



ASX/Media Release

Dated: 9 July 2019

INTERMIN TO DIVEST MENZIES AND GOONGARRIE GOLD PROJECTS TO KINGWEST RESOURCES

Intermin Resources Limited (ASX: IRC) (“Intermin” or “the Company”) is pleased to advise it has reached agreement with Kingwest Resources Limited (ASX: KWR) (“Kingwest”) to divest its Menzies and Goongarrie gold projects 80 - 130km north of Kalgoorlie-Boulder in Western Australia (Figure 1) for a total consideration of A\$8 million.

The acquisition comprises 38 mining, prospecting and exploration licenses with a current JORC resource of 195,000 ounces¹. Under the agreement, Kingwest will pay \$3.375 million in cash and \$4.625 million in Kingwest shares on the following terms²:

- \$750,000 in cash on execution (received), \$1 million in cash and \$3 million in Kingwest shares at a deemed price of \$0.15 per share on settlement expected in the current September Quarter
- \$1.625 million in cash and \$1.625 million in Kingwest shares (the lower of the 30 day VWAP or \$0.15 per share) 18 months after settlement

Intermin will become a substantial shareholder in Kingwest with Board representation in a non-executive capacity and will have a right to process or purchase any gold bearing ore from the sale tenements under standard commercial terms. The transaction is subject to Kingwest completing a \$4 million capital raising and other standard conditions customary for a transaction of this nature.²

Intermin remains fully focussed on its core projects in the Kalgoorlie and Coolgardie regions, completing the consolidated Feasibility Study and advancing mine development and production plans³. The divestment to a well credentialed and focussed exploration company is in line with our strategy of monetising assets to assist in funding future growth plans while maintaining exposure and upside. The payment structure enables Kingwest to fund exploration while providing cash and shares to Intermin broadly aligned with the proposed payment structure for the potential Coolgardie Gold Project acquisition as announced to the ASX on the 11 February and 2 July 2019.

Commenting on the Menzies/Goongarrie divestment, Managing Director Mr Jon Price said:

“Intermin’s core focus is firmly set on developing a standalone gold project in the Kalgoorlie and Coolgardie regions and this divestment supports this objective while retaining exposure to both Menzies/Goongarrie and Kingwest’s current gold projects in the north-eastern Goldfields.”

“The deal is another step in Intermin’s strategy of monetising assets through mine development or generating value through the divestment of lower priority projects to support future growth plans and minimising shareholder dilution wherever possible.”

“We look forward to working with the Kingwest team which is an active gold explorer in the region with an excellent technical team, prospective assets and strong financial backing.”

¹ The information in this report that relates to Intermin’s Mineral Resources estimates or Ore Reserves estimates is extracted from and was originally reported in Intermin’s ASX announcements “Mineral Resource Grows at Menzies Gold Project” dated 8 March 2016, “Goongarrie Lady Feasibility Study Delivers Positive Economic Results” dated 28 June 2018 which are available on Intermin Resources Limited’s website (www.intermin.com.au) and the ASX (www.asx.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in those announcements continue to apply and have not materially changed. Intermin confirms that the form and context of the Competent Person’s findings in relation to those Mineral Resources estimates or Ore Reserves estimates have not been materially modified from the original market announcements. ² See Key Commercial Terms on Page 3. ³ See Forward Looking and Cautionary Statements on Page 4

ASX CODE
IRC

SHARE PRICE
\$0.11

SHARES ON ISSUE
428M

MARKET CAP
~\$47M (undiluted)

BOARD

Peter Bilbe
Non-Executive Chairman

Ashok Parekh
Non-Executive Director

Jeff Williams
Non-Executive Director

Jon Price
Managing Director

MANAGEMENT

Grant Haywood
Chief Operating Officer

David O’Farrell
Exploration Manager

Andrew Pumphrey
GM - Boorara

COMPANY SECRETARY

Bianca Taveira

INVESTOR/MEDIA ENQUIRIES

Jon Price
Michael Vaughan

KEY GOLD PROJECTS

Boorara
Binduli
Teal
Anthill
Lakewood
Yarmony
Balagundi
Blister Dam
Windanya
Baden Powell

