

27 May 2013

Dear Fellow Intrepid Mines Shareholders,

Intrepid Board letter to shareholders continues to miss the FACTS

The Intrepid Mines Chairman's recent letter to shareholders (22 May) continues to misunderstand the Company's position regarding its future participation in the Tujuh Bukit Project, ("Project") and the proposal by the Quantum-led Concerned Shareholders to renew the Intrepid board ("Board").

In addition, the letter continues the Board's attempt to distract shareholders from the real issues surrounding this crisis with false accusations and claims without any supporting facts. The Quantum-led group does not engage in such "tabloid" commentary. For the benefit of all Intrepid shareholders we asked serious questions in writing and at the recent AGM about the Board's responsibility for this crisis, which the Board chooses either to ignore or not support their answers with any factual evidence.

We again state the facts regarding the history of the Project ownership already acknowledged by the Company: "the Company does not have direct rights to the Tujuh Bukit Project tenements and the Tujuh Bukit mining license under which activities are conducted are held by PT IMN." (29 Oct 2012 Intrepid Mines release)

FACT: Intrepid has never held legal title to the Project

FACT: Intrepid's chosen partner, PT IMN, was the only legal title holder of the Project from 2006 to 2012

FACT: As the sole legal title holder of the Project, PT IMN legally entered into commercial agreements under Indonesian law that resulted in the Project title now being held by a new Indonesian company

FACT: Edwin Soeryadjaya and partners are now the controlling shareholders of this new company (PT BSI) and therefore effective owners of the Project

FACT: Any attempt to negotiate to recover value for shareholders can only be with the title holders of the Project

FACT: Any future role for Intrepid in the Project must be in a partnership with the legal title holders of the Project

The Intrepid Board's legal actions are directed at its former Indonesian partner, PT IMN, not the new title holders. Public hostility toward the new title holders and Quantum is misdirected, unjustified and ultimately undermines Intrepid's only realistic opportunity to reclaim a role in the Project and the value that can be created for shareholders.

The Quantum-led Concerned Shareholder group has proposed a new independently-controlled Board that has directly relevant and proven Indonesia experience to negotiate a direct interest in the Project with the new title holders of the Project based on the funds invested in the Project and using the constructive approach we have taken. The new Indonesian title holders are significantly better placed to gain the critical forestry licence approvals and access to financing to develop the Project, which we believe PT IMN or Intrepid on its own could not achieve.

The alternative is the current Board's approach, which is a protracted, highly uncertain and expensive legal battle with Intrepid's former business partner, PT IMN, based on an original agreement that was not valid under Indonesian law. Our due diligence suggests that it could be years before any legal outcome is known and we believe it will most likely fail to recover any stake in the Project for Intrepid shareholders. We have provided comparable legal examples in our documents to shareholders (www.intrepidcrisis.com.au) yet the current Board has not provided any evidence to support their legal strategy.

Of equal concern is the current Board's public hostility towards the new legal title holders with whom Intrepid will eventually need to negotiate if it is to have any future role in the Project.

We believe that the Board's failure to appreciate the commercial realities of spending \$100 million without securing legal title to the Project has resulted in the current Intrepid crisis and \$1 billion in lost shareholder value.

The Quantum-led proposal to renew the Intrepid Board offers shareholders the only realistic opportunity to secure a future role for the Company in the Project and thereby recover shareholder value.

SHAREHOLDERS SHOULD VOTE YES TO ALL RESOLUTIONS BEFORE THE GENERAL MEETING

Shareholders are invited to contact the Concerned Shareholders group at www.intrepidcrisis.com.au or call the information line on 1300 562 199 (outside Australia +61 2 8022 7902).

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