



ASX/Media Release

Dated: 16 January 2018

GOLD EXPLORATION UPDATE

HIGHLIGHTS

- *Highly successful exploration program completed in the Western Australian Goldfields*
- *Over 26,000m of reverse circulation (“RC”) and diamond drilling completed across eight key project areas on major gold bearing shear zones*
- *At the Teal gold camp, high-grade intercepts included¹:*
 - *26m at 7.80g/t Au from 48m and 16m at 5.30g/t Au from 86m (Jacques Find)*
 - *27m at 4.16g/t Au from 53m (Jacques Find)*
 - *8m at 11.00g/t Au from 53m and 9m at 7.10g/t Au from 89m (Jacques Find)*
 - *15m at 5.40g/t Au from 28m and 13m at 5.40g/t Au from 55m (Peyes Farm)*
 - *9m at 5.20g/t Au from 82m and 6m at 5.00g/t Au from 55m (Peyes Farm)*
 - *31m at 3.20g/t Au from 64m and 16m at 4.10g/t Au from 73m (Teal)*
 - *11m at 7.80g/t Au from 51m and 15m at 4.20g/t Au from 130m (Teal)*
- *Focus for Teal in 2018 will be Resource extensions along two parallel strike zones and at depth and detailed metallurgical testwork to determine optimal processing pathways*
- *At the Anthill gold project, high-grade intercepts included²:*
 - *41m at 2.63g/t Au from 69m and 30m at 2.98g/t Au from 73m*
 - *11m at 3.72g/t Au from 46m and 29m at 1.84g/t Au from 49m*
 - *17m at 5.30g/t Au from 137m and 6m at 11.15g/t Au from 110m*
- *Focus for Anthill in 2018 will be Resource extensions along strike and at depth and testing for repeat structures to the north at Fire Ant and to the east and west.*
- *Maiden JORC 2012 Mineral Resource for Anthill expected in the current March Quarter*
- *First pass drilling completed at Blister Dam with results expected in February*
- *Intermin awarded \$60,000 EIS Government co-funding grant to drill recently defined induced polarisation targets at Blister Dam in 2018*
- *Follow up drilling at Olympia, Baden Powell, Chadwin and Goongarrie Lady will be completed in 2019 to enable focus on the core projects at Teal, Anthill and Blister Dam*
- ***Preparations well advanced to commence a fully funded \$4 million, 50 – 60,000m drilling program in the current March Quarter***
- ***Cash and tradeable securities as at 16 January 2018 totals \$8m***

Commenting on the 2017 year, Intermin’s Managing Director Mr Jon Price said:

“The past year has been one of significant growth for the Company on the back of a highly successful exploration program, the generation of cash flow from the first stages of the Teal mining operation and a number of value accretive acquisitions and joint ventures.

“Intermin is now in a strong and quite unique position to be able to self-fund a larger Resource growth drilling program in 2018 with the focus on our key projects at the Teal gold camp, Anthill and Blister Dam with planning at an advanced stage for 50-60,000m of drilling to commence this Quarter.”

“Our shareholders are very supportive of our strategy to grow our resource base above the 1 million ounce mark with an aggressive drill program and that is our key objective for 2018. We have done it before and we’ll be working very hard to do it again in what is a world class gold producing region.”

¹ As announced to the ASX on 18 September, 15 and 29 November 2017, ² As announced to the ASX on 24 October 2017

ASX CODE
IRC, IRCOA

SHARE PRICE
\$0.16

SHARES ON ISSUE
223M

OPTIONS (IRCOA)
25.5M (\$0.17)

OPTIONS (UNLISTED)
4.85M (\$0.075)
1.75M (\$0.125)

PERFORMANCE
RIGHTS
9.1M

MARKET CAP
~\$36M (undiluted)

BOARD

Peter Bilbe
Chairman

Peter Hunt
Non-Executive Director

Jon Price
Managing Director

Lorry Hughes
Executive Director

COMPANY SECRETARY

Bianca Taveira

INVESTOR/MEDIA ENQUIRIES

Jon Price
Lorry Hughes
Michael Vaughan

KEY GOLD PROJECTS

Teal
Goongarrie Lady
Anthill
Peyes Farm
Windanya
Blister Dam
Kanowna North
Yarmony
Black Flag
Olympia

WEBSITE

www.intermin.com.au

Overview

Intermin Resources Limited (ASX: IRC) ("Intermin" or the "Company") provides the following exploration update from its 100% owned gold projects located near Kalgoorlie-Boulder in Western Australia (Figure 1). In total, 26,254m of RC and diamond drilling was completed in 2017 across eight priority project areas on major gold bearing shear zones.

