MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE QUARTER ENDED 30 JUNE 2008

Expressed in United Stated dollars unless otherwise stated

INTREPID MINES

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INTREPID MINES

Management's Discussion and Analysis
for the quarter ended 30 June 2008

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Intrepid Mines Limited ('Intrepid' or 'the Company') is a dynamic international precious metals producer, developer and explorer operating in Australia, Argentina, Canada, El Salvador, Indonesia and Mexico. During the quarter ended 30 June 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, updating of the feasibility study for 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. The Company is listed on the ASX (symbol 'IAU') and TSX (symbol 'IAU' & 'IXN').

The Management's Discussion and Analysis ('MD&A') provides a discussion and analysis of the operating results and financial condition of Intrepid Mines Limited for the quarter ended 30 June 2008 and should be read in conjunction with the Company's interim unaudited financial report for the three and six months ended 30 June 2008 and audited financial statements and related notes for the twelve months ended 31 December 2007. The interim financial report and related notes have been prepared in accordance with Australian equivalents to International Financial Reporting Standards ('AIFRS'). Intrepid's presentation currency is United States dollars. Additional information, including press releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval ('SEDAR') at www.sedar.com and on the Australian Stock Exchange online lodgement system at www.asx.com.au.

VISION AND STRATEGY

Intrepid's principal business is the operation of the Paulsens Gold Mine in Western Australia, development of the Casposo gold and silver project in Argentina, the advanced exploration of the Tujuh Bukit project in Indonesia and exploration of its international suite of mineral properties. The Company plans to grow through successful operation, development, and extension of its Paulsens Gold Mine, successful development of the Casposo project, development of the Tujuh Bukit property in Indonesia and continued exploration success in the Company's prospective areas of interest.

Intrepid's vision is to provide long-term value to the Company's shareholders by becoming a significant international gold producer with a portfolio of producing assets in addition to a solid pipeline of exploration projects to sustain future growth. To achieve this goal, Intrepid has engaged management with the appropriate experience and competencies to deliver optimum value from development of the Company's assets whilst maintaining a business structure with strong corporate governance principles in accordance, where appropriate, with ASX and TSX guidelines. Management assesses country risk prior to entering into negotiations or acquiring properties. While the Board and management recognise that some of the best mineral discovery opportunities may be provided by countries of high risk, Intrepid will not invest in areas where management assesses that the political and social risks preclude or endanger future development.

MERGER WITH EMPEROR MINES LIMITED

In September 2007 the Consolidated entity announced a proposed merger with Emperor Mines Limited (Emperor). The merger was based on the combination of two complementary businesses – Intrepid's producing Paulsens Gold Mine in Western Australia and the Casposo Gold and Silver development project in Argentina, together with Emperor's strong cash position and the Tujuh Bukit exploration property in Indonesia.

Emperor and Intrepid shareholder meetings were held on 28 February 2008, and 3 March 2008 respectively, with shareholders of both companies strongly endorsing the merger. The second court meeting to approve the merger was held on 10 March 2008 and the merger became effective 11 March 2008.

Completion of the merger has delivered to the market an international gold producer, developer and explorer listed on both the ASX and TSX.

OVERVIEW FOR THE QUARTER ENDED 30 JUNE 2008

Corporate

- During the quarter the Company closed its Perth office, in accordance with its previously announced intention and has downsized the Canadian Capital markets office, to realise future overhead savings.

Paulsens Operations

- Another solid quarter from Paulsens with gold production of 22,687 fine ounces (highest quarter on record), up 11 percent (prior quarter 20,369 ounces). The third consecutive quarter exceeding 20,000 fine ounces.
- Site cash costs decreased slightly to $429 per ounce (prior quarter $432 per ounce) primarily due to increased ounces produced, offset by a 4% strengthening of the Australian dollar against the United States dollar (negative impact $19/oz) over the period.

Casposo Feasibility

- Updated Casposo feasibility study was completed subsequent to the quarter end, with the Company announcing a development timetable that will allow commencement of production in the third quarter of 2010.

Exploration

- An updated ore reserve and resource statement on Paulsens, dated 31 December 2007, announced on 15 May 2008, defined a measured and indicated resource of 272,700 ounces and reserve of 162,700 ounces. Exploration of the resource extension zones at Paulsens continues to be encouraging.
- Exploration at Tujuh Bukit has been ongoing and subsequent to the quarter end, the Company announced 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 and also announced the inaugural resource estimate for Zone C of the Tumpangpitu area of 1.1 million (at 0.92 AuEq (g/t)) gold equivalent inferred resource.

Finance

The Company continues to strengthen its treasury position evident through its strong gold production and revenue results during the quarter, including:

- Gold revenue for the quarter of $20 million, an increase of 43 percent from the prior quarter of $14 million.
- Cash on hand at the end of the quarter was $34 million (excluding $12 million held on behalf of DRD Gold, which was subsequently paid to DRDGold on 12 August 2008. Refer Note on Significant developments/subsequent events.
- The hedge position continues to reduce and will be fully delivered by the end of 2008. At the end of the quarter the hedge position was 22,448 ounces, a reduction of 10,862 ounces at A$627 per ounce over the last quarter. In addition, the Westpac finance facility was fully extinguished during the quarter.
- Intrepid is well funded to meet all its operating, development and exploration activities into the future, and does not anticipate the need to raise capital until 2009 with the commencement of the construction at Casposo.

