



Dr Michael Green
Growth company & Resources analyst

DOC Investments Limited
Kemp House,
152 City Road,
London EC1V 2NX
doc@docinvest.co.uk

Business

**Gold mining and exploration
in Queensland, Australia**

Financials

Market: Private/Pre-IPO

Website

www.igmining.com

27 May 2019



**Expanding high-grade gold project at a
great address which has all the makings
of becoming a quality tier 1 asset**

Drilling has established Charters Towers style gold. InterGroup Mining's (IGM) Brumby Project lies within the Charters Towers Gold Province in Queensland, Australia where 20Moz+ of high-grade gold has been mined over the years. Detailed exploration has resulted in the discovery of grades as high as 176g/t gold in quartz-vein mesothermal Charters Towers style gold mineralisation. Mesothermal structures are well-known for being high grade deep structures which can hold a substantial amount of gold ore and represent a major source of world gold production.

Starting to get a glimpse of the size of the prize. The most compelling discovery so far has been the 2km long Brilliant Brumby Line in ML 100008. At the same time Brandy Creek is an important new area where recent drilling has shown big similarities to the Brilliant Brumby line. It may be that isolated gold targets seen at both Brilliant Brumby and Brandy Creek may all connect up underground, but this has yet to be proven. Analysis of the 2018-19 drilling results shows that mineralised lodes continue from the surface to depth, which coupled with the rapidly growing strike lengths is beginning to hark at the true scale of the potential at Brumby.

Highly viable, economically robust low-cost gold project. Drilling has led to the delineation of gold resources on narrow vein quartz-sericite lodes, whilst trial mining/screening has shown the potential to upgrade narrow vein quartz. New technology allows gravity recovery to be highly viable. The combination of high-grade shallow surface mineralisation coupled with fairly simple gravity processing suggested lower quartile costs.

North East Queensland remains under-explored. The Brumby Project lies in a prime location in a well-known gold province. Perseverance by IGM's exploration team continues to reveal more gold ore in old mining areas. Boots-on-the-ground geological mapping has resulted in the rediscovery of a number of "lost" mining areas that were found to be kilometres away from their plotted positions on the maps such as Golden Spur, Metana and Python. These discoveries along with the Mundic Breccia are likely to have the potential to add significant gold resources once drilled.

Management has proven expertise to move the project smartly up the valuation curve. Mining and gold production have already begun at ML 100008. Whilst, a mining licence is being fast tracked for Brandy Creek. Both these areas were the site of historic mines and recent rediscoveries of old mining areas could reduplicate such successes. The highly attractive combination of the increasing scale along with a gold grade that is well ahead of the average of 1g/t being mined globally, increasing suggests a quality tier 1 asset in the making. With this in mind, the project ought to be increasingly appearing on the radar of the majors.

