



# INTREPID REPORTS OPERATING ACTIVITIES FOR THE QUARTER ENDED 30 SEPTEMBER 2008

Intrepid Mines Limited (TSX: IAU, IXN & ASX: IAU - "Intrepid" or "Company"), an international precious metals producer, developer and explorer operating in Australia, Argentina, Indonesia and Mexico, reports operating activities for the quarter ended 30 September 2008. The principal activities of Intrepid and its controlled subsidiaries (collectively referred to as the 'Consolidated entity') were the operation of the Paulsens Gold Mine, developing the Casposo gold and silver project, the exploration of the Company's tenement portfolio, and the pursuit of precious metal projects and exploration assets. All dollar figures are in United States dollars unless otherwise indicated. Intrepid today filed its Activities Report for the quarter ended 30 September 2008 which is available on the Intrepid website [www.intrepidmines.com](http://www.intrepidmines.com), [www.sedar.com](http://www.sedar.com) and at [www.asx.com.au](http://www.asx.com.au). The highlights of that report are provided below.

## HIGHLIGHTS

### Paulsens Operations

- ◆ Paulsens has achieved 447 days without a lost time injury.
- ◆ Paulsens gold production of 16,483 fine ounces, down 27 percent (prior quarter record production 22,687 ounces). The lower gold production resulted from lower grade stopes being mined during the quarter. Annual gold production is still expected to be close to 80,000 ounces.
- ◆ Unit operating costs at Paulsens reduced to \$111 per tonne (prior quarter \$115 per tonne).
- ◆ Site cash costs increased to \$558 per ounce (prior quarter \$429 per ounce) primarily due to lower ounces produced (negative impact \$153/oz), slightly offset by the weakening of the Australian dollar against the United States dollar (positive impact \$22/oz) and slightly lower costs (positive impact \$2/oz) over the period.
- ◆ Cash inflow of \$0.7 million from Paulsens operating activities (previous quarter cash inflow of \$9.3 million) reflecting gold sales of 15,917 ounces (of which 11,004 ounces were delivered into the hedge book at A\$627 per ounce). Previous quarter gold sales of 25,703 (of which 10,862 ounces were delivered into the hedge book at A\$627 per ounce).

### Casposo Development

- ◆ The updated Casposo feasibility study was completed during the quarter with the Company announcing a decision to postpone construction of the project following the recent financial market turmoil which is limiting the availability of funds from the debt and equity markets.



## Exploration

- ◆ At Casposo, the majority of the 13,000 metre drilling program was completed during the quarter with the objective of extending the resource.
- ◆ Exploration at Tujuh Bukit has been ongoing with the Company announcing the drill results of hole GTD-08-035, which intersected 627.2 metres at 0.45 g/t gold and 0.44% copper from 222 metres, including 108 metres at 0.9 g/t gold and 0.9% copper from 530 metres during the quarter. The inaugural resource estimate for Zone C of the Tumpangpitu area of 1.1 million (at .92 AuEq (g/t)) gold equivalent ounces was also announced during the quarter.
- ◆ Subsequently to quarter end, assay results have been received for hole 42, the deep porphyry hole collared approximately 450 metres west of hole 35, and drilled to the north east. Results include:

Depth (metres)	Metres	Copper (%)	Gold (g/t)	Silver (g/t)
28-132	104	0.44	0.25	2.75
330-540	210	0.28	0.1	1.15
718-739	21.4	0.18	0.13	-

- ◆ At Tujuh Bukit the announcement of the Zone A resource has been delayed to December 2008, allowing for inclusion of further drilling.