Activities by month – Year to date June 2008

January
- 23 percent resource expansion at Casposo.
- Fourth Quarter 2007 Operating Activities released.
- Six tonne gold milestone achieved at Paulsens.
- Paulsens extension drilling commences.

February
- Notice of Special meeting of shareholders.
- Merger update and announcement of sale of Tolukuma Gold Mines by Emperor.
- Paulsens extension drilling results released.
- Preliminary Final Report for 2007 filed.

March
- Drilling results for Taviche Project at Oaxaca Mexico released.
- Court approves scheme of arrangement for Intrepid / Emperor merger.
- Intrepid and Emperor merger completed.
- Filing of final 2007 Financial Report.

April
- Underground drilling points to mine life extension at Paulsens.
- First quarter 2008 results released.
- CFO resigns.
- First Quarter 2008 Operating Activities released.

May
- Westpac Project Debt facility extinguished 6 months ahead of schedule.
- Copper/Gold Porphyry intersected at Tujuh Bukit.
- Positive Gold-Silver results on newly acquired Alma Delia Property and East Taviche-Mexico.
- AGM results and Chairman's address.

June
- CFO appointed.
- Laurence Curtis steps down as President.

ACTIONS TARGETED FOR 2008 - Achieved

- Successful integration following merger with Emperor.
- Eliminated Paulsens Gold Mine project debt.
- Initial resource statement for Tujuh Bukit project for Zone C announced on 27 July 2008.
- Advance exploration of the porphyry copper-gold targets at Tujuh Bukit.
- Decision to proceed with the development timetable for Casposo that will allow commencement of production in the third quarter of 2010.

ACTIONS TARGETED FOR 2008-In Progress

- Deliver mine performance at Paulsens Gold Mine to current mine plan with production targeted between 70,000 and 80,000 ounces.
- Extend Paulsens Gold Mine life.
- Extinguish hedge commitments through gold delivery by 31 December 2008.
- Expand Casposo gold and silver project reserves.
- Continue to advance exploration on the Tujuh Bukit gold, silver and copper project over oxide targets within Zones A, B & C and porphyry copper-gold targets; and deliver an initial resource estimate for Zone A of the Tujuh Bukit project in the December 2008 quarter.

- Advance forestry approvals for the Tujuh Bukit project.
- Implementation of a new executive remuneration plan.

KEY PERFORMANCE INDICATORS

The financial performance of the Company is highly dependent on the following key performance drivers:

- Realised gold prices and foreign exchange rates.
- Gold production volumes and production costs per ounce.
- Positive exploration results.
- Adequate financing and investor support.

Realised gold prices and foreign exchange rates

Realised gold prices and exchange rates are largely outside the control of the Company (except for hedged gold sales commitments). During the quarter ended 30 June 2008 the Company delivered a total of 10,862 ounces of flat forwards in relation to its Paulsens Gold Mine finance facility commitments. All hedges were delivered on schedule and no further hedging was entered into during the period.

The listings on both the ASX and TSX, and plans to develop projects where the nominal currency is US dollars, have resulted in the Company adopting US dollars as its reporting currency. Consequently, fluctuations in the US dollar against the Australian dollar could result in unanticipated changes in the Company's financial results. During the quarter ended 30 June 2008, the $A/$US exchange rate ranged from a low of $A/$US 0.9029 to a high of A$/US$ 0.9654, with an average of A$/US$ 0.9415 (previous corresponding quarter $A/$US exchange rate ranged from a low of A$/US$ 0.8087 to a high of A$/US$ 0.8487, with an average of A$/US$ 0.8306).

Gold production volumes and production costs per ounce

The Company's production target from the Paulsens Gold Mine is 70,000 to 80,000 ounces for 2008. Achievement of reserve grade, production volumes and prudent management are vital to the Company's successful operation of the Paulsens Gold Mine.

Positive exploration results

The Company holds an international suite of exploration assets which the Company believes provide good prospects for exploration success. Exploration success should lead to development opportunities and future production to sustain growth.

Adequate financing and investor support

Historically, the major sources of liquidity have been the capital markets and project financing. Following the merger with Emperor, the Company has significantly improved liquidity and with positive exploration results and continued good performance of the Paulsens Gold Mine, the Company should be able to meet its financial commitments and requirements in the ensuing year. Intrepid's ability to continue or expand its production, exploration and development activities depends on its ability to generate revenues from its operations and/or to obtain financing through joint ventures, debt financing, equity financing, production sharing arrangements or other means.

Intrepid continues to communicate with its investors with its market communications programs to all stakeholders and continues to engage and communicate with the financial community on a consistent basis. Management's increased efforts on this front are expected to result in value-added attention from research analysts and the market as a whole.