*20+ million ounces
of gold*

176g/t gold

*100km²+ of highly
prospective ground*

*Trial mining and
onsite processing*

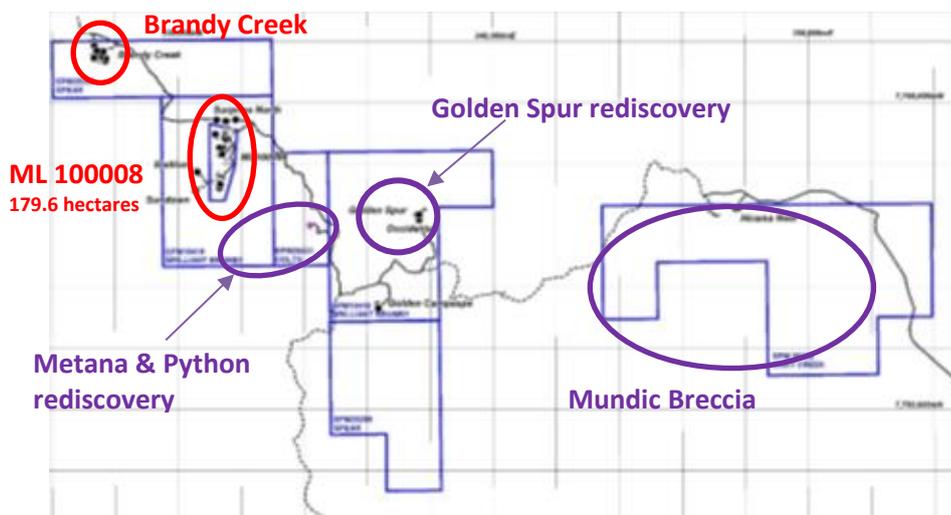
INTRODUCTION

InterGroup Mining (IGM) hold a 100%-interest in the Brumby Project which is a major gold project in Northern Queensland. This project is located within an under-explored area of the famous Charters Towers Gold Province which has produced in excess of 20 million ounces of gold from: mines in the Charters Towers area (7.1Moz), Ravenswood (4Moz), Pajingo-Vera Nancy (3.8Moz), Mount Leyshon (3.5Moz), Mt Carlton (1.4Moz), Mount Wright (1Moz+) and Wirrelie (1Moz).

EXPLORATION

IGM's project area contains a number of historic mines which have exploited exceptional gold grades in the past. The main targets in the project area are gold mineralisation in veins and stockwork. The geology of the area is dominated by granites with the majority of target areas that have been discovered to date appearing to lie along linear geological structures which are favourable locations for gold mineralisation.

The team has been involved a in detailed exploration programme across the project area to define drill targets over a number of years with IGM discovering grades as high as 176g/t gold. Some of these targets have been tested by two drill programmes in 2013-14 (52 holes for 4,633m) and 2018-19 (148 holes for 11,130m) which have produced highly compelling results.



Location of ML 10008, Brandy Creek and some recent discoveries at the Brumby Project which consists of four Exploration Permits for Minerals (EPM) spanning more than 100km² of highly prospective ground

The best drilling results of 2018-19 came from areas surrounding the Brumby, Surprise and Brandy Creek historic mines which are located in the Brilliant Brumby ML 100008 and the Brandy Creek area (EPM 25299). Mining licence (ML) 100008 was granted in late-2016 and since that time, the company has moved into trial mining and onsite processing.

Drilling results from Brandy Creek show big similarities to the 2km long Brilliant Brumby line, which is the most impressive discovery so far. Some of the highest priority follow-up drill targets lie beneath the old gold workings at Brandy Creek. It may be that many isolated gold targets seen at both Brilliant Brumby and Brandy Creek may all connect up underground. But it must be pointed out that such a hypothesis has yet to be proved.

The true scale of the possible potential over the wider project area is only just beginning to be understood. Painstaking exploration work has led to the recent discovery of Golden Spur, Metana and Python plus identification of the Mundic Breccia. Moving ahead, these discoveries look to have the potential to provide additional significant gold resources.