## Finance

- ◆ With the postponement of construction of the Casposo project, the Company can fund its activities for at least the next eighteen months.
- ◆ Gold revenue for the quarter of \$10.4 million, a decrease of 47 percent from the prior quarter of \$20 million as a result of a 27% reduction in production, delivering 11,004 ounces into the hedge book at A\$627 per ounce and the timing of the gold sales.
- ◆ The consolidated loss for the three and nine months to 30 September 2008 was \$28.5 million and \$34.6 million respectively. The loss of the quarter was mainly as a result of a pre-tax impairment charge of \$29.5 million on the Casposo project in Argentina, \$2.0 million pre-tax impairment charge on the Taviche project in Mexico and lower than expected production from Paulsens operations which has a predominantly fixed cost structure. The year-to-date loss also includes a pre-tax impairment charge of \$5.3 million reported in the June 2008 quarter. The impairment at Casposo was triggered by the recent decision by the Company to delay construction of the Casposo project in line with future recoverability.
- ◆ Cash on hand at the end of the quarter was \$19 million (prior quarter \$46 million).

Reconciliation of movement in cash during Sep 08 quarter:	\$ million
Cash Balance 30 June 2008	45.9
DRDGOLD (Emperor capital distribution)	(11.6)
<b>Subtotal</b>	<b>34.3</b>
<b>Continuing business</b>	
Impact of exchange movements (USD/AUD)	(4.4)
Investments	
Paulsens	(1.8)
Casposo	(3.5)
Tujuh Bukit	(2.8)
Exploration	(0.5)
Corporate	(1.2)
Corporate (restructure & project related)	(0.7)
<b>Cash Balance 30 September 2008</b>	<b>19.4</b>





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## QUALIFIED PERSON

The information in this report, that relates to Exploration Results in Indonesia and the Casposo and Taviche projects, is based on information compiled by or under the supervision of Malcolm Norris, who is a member of The Australasian Institute of Mining and Metallurgy. Malcolm Norris is a full-time employee of Intrepid Mines Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves", and is a Qualified Person as defined in the Canadian National Instrument 43-101 (standards of Disclosure for Mineral Projects). Malcolm Norris consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

## QUALITY CONTROL

A Quality Control sampling program of blanks and duplicates has been in operation at the Casposo Project since 2002, to monitor the integrity of all assay results. All core samples are split at the Company's Calingasta core facility and core samples with inserted control samples are currently shipped to Alex Stewart Assayers Argentina S.A. in Mendoza Argentina, where they are dried, crushed, split and 50 gram pulp samples are prepared for analysis. Gold values are determined by fire assay with an atomic absorption (AA) finish and Silver values are obtained using gravimetric methods for mineralised veins. These samples and those from other areas are also analysed using an ICP multi-element scan.

At the Taviche project samples are prepared and sent to the SGS Minerales facility in Durango, Mexico, the drill core samples are dried, crushed to 75%, passing 2mm mesh and a 250-gram split is pulverized to 85% passing 75µm mesh. Prepared pulps were analysed for gold and silver by fire assay with a gravimetric finish (SGS method FAG323) in Durango. Pulps are shipped to SGS Minerals Services in Toronto, Canada for multi-element analysis using an ICP40 element package. For both the surface and drilling programs, blanks and certified reference standards were inserted into the sample stream to control the quality of sample preparation and analysis.

Intrepid exercises a strict chain of sample custody in its drilling program at Tujuh Bukit, Indonesia. Joint Venture personnel remove core from the drill rig and deliver it to a project geologist who logs the core and marks the core and bagging of samples, and packaging of groups of samples for dispatch to the laboratory. The remainder of the split core remains on site.

Samples are securely packaged, batched, and then transported under supervision to Intertek's laboratory facility in Jakarta. At the laboratory, the samples are prepared by crushing and pulverizing and a 30 gram charge is assayed for gold by conventional fire assay and/or atomic absorption methods. Multi-element ICP analysis is carried out using a multi-acid digestion process. All samples that contain silver and/or copper, lead, and zinc values that exceed the upper detection limits for ICP are re-analysed by conventional atomic absorption methods to determine the absolute values of these metals.

Statements relating to gold 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. The drill programmes at Tujuh Bukit, Taviche and El Salvador are insufficiently advanced to define a resource estimate and it is uncertain if further drilling will result in the determination of a resource statement at these projects.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION

This release 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

**Brad Gordon, Chief Executive Officer**

**Brisbane, Australia**

**Tel: +61 7 3007 8011 | [bgordon@intrepidmines.com.au](mailto:bgordon@intrepidmines.com.au)**