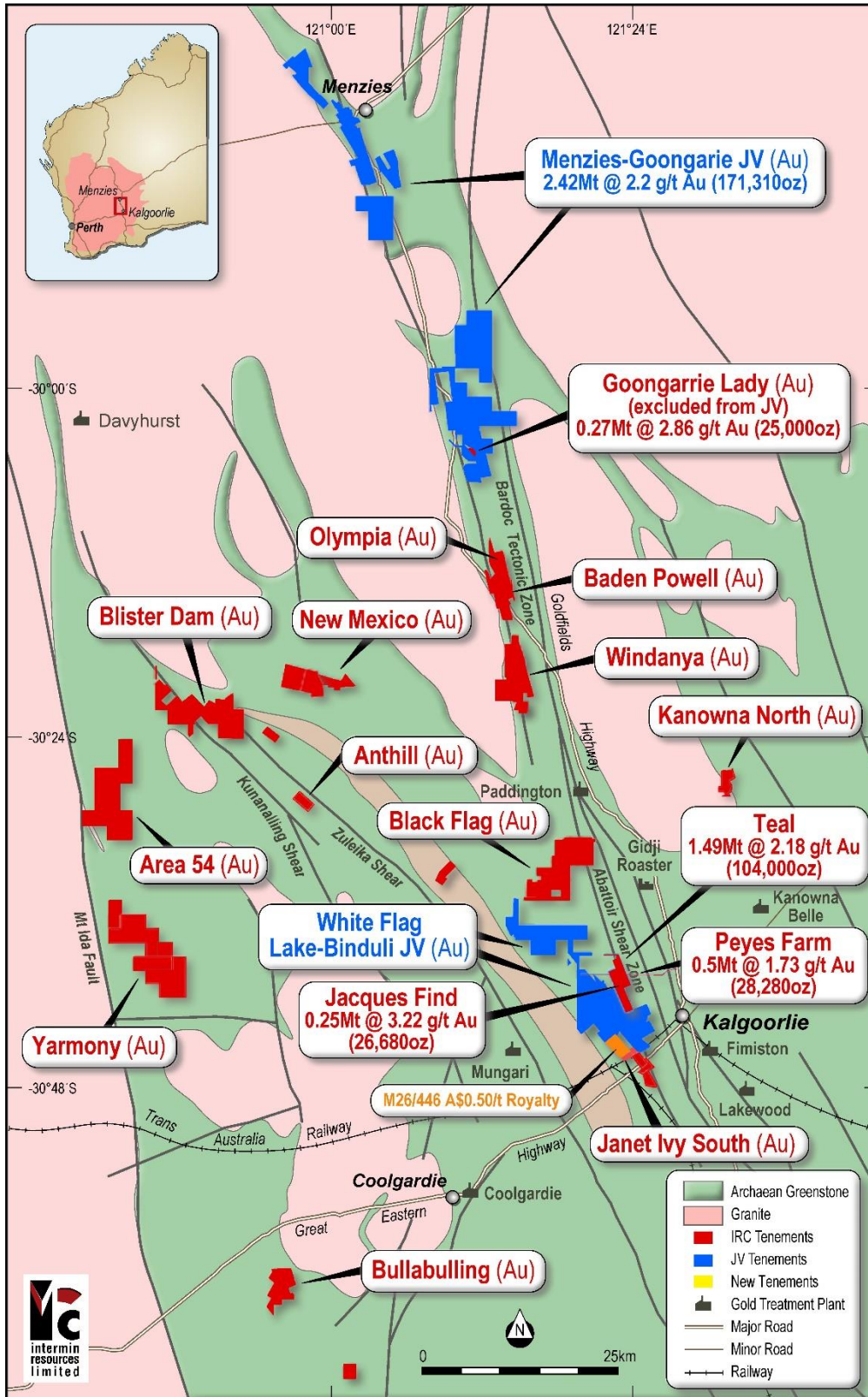


Figure 1: Intermin Kalgoorlie-Boulder area gold project local infrastructure

The following sections provide a summary of work completed and the next steps for the Resource extension programs planned for the 2018 calendar year.

Blister Dam

Since September 2017, Intermin has been actively exploring the Blister Dam project located 54km northwest of Kalgoorlie-Boulder (Figure 1 & 2). This region, northwest of the Kundana Goldfield, has a similar geological setting to the large open cut and underground deposits including Frog's Leg, Raleigh, Millennium and Bullant.

An Induced Polarisation ("IP") survey (Figure 2), geological mapping, rock chip sampling and 46 RC holes for 4,180m have been completed to refine and test multiple priority targets.

Nine of the 21 individual prospects identified at Blister Dam were drilled up until the end of the field program in December 2017. The additional targets will be drilled in 2018 as part of the 5,250m follow up drilling provision as announced to the ASX on 11 July 2017.

The drilling confirmed the dominance of ultramafic and volcanic rocks and sediments with minor quartz and pyrite regularly intersected (Figure 2). All 1m split samples have now been submitted to the laboratory and results are expected in February 2018.