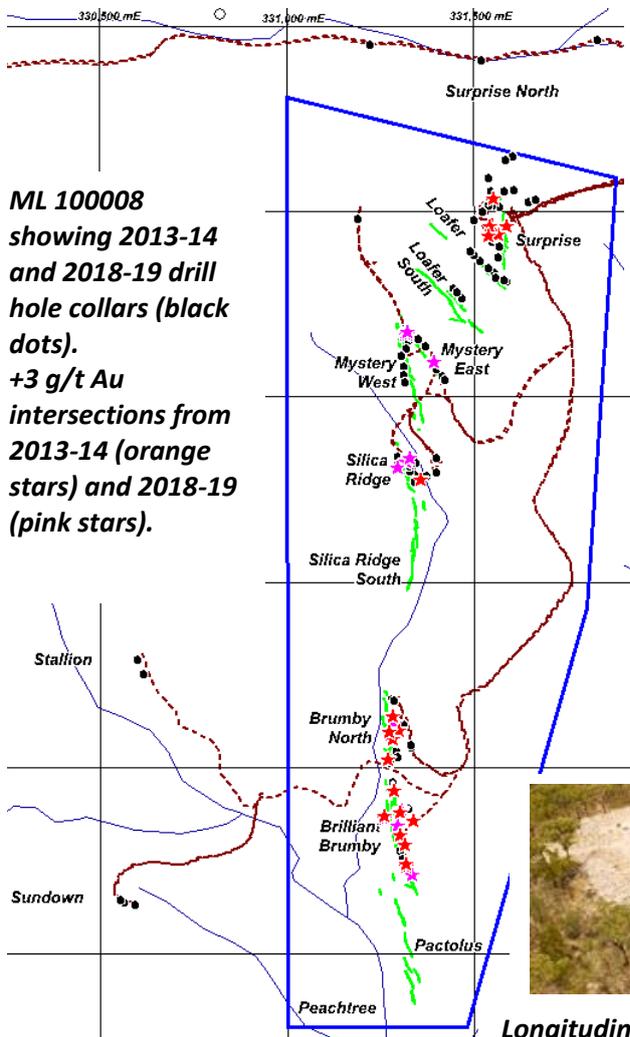
Lodes continue from surface to depth

2km long trend

Continuous mineralisation at depth

BRUMBY ML 100008

High-grade gold intersections were recorded at Surprise, Brilliant Brumby and Brumby North in ML 100008 during the 2018-19 drilling programme. The analysis of these impressive drilling results has shown that mineralised lodes continue from the surface to depth. At the same time a growing strike length has been witnessed which is now a 2km long trend.



Brumby North



Drilling at Brumby



Longitudinal mining at Silica Ridge

Both the veins and lodes discovered in this system display en-echelon (closely-spaced, parallel/subparallel, overlapping or step-like minor structures) characteristics within quartz. These minor structural features in the rock are due to tension fractures which seem to be mainly orientated at strongly oblique orientation to the overall structural trend.

Brilliant Brumby Prospect		Surprise Prospect	
BBRC 068	3m @ 5.5g/t Au	BBRC 045	2m @ 15.8g/t Au
BBRC 072	1m @ 51.4g/t Au	BBRC 150	2m @ 7.1g/t Au
BBRC 124	1m @ 17.7g/t Au	BBRC 160	2m @ 10.1g/t Au
BBRC 126b	1m @ 13.7g/t Au	Brumby North Prospect	
		BBRC 140	1m @ 33.5g/t Au

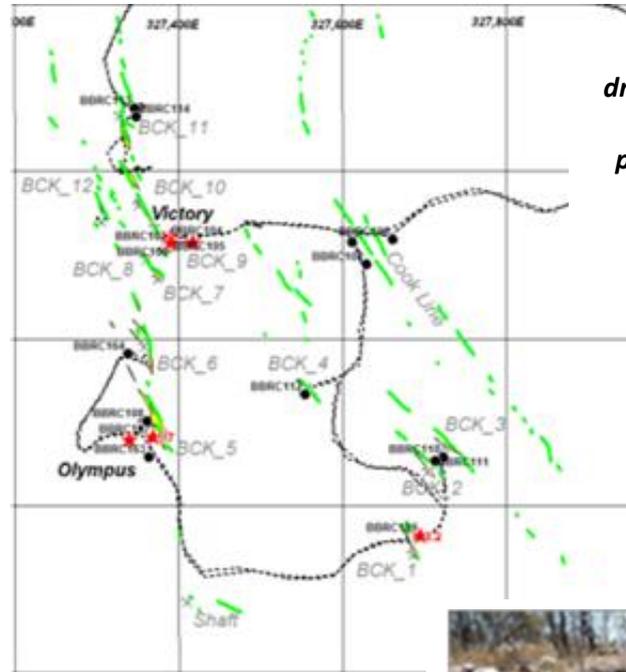
Best intersections from 2018-19 drilling programme at ML 100008

The style of the vein deposits varies with increasing depth below the paleosurface. The presence of en-echelon tension veins and some irregular stockwork veins seen at Silica Ridge and Brumby North compared to more linear, through-going veins at Brilliant Brumby, and Surprise indicates that the project lies near the boundary between the brittle deformation domain and the brittle-ductile transition. All of which provides the potential for more focused and continuous mineralisation at depth.