SELECTED FINANCIAL INFORMATION (unaudited)

	3 months to 30 June 2008 $000	3 months to 31 March 2008 $000
Gold and silver revenue	19,789	13,841
Other income	747	257
Total gross revenues	20,536	14,098
Net (loss)	(4,314)	(1,782)
Net (loss) per share (basic)	(1.3)cps	(0.8)cps
Operating cash flow	5,558	2,069
Cash balance	45,939	58,659
Gold produced	22,687oz	20,369oz
Total assets	138,766	151,463
Total liabilities	40,626	55,276

	12 months to 31 December 2007 $000	3 months to 31 December 2007 $000	3 months to 30 September 2007 $000	3 months to 30 June 2007 $000	3 months to 31 March 2007 $000
Gold and silver revenue	39,862	12,551	9,717	7,787	9,807
Other income	396	(164)	242	266	52
Total gross revenues	40,258	12,387	9,959	8,053	9,859
Net (loss)	(30,356)	(352)	(2,989)	(24,766)	(2,249)
Net (loss) per share (basic)	(17.98) cps	(0.2)cps	(1. 8)cps	(15.1) cps	(1.4)cps
Operating cash flow	496	3,061	(796)	724	(2,493)
Cash balance	2,861	2,861	1,540	1,127	4,285
Gold produced	71,464 oz	21,426 oz	16,690 oz	15,854 oz	17,494 oz
Total assets	90,617	90,617	88,601	85,507	114,013
Total liabilities	50,904	50,904	47,837	46,527	59,513

Review of selected financial information
(for the Three and Six months ended 30 June 2008)

Financial Results

- Revenue from gold and silver sales for the three and six months ended 30 June 2008 totalled $19,789,000 and $33,630,000 respectively, compared to $7,787,000 and $17,594,000 for the three and six months ended 30 June 2007. Revenue was derived from:
  - sale of 25,703 ounces of gold for the three months to June 2008 realising an average price of $768/ounce (compared to 14,498 ounces realising an average price of $538/ounce for the three months to June 2007);
  - sale of 44,922 ounces of gold for the six months to June 2008, realising an average price of $747/ounce (compared to 32,834 ounces realising $535/ounce during the six months to 30 June 2007 period).
- The higher revenue was the result of continued strong production performance at Paulsens Gold Mine with production for the three and six months to June 2008 of 22,687 ounces and 43,056 ounces respectively (compared to 15,854 ounces and 33,348 ounces for the three and six months ended 30 June 2007 respectively) driven by an overall improved performance from operations.
- A total of 10,862 ounces were delivered into gold forward sales contract hedges delivering a hedge decrease for the three months ended 30 June 2008 of $3,171,000 against a higher spot price average (compared to 12,680 ounces and decrease of $1,904,000 for the three months ended 30 June 2007).
- A total of 21,523 ounces were delivered into gold forward sales contract hedges delivering a hedge decrease for the six months ended 30 June 2008 of $6,979,000 against a higher average spot price (compared to 25,844 ounces and decrease of $4,039,000 for the six months ended 30 June 2007).
- As at 30 June 2008 there were 22,448 ounces of hedge commitments outstanding at an average price of A$627 per ounce. This commitment is scheduled to reduce to nil by 31 December 2008 from planned production deliveries.
- The Company recorded a loss for the three and six months to June 2008 of $4,314,000 and $6,096,000 respectively, compared to a loss of $24,776,000 and $27,025,000 for the three and six months ended 30 June 2007 respectively. The results for the three months to 30 June 2008 were dominated by an pre-tax impairment charge of $5,265,000 on the El Salvador exploration property compared to a $21,000,000 (net of tax) impairment recorded in the three months ended 30 June 2007 against the mining property acquired in 2006. The results for the current three and six month period were also impacted by:
  - higher production costs as a result of higher world oil prices, increase in reagents consumption and increase in depreciation and amortisation as a result of increased production.
  - decrease in gold in circuit (GIC) and gold in transit (GIT) resulting in negative impact on costs (ounces shipped were 1,866 ounces more than ounces produced for the six month period)
  - higher general administration costs also increased as a result of integration costs associated with the Emperor merger. This includes public relations, share registry, travel and costs associated with maintaining Perth, Brisbane and Canadian capital market offices, increase in insurance costs, and increase in taxation and accounting professional services costs. In order to realise future overhead savings, the Perth office was closed in April 2008 and Canadian capital market office has been downsized.
  - the continued strengthening of the Australian dollar against the United states dollar with the average rate for the six months to June 2008 of 0.9256 strengthening 9% from the average rate for the six months to June 2007 of 0.8077 (a 15% negative impact on costs);
- Increased revenue has resulted in cash inflows from operating activities for the three and six months to June 2008 of $5,558,000 and $7,627,000 respectively compared to a cash inflow of $724,000 for the three months to June 2007 and cash outflow of $1,769,000 for the six months to June 2007.
- Investment in mine development and other capital incorporating Paulsens Gold Mine development, contribution to increase ownership interest in the Tujuh Bukit gold-silver-copper project and feasibility costs for the Casposo development project in Argentina required $7,526,000 and $9,010,000 for the three and six months ended 30 June 2008 compared to $2,058,000 and $5,630,000 for the three and six months ended 30 June 2007 respectively.

- A total of $9,612,000 and $13,094,000 of debt was repaid during the three and six months ended 30 June 2008 compared to $2,147,000 and $4,095,000 repaid during the three and six months ended 30 June 2007.
- Merger related costs includes costs associated with the Emperor merger such as legal, taxation and accounting services and restructure costs associated with the Perth office closure and downsizing the Canadian office.
- The merger with Emperor on 11 March 2008 delivered $57,467,000 of cash to the Company net of transaction costs which included $11,900,000 held on behalf of DRD Gold (as at 11 March 2008).

