

## Shareholder Update

16 October 2016

Dear Shareholder

InterGroup Mining Limited has reached a key milestone with the approval of its Mining Lease, ML 100008, in the last week. Granted on 11<sup>th</sup> October, 2016, the Mining Lease runs for a period of 8 years (extendable to Life of Mine) and covers an area of 179.6 hectares.

The Company is now in a strong position and will progress with its plans for near term production.

The Company is also pleased to announce that it has applied for a new Exploration Permit (EPM), through its 100% owned subsidiary, Jodo Gold Pty Ltd.

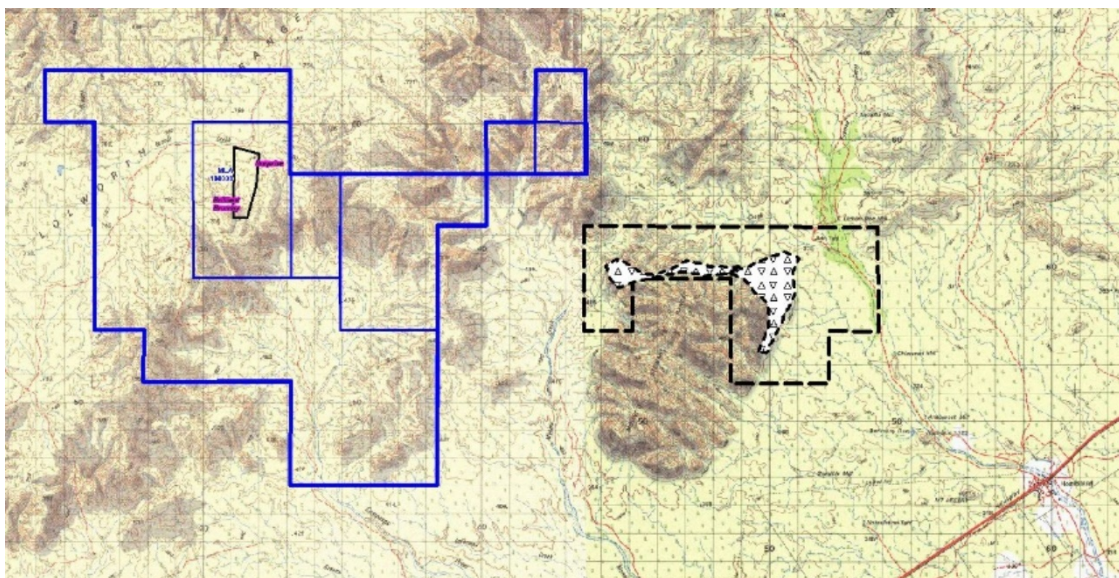
Centred 18 km east of the *Brilliant Brumby* Mining Lease, the 38.8 sq. km EPM will, when granted, cover the exciting gold potential of the *Mundic Breccia*.

This breccia is substantially larger than the host breccias for the 3 to 5 million ounce *Mt Leyshon* and *Kidston* gold mines.

Based on recent Geological Survey of Queensland mapping and previous mapping by the Bureau of Mineral Resources in the 1960s, the *Mundic Breccia* has an area over 5 sq.km.

The opportunity was recognized during research while planning of exploration in the vicinity of the old *Golden Spur* mine on the eastern extremity of the Company's Exploration Permit.

As with the *Golden Spur*, the *Mundic Breccia* is part of the Mundic Igneous Complex, a 35 km long north west trending belt of Early to Mid Permian plutons, breccias, porphyries and dyke swarms with associated gold mineralization of similar age to *Mt Leyshon*.



Oaky EPM Application (black dashed) & Brilliant Brumby Project EPMS (blue).  
Extent of breccia from GSQ and BMR mapping (black triangles).

Gold ore makes up only subordinate portions of the 3 to 5 Moz breccia complexes such as *Mt Leyshon* and *Kidston*. High grade ore is often masked beneath barren breccia (e.g. at *Welcome* and the *Eldridge* ore shoot at *Kidston*) or lies deeper within the complex (e.g. *Mt Wright*).

The Mundic Breccia has gold (0.13 g/t Au) reported from rock chip sampling of the breccia as well as anomalous gold stream sediments emanating from it and a quartz lag sample assaying 5.5 g/t gold. It remains virtually unexplored and offers the Company the potential opportunity to strengthen its position in the region.

The Board and Management look forward to provide further updates as these matters progress further.

Thank you for your continuing support.

*The Board & Management of Intergroup Mining Limited.*