Important discoveries

BRANDY CREEK (SPEAR EPM 25299)

High-grade gold intersections were also recorded below the 1930s workings at Victory and Olympus at Brandy Creek which look like the most important discoveries made in the 2018-19 drilling programme. The recently constructed access road allowed for the initial drilling in this area. A total of 21 RC holes were drilled for 2,204m, targeted at investigating the extent of the mapped historical workings and mineralised quartz veins.



Location of prospects drilled at Brandy Creek in the 2018-19 drilling programme, with lodes (green) and old mine names (black)



Siting Victory drill holes



Brandy Creek Prospect	
BBRC 103	1m @ 11.4g/t Au
BBRC 104	2m @ 11.1g/t Au
BBRC 167	4m @ 19.99/t Au

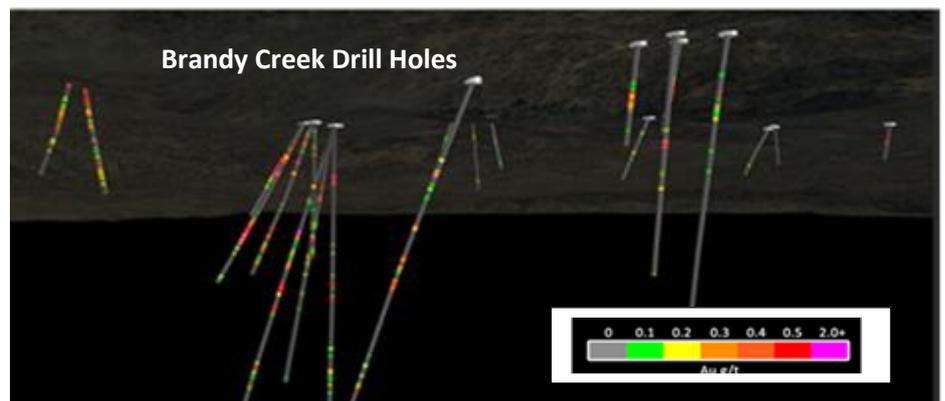
Best intersections – 2018-19 drilling

Olympus Mine

Gold grades close to historic levels

The best and most continuous high-grade mineralisation was found at Brandy Creek on the Victory workings south along strike from the as yet untested 1930s underground mining area where topographic factors have frustrated rig access. Initial drilling has intersected gold grades close to historical levels with high grade gold intersected below these old workings at Victory and +5g/t gold was returned at Olympus.

Brandy Creek is an important new area. Drilling results from here have shown big similarities to the Brilliant Brumby line. The mineralisation at the Brilliant Brumby historic mine is seen to be comparable to that at Brandy Creek and is typically hosted by quartz veining trending N-S in contrast to the general NE-SW trend of the major faults and lineaments in the region.



Open pit gold resources

MINING & PROCESSING

IGM has a highly creditable strategy to establish viable gold operations based on the gold veins that characterise the Mt Stewart region. Already, rapid progress has been made in mining and a small-scale onsite processing plant was commissioned in November 2018 in ML 100008.

A further aim of the 2018-19 drilling programme was to target shallow open pit gold resources in granite hosted quartz veins for immediate mining and treatment at the onsite processing plant. High priority follow-up drill targets have been selected focused on defining a maiden and expanded resource.



Excavating at the Surprise mine and longitudinal mining at Silica Ridge

Trial bench mining has been undertaken at Brumby North with the rock being mined by excavators without the need for explosives. Screening of the run of mine (ROM) has been shown to successfully separate the quartz rich fraction. The +10 to -50mm range is typically 2-5g/t gold, whilst the 0-10mm fraction has been found to be of a grade of c.0.5g/t gold.



