trading day prior to Intrepid's announcement of its intention to make the Offer, being 19 September 2018	\$0.17

5.8 AIC Resources dividend history

No dividends have been declared or paid by AIC Resources since its listing on ASX.

5.9 Financial profile of AIC Resources

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

⁷ Calculated on the basis that there are 75,000,001 AIC Resources Shares on issue at the date of this Bidder's Statement.



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

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

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

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

5.10 Recent share price performance

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

Figure 4: Chart illustrating movement of the AIC Resources Share price



Source: Morningstar, Inc.

5.11 Important notes on sources of information

AIC Resources is a company listed on ASX and is subject to the periodic and continuous disclosure requirements of the Listing Rules and the Corporations Act. A substantial amount of information on AIC Resources is publicly available and may be accessed by referring to AIC Resources on ASX's website at www.asx.com.au.

Intrepid has relied on the information in financial reports issued by AIC Resources to prepare the financial information for AIC Resources contained in this Bidder's Statement. Financial information relating to AIC Resources has been sourced from its half-year financial report dated 31 December 2017 and its audited financial report for the year ended 30 June 2018.

Intrepid does not, except as required by law, make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

5.12 Further information

Further information about AIC Resources can be found on AIC Resources' website at www.aicresources.com.au.

6 Profile of Merged Group

6.1 Introduction

The profile of the Merged Group will vary depending on the outcome of the Offer. Unless otherwise indicated, the description of the Merged Group in this section 6 assumes that AIC Resources is a wholly-owned subsidiary of Intrepid.

6.2 Overview of the Merged Group

The Merged Group would be a gold exploration company with:

- (a) cash of approximately \$18.8 million;⁸ and
- (b) exposure to the Marymia Project, through its ownership of AIC Resources, and to the Doolgunna Station Project, through its farm-in agreement with Ausgold Exploration.

6.3 Capital structure of Merged Group

Under the Offer, Intrepid is offering to issue Intrepid Shares to AIC Resources Shareholders. The actual number of Intrepid Shares on issue at completion of the Offer will depend on the level of acceptances of the Offer during the Offer Period.

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

Number of existing Intrepid Shares on issue⁹	13,785,992
Maximum number of Intrepid Shares to be issued under the Offer¹⁰	25,000,000
Number of Intrepid Shares on issue following completion of the Offer (i.e. shares on issue in the Merged Group)¹¹	38,785,992

As such, it is expected that following completion of the Offer, the issued share capital in the Merged Group will be held between AIC Resources Shareholders and Intrepid Shareholders as follows:¹²

AIC Resources Shareholders	~64%
Intrepid Shareholders	~36%

⁸ Based on the cash balances of Intrepid and AIC Resources as at 30 June 2018, after adjusting Intrepid's cash balance to remove the proposed return of capital of \$10,339,494, and to include the consideration of approximately \$6.9 million (USD\$ 5 million) (based on the average USD / AUD exchange rate over the 30-day period of September 2018) in respect of the sale of the Kitumba and Mumbwa Projects as announced on 7 September 2018 (on the assumption that the sale of the Kitumba and Mumbwa Projects completes). This excludes transaction costs associated with the sale of the Kitumba and Mumbwa Projects and the Offer, and restructuring costs incurred in connection with the Offer.

⁹ As at the date of this Bidder's Statement.

¹⁰ Any fractional entitlements will be rounded down to the next whole number of Intrepid Shares.

¹¹ Assuming Intrepid acquires 100% of the AIC Resources Shares on issue at the date of this Bidder's Statement.

¹² Assuming the Offer is accepted by all AIC Resources Shareholders.

6.4 Merged Group substantial holders

Based on sections 4.5 and 5.6 of this Bidder's Statement, the table below summarises the persons which will have a substantial holding (greater than 5% of the share capital on issue) in the Merged Group, assuming that Intrepid acquires 100% of the AIC Resources Shares, and no Intrepid Shares are issued to the Nominee (on account of the AIC Resources Shareholder being a Foreign Shareholder).

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

Shareholder of the Merged Group	Number of Merged Group shares	Percentage
Entities associated with Josef El-Raghy	6,684,667	17.23%
Brahman Pure Alpha Pte Ltd	3,595,550	9.27%
Lloyd I Miller, III (estate)	3,272,780	8.44%

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

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

The pro forma financial information presented in this section should also be read in conjunction with the risks set out in section 8, other information contained in this Bidder's Statement and the accounting policies of Intrepid and AIC Resources as disclosed in their most recent financial reports.

Set out below is the Pro Forma Balance Sheet:

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

ASSUMPTIONS AND ADJUSTMENTS

General

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

Offer

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

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

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

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

Pro forma adjustments

- (i) As announced by Intrepid on 19 September 2018, Intrepid intends to complete a return of capital to Intrepid Shareholders of up to \$0.75 per Intrepid Share, resulting in a total payment amount of up to \$10,339,494 to existing Intrepid Shareholders prior to completion of the Offer.
- (ii) The assumed consideration for AIC Resources has been calculated as follows based on the terms of the Offer by Intrepid:

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

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

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

6.6 Prospective financial information of the Merged Group

Intrepid has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information on the Merged Group. The board of Directors of Intrepid has concluded that providing forecast financial information would be misleading. A reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable, particularly considering the effect that variations in key inputs may have on future earnings performance.

7 Intrepid's intentions

7.1 Introduction and important note

This section sets out Intrepid's current intentions for:

- (a) the continuation of AIC Resources' existing business;
- (b) any major changes to be made to AIC Resources' business, including any redeployment of the fixed assets of AIC Resources; and
- (c) the future employment of the present employees of AIC Resources.

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

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

7.2 Intentions upon acquisition of 90 % or more of AIC Resources Shares

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

Compulsory acquisition

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

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

Intrepid does not intend to waive the 90% acceptance condition, one of the Defeating Conditions to the Offer.

Amend AIC Resources constitution

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

ASX listing

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

Directors

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

- (a) Richard Baumfield (currently an Intrepid Director);
- (b) Tony Wolfe (currently an Intrepid Director);
- (c) Brett Montgomery (currently an AIC Resources Director); and
- (d) Josef El-Raghy (currently an AIC Resources Director).

Assets and operations

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

- (a) Doolgunna Station Project where Intrepid has the right to earn up to an 80% interest in that project by spending a minimum of \$2,150,000 over two years; and
- (b) Doolgunna tenements where AIC Resources has the right to earn up to an 80% interest in five tenements in Western Australia by spending \$175,000 within two years.

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

Head office

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

Employees and contractors

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

Given the focus of the Merged Group on the assets of AIC Resources, it is likely that Intrepid will continue the employment or engagement of AIC Resources' present employees or contractors, particularly those with technical skills relevant to the Marymia Project. While Intrepid will make every effort to continue the employment of AIC Resources' and Intrepid's employees in accordance with their current terms, Intrepid anticipates that some degree of duplication exists within the executive teams and, in the interests of reducing costs, Intrepid may take steps to terminate employees in those duplicate roles. In particular, Intrepid has recently announced that the position of Acting Chief Executive Officer held by Mr Tony De Santis is redundant and he is engaged as a consultant to Intrepid. If any employees are made redundant in an effort by Intrepid to reduce costs, those employees will receive their full entitlements at law.



Financing

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

7.3 Intentions generally

Except for the changes and intentions set out in this section 7, Intrepid intends, based on the information presently known to it:

- (a) to continue the business of AIC Resources;
- (b) not to make any major changes to the business of AIC Resources or the deployment of AIC Resources' assets; and
- (c) to continue the employment of the majority of AIC Resources employees.

8 Risks

Before deciding whether to accept the Offer, you should read this entire Bidder's Statement carefully.

AIC Resources Shareholders will receive Intrepid Shares as consideration under the Offer. The value of Intrepid Shares will depend on the future performance of Intrepid and the market price of Intrepid Shares from time to time. The future performance of Intrepid may be influenced by factors associated with investing in both the mining exploration industry and listed securities generally which are beyond the control of Intrepid.

AIC Resources Shareholders should be aware of the following key risks that may affect the performance of the Merged Group and the value of Intrepid Shares issued at Offer Consideration.

8.1 General risks

The price at which Intrepid Shares trade on ASX may be determined by a range of factors including movements in local and international equity and bond markets, general investor sentiment in those markets, inflation, interest rates, general economic conditions and outlooks and changes in the supply of, and demand for, mining exploration industry securities.

The market for Intrepid Shares may also be affected by a wide variety of events and factors, including variations in Intrepid's operating results, recommendations by securities analysts, and the operating and trading price performance of other listed mining exploration industry entities that investors consider to be comparable to Intrepid. Some of these factors could affect Intrepid's share price regardless of Intrepid's underlying operating performance.

8.2 Specific business risks associated with Intrepid

Set out below are examples of risks associated with Intrepid. In determining these risks, the Directors have concentrated on risks attaching specifically to an investment in Intrepid as compared to risks of the mining exploration industry and AIC Resources, to which AIC Resources Shareholders are already exposed.

Kitumba and Mumbwa Projects

Initial capital expenditure to develop the Kitumba and Mumbwa Projects is estimated to be approximately USD \$433 million. Intrepid's cash on hand as at 30 June 2018 was approximately \$14.4 million. In order to bring the Kitumba and Mumbwa Projects into development, substantial funding would be required and there is limited capacity to raise that funding from existing Intrepid Shareholders in contributing more funding.

If the proposed sale of the Kitumba and Mumbwa Projects does not complete in accordance with the Share Sale Agreement, Intrepid may need to:

- (a) initiate further processes to reduce operational costs as the Directors consider appropriate;
- (b) consider alternative sources of funding in order to continue development of the Kitumba and Mumbwa Projects; and
- (c) continue to seek and assess opportunities as appropriate to realise value from the Kitumba and Mumbwa Projects (including pursuing alternative options with regard to the Kitumba and Mumbwa Projects, such as partnering with a third party if an appropriate third party can be identified).

Litigation

Intrepid is currently a party to legal proceedings in the Supreme Court of British Columbia. The legal proceedings relate to Intrepid's shareholding in New Nadina Explorations Limited. The outcome of such litigation may adversely affect the Merged Group.

Intrepid Mines Zambia Limited, a wholly owned subsidiary of Intrepid at the date of this Bidder's Statement, is also currently a party to legal proceedings concerning a surface rights dispute in the Tribunal Holden at Lusaka, Zambia. However, as set out in section 4.2, Intrepid and two of its wholly-owned subsidiaries have entered into the Share Sale Agreement, pursuant to which all of the issued capital in Intrepid Mines Zambia Limited will be sold. The Share Sale Agreement remains subject to satisfaction of a number of conditions precedent as at the date of this Bidder's Statement. If that sale does not proceed, the outcome of such litigation may adversely affect the Merged Group.

