



INTREPID MINES LIMITED RELEASES ACTIVITIES REPORT FOR THE SECOND QUARTER

THREE MONTHS TO 30 JUNE 2010

28 July 2010: Intrepid Mines Limited (ASX & TSX: IAU) (the "Company") is pleased to announce the release of its report for the quarter ended 30 June 2010 regarding mining production, development and exploration activities, as required under ASX listing Rule 5.1.1 as well the Company's Management's Discussion and Analysis and Interim Financial Report for the three and six months ended 30 June 2010.

The documents are available on the Company's website (www.intrepidmines.com), and will be available shortly with Intrepid's filings on Sedar (www.sedar.com) and can be reviewed on the ASX website (www.asx.com.au).

Numbers in brackets generally describe performance for the quarter ended 31 March 2010.

All dollar values are United States Dollars unless otherwise stated.

OVERVIEW

Finance

- Group loss after tax of \$4.4 million and \$6.6 million for the three and six months ended 30 June 2010 respectively.
- Paulsens' earnings of \$0.5 million and \$8.5 million before interest, taxes, depreciation and amortisation (EBITDA) for the three and six months ended 30 June 2010 respectively.
- Cash balance at quarter end was \$19.7 million.
- Cash balance following completion of Paulsens' sale is expected to be \$39 million.



OVERVIEW (continued)

Paulsens Operations

- On 6 May 2010 the Company announced the sale of Paulsens to Northern Star Resources Limited ('Northern Star') for a total consideration of up to A\$27 million. On 29 June 2010 the Company announced that, following further negotiations with Northern Star, the purchase consideration was revised to allow for a payment of up to A\$40 million, which delivers an acceptable return for the additional life of mine forecast production identified at Paulsens and the improved Australian dollar gold price. On 21 July 2010, Intrepid shareholders approved the sale of Paulsens to Northern Star and on 26 July 2010, Northern Star shareholders approval was also received. It is anticipated that the sale will complete on 30 July 2010.
- The mill at Paulsens was placed on care-and-maintenance at the end of February 2010 and recommenced production in June 2010. Underground mine development continued throughout the gold production hiatus. The Company produced 4,653 ounces during the June 2010 quarter with production of 13,670 ounces for the six months to June.
- During the production hiatus period, the Company invested \$10 million in Paulsens' to access the Voyager orebody.
- Costs per tonne and cash costs per ounce for the current quarter were higher mainly as a result of fixed holding costs of Paulsens' operations during the production hiatus between March and May 2010. The cash costs during the June 2010 quarter were \$798 per ounce (prior quarter \$488 per ounce).

Tujuh Bukit

- A renewed exploration permit was granted to PT IMN during July 2010, which has allowed for re-commencement of drilling. The stoppage (from 18 May 2010) is likely to cause a slight delay in the delivery of the porphyry resource, however this will be offset by the deployment of additional drill rigs.
- On 14 April 2010, the Company reported significant results from GTD-10-137, namely 86 metres averaging 1.11 grams per tonne gold, 0.56% copper, open at depth. This is a new porphyry zone located 1.2 kilometres SE of the main Tumpangpitu porphyry.
- On 25 May 2010, significant results were announced from GTD-10-146, namely 568 metres averaging 0.60 grams per tonne gold, 0.49% copper and 105 ppm molybdenum. This hole is in the north west of the Au-Cu-Mo porphyry which is now confirmed to be at least 900 metres x 600 metres and open in all directions.
- Work continued on the Scoping Study for the oxide resource during the quarter. This study has been extended to include a range of further investigations including heap leaching to incorporate the large tonnage of low grade material below the process plant cut-off grade.



FORESTRY ACTIVITIES

The Indonesian Forestry Law restricts non forestry activities within protected forests and prohibits mining using an open pit method in protected forest areas. The Zone A, Zone B and Zone C resources fall within a protected forest area. The Company, together with its Indonesian alliance partner, PT-IMN, is compiling a multi-faceted plan, which includes close liaison with relevant government officials and local leaders, to allow for a potential review of forest land status under Indonesian legislation, as part of the ongoing effort to enable the potential for open pit mining to be conducted. The Indonesian government has reiterated its commitment to promoting investment in the country, which the Company views as a positive sign.

FORWARD-LOOKING STATEMENTS

This announcement contains certain forward-looking statements relating to, but not limited to, Intrepid's expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as 'anticipate', 'believe', 'expect', 'goal', 'plan', 'intend', 'estimate', 'may' and 'will' or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future outcomes, or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects, and timing of commencement of operations and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects and other factors. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from those expressed or implied.

Shareholders and potential investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. Intrepid undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

Statements relating to gold reserve and resource estimates are expressions of judgment, based on knowledge and experience and may require revision based on actual production experience. Such estimates are necessarily imprecise and depend to some extent on statistical inferences and other assumptions, such as gold prices, cut-off grades and operating costs, which may prove to be inaccurate. Information provided relating to projected costs, capital expenditure, production profiles and timelines are expressions of judgment only and no assurances can be given that actual costs, production profiles or timelines will not differ materially from the estimates contained in this announcement.

FOR MORE INFORMATION

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