



TUJUH BUKIT

OPTION AGREEMENT: UPDATE

15 December 2009: Intrepid Mines Limited (ASX, TSX: IAU) (the 'Company') advises that negotiations with Vale S.A. ('Vale') in respect of the option to acquire rights in the Tujuh Bukit project in Indonesia, have been terminated, as the parties have been unable to reach agreement on several key elements of the formal option documentation.

Commenting on this development, Intrepid's CEO, Brad Gordon, said: "We have made significant progress with drilling at Tujuh Bukit in recent months despite an extensive commitment to the Vale due diligence process. In particular, we look forward to the imminent finalisation of a maiden Inferred Resource for Zone B, to complement the Inferred Resource inventory of Zones A and C, and the commencement of drilling at the new Katak porphyry discovery in production forest.

We believe that in the current economic environment, the opportunity exists to realise the intrinsic potential of the Tujuh Bukit asset, particularly given the demonstrated corporate interest in this world class asset."

The Company expects to release the maiden Zone B Inferred Resource figure this week.

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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.

FORESTRY ACTIVITIES

The Indonesian Forestry Law restricts non forestry activities within protection forests and prohibits mining using an open pit method in protection forest areas. Accordingly, Intrepid's Alliance partner, PT IMN, is working with relevant Indonesian authorities to allow for a review of forest land status.