The Merged Group may also be subject to litigation and other claims based on the conduct of Intrepid and AIC Resources that occurred prior to the acquisition by Intrepid of all AIC Resources Shares, and the conduct of the Merged Group which follows the acquisition.

Previous transactions

Previous transactions undertaken by Intrepid (or its subsidiaries) which involved the acquisition or disposal of assets may continue to bear risks associated with the possibility of warranty or other claims in connection with such transactions to which it (or its subsidiaries) was a party.

Funding risk

Intrepid is operating in a dynamic sector and may need additional funding, obtained by additional capital raising or debt sources, to undertake its capital expenditure program for the Merged Group. There can be no guarantee that it will be able to source funding on commercially-acceptable terms, and any additional equity may dilute the interests of Intrepid Shareholders (which may include AIC Resources Shareholders following completion of the Offer).

If additional funding is unable to be obtained, the Merged Group may be required to reduce the scope of its business activities which may negatively impact upon its business, financial condition and operating results.

Insurance risk

Intrepid intends to ensure that insurance is maintained for the Merged Group within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted by the Merged Group. No assurance can be given, however, that Intrepid will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover all such claims.

Exploration risk

Investors should understand that mineral exploration, mining and development are high risk undertakings and there can be no assurance that the tenements currently held by Intrepid or acquired by Intrepid in the future will result in the discovery of an economic ore deposit. If a viable deposit is identified there is also no guarantee it can be commercially developed. There is no certainty that the proposed exploration will reveal mineable mineralisation or that such mineralisation will be commercially viable.

Estimation of reserves

The estimation of ore deposits involves subjective judgements and determinations based on geological, technical, contractual and economic information. It is not an exact calculation. The estimate may change because of new information from production or drilling activities or changes in economic factors, such as assumptions regarding the price of gold or copper. It may also alter because of acquisitions and disposals, new discoveries and extensions of existing exploration areas, as well as the application of improved recovery techniques. Published reserves estimates may also be subject to correction in the application of published rules and guidance.

Commodity price risk

The future revenue of Intrepid and the Merged Group will likely be derived largely from base and precious metals (in particular, gold and copper). Consequently, potential future earnings are likely to be closely tied to the price of these commodities. The commodities that are being developed, explored and sold by Intrepid and the Merged Group (in particular, gold and copper) may be subject to price fluctuations which may have a material adverse impact upon both the value of Intrepid's assets and Intrepid Shares. These price fluctuations may be affected by a variety of factors outside the control of Intrepid, such as demand for minerals, forward selling by producers, production cost levels in producing regions, inflation, interest rates, and currency exchange rates.

The Merged Group may suspend or curtail some or all of its future exploration activities if the market price for its minerals (in particular, gold and copper) were to fall below production costs for a sustained period.

Dependence upon key personnel

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

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

Authorisation risk

Interests in exploration and mining tenements are evidenced by the granting of leases or licences, which are for specific terms and carry annual expenditure and reporting conditions. There is a risk that any exploration permit held by the Merged Group may not be renewed in the future, that any application for a grant may be refused, or that the Merged Group may be unable to comply with regulatory requirements to retain title to its permits or applications. If the Merged Group is unable to renew a licence or permit, the Merged Group may suffer damage and be denied the opportunity to explore and develop mineral resources.

Failure to observe requirements in regards to minimum expenditure and environment and safety responsibilities could prejudice Intrepid's or the Merged Group's right to maintain a permit for a given tenement.

Regulatory risk

Intrepid's activities in the mining industry are subject to legislation, regulation and various approvals. The introduction of new legislation or regulations, or alteration of current legislation and regulations, could have a material adverse effect on the financial performance of and current or proposed activities of the Merged Group.

In particular, the Merged Group will continue to hold tenure to minerals exploration, prospecting and mining licences in Western Australia. Each State in Australia imposes state specific laws, policies and regulations on the title and use of the type of tenure held. The Merged Group may require licences and approvals in relation to environmental matters, exploration, development and production of minerals. There is a risk that these may not be obtained or that obtaining these may be delayed, which may have a material adverse impact on the Merged Group. Loss of tenure could result (amongst other things) in the write down of carrying values of tenements in the Merged Group's financial statements, loss of profits and termination of agreements.

Contractual risk

Development of the Merged Group's resources and subsequent sale of material will depend on a number of material contractual arrangements, for example, under the Share Sale Agreement. While Intrepid will have contractual rights in the event of the contracting party's non-compliance, there is no guarantee that Intrepid will be successful in securing compliance or full performance. Failure by any other party to comply with an obligation under a contract with Intrepid may lead to a material adverse effect on Intrepid and the Merged Group.

Foreign exchange risk

Revenue, profit, expenses, assets and liabilities of Intrepid and the Merged Group may be adversely exposed to fluctuations in exchange rates. For example, the consideration which Intrepid expects to receive under the Share Sale Agreement is denominated in USD, whereas Intrepid's other income and expenditure is primarily denominated in AUD. This exposes Intrepid to fluctuations and volatility in the AUD / USD exchange rate.

Furthermore, the international price of gold is denominated in USD, whereas the income derived from the sale of gold and operating expenditure of the Merged Group will be taken into account in Australian currency, exposing the Merged Group further to the volatility of the AUD / USD rate of exchange as determined in the international markets.

Intrepid does not currently hedge its exposure to exchange rate fluctuations.

Native title

Registration of native title claims on land that is the subject of the Merged Group's licences and permits (or other licences and permits in which Intrepid has an interest) may result in increased legal and administrative costs that have a material adverse affect on the Merged Group's profitability. Native title and Aboriginal heritage issues may have a material advance impact on the Merged Group's activities and may hinder or prevent its mining and exploration activities.

Re-rating

Post completion of the Offer, Intrepid may not achieve an improved re-rating of its share price. Due to the occurrence of adverse changes in the business or unforeseen circumstances, Intrepid Shares may decline in value.

8.3 Transaction specific risks

Assumed financial information for AIC Resources

There is a risk that the publicly available financial information provided by AIC Resources and utilised by Intrepid in formulating the Offer and preparing this Bidder's Statement is not materially correct.

Taxation risks

Intrepid cannot give advice on the tax consequences of the Offer, which will depend on the specific circumstances of each AIC Resources Shareholder. AIC Resources Shareholders should obtain their own professional taxation advice. A general summary of the potential taxation implications are, however, set out in section 10.

In particular, a criterion for the availability of CGT rollover relief is that Intrepid increases its holding of AIC Resources Shares to at least 80% as a result of the Offer. There is a risk that Intrepid will not receive sufficient acceptances under the Offer to meet this criterion and CGT rollover relief may not be available to AIC Resources Shareholders. However, Intrepid does not intend to waive the 90% acceptance condition, one of the Defeating Conditions to the Offer.

Reporting risk

Intrepid has assumed that AIC Resources has met all of its reporting obligations and that disclosures made by it are true in all material respects and are not misleading in any material respects.

Dilution risk

As the consideration payable in respect of the Offer consists of Intrepid Shares, the interests of existing Intrepid Shareholders (which may include AIC Resources Shareholders following completion of the Offer) will be diluted to some degree.

Issue of Intrepid Shares as consideration

Under the Offer, Intrepid Shares will be offered to AIC Resources Shareholders, other than Foreign Shareholders. If current AIC Resources Shareholders or current Intrepid Shareholders do not wish to hold shares in the Merged Group and seek to sell their shares, including as a result of the sale of Intrepid Shares on behalf of Foreign Shareholders, this may have a material adverse effect on the market price of Intrepid Shares and on the Merged Group.

Fluctuation in the market value of Intrepid Shares

Under the Offer, AIC Resources Shareholders are offered consideration consisting of a specified number of Intrepid Shares. The market value of Intrepid Shares at the time they are received by AIC Resources Shareholders may vary from their market value on the date that AIC Resources Shareholders accept the Offer.

Accordingly, the value of the consideration paid and the value of an accepting AIC Resources Shareholder's investment in Intrepid may be affected by market fluctuation. Intrepid is not obliged to make any adjustment in the consideration payable under the Offer if the value of Intrepid Shares changes during the Offer Period.



Merger integration risks

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

Synergy risks

While the Directors expect to realise certain synergy benefits from the merger, achievement of these synergies is not certain. The synergies may not be realised to the full extent anticipated, or may be realised over a longer period of time than the Directors expect. This could have a material adverse impact on the financial performance of the Merged Group.

9 Offer Consideration

9.1 Intrepid Shares as Offer Consideration

The price for the acquisition of AIC Resources Shares under the Offer is to be satisfied by the issue of Intrepid Shares. The Offer Consideration is one Intrepid Share for every three AIC Resources Shares that an AIC Resources Shareholder elects to accept the Offer in respect of.

The relative amounts of Intrepid Shares to be issued will depend on the number of AIC Resources Shares that Intrepid acquires under the Offer.

9.2 Maximum number of Intrepid Shares

The maximum number of Intrepid Shares which are required to be issued under the Offer if acceptances are received for all the AIC Resources Shares on issue at the date of this Bidder's Statement is approximately 25,000,000 (excluding rounding adjustments).

Intrepid Shares issued under the Offer are not exempt from Listing Rule 7.1 (which prohibits issues exceeding 15% of a company's share capital in any 12 month period). Accordingly, Intrepid is seeking approval from Intrepid Shareholders to ensure that it has the capacity to issue the maximum number of Intrepid Shares that may be required to be issued under the Offer.

10 Tax considerations

10.1 Introduction

The following is a summary of the potential Australian income tax consequences generally applicable to an AIC Resources Shareholder who disposes of AIC Resources Shares under the Offer. This summary is based on the law and practice in effect on the date of this Bidder's Statement.

The following summary is not intended to be an authoritative or complete statement of the tax law applicable to the specific circumstances of every AIC Resources Shareholder.

In particular the summary is only applicable to AIC Resources Shareholders that are Australian residents for income tax purposes and hold their AIC Resources Shares on capital account for income tax purposes. This summary does not apply to AIC Resources Shareholders that hold their AIC Resources Shares in the course of a business of trading or dealing in securities. The summary does not apply to AIC Resources Shareholders who acquired their AIC Resources Shares as part of an employee share scheme operated by AIC Resources (if any).