ROM screened heaps and trial gravity treatment plant at Surprise

Screened ROM is fed from a hopper into the hammer mill with the -0.8mm material going into an agitator tank to create a 40% ore slurry which provides the feed for the Centrifugal Concentrator (with +0.8mm material going through the hammer mill again). The resultant gold bearing pregnant solution then passes on to the Gemini Table where the gold is recovered.



Agitator & Centrifugal Concentrator, Gemini Table and gold produced

Second plant planned

A second plant is planned to be ordered to increase production capacity. The team is also investigating the use of laser separation with TOMRA Sorting Solutions, where trials have shown that laser technology is able to discard 90% of granitic waste and reduce costs. Such technology could serve to dramatically reduce processing costs and capex moving ahead.

The management intend to develop Brandy Creek in the same way as ML 100008 with the focus on early stage mining and cash flow generation. Already a mining licence is being fast tracked for Brandy Creek with plans to truck the gold ore for treatment at the ML 100008 processing facilities.

Important new additional area

“Lost” mining areas being rediscovered

On same regional structure as Mt Leyshon

GROWING SCALE OF THE PROJECT

The biggest discoveries over the larger project area, so far, have been made along a prominent 2km Brilliant Brumby line. Brandy Creek is located just 5km away and is seen to contain similar mineralisation. Highly encouraging early drilling results at Brandy Creek are fast suggesting that this is an important additional new area.

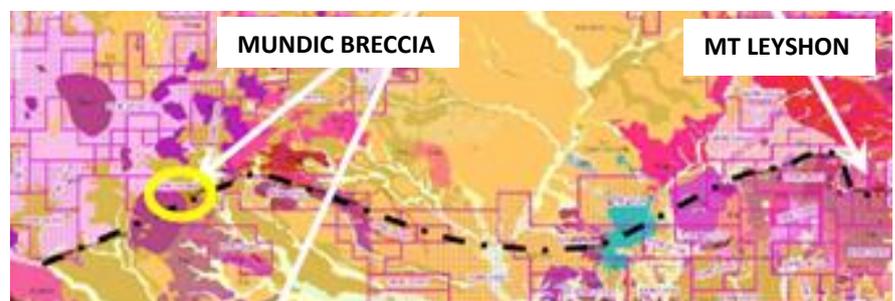
Increasing Ore Potential – 2018-19 drilling results confirmed that there is additional potential at depth. The best exploration results at Brandy Creek came from the NW and so further drilling is expected to focus on the adjacent area to the north where the 1930s miners developed a small underground stope and down-plunge from high-grade mineralisation. A possible discovery of a similar sort of trend as the Brilliant Brumby line could be on the cards. Preliminary modelling shows close to 1Mt of gold ore with a highly variable grade averaging 0.7g/t for c.20,000 ounces at Brandy Creek. Separate zones of mineralisation may join up, so more drilling is planned which could substantially boost this resource.

North East Queensland remains under-explored and perseverance by the team continues to reveal more gold ore in old mining areas. Boots-on-the-ground geological mapping has resulted in the location of several “lost” mining areas that were kilometres away from their plotted positions. These new discoveries highlighted below look to have the potential to provide additional significant gold resources once they have been drilled.

Golden Spur Rediscovery – Reefs that had been “lost” for 80 years were found in 2018. Last year, the team rediscovered the Golden Spur workings where 1930’s newspaper reports mentioned that 20 tons of half ounce material had been mined with 14 tons going through the Empire mill for 16 oz gold (which would equate to a grade of 0.7oz/ton or 22g/t gold). In addition, Scotts Shaft was found in the northern soil line where a sericitic lode is present. Whilst, soil sampling in 2014 followed by reconnaissance has led to old workings being found on a new 0.4g/t gold anomaly.

Metana & Python Rediscovery – Lost reefs discovered in 2018 when the Python main shaft, Metana reef and the Early Bird Prospect were located.