VANADIUM PROJECTS

Richmond

WEBSITE

www.intermin.com.au

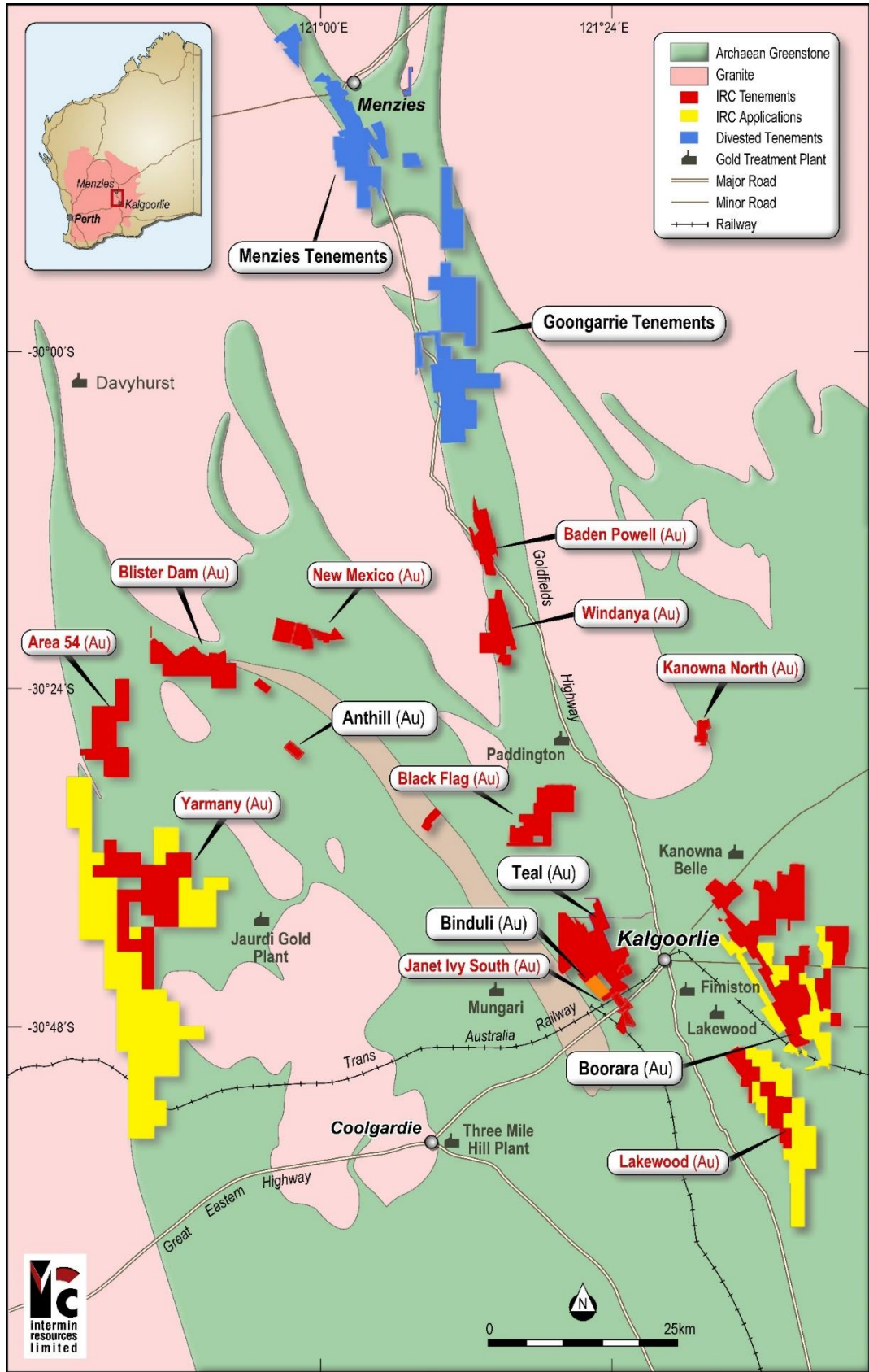


Figure 1: Intermin’s project locations, regional geology and surrounding infrastructure

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KEY COMMERCIAL TERMS

Intermin has entered into an agreement to divest 100% of the tenements comprising the Menzies and Goongarrie Projects to Kingwest for a total consideration of A\$8 million on the following terms:

- An initial cash deposit of \$750,000 (received) (of which \$250,000 non-refundable);
- On settlement:
 - A further \$1M cash payment; and
 - Issuing 20M ordinary shares in Kingwest to Intermin at a deemed issue price of \$0.15 per share and subject to voluntary escrow from issue until the earlier of (a) 18 months following settlement and (b) 3 months following the payment/issue of the deferred consideration.
- A deferred payment no later than 18 months after settlement of:
 - A further \$1.625M in cash; and
 - \$1.625M in value of ordinary shares in Kingwest at a deemed issue price being the lower of \$0.15 per share and a 30 day VWAP (subject to shareholder approval and Intermin not exceeding 19.9% ownership in Kingwest).

Settlement is subject to the following key conditions precedent:

- Completion of due diligence by Kingwest;
- Kingwest completing a minimum \$4M capital raising;
- Shareholder approval for the issue of the upfront consideration shares and shares under the capital raising; and
- An IRC nominee director (Jon Price) to be appointed to the Kingwest Board.

On settlement it is expected that Intermin will hold approximately 19.9% of the total issued capital in Kingwest. Subject to ASX granting Kingwest a waiver from the requirements of ASX Listing Rule 6.18, Intermin will have the right to participate in any offer of securities in order to maintain their ownership interest. The acquisition also gives Intermin a subordinated priority first right to treat ore mined from the projects.

The acquisition agreement otherwise contains conditions precedent, warranties and representations and other clauses that are standard for transactions of this nature.

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.