Financial position

Total assets decreased $12,697,000 to $138,766,000 during the quarter principally as a result of a reduction in cash following repayment of the Westpac facility, contribution to increase ownership interest and ongoing exploration commitments in the Tujuh Bukit gold-silver-copper project and on-going drilling and project development related costs at Casposo.

Total liabilities decreased by $14,650,000 to $40,626,000 during the quarter ended 30 June 2008 principally as a result of the repayment of the Westpac facility and a reduction in the gold forward hedge book liability through deliveries.

Total assets increased $48,149,000 to $138,766,000 during the six months principally as a result of the merger with Emperor. This included $57,467,000 in cash, $1,895,000 in property, plant and equipment, receivables of $8,858,000 and fair value allocation of $7,638,000 on the Tujuh Bukit. This was partially offset by repayment of the Westpac facility, contribution to increase ownership interest and ongoing exploration commitments in the Tujuh Bukit gold-silver-copper project and on-going drilling and project development related costs at Casposo.

Total liabilities decreased by $10,278,000 during the six months ended 30 June 2008 as a result of the repayment of the Westpac facility following the merger with Emperor and a reduction in the gold forward hedge book liability through gold deliveries and the accounting treatment post merger, of Emperor's loan to Intrepid as an intercompany loan, hence eliminated on consolidation. The reduction in liabilities has been partially offset by an increase in payables following the acquisition of $14,872,000 in payables from Emperor principally comprised of $12,500,000 held on behalf of DRD GOLD at the end of the period. On 12 August, the Company paid net $12,000,000 million to DRDGold Limited. This was following the release of a class ruling by the ATO that the capital distribution made by Emperor Mines Limited in September 2007 was not a deemed dividend to its shareholders.

RESULTS OF OPERATIONS

Mineral sales

				3 months to 30 June 2008	3 months to 31 March 2008
Gold sold (oz)				25,703	19,219
Gold revenue (spot) $000				22,921	17,629
Hedging decrease $000				(3,171)	(3,808)
Silver revenue $000				39	20
Total metal sales $000				**19,789**	**13,841**
Realised price ($/oz)				768	719

	12 months to 31 December 2007	3 months to 31 December 2007	3 months to 30 September 2007	3 months to 30 June 2007	3 months to 31 March 2007
Gold sold (oz)	69,469	19,273	17,362	14,498	18,336
Gold revenue (spot) $000	48,664	15,249	11,817	9,672	11,926
Hedging decrease $000	(8,878)	(2,721)	(2,118)	(1,904)	(2,135)
Silver revenue $000	76	23	18	19	16
Total metal sales $000	**39,862**	**12,551**	**9,717**	**7,787**	**9,807**
Realised price ($/oz)	573	650	559	538	534

PRODUCTION – PAULSENS GOLD MINE

The Paulsens Gold Mine is located in Western Australia's Ashburton Mineral Field approximately 1,000 kilometres north of Perth. Paulsens is an underground mine extracting ore from two mineralised zones, designated the Upper Zone and the Lower Zone respectively, located on the exterior contacts of a single massive quartz vein. Ore treatment is carried out on site using a conventional carbon-in-leach process. Throughput is approximately 320,000 tonnes of ore per annum with gold production forecast at 70,000 to 80,000 ounces for 2008. Mining, ore crushing, power generation and camp management are carried out by contractors. Intrepid staff operate and maintain the processing plant and carry out all technical and administrative functions at the mine. All personnel commute to the mine by charter aircraft from Perth and are accommodated on site during their roster.

Mining

Another strong mining performance was delivered in the 2008 June quarter with a record 24,176 contained ounces mined and hauled to the surface (previous quarter was 20,807). The improved performance of the Paulsens operation in the last three quarters continues to lay a solid foundation for future production.

Total underground development increased by 9 percent, over the prior quarter, essentially remaining constant with rates established over the past 12 months. The June 2008 quarter totaled 634 metres, (575 metres for the prior quarter). Despite the similar total advance for the quarter, the mix of the type of development changed substantially with significantly more advance in the main decline. Consequently, there was slightly lower operating development and therefore a corresponding decrease in ore sourced from development.

The main decline was advanced 135 metres over the three months, resulting in a total distance of 2,003 metres from the portal by quarter end, and approximately 51 vertical metres below the lowest stoping level (previous quarter 76 metres) and 335 vertical metres below surface. During the quarter, the decision to develop a dedicated drill drive in the hanging wall, has allowed the decline to be continued. Consequently, the completion of the hanging wall drive has improved the ability to continue with the diamond drilling of the lower offset of the Upper Zone now known as “Voyager”.

Mine development

				3 months to 30 June 2008	3 months to 31 March 2008
Decline				135 m	14 m
Level				179 m	183 m
Strike driving				320 m	378 m
Total				634 m	575 m

	12 months to 31 December 2007	3 months to 31 December, 2007	3 months to 30 September 2007	3 months to 30 June 2007	3 months to 31 March 2007
Decline	711 m	124 m	280 m	185 m	122 m
Level	651 m	238 m	75 m	120 m	218 m
Strike driving	1,273 m	237 m	214 m	277 m	545 m
Total	2,635 m	599 m	569 m	582 m	885 m

Ore development was carried out in the Upper Zone between the 953 mRL and 895 mRL levels and in the Apollo Zone on the 1046 level. Development yielded 14,071 tonnes of ore at an average reconciled grade of 7.03 grams per tonne (18,426 tonnes at 7.55 grams per tonne in the prior quarter). The grade of the development ore dropped marginally compared to the previous quarter, due to the decision to now develop off the hanging wall and therefore in the lower graded portion of the ore zone.