All AIC Resources Shareholders are advised to seek independent professional advice about their particular circumstances and non-resident AIC Resources Shareholders should seek their own advice on the Australian and foreign taxation consequences of any sale of their AIC Resources Shares.

10.2 CGT consequences on the disposal of AIC Resources Shares

An AIC Resources Shareholder that accepts the Offer and whose AIC Resources Shares are subsequently transferred to Intrepid, is taken to have disposed of their AIC Resources Shares for Australian capital gains tax (**CGT**) purposes.

AIC Resources Shareholders make a capital gain equal to the amount by which the Offer Consideration exceeds the cost base that the AIC Resources Shareholder has for the AIC Resources Shares. Subject to the availability of the CGT discount (see below) and any losses available to be offset against the capital gain, this amount is included in the AIC Resources Shareholder's taxable income.

Alternatively, an AIC Resources Shareholder will make a capital loss equal to the amount by which the reduced cost base of the AIC Resources Shares exceeds the Offer Consideration. A capital loss may be used to offset a capital gain made in the same income year or be carried forward to offset a capital gain made in a future income year, subject to the satisfaction of certain loss recoupment tests applicable to companies and trusts.

Cost base of AIC Resources Shares generally

The cost base of AIC Resources Shares would generally be equal to the amount the relevant AIC Resources Shareholder paid to acquire the AIC Resources Shares which includes certain incidental costs of the acquisition (such as brokerage).

10.3 CGT discount

Any AIC Resources Shareholder who is an individual, the trustee of a trust or a complying superannuation entity may be entitled to claim the CGT discount in calculating any capital gain provided that:

- (a) the AIC Resources Shares were acquired at least 12 months before disposal to Intrepid;

- (b) the AIC Resources Shareholder did not choose to index the cost base of their AIC Resources Shares; and
- (c) the CGT discount is applied to the capital gain after any available capital losses are first offset against that capital gain.

The CGT discount allows an AIC Resources Shareholder who is an individual or the trustee of a trust to discount the capital gain by 50% and include 50% of the capital gain in the taxable income of that individual or trust.

An AIC Resources Shareholder that is a complying superannuation entity may discount the capital gain by 33⅓% and include 66⅔% of the capital gain in the taxable income of that complying superannuation entity.

The CGT discount is not available to an AIC Resources Shareholder that is a company.

10.4 CGT rollover

Where Intrepid acquires 80% of the AIC Resources Shares, an AIC Resources Shareholder may be eligible to choose for CGT rollover relief to apply to their disposal of AIC Resources Shares under the scrip for scrip rules so that any CGT payable on the disposal is deferred. Whether the rollover is available depends on the individual circumstances of each Shareholder. Also, if the Intrepid Offer becomes unconditional and Intrepid does not receive acceptances for 80% of the AIC Resources Shares and acquires those Shares, the rollover relief will not be available. However, Intrepid does not intend to waive the 90% acceptance condition, one of the Defeating Conditions to the Offer.

If an AIC Resources Shareholder is eligible and chooses to apply the scrip for scrip rules, Intrepid Shares received by the AIC Resources Shareholder should have a cost base equal to the cost base of the original AIC Resources Shares. The cost base will be relevant in determining any future CGT liability on the subsequent disposal of the Intrepid Shares.

In certain circumstances, it may be necessary for Intrepid to make a joint election with AIC Resources Shareholders in order for CGT rollover relief to apply. To the extent a joint election is necessary for rollover relief to apply then, at the request of the AIC Resources Shareholder and provided the AIC Resources Shareholder has informed Intrepid in writing of the cost base of their AIC Resources Shares, Intrepid will make the joint election.

Also, Intrepid will not make any choice or election under the CGT rollover provisions to prevent AIC Resources Shareholders from obtaining CGT rollover relief.

10.5 GST and stamp duty

GST

The disposal of AIC Resources Shares and the acquisition of Intrepid Shares under the Offer will not be subject to GST. However, where an AIC Resources Shareholder is registered for GST, it may not be entitled to claim input tax credits on costs associated with this transaction.

Stamp duty

AIC Resources Shareholders who dispose of their AIC Resources Shares and acquire Intrepid Shares will not incur any Australian stamp duty under the Offer. Intrepid will pay any transfer duty in connection with the Offer.

Further, AIC Resources is likely to be deemed a 'landholder' for Western Australian landholder duty purposes. A corporation is a landholder if, immediately before the acquisition, it is entitled



to land in Western Australia and the total value of all such entitlements is \$2,000,000 or more. An exploration licence is deemed to be a landholding for duty purposes under the *Duties Act 2008* (WA).

Where Intrepid obtains a 'significant interest' in AIC Resources (as defined in the *Duties Act 2008* (WA)), then the acquisition may be subject to landholder duty in Western Australia. A 'significant interest' is defined under the *Duties Act 2008* (WA) to mean:

- (a) a 90% interest or a greater interest, in the case of a landholder that is a listed landholder; and
- (b) a 50% interest or a greater interest, in the case of any unlisted landholder.

For the purposes of calculating duty, the value of a landholder is taken to be the unencumbered value of land and chattels in Western Australia to which the landholder is entitled. Intrepid does not currently have sufficient information to accurately calculate the value of AIC Resources' landholdings.

10.6 Obtain your own taxation advice

Do not rely on the comments or the statements contained in this Bidder's Statement as advice about your own affairs. The taxation laws are complex and there could be implications in addition to those generally described in this Bidder's Statement.

Accordingly, consult your own tax advisers for advice applicable to your individual needs and circumstances. To the extent permitted by law, Intrepid does not accept any responsibility for tax implications for individual AIC Resources Shareholders.

Intrepid is not a registered tax agent under the *Tax Agent Services Act 2009* (Cth) and cannot provide tax advice to specific AIC Resources Shareholders. AIC Resources Shareholders should obtain tax advice from a registered tax agent on the consequences of accepting the Offer.

11 Important documents

11.1 Takeover Implementation Deed

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

The Takeover Implementation Deed contains the following defeating conditions:

- (a) **(minimum acceptance)** at or before the end of the Offer Period, Intrepid has a relevant interest in the number of AIC Shares that represents at least 90% of the aggregate of all the AIC Shares on issue and becomes entitled to compulsorily acquire all outstanding AIC Shares under Part 6A.1 of the Corporations Act;
- (b) **(Intrepid Shareholder approval for the purposes of Listing Rule 7.1)** before the end of the Offer Period, Intrepid Shareholders approve the issue of Intrepid Shares under the Transaction for the purposes of Listing Rule 7.1;
- (c) **(Intrepid Shareholder approval for the purposes of Listing Rule 10.1)** before the end of the Offer Period, Intrepid Shareholders approve the acquisition by Intrepid of all of the AIC Resources Shares held by Brahman Pure Alpha Pte Ltd, and the issue by Intrepid of one Intrepid Share for every three AIC Resources Shares held by Brahman Pure Alpha Pte Ltd, to Brahman Pure Alpha Pte Ltd under, and on the terms of, the Offer, for the purposes of Listing Rule 10.1);
- (d) **(Kitumba and Mumbwa Projects)** the Share Sale Agreement not having been terminated before the end of the Offer Period, and no event or circumstance occurring during the Offer Period which results, or could reasonably be expected to result, in the sale of the Kitumba and Mumbwa Projects not being completed in a manner consistent with, or substantially similar to that contemplated by, the terms of the Share Sale Agreement; and
- (e) **(public ruling)** before the end of the Offer Period, Intrepid receives a public ruling, in final form, from the Australian Taxation Office, confirming that a return of capital may be made to Intrepid Shareholders in the amount of \$0.75 per Intrepid Share, such that a total of \$10,339,494 may be returned to Intrepid Shareholders as capital.

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

- (a) recommends that AIC Resources Shareholders accept the Offer; and
- (b) undertakes to accept, or procure the acceptance of, the Offer in respect of all AIC Resources Shares held or controlled by him or her.

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

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

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

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

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

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

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

11.2 Voluntary escrow

Those Intrepid Shares to be issued to AIC Resources Shareholders whose AIC Resources Shares are currently subject to mandatory escrow, including:

- (a) 4,166,667 Intrepid Shares, being those Intrepid Shares to be issued to AIC Resources Shareholder, Nordana Pty Ltd ACN 009 087 414, in exchange for its 12,500,001 AIC Resources Shares;
- (b) 333,333 Intrepid Shares, being those Intrepid Shares to be issued to AIC Resources Shareholder, BPM Capital Limited, in exchange for its 1,000,000 AIC Resources Shares;
- (c) 250,000 Intrepid Shares, being those Intrepid Shares to be issued to AIC Resources Shareholder, Brett Montgomery, in exchange for his 750,000 AIC Resources Shares;
- (d) 166,666 Intrepid Shares, being those Intrepid Shares to be issued to AIC Resources Shareholder, Heidi Anne Brown, in exchange for her 500,000 AIC Resources Shares;
- (e) 41,666 Intrepid Shares, being those Intrepid Shares issued to AIC Resources Shareholders, Brett Montgomery and Bonnie Tollafeld as trustees for Tollafeld Superannuation Fund, in exchange for their 125,000 AIC Resources Shares; and



- (f) 16,666 Intrepid Shares, being those Intrepid Shares issued to AIC Resources Shareholder, Lachlan Montgomery, in exchange for his 50,000 AIC Resources Shares,

will be subject to voluntary escrow until 1 December 2019, pursuant to voluntary escrow deeds to be entered into between Intrepid and the relevant AIC Resources Shareholders. Their AIC Resources Shares were subject to escrow until 1 December 2019 in any event.

12 Additional information

12.1 Intrepid is a disclosing entity

As Intrepid is offering Intrepid Shares as consideration for the acquisition of AIC Resources Shares, the Corporations Act requires that this Bidder's Statement includes all information that would be required for a prospectus for an offer of Intrepid Shares under sections 710 to 713 of the Corporations Act. Intrepid does not need to issue a separate prospectus for the offer of the Intrepid Shares as the offer occurs under a takeover bid.

Intrepid is a disclosing entity (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act that is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, Intrepid is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of Intrepid's securities.

It is not necessary for Intrepid to include general information on all of the assets and liabilities, financial position and performance, profits and losses or prospects of Intrepid unless that information has been excluded from a continuous disclosure notice in accordance with the Listing Rules and is information that that investors or their professional advisors would reasonably require for the purpose of making an informed assessment of:

- (a) all of the assets and liabilities, financial position and performance, profits and losses or prospects of Intrepid; or
- (b) the rights and liabilities attaching to the Intrepid Shares to be issued under the Offer.

Intrepid confirms that no such information has been excluded, and that no further disclosure is required in this regard.