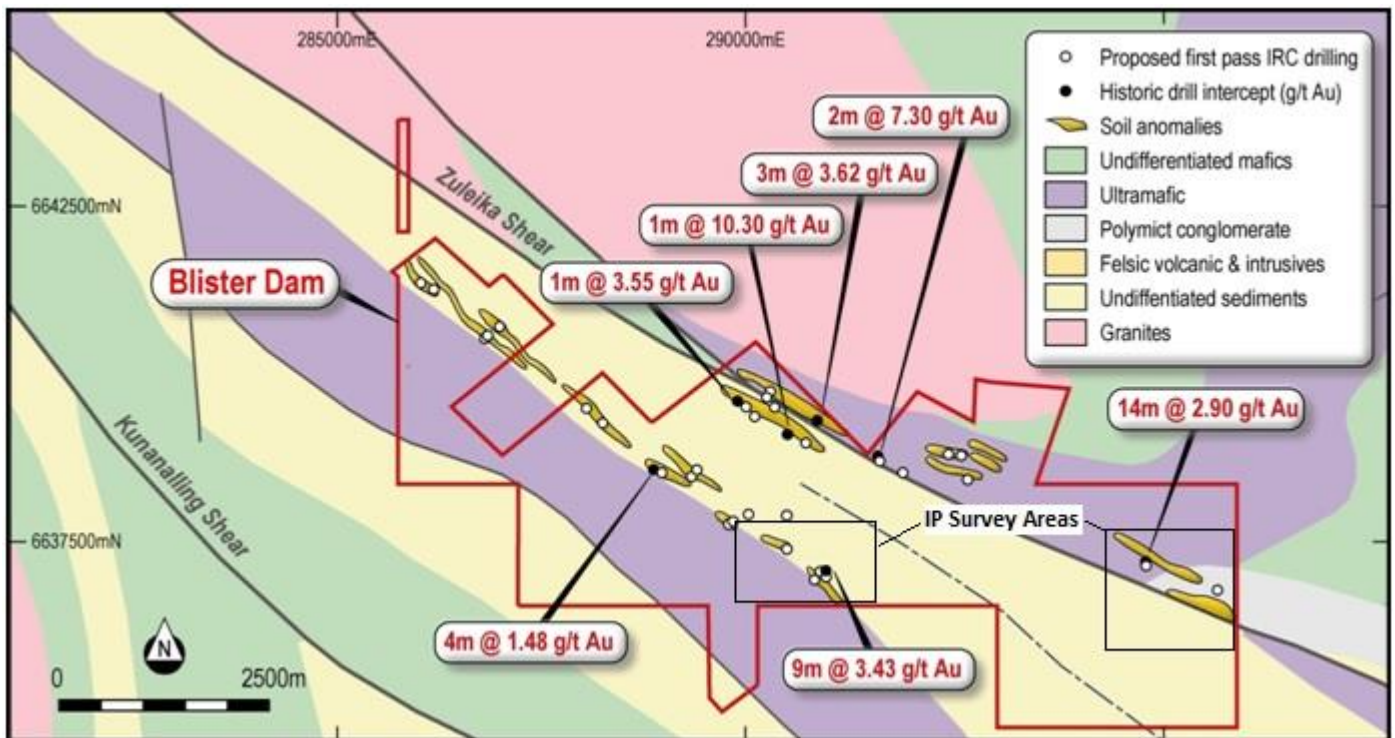


Figure 2: Interpreted geology, historic soil anomalies, IP survey areas and schematic drill targets at the Blister Dam

In addition the Company has been awarded \$60,000 in Exploration Incentive Scheme ("EIS") co-funding from the WA Government to RC drill test the recently defined IP targets (Figure 2). The 2D dipole-dipole IP survey was completed in October and comprised approximately 98 line km. The IP results highlighted a number of small to moderate level conductor anomalies (10 – 20mV/V) and several potential (untested) fault zones.

The specific IP targets will be further refined with the addition of the outstanding drilling results and tested thoroughly with new RC drilling in the March Quarter 2018.

Teal Gold Camp

At the Teal gold project located 11km northwest of Kalgoorlie-Boulder, a total of 32 holes were completed for 3,024m at the Teal south, Jacques Find, Peyes Farm and Yolande prospects (Figure 1 & 3). Excellent high-grade results were returned from the majority of holes intersecting both oxide and primary mineralisation¹ (Figure 3).

The geology is dominated by Black Flag sediments (felsic volcanics and sediments) with lesser amounts of porphyry and intermediate volcanic rocks. Primary gold mineralisation is typically associated with quartz and sulphides and faulting has displaced or pinched out some of the mineralisation. The strong results at Jacques Find are especially encouraging and are interpreted to be the result of a cross structure intersecting a parallel structure with Teal mineralisation.

The mineralisation at Jacques Find has been intersected for at least 800m along strike and is open to the north, south and at depth.

A key outcome of the 2018 drilling program will be to define the strike and depth extents of this new discovery and determine the potential size of the deposit. The Company recognises there is potential to define a significantly larger Resource than is currently defined and will be prioritising this work to commence in the March Quarter.

Further work is planned to follow up priority targets at the Yolande, Peyes Farm and Teal NE prospects. In addition, the Company has been revising a number of potential underground targets as part of the Teal Deeps prospect. A number of deep RC/diamond holes have been allocated to “proof of concept” drilling.