Stope production increased by 20 percent in the June quarter compared to last quarter, and constituted 83 percent of total ore produced over the quarter. The reconciled average stoping grade for the quarter was

9.39 grams per tonne, above the previous quarter's 8.71 grams per tonne. The increase in grade is a direct result of the change in development strategy as discussed above where a greater proportion of higher grade ore on the hanging wall was removed in stoping rather than in development. Longhole drilled stocks (i.e. blast holes drilled but not yet fired) continued to increase over the quarter resulting in nearly two months of drilled stocks being available for production.

Ore mined

				3 months to 30 June 2008	3 months to 31 March 2008
Development ore				14,071 t	18,426 t
Development grade				7.03 g/t	7.55 g/t
Stope ore				69,562 t	57,931 t
Stope grade				9.39 g/t	8.71 g/t
Total ore				83,633 t	76,357 t
Total grade				8.99 g/t	8.48 g/t
Contained gold				**24,176 oz**	**20,807 oz**

	12 months to 31 December 2007	3 months to 31 December 2007	3 months to 30 September 2007	3 months to 30 June 2007	3 months to 31 March 2007
Development ore	63,443t	11,875t	12,241t	11,229t	28,098t
Development grade	6.97g/t	7.68g/t	7.26g/t	3.33g/t	8.01g/t
Stope ore	261,815t	73,136t	68,345t	61,068t	59,266t
Stope grade	7.47g/t	8.78g/t	6.82g/t	6.94g/t	7.16g/t
Total ore	325,258t	85,011t	80,586t	72,297t	87,364t
Total grade	7.38g/t	8.63g/t	6.88g/t	6.38g/t	7.44g/t
Contained gold	**77,128oz**	**23,583oz**	**17,837oz**	**14,821oz**	**20,887oz**

Production was focused on the Upper Zone during the quarter with development maintaining the comfortable lead time in front of stoping seen last quarter (approximately 6 months ahead). The focus on both the decline advance and development of the dedicated drill drive during the June quarter saw the capital development advance increase by 60%. The ratio between operating and capital development for the June quarter also decreased from 1.9:1 in the previous quarter to 0.99:1 in the current quarter. Longhole production at Apollo began during the quarter. Dilution within the soft and jointed host rock was pleasingly low. The previously reported new lower level of Apollo was developed to the ore body limit. Subsequent exploration rise development results indicate that narrow high grade stoping is viable over a strike length of 100 metres. Diamond drilling undertaken during the quarter beneath the new level failed to intersect any economic blocks of ore.

The impacts of a rejuvenated mining fleet were evident in the June quarter with much improved availabilities and subsequent productivity. Trucking availability throughout the quarter improved from the previous quarter and resulted in a record month of ore hauled to the surface in May. Further review of the trucking fleet is underway to further improve haulage efficiencies.

Processing

The processing plant produced an excellent quarter with gold production of 22,687 fine ounces, the highest on record. Average quarterly mill head grade improved to 9.10 grams per tonne compared to the previous quarter's 8.48 grams per tonne, maintaining the significant step change (in excess of 20 percent increase) compared to 2007 gold production.

Milled tonnage increased by two percent and mill recovery increased by 2.2 percent, from 93.0 percent in the previous quarter to 95.2 percent in the current quarter. The issues associated with the recovery in the previous quarter due to ore feed with poorer metallurgical characteristics did not affect recovery this quarter. Several improvements in the circuit with oxygen and lead nitrate additions appear to be increasing metallurgical recoveries with further optimisation to continue into the next quarter.

Ore processed

		3 months to 30 June 2008	3 months to 31 March 2008
Tonnes treated		82,010 t	80,372 t
Head grade		9.10 g/t	8.48 g/t
Recovery		95%	93%
Gold produced		**22,687 oz**	**20,369 oz**

	12 months to 31 December 2007	3 months to 31 December 2007	3 months to 30 September 2007	3 months to 30 June 2007	3 months to 31 March 2007
Tonnes treated	325,640t	82,276t	81,735t	82,345t	79,284t
Head grade	7.31g/t	8.60g/t	6.81g/t	6.41g/t	7.40g/t
Recovery	93.4%	94.2%	93.3%	93.4%	92.7%
Gold produced	**71,464oz**	**21,426oz**	**16,690oz**	**15,854oz**	**17,494oz**

Operating costs – Quarter ended 30 June 2008

Unit operating costs for the current quarter rose to $115 per tonne from $90 per tonne for the three months to June 2007.

The increase from the corresponding three months in 2007 has been due to:

- continued strengthening of the Australian dollar against the United States dollar with the average rate for June 2008 quarter of 0.9415 strengthening 13 percent from 0.8306 (or a negative impact of approximately $12 per tonne).
- increase in mining costs by $5 per tonne as a result of mitigating inflationary increases including diesel generated power costs mostly driven by rising oil prices.
- increase in milling costs by $6 per tonne also as a result of rising oil prices and increase in consumables such as cyanide and oxygen to maximise ore recovery.
- increase in administration costs by $2 per tonne as a result of increase in costs including freight & courier, also related to inflationary increases driven by higher oil prices.