Information that is already in the public domain is not reported in this Bidder's Statement other than that which is considered necessary to make this Bidder's Statement complete. Intrepid, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC on Intrepid (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, an ASIC office; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request during the Offer Period:
 - (i) the financial statements of Intrepid for the 12 months ended 31 December 2017 (being the annual financial report most recently lodged by Intrepid with ASIC);
 - (ii) the half-year financial report for the six months ended 30 June 2018 lodged with ASIC by Intrepid; and
 - (iii) all continuous disclosure notices given by Intrepid after the lodgement of that annual financial report with ASIC and before the lodgement of this Bidder's Statement with ASIC.



If you would like to receive a copy of any of these documents or publications, please contact Intrepid's bid information line weekdays between 9.00am and 5.00pm (Sydney time) on +61 2 9357 9000.

Copies of all documents lodged with ASIC in relation to Intrepid can be inspected at the registered office of Intrepid during normal office hours. A list of announcements made by Intrepid on ASX between 1 July 2018 and the date of this Bidder's Statement appears in Schedule 3.

Other than information contained in this Bidder's Statement, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules and is information that an AIC Resources Shareholder or a professional adviser to an AIC Resources Shareholder would reasonably require for the purposes of making an informed assessment of:

- (a) the assets and liabilities, financial position and performance, profits and losses and prospects of Intrepid; or
- (b) the rights and liabilities attaching to the Intrepid Shares.

None of the information referred to in this section 12.1 is incorporated by reference into this Bidder's Statement or is included with this Bidder's Statement.

12.2 Rights and liabilities attaching to Intrepid Shares

The rights and liabilities attaching to ownership of the Intrepid Shares arise from a combination of Intrepid's constitution, statute, the Listing Rules and general law.

A summary of the significant rights and liabilities attaching to Intrepid's Shares is set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Intrepid Shareholders.

Voting at a general meeting

Subject to any Intrepid Shares which may in the future be issued with special or preferential rights, every member present in person at a general meeting of Intrepid or by proxy, representative or attorney has one vote on a show of hands and, on a poll, one vote for each fully paid Intrepid Share held. On a poll, partly paid Intrepid Shares confer a fraction of a vote in proportion to the amount paid up on the Intrepid Share.

Meeting of members

Each Intrepid Shareholder is entitled to receive notice of, attend and vote at meetings of Intrepid and to receive all notices and other documents required to be sent to Intrepid Shareholders under Intrepid's constitution, the Corporations Act and the Listing Rules.

Dividends

The Directors may authorise the payment to members of dividends as appear to the Directors to be justified by the financial position of Intrepid. Dividends are paid equally on all Intrepid Shares. In respect of partly paid Intrepid Shares, dividends are payable on all Intrepid Shares in proportion to the amount of the total issue price paid (but not credited) for the Intrepid Shares. This is subject to the terms of issue of any Intrepid Shares (or other class of shares).

Transfer of Intrepid Shares

Intrepid Shares may be transferred by a proper transfer effected under the ASX Settlement Operating Rules, or by a written instrument of transfer in any usual form or in any other form approved by the Director and permitted by law.

The Directors may decline to register a transfer of Intrepid Shares in certain circumstances, including, including where Intrepid is permitted or required to do so under the Listing Rules or, other than for a 'Proper ASTC Transfer' (as defined in the *Corporations Regulations 2001* (Cth)), under the terms of issue of the Intrepid Shares. If the Directors refuse to register a transfer, Intrepid must give the party lodging the transfer written notice of the refusal and the reason for refusal as required by the Corporations Act and/or the Listing Rules. The Directors must decline to register a transfer of Intrepid Shares when required by the Corporations Act or the Listing Rules.

Issue of further shares in Intrepid

The Directors may allot, issue, grant options in respect of, or otherwise dispose of, further shares in Intrepid on terms as they see fit. However, the Directors must act in accordance with the restrictions imposed by Intrepid's constitution, the Corporations Act, the Listing Rules and any rights for the time being attached to the shares in any special class of those shares.

Winding-up

If Intrepid is wound up, then, subject to Intrepid's constitution and any special rights attaching to any class of shares, Intrepid Shareholders will be entitled to participate in any surplus assets of Intrepid in proportion to the number of Intrepid Shares held by them, irrespective of the amounts paid or credited as paid on the Intrepid Shares. Any amount unpaid on an Intrepid Share is to be treated as property of Intrepid.

Unmarketable parcels

Subject to the Corporations Act, Listing Rules and ASX Settlement Operating Rules, Intrepid may refuse to register a transfer where the transfer is paper-based and to do so would create a parcel of Intrepid Shares less than a marketable parcel of Intrepid Shares.

Share buy-back

Subject to the provisions of the Corporations Act and the Listing Rules, Intrepid may buy back Intrepid Shares on terms and at times determined by the Directors.

Variation of class rights

Unless otherwise provided by Intrepid's constitution or by the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or abrogated:

- (a) with the consent in writing of the holders of three-quarters of the issued shares included in that class; or
- (b) with the sanction of a special resolution passed at a separate meeting of the holders of those shares.

The rights conferred on the holders of any class of shares are to be taken as not having been varied by the creation or issue of further shares ranking equally with them.

Dividend reinvestment plan and bonus share plan

Subject to the Listing Rules, Intrepid's constitution authorises the Directors to establish and maintain dividend reinvestment plans (whereby any member or class of members may elect that dividends payable by Intrepid be reinvested by way of subscription for Intrepid Shares or other securities in Intrepid or a related body corporate) and bonus share plans (whereby any member may elect to forego any dividends that may be payable on all or some of the Intrepid Shares held by that member and to instead receive some other form of distribution of entitlement (including securities) on any terms the Directors think fit).

Indemnities and insurance

To the extent permitted by law, Intrepid indemnifies every officer and former officer of Intrepid or its related bodies corporate against all losses, liabilities, costs, charges and expenses incurred by the officer or former officer acting in that capacity. If the Directors so determine, this indemnity may also apply to any auditor or former auditor of Intrepid or of its related bodies corporate (and Intrepid has provided such an indemnity in favour of Ernst & Young). The indemnity:

- (a) does not operate in respect of any losses, liabilities, costs, charges and expenses of the officer to the extent that it is covered by insurance;
- (b) is enforceable without the officer having to first incur any expense or make any payment; and
- (c) is a continuing obligation and is enforceable by the officer even though the officer may have ceased to be an officer or auditor of Intrepid or its related bodies corporate.

In addition, Intrepid may, to the extent the law permits, purchase and maintain insurance or pay or agree to pay the premium for insurance for each officer against any losses, liabilities, costs, charges and expenses incurred by the officer as an officer of Intrepid or of a related body corporate, including but not limited to:

- (a) costs and expenses in defending any proceedings, whether civil or criminal, whatever their outcome; or
- (b) any losses, liabilities, costs, charges and expenses arising from negligence or other conduct.

Alteration of Intrepid's constitution

Intrepid's constitution can only be amended by special resolution passed by at least 75% of Intrepid Shareholders present and voting at a general meeting of Intrepid (of which Intrepid must give at least 28 days written notice).

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

At the date of this Bidder's Statement, Intrepid does not have a relevant interest in any AIC Resources Shares.

Intrepid reserves the right to purchase AIC Resources Shares outside the Offer at any time during the Offer Period, subject to the Corporations Act.

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

As at the date of this Bidder's Statement, no Director has a relevant interest in any AIC Resources Shares.



However, Brahman Pure Alpha Pte Ltd, an entity controlled by Brahman Capital Management Pte Ltd (of which a member of the board of Directors of Intrepid, Tony Wolfe, is an employee), is a substantial holder in Intrepid and has voting power of approximately 4.89% in AIC Resources.

12.5 Inducing benefits given during previous four months

Except as set out in this Bidder's Statement, neither Intrepid nor any of its associates has, during the period of four months before the date of the Offer, or in the period commencing on the date of this Bidder's Statement and ending on the date of the Offer, given, offered or agreed to give, a benefit to another person where the benefit was likely to induce the other person, or an associate, to:

- (a) accept an Offer; or
- (b) dispose of AIC Resources Shares,

which benefit was not offered to all AIC Resources Shareholders under the Offer.

12.6 Miscellaneous matters

ASIC relief

ASIC has published various class order instruments providing for modifications and exemptions that apply generally to all persons, including Intrepid, about the operation of chapter 6 of the Corporations Act. Intrepid may rely on this class order relief.

For example, Intrepid has relied on:

- (a) the modification to section 619(3) of the Corporations Act in paragraph 4(c) of ASIC Class Order 13/521 to clarify that a bidder does not have to use the nominee procedure for all foreign holders of target securities; and
- (b) the modification to section 636(3) of the Corporations Act in paragraph 5(d) of ASIC Class Order 13/521 to include references to certain statements in documents lodged with ASIC and ASX without obtaining the consent of the persons to whom those statements are attributed.

As required by Class Order 13/521, Intrepid will make available a copy of the documents containing the statements referred to in paragraph (b) above (or relevant extracts from these documents), free of charge to AIC Resources Shareholders who request them before the end of the Offer Period. To obtain a copy of these documents (or the relevant extracts), AIC Resources Shareholders should contact the shareholder information line on +61 2 9357 9000 between 9.00am and 5.00pm (Sydney time) Monday to Friday.

Intrepid has also sought (and obtained) technical relief from ASIC in respect of section 629 of the Corporations Act, to allow Intrepid to include the receipt of Intrepid Shareholder approval for the purposes of Listing Rule 7.1 and Listing Rule 10.1 as Defeating Conditions of the Offer.

Other regulatory matters

Other than Intrepid Shareholder approval for the purposes of Listing Rule 7.1 and Listing Rule 10.1 (which are the subject of Defeating Conditions), Intrepid is not aware of any other regulatory approval which is required for it to acquire control or ownership of AIC Resources.

12.7 Foreign Shareholders

If you are a Foreign Shareholder, unless Intrepid otherwise determines that:

- (a) it is lawful and not unduly onerous and not unduly impracticable to make the Offer to you and to issue you with Intrepid Shares on acceptance of the Offer; and
- (b) it is not unlawful for you to accept the Offer by the law of the relevant place outside Australia, its external territories or New Zealand,

you will not be entitled to receive Intrepid Shares as consideration for your AIC Resources Shares. At the date of this Bidder's Statement, Intrepid has not received a copy of the register of members of AIC Resources. Intrepid may seek legal advice as to the ability to issue Intrepid Shares to various Foreign Shareholders in particular foreign jurisdictions, depending on a number of factors, including the number of AIC Resources Shares held by those Foreign Shareholders.