Mundic Breccia –The Bureau of Mineral Resources geological map (1970) shows breccia on the north flank of the Permian Granite and the 1990’s saw the Geological Survey of Queensland mapping breccia on open ground. Combined mapping has revealed an additional target and in total the Mundic Breccia is seen to be 5km² in size, which remains undrilled.



Lies on the same regional structure as Mt Leyshon (3.5Moz)

There is no soil geochemical sampling and only a few rock chip samples at the Mundic Breccia. However anomalous gold has been found in bulk cyanide leach (BCL) samples. -80# screened samples have grades of up to 1660 ppb gold (1.66g/t) and quartz lag (coarse sand) samples up to 5.5g/t gold. Grades as high as 50g/t gold have been discovered at the Hirama Reef Prospect on the northern boundary of Oaky Creek EPM 26366.

Highly viable

World class project

Quality tier 1 asset

PUSHING THE PROJECT SMARTLY UP THE VALUATION CURVE

Detailed exploration work by IGM has resulted in the discovery of gold grades as high as 176g/t gold from quartz-vein mesothermal Charters Towers style gold mineralisation. These are mesothermal structures which are legendary the world over for being high grade, large and deep structures that can hold a substantial amount of gold ore.

The company's two drilling programmes have resulted in the delineation of gold resources on narrow vein quartz-sericite lodes at the Brumby Project. Trial mining and screening has really demonstrated the potential to upgrade narrow vein quartz. Whilst, new technology is making gravity recovery of gold from narrow vein quartz deposits highly viable.

Investors maybe just starting to get a glimpse of the true scale of the potential here moving ahead. Further drilling and sampling programmes are planned to focus on defining a maiden and expanded resource for both ML 10008 and Brandy Creek. Plus, there is the additional potential from new discoveries which are intriguingly spread right across the wider project area. At the same time, work on the ground is continuing to reveal more gold resource potential from the rediscovery of old mining areas.

There appears to be little doubt that the Brumby Project is shaping up to have the potential to be a world class gold project. This is due to high-grade gold being discovered increasingly across a fast-expanding area, coupled with shallow surface mineralisation which allows for low cost open pit mining coupled with fairly straightforward gravity processing.

The management are no strangers to driving mining projects smartly up the valuation curve. The well-planned strategy ought to be able to show the growing size of the prize as well as demonstrating that costs are comfortably within the lower quartile for the industry. For these reasons, the Brumby Project is likely to attract interest from major players which rely on juniors like IGM to supply them with such quality tier 1 assets.

About the author

Dr Michael Green is an independent analyst specialising in growth companies and resources companies. He gained a BSc and PhD in Mining Engineering from Nottingham University. Having been involved in consultancy work, he began working in the London financial market in the 1980s as a Resources Analyst with stockbrokers Buckmaster & Moore and then HSBC-owned Greenwell Montagu Securities. Subsequently, he was involved in analysing a wide range of growth companies and became Head of Research at stockbroker Everett Financial which specialised in the small cap market. Since, 2006 Michael has been an independent analyst. UK-based DOC Investments Ltd provides research and investor relations.

RISK WARNING

This document is provided as information only and the opinions expressed are those of the analyst Dr Michael Green. The information contained in this document is believed to be correct but neither Dr Michael Green nor DOC Investments Limited accept any responsibility for the accuracy or otherwise of the information contained within this document. DOC Investments Limited prepared this corporate summary which was paid for by InterGroup Mining Limited. DOC Investments Limited is not regulated by the Financial Conduct Authority (FCA).

Information and corporate summaries prepared by DOC Investments Limited are for the use by the professional investment community as well as sophisticated and High Net Worth investors (using the definition contained within the rules of the regulatory bodies). This document is not intended to act as financial promotion and investors should not rely on this document when contemplating any investment. The value of shares in a company can do down as well as up and if you invest, you may not get back the full amount you originally invested. Past performance is not a guide to the future.