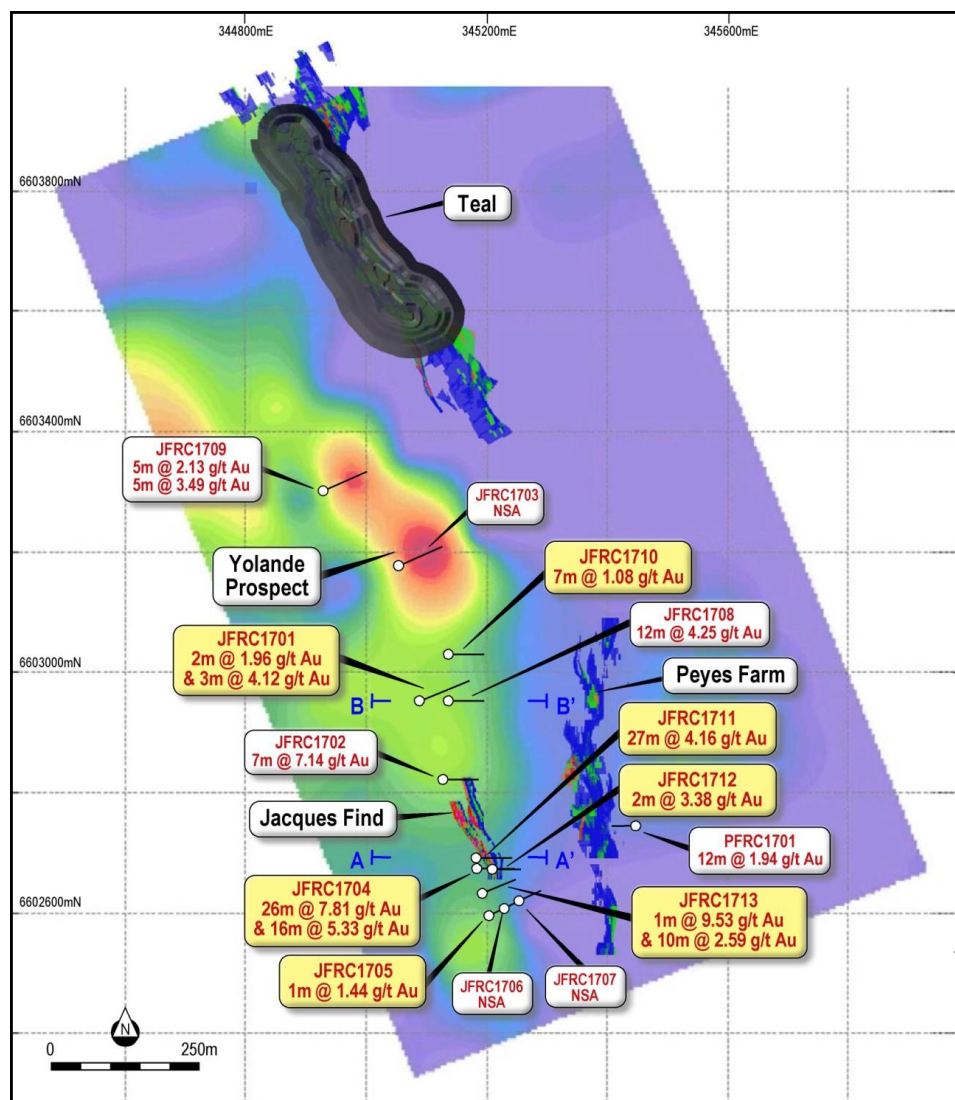


Figure 3: Plan showing current Teal gold project open pit mine design, JORC Resource extents, recent Jacques Find-Peyes Farm prospect drill intercepts and an Induced Polarisation (“IP”) survey image modelled at 100m

¹ As announced to the ASX on 18 September, 15 and 29 November 2017

Composite samples from oxide, transitional and primary material have been dispatched to Independent Metallurgical Operations Pty Ltd (“IMO”) for detailed metallurgical testing. The testing will involve a staged work program comprising:

- Ore characterisation to prepare the composites for assay, provide head assay data and grind establishments for downstream testing
- Multi element analysis
- Bond Ball Work Index testing
- Determine the gravity recoverable gold content within the samples
- Determine the overall recovery of gold per composite under CIL processing conditions
- Flotation, ultra-fine grinding, roasting and pressure oxidation testwork as required

Anthill

At the Anthill gold project located 54km northwest of Kalgoorlie-Boulder (Figure 1 & 4), a total of 46 holes were completed for 6,509m with excellent results returned¹ (Figures 5 and 6). Compilation of a maiden JORC 2012 Mineral Resource is now underway and is planned for completion in the current March Quarter 2018.

The geology is dominated by a variolitic basalt with lesser amounts of porphyry and ultramafic rocks observed. At least two mineralised trends are evident and add to the geological complexity at Anthill. The gold mineralisation is pervasive and occurs in a number of settings, the most important being a quartz stockwork or thin veins with carbonate-sericite-silica-sulphide alteration. Some of the gold is very coarse and is easily visible in panned RC chips.

The Anthill project will also be prioritised in 2018 and the focus will be to extend known oxide mineralisation and to undertake deeper drilling to follow up the 2017 results.

Further, Intermin has completed the field assessment of the Fire Ant prospect and areas adjacent to Anthill. A common geological theme observed is that much of the historic drilling ended in the depletion zone with encouraging amounts of quartz veining regularly intersected in the old drill spoils at surface. These have since been re-sampled and submitted for multi-element testing. New target generation studies are now underway and is planned to drill test Fire Ant and other nearby prospects in the June and September Quarters.