If Intrepid does not make a determination that particular Foreign Shareholders can be issued Intrepid Shares, Intrepid will instead:

- (a) arrange for the issue to the Nominee of the number of Intrepid Shares to which you and all other Foreign Shareholders would have been entitled but for clause 2.2 of the Offer Terms (Schedule 1); and
- (b) cause the Nominee to offer for sale those Intrepid Shares within five Business Days after the end of the Offer Period in the manner, at the price and on other terms as are determined by the Nominee; and
- (c) pay to you the amount ascertained under the formula in clause 5.3 of the Offer Terms (Schedule 1).

Notwithstanding anything else contained in this Bidder's Statement, Intrepid is not under any obligation to spend any money or undertake any action to satisfy itself of the eligibility of Foreign Shareholders to receive Intrepid Shares.

12.8 Consents

This Bidder's Statement includes statements which are made in, or based on, statements made in public documents lodged with ASIC. Under ASIC Class Order 13/521, the makers of those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like a copy of any of the documents that Intrepid has relied upon in this regard (free of charge), please contact the shareholder information line on +61 2 9357 9000 between 9.00am and 5.00pm (Sydney time) Monday to Friday.

As permitted by ASIC Class Order 07/429, this Bidder's Statement contains ASX share price trading information sourced from IRESS Limited without its consent.

This Bidder's Statement also includes statements which are made in, or based on statements which are made in, documents provided by AIC Resources or announced on the company announcements platform of ASX by AIC Resources. No person who has made any of these statements has consented to the statement being included in or accompanying this Bidder's Statement in the form and context in which it is included.

McCullough Robertson has given and has not, before the lodgement of this Bidder's Statement with ASIC, withdrawn its written consent to being named in this Bidder's Statement as legal adviser to Intrepid in respect of the Offer in the form and context in which it is named.



Computershare Investor Services Pty Limited has given and has not, before the lodgement of this Bidder's Statement with ASIC, withdrawn its written consent to being named in this Bidder's Statement as registry to Intrepid in respect of the Offer in the form and context in which it is named.

Ernst & Young has given and has not, before the lodgement of this Bidder's Statement with ASIC, withdrawn its written consent to be named in this Bidder's Statement as Intrepid's auditor in the form and context in which it is included. Each of McCullough Robertson, Computershare Investor Services Pty Limited, and Ernst & Young:

- (a) does not make, or purport to make, any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based other than, in the case of a person referred to above as having given their consent to the inclusion of a statement, a statement included in this Bidder's Statement with the consent of that person; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement, other than a reference to its name and, in the case of a person referred to above as having given their consent to the inclusion of a statement, any statement or report which has been included in this Bidder's Statement with the consent of that party.

12.9 Fees and benefits payable to Directors and advisers

Other than as set out below or elsewhere in this Bidder's Statement, no:

- (a) Director or proposed director of Intrepid;
- (b) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement; or
- (c) promoter of Intrepid,

has, or had within two years before the date of this Bidder's Statement, any interest in:

- (d) the formation or promotion of Intrepid;
- (e) any property acquired or proposed to be acquired by Intrepid in connection with its formation or promotion or in connection with the issue of Intrepid Shares under the Offer; or
- (f) the offer of Intrepid Shares under this Bidder's Statement,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director or a proposed director of Intrepid as an inducement to become, or to qualify as, a Director of Intrepid or to any of those persons otherwise for services rendered by them in connection with the formation or promotion of Intrepid or the offer of Intrepid Shares under this Bidder's Statement.

The Directors of Intrepid have the following relevant interests in Intrepid Shares (either held directly, held by entities controlled by them or held by entities of which they are directors or held by family members) at the date of this Bidder's Statement:

Director	Intrepid Shares	% of Intrepid Shares on issue ¹³
Richard Baumfield	1,561	0.01%
Peter Evans	10,000	0.07%
Tony Wolfe	Nil	0%

Intrepid reviews executive remuneration and other terms of employment annually, having regard to performance, relevant comparative information and independent expert advice. Remuneration packages are set at levels that are intended to attract and retain executives capable of managing Intrepid's operations. Remuneration and other terms of employment for senior executives are formalised in service agreements.

Intrepid's remuneration policy is designed to align management, and therefore Intrepid's performance with shareholder wealth.

Insurance and indemnity arrangements are in place for officers of Intrepid. To the extent permitted by law (and subject to limited exceptions), Intrepid must indemnify each of its officers on a full indemnity basis against all losses, liabilities, costs, charges and expenses incurred by the officer as an officer of Intrepid or of a related body corporate of Intrepid.

For this purpose, 'officer' means any existing or former Director, any alternate Director or executive officer of Intrepid, any other officers or former officers of Intrepid or of its related bodies corporate (as the Directors in each case determine), and any auditor or former auditor of Intrepid or of its related bodies corporate if the Directors so determine (and Intrepid has provided such an indemnity in favour of Ernst & Young).

The Directors and Intrepid's company secretary are also parties to deeds of access, insurance and indemnity with Intrepid. Under the terms of these documents, Intrepid must maintain directors' and officers' liability insurance coverage for a period of seven years after the officer held their position in Intrepid and allow the officer access to certain records after ceasing to hold office in Intrepid for a period of seven years.

McCullough Robertson has acted as legal adviser to Intrepid in relation to the Offer. McCullough Robertson is entitled to receive professional fees on a normal basis.

Ernst & Young acts as Intrepid's auditor and receives professional fees on a normal basis in that role.

12.10 Expiry date

No Intrepid Shares will be issued on the basis of the Offer contained in this Bidder's Statement after the date that is 13 months after the date of this Bidder's Statement.

12.11 Other material information

Except as set out elsewhere in this Bidder's Statement, there is no other information that is:

- (a) material to the making of a decision by an AIC Resources Shareholder whether or not to accept an Offer; and
- (b) known to Intrepid,

and has not previously been disclosed to AIC Resources Shareholders.

¹³ Calculated on the basis that there are 13,785,992 Intrepid Shares on issue at the date of this Bidder's Statement.

13 Definitions and interpretation

13.1 Definitions

In this Bidder's Statement:

Term	Definition
Acceptance Form	means the form of acceptance and transfer accompanying this Bidder's Statement.
AIC Resources	means the target company, AIC Resources Limited ACN 619 035 737.
AIC Resources Board	means the board of directors of AIC Resources.
AIC Resources Directors	means the current directors of AIC Resources.
AIC Resources Group	means AIC Resources and each of its Subsidiaries.
AIC Resources Shareholder	means a registered holder of AIC Resources Shares.
AIC Resources Shares	means fully paid ordinary shares in the capital of AIC Resources.
Announcement Date	means 19 September 2018, being the date of announcement of the Offer.
ASIC	means the Australian Securities and Investments Commission.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
ASX Settlement Operating Rules	means the settlement rules of ASX Settlement Pty Limited (ABN 49 008 504 532), the body which administers the CHESS system in Australia), a copy of which is available at www.asx.com.au .
AUD	means the lawful currency of Australia.
Ausgold	means Ausgold Limited ACN 140 164 496 (ASX: AUC).
Ausgold Exploration	means Ausgold Exploration Pty Ltd ACN 078 093 606, a subsidiary of Ausgold.
Bidder's Statement	means this document, being the statement of Intrepid under part 6.5 division 2 of the Corporations Act relating to the Offer.
Broker	means a person who is a share broker and a participant in CHESS.
Business Day	means a business day as defined in the Listing Rules.
CHESS	means the Clearing House Electronic Subregister System, which provides for electronic share transfer in Australia.
CHESS Holding	means a holding of AIC Resources Shares on the CHESS subregister of AIC Resources.

Term	Definition
Competing Proposal	means a proposal for a takeover bid, scheme of arrangement or other corporate transaction involving AIC Resources or AIC Resources Shares that would compete with the Offer or mean that a Defeating Condition would not be fulfilled.
Controlling Participant	means the Broker or Non-Broker Participant who is designated as the controlling participant for shares in a CHESS Holding under the ASX Settlement Operating Rules.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Defeating Condition	means each of the conditions of the Offer set out in Schedule 2.
Directors	means the directors of Intrepid.
Exclusivity Period	has the meaning given to that term in section 11.1.
Foreign Shareholder	means an AIC Resources Shareholder whose address on the AIC Resources share register is in a jurisdiction other than Australia or its external territories or New Zealand.
GST	has the meaning it has in the GST Act.
GST Act	means the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
Independent Geologist	means Al Maynard & Associates Pty Ltd ACN 120 492 435 of 9/280 Hay Street, Subiaco, Western Australia, 6008.
Intrepid	means the bidder, Intrepid Mines Limited ACN 060 156 452.
Intrepid Share	means a fully paid ordinary share in the capital of Intrepid.
Intrepid Shareholder	means a registered holder of Intrepid Shares.
Issuer Sponsored Holding	means a holding of AIC Resources Shares on AIC Resources' issuer sponsored subregister.
Listing Rules	means the Listing Rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
Merged Group	means Intrepid and each of its Subsidiaries (including the AIC Resources Group) which will exist as a result of the takeover bid as constituted by the Offer, should the takeover proceed to its conclusion.
MNME	has the meaning given to that term in section 5.3.
Nominee	means an entity to be appointed by Intrepid after the date of this Bidder's Statement with the prior approval of ASIC.
Non-Broker Participant	means a non-broker participant under the ASX Settlement Operating Rules.
Offer or Offers	means the offer by Intrepid on the Offer Terms to acquire AIC Resources Shares referred to in section 2 of this Bidder's Statement.
Offer Consideration	means one Intrepid Share in respect of every three AIC Resources Shares that you own.