Operating costs – Year to date to 30 June 2008

Unit operating costs for the current six month period rose to $113 per tonne from $86 per tonne for the six months to June 2007.

The increase from the corresponding six months in 2007 has been due to:

- continued strengthening of the Australian dollar against the United States dollar with the average rate for the six months to June 2008 of 0.9256 strengthening 15 percent from 0.8077 (or a negative impact of approximately $13 per tonne).
- increase in mining costs by $4 per tonne as a result of mitigating inflationary increases including diesel generated power costs mostly driven by rising oil prices.
- increase in milling costs by $8 per tonne also as a result of rising oil prices and increase in consumables such as cyanide and oxygen to maximise ore recovery.
- increase in administration costs by $2 per tonne as a result of increase in costs including freight & courier, also related to inflationary increases driven by higher oil prices.

Operating costs

				3 months to 30 June 2008	3 months to 31 March 2008
Mining				$62/t	$63/t
Processing				$43/t	$39/t
Administration				$10/t	$9/t
Total				$115/t	$111/t
Site production cash cost				$429/oz	$432/oz
Royalties and refining net of silver credits				$27/oz	$24/oz
Total cash cost				**$456/oz**	**$456/oz**

	12 months to 31 December 2007	3 months to 31 December 2007	3 months to 30 September 2007	3 months to 30 June 2007	3 months to 31 March 2007
Mining	$49/t	$51/t	$44/t	$54/t	$45/t
Processing	$31/t	$36/t	$32/t	$29/t	$28/t
Administration	$8/t	$9/t	$8/t	$7/t	$7/t
Total	$88/t	$96/t	$84/t	$90/t	$80/t
Site production cash cost	$399/oz	$357/oz	$426/oz	$467/oz	$361/oz
Royalties and refining net of silver credits	$21/oz	$21/oz	$16/oz	$18/oz	$19/oz
Total cash cost	**$420/oz**	**$378/oz**	**$442/oz**	**$485/oz**	**$380/oz**

DEVELOPMENT – CASPOSO GOLD AND SILVER PROJECT

The EPCM selection process progressed during the quarter, with a shortlist of potential contractors going through a rigorous interview process. An RFP (Request for Proposal) was issued the end of May, and bids were received by the end of June. Two contractors provided both E&PS (Engineering and Procurement Services) bids and CMS (Construction Management Services) bids, while one contractor provided an E&PS bid only and the final contractor provided a CMS bid only. On 6 August 2008, the Company announced awarding of the contract for the Engineering and Procurement services to Ingenieria PENTA Sur.

The updated Feasibility study conducted by AMEC was progressed during the quarter with the final report submitted subsequent to the quarter end on 12 July 2008. Since the completion of the original March 2007 AMEC Feasibility Study, with a cost base dated in fourth quarter 2006 dollars, there have been several technical and economic changes which warranted an 'Update by Exception'. Most notably these changes include higher commodity prices, a period of intense cost escalation in the industry that has significantly increased operating and capital cost estimates, the replacement of diesel power with transmission grid power, new capital requirements to co-fund the transmission line, an updated geological resource and its possible implications on both additional reserves and changes to the project scale and "open pit - underground transition point", the introduction of an Infrastructure Fund, and the awarding of the Environmental Impact Statement with various obligations including training requirements. Overall these new circumstances could be expected to have an impact on the Project Financials.

As announced subsequent to the quarter (17 July 2008), the review from AMEC is based on an updated Total Indicated Resource (June 2008 at $760 per ounce gold and $13.00 per ounce silver) from the Kamila and Mercado deposits containing 2.1Mt grading 5.07g/t gold and 136 g/t silver (6.81 g/t gold equivalent)[1] indicating contained metal of 454,874 equivalent ounces of gold. This translates into a Probable Reserve (June 2008 at $690 per ounce gold and $11.80 per ounce silver) estimated to be 1.7Mt at a grade of 5.16g/t gold and 120 g/t silver (6.86 g/t gold equivalent) which equates to in-situ mineable material of 382,535 equivalent ounces of gold.

This compares to a previously announced Probable Reserve of 1.8Mt at a grade of 4.69g/t gold and 113.8g/t silver (6.11 g/t gold equivalent) for 351,935 equivalent ounces of gold. The new ore Reserve delivers an annual production rate of 63,000 ounces gold equivalent over the current 5.5 year mine life.

The AMEC review provides for a capital cost estimate at $86 million (June 2008 dollars). Intrepid has decided on a development timetable that allows for commencement of production in the third quarter of 2010. The capital cost increase is consistent with current industry experience since March 2007. The average life-of-mine operating cost was also reviewed and confirms a gold cash cost of production at $90 per ounce (after allowance for silver credits at $14 per ounce).

EXPLORATION

Argentina - Casposo Continuing Exploration

During the period Intrepid embarked on an aggressive drill strategy to support expansion of the current life-of-mine plan and bolster the long term project economics of Casposo. An initial 5,000m drill program commenced in May has been expanded to 20,000m and a second drill rig has been commissioned to start work in July. This project will increase the total exploration drill metreage at Casposo by 60 percent over the coming 12 months. A minimum of 12,000m is planned to the end of 2008.