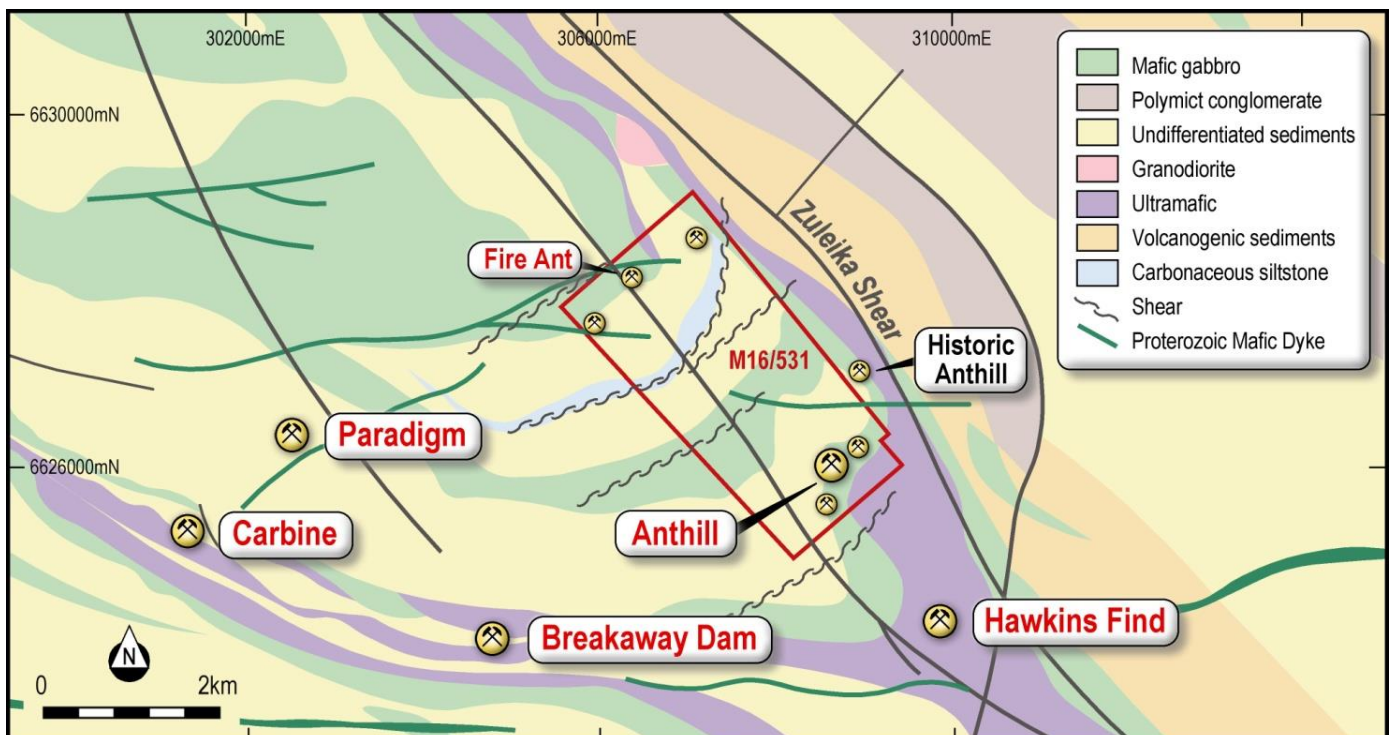


Figure 4: Anthill gold project regional prospect and geology plan

¹ As announced to the ASX on 24 October 2017

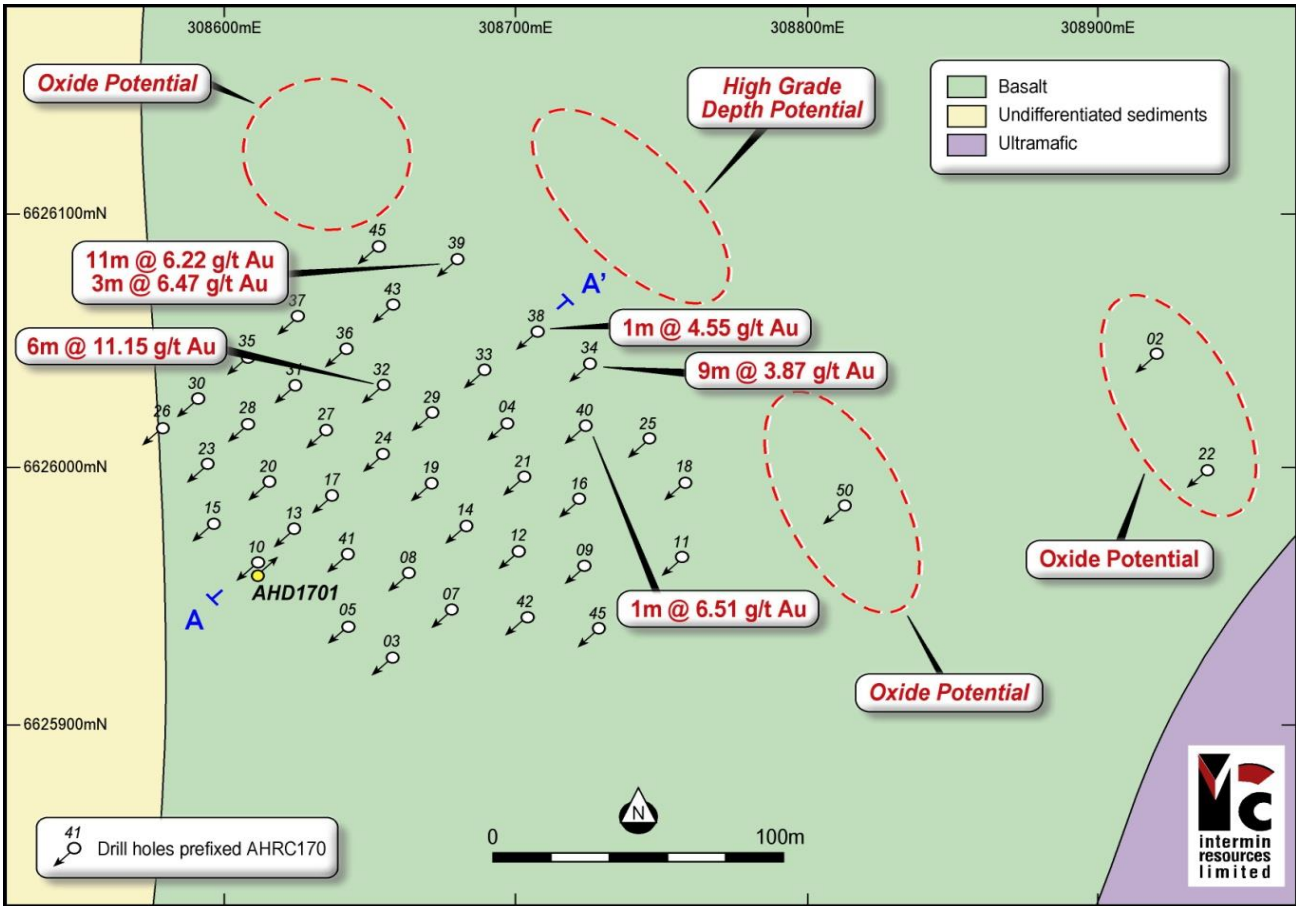


Figure 5: Anthill prospect drill collar plan, open high-grade intercepts and priority target areas