Term	Definition
Offer Period	means the period commencing on 3 October 2018 and ending at 7.00pm (Sydney time) on 30 November 2018, or any later date to which the Offer is extended.
Offer Terms	means the terms of the Offer set out in Schedule 1 to this Bidder's Statement.
Pro Forma Balance Sheet	means the pro forma combined balance sheet of the Merged Group referred to in section 6.3 of this Bidder's Statement.
Register Date	means the date set by Intrepid under section 633(2) of the Corporations Act.
Rights	means all accretions, rights or benefits of whatever kind attaching to or arising from AIC Resources Shares directly or indirectly after the date of this Bidder's Statement, including, without limitation, all dividends or other distributions and all rights to receive any dividends or other distributions, or to receive or subscribe for shares, stock units, notes, bonds, options or other securities, declared, paid or made by AIC Resources or any of its Subsidiaries.
Share Sale Agreement	has the meaning given to that term in section 4.2.
Subsidiaries	has the meaning given to that term by section 9 of the Corporations Act.
Superior Proposal	means a Competing Proposal that: (a) is actually proposed or offered; and (b) in the determination of the AIC Resources Board, acting reasonably and in good faith and satisfying its fiduciary and statutory duties (on advice from its financial and legal advisers): (a) would be likely to be completed substantially in accordance with its terms; and (b) if completion of that Competing Proposal occurred, it would result in a transaction more favourable to AIC Resources Shareholders than the Offer; and that determination has been communicated by written notice to Intrepid and Intrepid has not matched or bettered the Competing Proposal within two Business Days of receipt of that notice.
Takeover Implementation Deed	means the takeover implementation deed entered into between Intrepid and AIC Resources dated 19 September 2018, documenting Intrepid's proposal to make a takeover bid to acquire all the AIC Resources Shares.
Target's Statement	means the target's statement, to be prepared by AIC Resources in response to this Bidder's Statement.
Tesoro	means Tesoro Resources Limited ACN 618 093 306.
USD	means the lawful currency of the United States of America.
Venus	means Venus Metals Corporation Limited ACN 123 250 582 (ASX: VMC).
VWAP	means the volume weighted average price of a security.

13.2 Interpretation

In this Bidder's Statement, unless the context otherwise requires:

- (a) headings are for convenience and do not affect the interpretation;
- (b) words or phrases defined in the Corporations Act have the same meaning in this Target's Statement;
- (c) a reference to a section is a reference to a section of this Bidder's Statement;
- (d) a singular word includes the plural and vice versa;
- (e) if a word or phrase is defined, its other grammatical forms have a corresponding meaning;
- (f) a reference to a person includes a corporation, trust, partnership, unincorporated body, government and local authority or agency, or other entity whether or not it comprises a separate legal entity;
- (g) a reference to legislation or to a provision of legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it; and
- (h) a reference to '\$' or 'dollar' is to Australian currency.

14 Approval of Bidder's Statement

The copy of this Bidder's Statement that is to be lodged with ASIC has been approved by a unanimous resolution passed by the Directors of Intrepid on 3 October 2018.

Signed by Richard Baumfield, Chairman of Intrepid, under section 351 of the Corporations Act.

A handwritten signature in black ink that reads 'Richard Baumfield' in a cursive, flowing script.

Richard Baumfield
Chairman
Intrepid Mines Limited

Schedule 1

Terms of the Offer

1 Offer

- 1.1 Intrepid offers to acquire all of your AIC Resources Shares, together with all the Rights attaching to them, on the terms set out in this Schedule 1, incorporating the capitalised terms in section 13.1 and any other sections of this Bidder's Statement incorporated by reference, including the defeating conditions in Schedule 2. This Offer extends to any person who is able during the Offer Period to give good title to AIC Resources Shares and has not already accepted an Offer for those AIC Resources Shares.
- 1.2 This Offer extends to all AIC Resources Shares that:
- (a) exist at the Register Date; and
 - (b) that are issued during the period from the Register Date to the end of the Offer Period due to the conversion of, or exercise of the rights attached to, any securities which confer on the holder the right to have AIC Resources Shares issued to them.
- 1.3 By accepting this Offer, you undertake to transfer to Intrepid not only the AIC Resources Shares to which the Offer relates but also all the Rights attached to the AIC Resources Shares.
- 1.4 Intrepid Shares issued under this Offer will rank equally in all respects with Intrepid Shares on issue at the Register Date.
- 1.5 This Offer is dated 3 October 2018.

2 Offer Consideration

- 2.1 Subject to clause 2.2 of this Schedule 1, the price under the Offer Consideration is one Intrepid Share in respect of every three AIC Resources Shares that you own.

Foreign Shareholders

- 2.2 If at the time this Offer is made to you, you are a Foreign Shareholder and Intrepid does not make a determination under section 12.7, you will not be entitled to receive Intrepid Shares as consideration for your AIC Resources Shares. Instead, you will receive a cash amount calculated under clause 5.3 of this Schedule 1.

Fractional entitlements

- 2.3 If you accept the Offer and are entitled to receive a fraction of an Intrepid Share, the number of Intrepid Shares you are entitled to under this Offer will be rounded down to the next whole number of Intrepid Shares.

3 Offer Period

The Offer will remain open for acceptance during the period commencing on 3 October 2018, and ending at 7.00pm (Sydney time) on 30 November 2018, unless it is withdrawn or extended under the Corporations Act.

4 How to accept this Offer

All of your holding

- 4.1 This Offer is for all of your AIC Resources Shares.

Acceptance procedure for AIC Resources Shareholders

- 4.2 The acceptance procedure will depend on whether your AIC Resources Shares are in a CHESS Holding or an Issuer Sponsored Holding.

If you hold your AIC Resources Shares in a CHESS Holding

- 4.3 You must comply with the ASX Settlement Operating Rules.
- 4.4 If you are a sponsored CHESS holder of AIC Resources Shares, to accept the Offer you must:
- (a) instruct your Controlling Participant to initiate acceptance of the Offer on your behalf under Rule 14.14.1 of the ASX Settlement Operating Rules;
 - (b) complete, sign and send the accompanying Acceptance Form directly to your stockbroker or Controlling Participant; or
 - (c) complete and sign the Acceptance Form and mail or deliver it to the address below and authorise Intrepid to instruct your Controlling Participant to initiate acceptance of the Offer on your behalf,

before the end of the Offer Period.

If you hold your AIC Resources Shares in an Issuer Sponsored Holding

- 4.5 If your AIC Resources Shares are in an Issuer Sponsored Holding, then to accept this Offer you must complete, sign and return the accompanying Acceptance Form in accordance with the instructions on it and deliver it or send it by post so that it is received by Intrepid's share registry of the Offer before the end of the Offer Period.

If you are a Broker or a Non-Broker Participant

- 4.6 If you are a Broker or Non-Broker Participant, initiate acceptance under the requirements of the ASX Settlement Operating Rules before the end of the Offer Period.

Mailing and delivery addresses

- 4.7 The mailing and delivery addresses for completed Acceptance Forms are as follows.

The mailing address is:

Computershare Investor Services Pty Limited
AIC Resources Limited Takeover
GPO Box 52
MELBOURNE VIC 3001
AUSTRALIA

- 4.8 Alternatively you may deliver the Acceptance Form and any associated documents to:

Computershare Investor Services Pty Limited
AIC Resources Limited Takeover
452 Johnston Street
ABBOTSFORD VIC 3067
AUSTRALIA

- 4.9 A reply paid envelope (not able to be used by AIC Resources Shareholders outside Australia) is enclosed for your convenience.

Acceptance Form

- 4.10 The Acceptance Form which accompanies this Offer forms part of it. The requirements on the Acceptance Form must be observed in accepting this Offer for your AIC Resources Shares.

Power of attorney, deceased estate

- 4.11 When accepting this Offer, you must also forward for inspection:

- (a) if the Acceptance Form is signed by an attorney, the power of attorney; and
- (b) if the Acceptance Form is signed by the executor of a will or the administrator of the estate of a deceased AIC Resources Shareholder, the relevant grant of probate or letters of administration.

When acceptance is complete

- 4.12 Acceptance of this Offer will not be complete until the completed Acceptance Form has been received at one of the addresses set out in clause 4.7 above and the requirements of this clause have been met, provided that:
- (a) Intrepid may in its sole discretion waive any or all of those requirements at any time; and
 - (b) where those requirements have been complied with for some but not all of your AIC Resources Shares, Intrepid may, in its sole discretion, deem your acceptance of this Offer complete in respect of those AIC Resources Shares for which the requirements have been complied with but not in respect of the remainder.
- 4.13 If your Acceptance Form is returned by post it will be taken as received before the end of the Offer Period if the envelope in which it is sent is postmarked before the end of the Offer Period.

5 Payment of consideration

When consideration is paid

- 5.1 Subject to clauses 5.3 and 5.4 of this Schedule 1, you will be paid the consideration you are entitled to within one month of the later of:
- (a) the date you accept the Offer; and
 - (b) the date the Offer becomes unconditional.
- 5.2 In any event, you will be paid within 21 days after the end of the Offer Period (assuming all Defeating Conditions are satisfied or waived).

Payments to Foreign Shareholders

5.3 If you accept the Offer and you are a Foreign Shareholder and Intrepid does not make a determination under section 12.7 of this Bidder's Statement:

- (a) Intrepid will arrange for the issue to the Nominee of the number of Intrepid Shares to which you and all other Foreign Shareholders would have been entitled under the Offer but for clause 2.2 of this Schedule 1;
- (b) Intrepid will cause the Nominee to offer for sale the Intrepid Shares as soon as practicable, or otherwise in the manner, at the price and on terms as are determined by the Nominee;
- (c) Intrepid will cause the Nominee to pay to you the amount calculated under the following formula:

$$\frac{\text{Net Proceeds of Sale} \times \text{Your Intrepid Shares}}{\text{Total Nominee Intrepid Shares}}$$

where:

- (i) **Net Proceeds of Sale** means the amount which is received by the Nominee upon the sale of all Intrepid Shares under this clause 5.3 less brokerage and other sale expenses;
- (ii) **Your Intrepid Shares** means the number of Intrepid Shares which would, but for clause 2.2 of this Schedule 1, have been allotted to you under the Offer;
- (iii) **Total Nominee Intrepid Shares** means the total number of Intrepid Shares allotted to the Nominee under this clause 5.3;
- (d) you will receive your share of the proceeds of this sale in Australian currency;
- (e) payment will be made by cheque posted to you at your risk by ordinary mail at the address provided on your Acceptance Form; and
- (f) under no circumstances will interest be paid on your share of the proceeds of this sale, regardless of any delay in remitting these proceeds to you.

Where additional documents are required

5.4 Where the Acceptance Form requires additional documents to be given with your acceptance (such as a power of attorney), if the documents are given:

- (a) with your acceptance, Intrepid will provide the consideration in accordance with clauses 5.1 and 5.2 of this Schedule 1;
- (b) after acceptance and before the end of the Offer Period and the Offer is subject to a Defeating Condition at the time that Intrepid is given the documents, Intrepid will provide the consideration by the end of whichever period ends earlier:
 - (i) within one month after the contract resulting from your acceptance of the Offer becomes unconditional; and
 - (ii) 21 days after the end of the Offer Period;

- (c) after acceptance and before the end of the Offer Period and the Offer is unconditional at the time that Intrepid is given the documents, Intrepid will provide the consideration by the end of whichever period ends earlier:
 - (i) one month after Intrepid is given the document; and
 - (ii) 21 days after the end of the Offer Period; or
- (d) after the end of the Offer Period, Intrepid will provide the consideration within 21 days after the documents are given, but if at the time Intrepid is given the documents, the contract resulting from your acceptance of the Offer is still subject to one or more of the Defeating Conditions, Intrepid will provide the consideration within 21 days after that contract becomes unconditional.