Initial results from the drill program have returned significant results from the Inca vein. The Inca vein is the most recently developed vein resource at the Kamila Deposit, being the source of new resources in the Company's November 2006 Resource Update (see IAU announcement released via ASX on 14 January 2008). Drilling in the period has focused on easterly strike and plunge extensions to the structure and has

[1] A gold equivalent ratio of 68:1 was used for both Resource and Reserve.

intercepted the vein at distances ranging from 50m to 150m away from currently defined mineral reserves and resources.

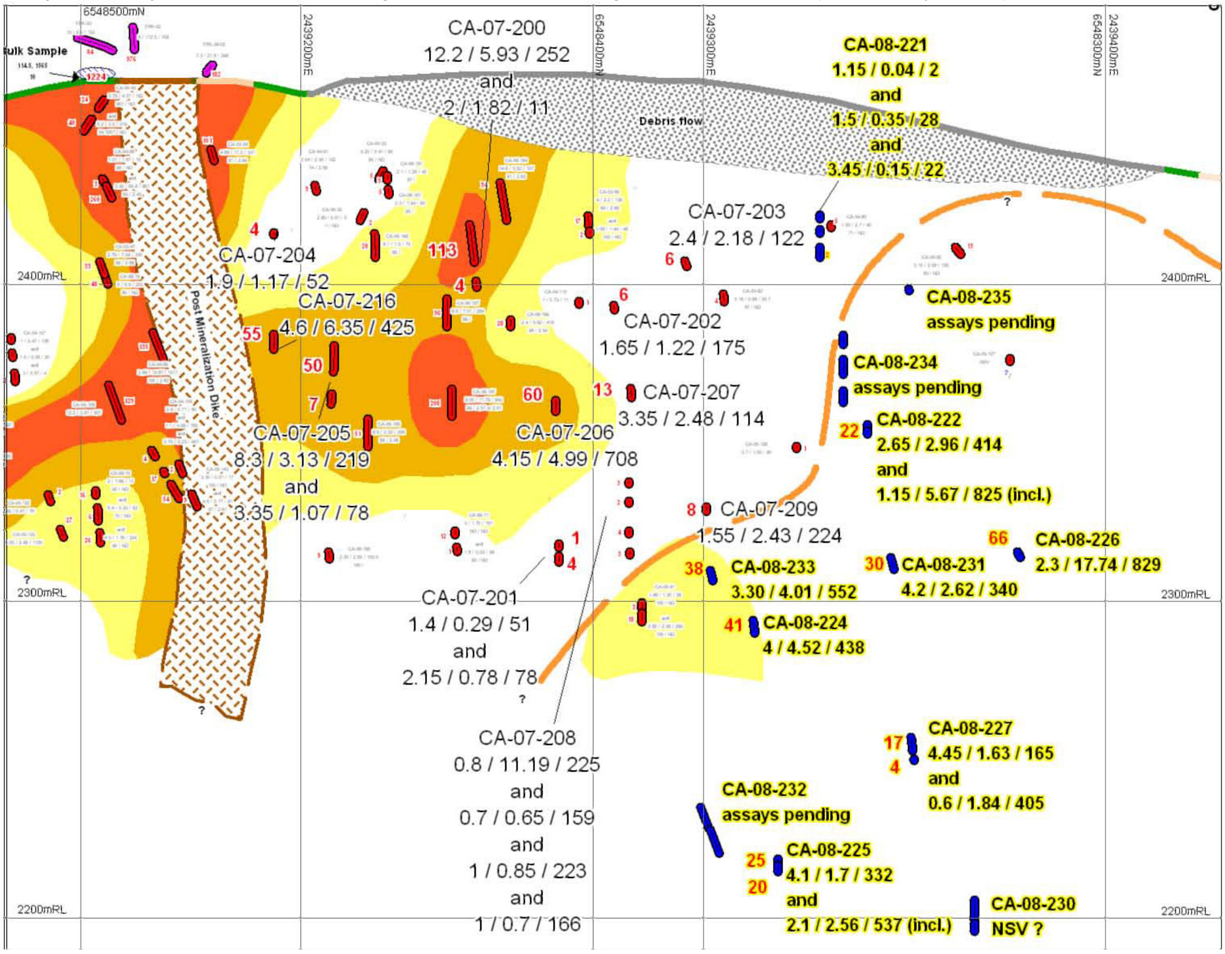
Approximately 2400m have been completed to date in the Kamila mine area in the period, targeting the B- and Inca structures. Initial results from the current extension drill program point to considerable potential for the capture of new mineral resources. Holes drilled during the period are shown on the following table:

Casposo Project - 2008 Drill Program Initial Results - Inca vein (to July 11, 2008)

HOLE #	FROM (m)	WIDE (m)	Au [g/t]	Ag [g/t]	AuEq [g/t]
CA-08-222	102.6	1.2	5.7	825.0	17.5
CA-08-223	23.6	5.6	1.0	14.0	1.2
CA-08-224	161.3	4.0	4.5	438.0	10.8
CA-08-225	223.7	4.1	1.7	331.6	6.4
CA-08-226	144.0	2.3	17.8	827.0	29.6
CA-08-227	185.9	4.5	1.6	164.7	4.0

Holes CA-08-220 and 221 reported anomalous values only. Gold equivalency is based on a ratio of 70:1 Ag:Au. Intervals reported are core length True width has not been determined to date

Casposo Project - 2008 Drill Program Inca Vein Longitudinal Section (to 11 July 2008)



Australia - Paulsens

Regional exploration activity has increased during the quarter. Significant data compilation has been completed. Reconnaissance prospect review and rockchip sampling has been undertaken on several tenements. The Program of Work for drilling the Paulsens East Prospect has been approved with commencement dictated by drill rig availability.