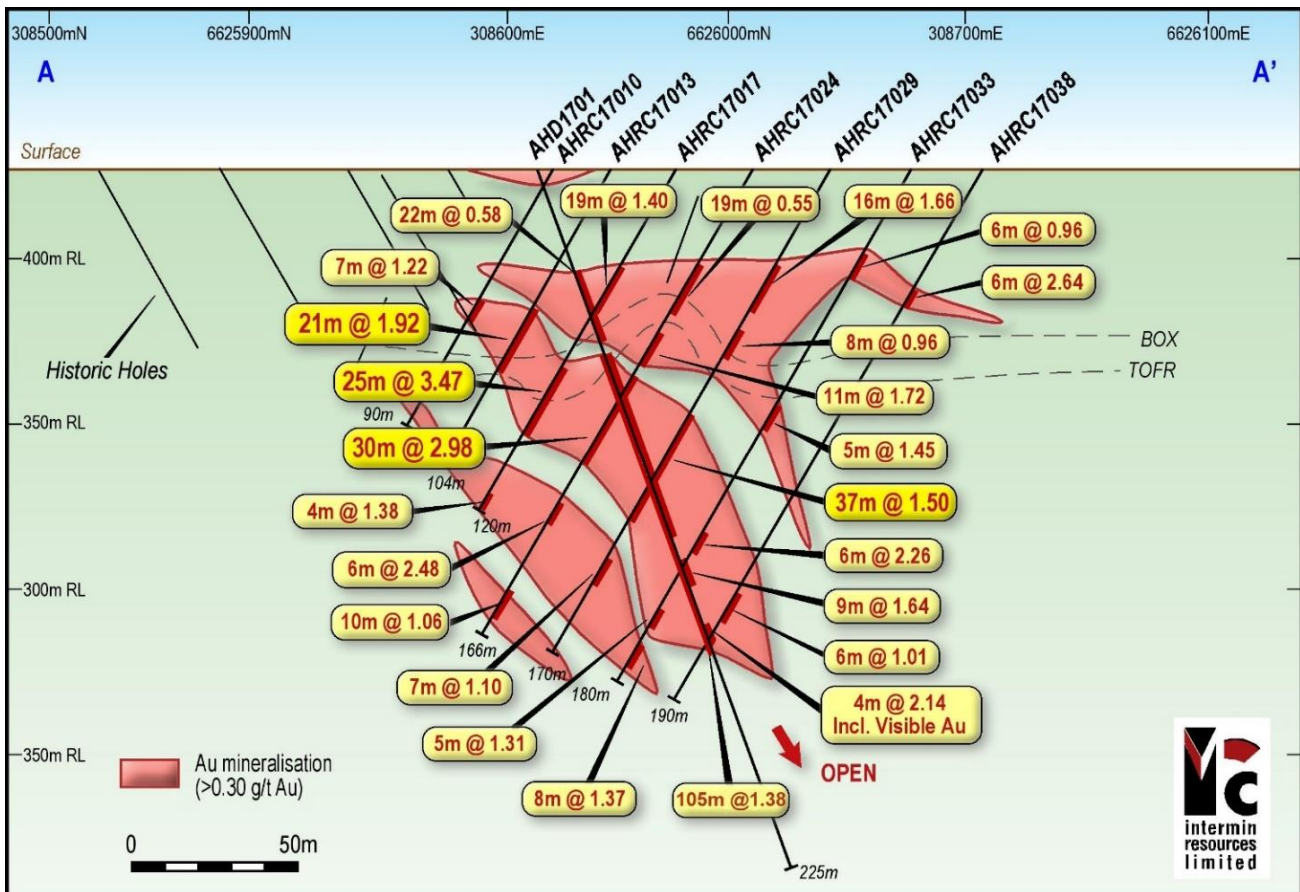


Figure 6: Anthill prospect cross section A-A' (see Figure 5 for reference)

Goongarrie Lady

At the 100% owned Goongarrie Lady gold project, located 90km north of Kalgoorlie-Boulder (Figure 1), the Company completed an infill RC drill program (167 holes for 8,447m) to confirm the grade and the geological interpretation to support the completion of a Feasibility Study and Mine approvals. Results will be combined with drilling completed in the September Quarter 2017 to compile a Resource update with the aim to increase the proportion of mineralisation in the Measured Resource category.

Due the requirement to complete drilling in addition to what was originally planned, the Feasibility Study is now scheduled for completion in the June Quarter 2018. Key activities completed or commenced include:

- Final Resource Update – commenced
- Flora and Fauna surveys – complete
- Submission of a Clearing Permit – complete
- Estimate of infrastructure, mining, haulage, processing and technical services costs – commenced
- Metallurgical Testwork - complete
- Capital cost estimate - commenced
- Geotechnical, dewatering, surface and ground water studies – commenced
- Pit optimisation study and pit design – commenced
- Submission of Mining Proposal and Mine Closure Plan – commenced.

Binduli JV (Evolution Mining)

At the Binduli gold project located 5-20km northwest of Kalgoorlie-Boulder (Figure 1), Joint Venture partner Evolution Mining Ltd (ASX: EVN) (“Evolution”) has advised it has completed 39 RC holes for 3,922m. The holes tested high priority geochemical and structural targets at the Coot & Crake and Honey Eater prospects.

Results and follow up plans are anticipated to be available in the March Quarter 2018. Under the terms of the Binduli Joint Venture Agreement, Evolution can earn 70% interest in the project by spending \$4.6M over five years.

Regional Projects

Throughout the year the Company has continued to review and explore greenfields gold projects in the region with the aim to secure new projects proximal to major geological structures with the potential to host a discovery or develop into a significant gold deposit. Intermin is working on developing a pipeline of early stage projects for target generation and drill testing.

Olympia¹