- 5.5 If you do not give Intrepid the required additional documents within one month after the end of the Offer Period, Intrepid may, in its sole discretion, rescind the contract resulting from your acceptance of the Offer.

Where Intrepid is entitled to any Rights

- 5.6 If Intrepid becomes entitled to any Rights on acceptance of this Offer, you must give Intrepid all documents that Intrepid needs to give Intrepid title to those Rights. If you do not give those documents to Intrepid, or if you have received the benefit of those Rights, Intrepid will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by Intrepid) of those Rights.

Payment to be mailed by cheque

- 5.7 Payment of the cash amount to which you are entitled will be mailed by cheque (or otherwise as agreed by Intrepid) in Australian currency. Cheques will be sent to the address on the Acceptance Form by pre-paid ordinary mail or, if you have an overseas address, by pre-paid airmail.

Clearances for offshore residents

- 5.8 If, at the time of acceptance of this Offer, you are resident in or of a place outside Australia, you will not be entitled to receive any consideration under this Offer until all requisite authorities or clearances of the Reserve Bank of Australia (whether under the *Banking (Foreign Exchange) Regulations 1959* (Cth) or otherwise), or of the Australian Taxation Office, have been obtained.

6 Conditions of the Offer

Conditions

- 6.1 This Offer and the contract that results from acceptance of this Offer are subject to fulfilment of the Defeating Conditions.

Nature of conditions

- 6.2 Each of the Defeating Conditions set out in each paragraph and subparagraph of Schedule 2:
- (a) constitutes and will be construed as a separate, several and distinct condition;
 - (b) is a condition subsequent; and

- (c) until the expiration of the Offer Period will be for the benefit of Intrepid alone and may be relied upon only by Intrepid.

Conditions apply to multiple events

- 6.3 Where an event occurs that would mean at the time the event occurs a Defeating Condition would not be satisfied, each Defeating Condition affected by that event becomes two separate conditions on identical terms except that:
 - (a) one of them relates solely to that event; and
 - (b) the other specifically excludes that event.
- 6.4 Intrepid may declare the Offer free under clause 6.5 from either of those conditions without declaring it free from the other and may do so at different times. This clause may apply any number of times to a Defeating Condition (including a condition arising from a previous operation of this clause).

Effect of breach or non-fulfilment

- 6.5 The breach or non-fulfilment of any of the Defeating Conditions does not prevent a contract arising to acquire your AIC Resources Shares resulting from your acceptance of this Offer. If at the end of the Offer Period, in respect of any Defeating Condition:
 - (a) Intrepid has not declared the Offers (and they have not become) free from that Defeating Condition; or
 - (b) that Defeating Condition has not been satisfied,

all contracts resulting from the acceptance of the Offers and all acceptances that have not resulted in binding contracts are void. In that case, Intrepid will return the Acceptance Form together with all documents to the address shown in the Acceptance Form.

Intrepid may decide Offer is free from all or any of the Defeating Conditions

- 6.6 Intrepid may at any time at its sole discretion but in compliance with section 650F and section 630(1) of the Corporations Act, declare the Offers free from all or any of the Defeating Conditions by written notice to AIC Resources not later than seven days before the end of the Offer Period.

Date for giving notice on status of Defeating Conditions

- 6.7 The date for giving a notice on the status of the Defeating Conditions as required by section 630(1) of the Corporations Act is the date seven days before the end of the Offer Period, subject to variation under section 630(2) of the Corporations Act if the Offer Period is extended.

Effect of acceptance

- 6.8 Once you have accepted this Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you, unless:
 - (a) by the end of the Offer Period, the Defeating Conditions have not all been satisfied or waived in which case, this Offer will automatically terminate; and
 - (b) the circumstances set out in section 650E of the Corporations Act apply.

6.9 By signing and returning the Acceptance Form, you will be deemed to have:

- (a) irrevocably accepted this Offer (and each variation of this Offer) in respect of all your AIC Resources Shares despite any difference between that number and the number of AIC Resources Shares shown in the Acceptance Form;
- (b) irrevocably authorised Intrepid to alter the Acceptance Form on your behalf by:
 - (i) inserting correct details of your AIC Resources Shares;
 - (ii) filling in any blanks remaining on the Acceptance Form; and
 - (iii) rectifying any errors in, and omissions from, the Acceptance Form,

as may be necessary to make the Acceptance Form a valid acceptance of this Offer and to enable registration of the transfer of your AIC Resources Shares to Intrepid;
- (c) represented and warranted to Intrepid, as a condition of the contract resulting from your acceptance of the Offer, that at the time of acceptance and at the time of transfer to Intrepid:
 - (i) you have paid to AIC Resources all amounts which are due for payment for your AIC Resources Shares;
 - (ii) all of your AIC Resources Shares are fully paid and free from all mortgages, charges, liens and other encumbrances of any nature; and
 - (iii) you have full power and capacity to sell and transfer those AIC Resources Shares;
- (d) granted to Intrepid and each of its Directors power of attorney to:
 - (i) sign any document or do any thing on your behalf necessary to cause AIC Resources to issue a replacement share certificate for those AIC Resources Shares; and
 - (ii) satisfy any formal requirement to transfer the relevant AIC Resources Shares (including sign any share transfer form on your behalf);
- (e) agreed to:
 - (i) do anything necessary to ratify any act taken or purported to be taken by Intrepid or any of its Directors under the power of attorney granted by clause 6.9(d) of this Schedule 1; and
 - (ii) indemnify Intrepid and each of its Directors in respect of that act;
- (f) from the time of acceptance until the Offer has become unconditional, until the earlier of the withdrawal of your acceptance under section 650E of the Corporations Act or the end of the Offer Period, irrevocably appointed Intrepid or any nominee of Intrepid as your attorney to exercise all your powers and rights attaching to your AIC Resources Shares including (without limitation) to requisition, convene, attend and vote at all general meetings of AIC Resources or appoint a proxy or proxies to attend and vote on your behalf at that meeting, where the passing or defeat of any resolution before the meeting might adversely affect the likelihood of the Offer being successful and to do so in a way which would prevent that effect arising;

- (g) on this Offer or any takeover contract becoming unconditional, irrevocably appointed Intrepid or any nominee of Intrepid as your attorney to exercise all your powers and rights attaching to your AIC Resources Shares including (without limitation):
 - (i) to requisition, convene, attend and vote at all general meetings of AIC Resources or appoint a proxy or proxies to attend and vote on your behalf at that meeting; and
 - (ii) sign all documents and resolutions relating to your AIC Resources Shares, and generally to exercise all powers and rights which you may have as an AIC Resources Shareholder and perform actions as may be appropriate to vest good title in your AIC Resources Shares in Intrepid;
- (h) agreed that in exercising the powers conferred by the power of attorney in clause 6.9(f) of this Schedule 1, Intrepid is entitled to act in the interests of Intrepid;
- (i) agreed not to attend or vote in person at any general meeting of AIC Resources or to exercise or purport to exercise any of the powers conferred on Intrepid or its nominee in clause 6.9(f) of this Schedule 1;
- (j) agreed to accept the Intrepid Shares, to which you have become entitled by acceptance of this Offer, subject to the constitution of Intrepid and have authorised Intrepid to place your name on the register of members for those Intrepid Shares; and
- (k) if your AIC Resources Shares are in a CHESS Holding and you sign and return the Acceptance Form, irrevocably authorised Intrepid:
 - (i) to instruct your Controlling Participant to initiate acceptance of this Offer for your AIC Resources Shares under the ASX Settlement Operating Rules; and
 - (ii) to give any other instructions in relation to your AIC Resources Shares to your Controlling Participant on your behalf under the sponsorship agreement between you and that Controlling Participant.

Withdrawal

- 6.10 Intrepid may withdraw unaccepted Offers at any time with the written consent of ASIC and subject to the conditions (if any) specified in that consent.

Variation

- 6.11 Intrepid may vary this Offer in accordance with the Corporations Act.

7 Acceptances by transferees and nominees

Who may accept the Offer

- 7.1 During the Offer Period:

- (a) any person who is able to give good title to a parcel of AIC Resources Shares may accept (if they have not already accepted an offer in the form of this Offer) as if an offer on terms identical with this Offer has been made to that person; and

- (b) any person who holds one or more parcels of AIC Resources Shares as trustee, nominee, or otherwise on account of another person, may accept as if a separate offer had been made in relation to:
 - (i) each of those parcels; and
 - (ii) any parcel they hold in their own right.

Holding shares

- 7.2 A person is taken to hold AIC Resources Shares if the person is, or is entitled to be registered as, the holder of those AIC Resources Shares.

Holding shares on trust or as a nominee

- 7.3 A person is taken to hold AIC Resources Shares on trust for, as nominee for, or on account of, another person if that person:
 - (a) is entitled to be registered as the holder of AIC Resources Shares; and
 - (b) holds the interest in the AIC Resources Shares on trust for, as nominee for, or on account of, that other person.

Effective acceptance

- 7.4 An acceptance of an Offer under clause 7.1(b) of this Schedule 1 is ineffective unless:
 - (a) the person who holds on account of another person, gives that other person written notice stating that the AIC Resources Shares consist of a separate parcel; and
 - (b) the acceptance specifies the number of AIC Resources Shares in that parcel.

Notice of acceptance

- 7.5 A notice under clause 7.4(a) of this Schedule 1 must be made in writing.
- 7.6 A person may, at the one time, accept for two or more parcels under clause 7.6 of this Schedule 1 as if there had been a single offer for a separate parcel consisting of those parcels.

8 Other matters

Notices and other communications

- 8.1 Subject to the Corporations Act, a notice or other communication given by Intrepid to you in connection with this Offer is deemed to be duly given if it is in writing and:
 - (a) is delivered at your address as recorded on the register of members of AIC Resources or the address shown in the Acceptance Form; and
 - (b) is sent by pre-paid ordinary mail, or in the case of an address outside Australia by pre-paid airmail, to you at either of those addresses.

Return of documents

8.2 If:

- (a) this Offer is withdrawn after your Acceptance Form has been sent to Intrepid, but before it has been received; or
- (b) for any other reason Intrepid does not acquire the AIC Resources Shares to which your Acceptance Form relates,

Intrepid will despatch at your risk your Acceptance Form together with all other documents forwarded by you.

9 Costs and expenses

All costs and expenses of the preparation, despatch and circulation of the Offers and all stamp duty payable for a transfer of AIC Resources Shares for which Offers are accepted, will be shared by Intrepid and AIC Resources.

10 Official quotation of Intrepid Shares

- 10.1 Subject to clause 1 of this Schedule 1, the Intrepid Shares offered by Intrepid as consideration under the Offer will rank equally with Intrepid Shares on issue at the Register Date.
- 10.2 Intrepid has been admitted to the official list of ASX and shares of the same class as those to be issued as consideration under the Offer have been granted official quotation by ASX.
- 10.3 An application will be made by Intrepid to ASX for the granting of official quotation of the Intrepid Shares to be issued. However, official quotation is not granted automatically on application.
- 10.4 Under section 625(3) of the Corporations Act, the Offer is subject to a condition that application for admission to quotation of the Intrepid Shares issued under the Offer is made within seven days after the start of the Offer Period and permission for admission to quotation will be granted no later than seven days after the end of the Offer Period. This condition may not be waived.

Schedule 2

Defeating Conditions of the Offer

The Offer and any contracts resulting from acceptance of the Offer are subject to fulfilment of the following conditions:

1 90% minimum acceptance

At or before the end of the Offer Period, Intrepid:

- (a) has a relevant interest in the number of AIC Resources Shares that represents at least 90% of the aggregate of all the AIC Resources Shares on issue; and
- (b) becomes entitled to compulsorily acquire all outstanding AIC Resources Shares under Part 6A.1 of the Corporations Act.

2 Intrepid Shareholder approval for the purposes of Listing Rule 7.1

Before the end of the Offer Period, Intrepid Shareholders approve the issue of Intrepid Shares under the Offer for the purposes of Listing Rule 7.1.

3 Intrepid Shareholder approval for the purposes of Listing Rule 10.1

Before the end of the Offer Period, Intrepid Shareholders approve the acquisition by Intrepid of all of the AIC Resources Shares held by Brahman Pure Alpha Pte Ltd, and the issue by Intrepid of one Intrepid Share for every three AIC Resources Shares held by Brahman Pure Alpha Pte Ltd, to Brahman Pure Alpha Pte Ltd under, and on the terms of, the Offer, for the purposes of Listing Rule 10.1.

4 Share Sale Agreement

Before the end of the Offer Period:

- (a) the Share Sale Agreement not having been terminated; and
- (b) no event or circumstance occurring which results or could reasonably be expected to result, either individually or when aggregated with any other such events or circumstances, in the transaction contemplated under the Share Sale Agreement not being completed in a manner consistent with, or substantially similar to that contemplated by, the terms of the Share Sale Agreement.

5 Public ruling

Before the end of the Offer Period, Intrepid receives a public ruling, in final form, from the Australian Taxation Office for the purposes of the *Taxation Administration Act 1953* (Cth), confirming that:

- (a) a return of capital may be made to Intrepid Shareholders in the amount of \$0.75 per Intrepid Share, such that a total of \$10,339,494 may be returned to Intrepid Shareholders as capital; and
- (b) the Commissioner of Taxation will not make a determination under section 45B(3) of the *Income Tax Assessment Act 1936* (Cth) (**ITAA**) that section 45C of the ITAA applies in relation to the return of capital.



Schedule 3

Intrepid announcements to ASX since 1 July 2018

Date	Announcement
19/09/2018	Return of Capital – IAU
19/09/2018	A1C: Takeover Implementation Deed
19/09/2018	Acting Chief Executive Officer
19/09/2018	Return of Capital
19/09/2018	Intrepid Takeover Offer for AIC
11/09/2018	Interim Financial Report 30 June 2018
07/09/2018	Agreement to sell Zambian assets for USD \$5 million
31/07/2018	Quarterly Cashflow Report
31/07/2018	Quarterly Activities Report



Corporate directory

Company	Legal advisers
Intrepid Mines Limited Suite 2, 24 Bolton Street NEWCASTLE NSW 2300 +61 2 9357 9000 www.intrepidmines.com.au	McCullough Robertson Lawyers Level 11, Central Plaza Two 66 Eagle Street BRISBANE QLD 4000 +61 7 3233 8888 www.mccullough.com.au
Directors	Auditor
Richard Baumfield – Non-Executive Chairman Tony Wolfe – Non-Executive Director Peter Evans – Non-Executive Director	Ernst & Young The EY Centre, 200 George Street SYDNEY NSW 2000 +61 2 9248 5555 www.ey.com/au
Share registry	
Computershare Investor Services Pty Limited Level 1, 200 Mary Street BRISBANE QLD 4000 +61 7 3237 2100 www.computershare.com/au	



Intrepid Mines Limited
ACN 060 156 452

Return your Form:



By Mail:

Computershare Investor Services Pty Limited
AIC Resources Limited Takeover
GPO Box 52
MELBOURNE VIC 3001 AUSTRALIA

For all enquiries:



Phone:

the shareholder information +61 2 9357 9000



Acceptance and Transfer Form

ISSUER



Your form must be received by the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by Intrepid Mines Limited ACN 060 156 452 ("Intrepid") to acquire all of your shares in AIC Resources Limited ACN 619 035 737 ("AIC Resources") the terms of which are set out in the Bidder's Statement from Intrepid dated 3 October 2018 as replaced or supplemented (the "Bidders Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the AIC Resources register, as provided to Intrepid. The current address recorded by Intrepid is printed above and overleaf. If you have recently bought or sold shares your holding may differ from that shown. If you have already sold all your shares in AIC Resources, do not complete or return this form.

Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your shares.

Step 3: Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form ➔



Acceptance and Transfer Form

STEP 1

Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name:

Offer Details:

Securityholding as at register date:

Consideration to be issued to you on the basis of one Intrepid share for every three AIC Resources shares accepted.

By accepting the Offer, you are accepting the Offer for ALL the AIC Resources shares as recorded by Intrepid as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2

Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your shares in AIC Resources. The consideration applicable is set out in the terms of Intrepid's Offer.

STEP 3

Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by Intrepid for shares in AIC Resources and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our shares as per the above instruction.

Individual or Securityholder 1

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Securityholder 2

Director

Securityholder 3

Director/Company Secretary
(cross out titles as applicable)

Contact
Name

Contact
Daytime
Telephone

Date / /

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by Intrepid Mines Limited. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or by emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to Intrepid Mines Limited or to third parties upon direction by Intrepid Mines Limited where related to the administration of your securityholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.





Intrepid Mines Limited
ACN 060 156 452

Return your Form:



To Your Controlling Participant:
Return this form directly to your stockbroker



By Mail:
Computershare Investor Services Pty Limited
AIC Resources Limited Takeover
GPO Box 52
MELBOURNE VIC 3001 AUSTRALIA

For all enquiries:



Phone:
the shareholder information +61 2 9357 9000

Acceptance and Transfer Form

CHESS



Your form must be received with sufficient time to allow processing prior to the end of the Offer Period.

This form and the Bidder's Statement are important documents that require your immediate attention. This form relates to an offer ("Offer") by Intrepid Mines Limited ACN 060 156 452 ("Intrepid") to acquire all of your shares in AIC Resources Limited ACN 619 035 737 ("AIC Resources") the terms of which are set out in the Bidder's Statement from Intrepid dated 3 October 2018 as replaced or supplemented (the "Bidders Statement"). Capitalised terms used in this form have the same meaning as in the Bidder's Statement, unless otherwise defined.

If you are in doubt about how to deal with this Offer, please contact your financial or other professional advisor.

Note this form can only be used in relation to the securityholding represented by the details printed above and overleaf.

Step 1: Registration Name & Offer Details

Your consideration will be issued to the name(s) as they appear on the latest copy of the AIC Resources register, as provided to Intrepid.

The current address recorded by Intrepid is printed above and overleaf. If you have recently bought or sold shares your holding may differ from that shown. If you have already sold all your shares in AIC Resources, do not complete or return this form.

Step 2: Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your shares.

As your AIC Resources shares are in a CHESS holding, you may contact your Controlling Participant directly (normally your stockbroker) with instructions to accept the Offer. If you do this, your Controlling Participant will provide you with details as to what they require in order to accept the Offer on your behalf. If you want Intrepid to contact your Controlling Participant on your behalf, sign and return this form to the address above so that it is received in sufficient time to allow your instruction to be acted upon by the close of the Offer Period. This will authorise Intrepid and Computershare Investor Services Pty Limited ("CIS") to request your Controlling Participant to initiate acceptance of the Offer on your behalf.

By signing this form, you warrant to Intrepid (and authorise Intrepid to warrant on your behalf) that you have full legal and beneficial ownership of the shares to which this form relates and that Intrepid will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

You should allow sufficient time for your Controlling Participant or Intrepid to initiate the acceptance of Intrepid's Offer on your behalf. Neither Intrepid or CIS will be responsible for any delays incurred by the process of requesting your Controlling Participant to accept the Offer.

Step 3: Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the holding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the holding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: All executors must sign and a certified copy of Probate or Letters of Administration must accompany this form.

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form ➔



Acceptance and Transfer Form

STEP 1

Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name:

Controlling Participant Identifier:

Offer Details:

Securityholding as at register date:

Consideration to be issued to you on the basis of one Intrepid share for every three AIC Resources shares accepted.

By accepting the Offer, you are accepting the Offer for ALL the AIC Resources shares as recorded by Intrepid as being held by you at the date your acceptance is processed (even if different to the number stated above).

STEP 2

Accept the Offer

Only sign and return this form if you wish to accept the Offer for ALL of your shares in AIC Resources. The consideration applicable is set out in the terms of Intrepid's Offer.

STEP 3

Signature of Securityholder(s) *This section must be completed.*

I/We accept the Offer made by Intrepid for shares in AIC Resources and I/we agree to be bound by the terms and conditions of the Offer and transfer ALL of my/our shares as per the above instruction.

Individual or Securityholder 1

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Securityholder 2

Director

Securityholder 3

Director/Company Secretary
(cross out titles as applicable)

Contact Name _____

Contact
Daytime
Telephone

_____ Date / /

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited ("CIS") for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. We may also use your personal information to send you marketing material approved by Intrepid Mines Limited. You may elect not to receive marketing material by contacting CIS using the details provided on the front of this form or by emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to Intrepid Mines Limited or to third parties upon direction by Intrepid Mines Limited where related to the administration of your securityholding or as otherwise required or permitted by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