At the Olympia prospect 27 holes for 2,174m were completed. The first pass aircore drilling was designed to test a 3,800m by 500m gold-in-soil auger anomaly (maximum assay 169ppb Au). Several holes returned anomalous levels of oxidised quartz–sulphide related gold and supergene mineralisation with grades up to **1.4g/t Au**. Follow up work from the highly encouraging results and testing of two new areas at Olympia is planned.

Baden Powell²

At the Baden Powell prospect, eight holes for 1,364m were completed and aimed to test the depth extensions from the open pit and historical/recent drilling. A best hit of 17m @ 3.0 g/t Au (incl. 7m @ 5.95 g/t Au) was discovered in BPRC1703. The initial focus in 2018 will be on field mapping and sampling with a view to testing the Baden Powell strike and the potential for parallel structures.

¹ As announced to the ASX on 29 August 2017, ² As announced to the ASX on 29 August and 28 November 2017.

New Mexico

At the New Mexico prospect, 12 shallow holes for 556m were completed with four holes testing each of the three tenements. The preliminary 4m composite results were encouraging with new low-grade mineralisation being discovered in two holes. The mineralisation appears to be open and untested. Individual 1m split samples are currently being collected and results are expected in the March Quarter.

The Yarmony, Area 54, Kanowna North and Windanya projects will be subject to early stage exploration techniques including auger soil sampling and aircore drilling if warranted in 2018. The strategy has proven to be successful, particularly with the advancement at the Olympia prospect.

Next steps

On the back of the successful 2017 exploration program, a targeted larger scale drilling program is in the final stages of development with approvals well advanced for commencement in the March Quarter 2018.

The key business objective for 2018 is Resource growth and 75% of the planned drilling will be focussed on Resource expansion at the Teal Gold Camp and Anthill gold project. Both RC and diamond drilling will be completed to continue lateral and depth extensions to known mineralisation and to test parallel structures along strike.

Planning and preparation is also well advanced for significant drilling in 2018 at the high priority Blister Dam project and will be finalised upon receipt of first pass results in the current quarter.

The 2018 program is estimated to comprise 50 - 60,000m of drilling within a \$4 million budget. The program will be fully funded from existing cash reserves generated from the Teal gold mine and through the recently approved Exploration Incentive Scheme grant.

About Intermin

Intermin is a gold exploration and mining company focussed on the Kalgoorlie and Menzies areas of Western Australia which are host to some of Australia's richest gold deposits. The Company is developing a mining pipeline of projects to generate cash and self-fund aggressive exploration, mine developments and further acquisitions. The Teal gold mine is currently in production.

Intermin is aiming to significantly grow its JORC-Compliant Mineral Resources, complete definitive feasibility studies on core projects and build a sustainable development pipeline.

Intermin is targeting the definition of significant high grade open cut and underground gold deposits, has acquired highly prospective tenure and will continue to actively pursue consolidation and value-adding joint venture opportunities for the benefit of all stakeholders.

Intermin Resources Limited – Summary of Gold Mineral Resources

Deposit (1g/t cut-off)	JORC Code	Measured			Indicated			Inferred			Total Resource		
		Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz	Mt	Au (g/t)	Oz
<u>Menzies</u>													
Pericles	2012				0.53	2.49	42,500				0.53	2.49	42,500
Yunndaga	2012							1.58	2.03	103,000	1.58	2.03	103,000
Bellenger	2012				0.24	2.63	19,900	0.07	2.49	5,910	0.31	2.59	25,810
<u>Kalgoorlie</u>													
Teal	2012	0.33	2.56	27,423	0.61	1.98	38,760	0.55	2.25	38,260	1.49	2.18	104,443
Peyes Farm	2012				0.15	1.74	8,300	0.36	1.72	19,980	0.51	1.73	28,280
Jacques Find	2012							0.26	3.22	26,680	0.26	3.22	26,680
Goongarrie	2012				0.20	3.30	21,321	0.07	1.64	3,707	0.27	2.86	25,028
TOTAL		0.33	2.56	27,423	1.73	2.36	130,781	2.89	2.13	197,537	4.95	2.24	355,741

Notes:

1. Competent Persons Statement - The information in this report that relates to Exploration results, Mineral Resources or Ore Reserves is based on information compiled by Messrs David O'Farrell, Simon Coxhell and Andrew Hawker. All are Members of the Australasian Institute of Mining and Metallurgy and are consultants to Intermin Resources Limited. The information was prepared and first disclosed under the JORC Code 2004 and has been updated to comply with the JORC Code 2012. Messrs O'Farrell, Coxhell and Hawker have sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity that they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration, Results, Mineral Resource and Ore Reserves'. Messrs O'Farrell, Coxhell and Hawker consent to the inclusion in this report of the matters based on their information in the form and context in which they appear.

2. Forward Looking Statements - No representation or warranty is made as to the accuracy, completeness or reliability of the information contained in this release. Any forward looking statements in this release are prepared on the basis of a number of assumptions which may prove to be incorrect and the current intention, plans, expectations and beliefs about future events are subject to risks, uncertainties and other factors, many of which are outside of Intermin Resources Limited's control. Important factors that could cause actual results to differ materially from the assumptions or expectations expressed or implied in this release include known and unknown risks. Because actual results could differ materially to the assumptions made and Intermin Resources Limited's current intention, plans, expectations and beliefs about the future, you are urged to view all forward looking statements contained in this release with caution. The release should not be relied upon as a recommendation or forecast by Intermin Resources Limited. Nothing in this release should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.

Visit us at www.intermin.com.au

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Forward Looking and Cautionary Statements

Some statements in this report regarding estimates or future events are forward looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial performance. Forward looking statements include, but are not limited to, statements preceded by words such as “planned”, “expected”, “projected”, “estimated”, “may”, “scheduled”, “intends”, “anticipates”, “believes”, “potential”, “could”, “nominal”, “conceptual” and similar expressions. Forward looking statements, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward looking statements may be affected by a range of variables that could cause actual results to differ from estimated results, and may cause the Company’s actual performance and financial results in future periods to materially differ from any projections of future performance or results expressed or implied by such forward looking statements. These risks and uncertainties include but are not limited to liabilities inherent in mine development and production, geological, mining and processing technical problems, the inability to obtain any additional mine licenses, permits and other regulatory approvals required in connection with mining and third party processing operations, competition for among other things, capital, acquisition of reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of acquisitions, changes in commodity prices and exchange rate, currency and interest fluctuations, various events which could disrupt operations and/or the transportation of mineral products, including labour stoppages and severe weather conditions, the demand for and availability of transportation services, the ability to secure adequate financing and management’s ability to anticipate and manage the foregoing factors and risks. There can be no assurance that forward looking statements will prove to be correct.

Statements regarding plans with respect to the Company’s mineral properties may contain forward looking statements in relation to future matters that can only be made where the Company has a reasonable basis for making those statements.

This announcement has been prepared in compliance with the JORC Code (2012) and the current ASX Listing Rules.

The Company believes that it has a reasonable basis for making the forward looking statements in the announcement, including with respect to any production targets and financial estimates, based on the information contained in this and previous ASX announcements.