The reserve extension drilling continued during the quarter with a focus on testing the updip potential of the Voyager ore body (Stage 1A) which has verified the interpretation of the offset. With the completion of the hanging wall drive a second rig was mobilised to site to commence drilling into the main Voyager Upper Zone (Stage B) and also extend some deeper holes to test Lower Zone position. The other rig continued to test Voyager extremities (Stage 2A and 3A) as well as grade control drilling. The majority of assay results are pending but significant mineralised zones have been encountered.

Indonesia – Tujuh Bukit

Exploration at Tujuh Bukit has been ongoing and has focused on drilling at the Tumpangpitu Prospect. Two diamond drilling rigs are on site. The first pass of drilling at Zone C was completed and assay results were released to the market on 27 May 2008. A total of 16 holes were drilled into the oxide and sulphide domains of the near surface high sulphidation mineralisation. The mineralisation in Zone C is open to the north and south so follow-up drilling is required, both to continue to delineate the gold-silver zones lateral to the area of existing drilling, but also to infill the area drilled to date to map higher grade zones more accurately.

Two deep holes were completed in the area of Zone C. Hole GTD-08-026 was drilled away from the oxide mineralisation and intersected altered rock but with no significant mineralised intervals. Hole GTD-08-029 was drilled under the Zone C oxide zone and intersected a significant porphyry copper-gold interval. Results were released on 27 May 2008.

A resource estimate by independent consultants for Zone C was completed after quarter end, based on the 80 x 80 metre grid of diamond drill holes GTD-04, GTD-011, GTD-15 to GTD-32. The resource estimate was released on 28 July, delivering a 1.1 million (at 0.92 AuEq (g/t)) Inferred Resource at Zone C.

Four bulk samples from Zone C drill core of differing lithologies and oxidation levels from the high sulphidation zone were collected and sent to the Metcon laboratory in Sydney, Australia for metallurgical testing. It is expected that results will be available in mid September. Drilling in Zone A, located approximately 900m northeast of Zone C, commenced during the quarter. Approximately 12 holes are expected to be drilled to further define the oxide mineralisation in this area, as previously identified in historical drilling from previous explorers. The results from the first two holes, GTD-08-033 and GTD-08-034, were released subsequent to the period end. It is expected that the first pass drilling at Zone A will be concluded in early September.

TABLE OF RESULTS

A deep hole, GTD-08-035, was collared in the area between Zones C and A, and drilled to intersect the deep porphyry copper-gold zone intersected in hole GTD-08-029. The hole did intersect the porphyry zone approximately 450 metres lateral to the intersection in hole GTD-08-029. The results were released to the market after the period end.

HOLE #	FROM (m)	INTERVAL (m)	Au g/t	Cu %
GTD-08-35	222	627.2	0.45	0.44
incl	222	72	0.20	0.75
incl	424	425.2	0.60	0.46
incl	424	278	0.80	0.63
incl	522	108	0.95	0.90

Hole GTD-08-35 was drilled at -70 degrees to 230 degrees Intercepts are "down hole" intercepts and true widths have not been established at this stage.

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

The Foundation for Development Co-operation has been engaged to assist Intrepid Mines Ltd and its Joint Venture partner, PT Indo Multi Niaga (IMN), to develop a Corporate Social Responsibility and Community Development strategy for the project.

Mexico – Taviche

Intrepid optioned the Taviche property located in Oaxaca State, Mexico in 2006 from Plata Panamericana S.A. de C.V. The Taviche Property comprises two concessions totaling 13,724 hectares. Subsequently in 2007, Intrepid entered into an agreement with Aura Silver Resources Inc. whereby the companies will jointly earn a 70 percent interest in the concessions. Aura Silver completed funding of the first year agreement commitments with Plata Panamericana, and all future expenses are jointly funded. Intrepid acts as operator and commenced field activities in January 2007.

In May, the companies announced prospecting results for the Higo Blanco zone, a major jasperoid/vein breccia complex, located within the southern part of the East Taviche mineral concession. The zone is several kilometres in strike length by up to one kilometre wide and extends southeasterly into the recently acquired Alma Delia concession. Samples assaying up to 3.08 grams per tonne gold and 1,780 grams per tonne silver were obtained in the jasperoid zones and assays of 1.07 grams per tonne gold and 251 grams per tonne silver in the vein breccia. The Alma Delia concession measures 898 square kilometres and covers several gold and silver prospects along the possible southeastern extension of the Taviche district.

The veins, breccia zones and jasperoid are an expression of a robust hydrothermal system emplaced into generally flat lying Cretaceous sediments and overlying Tertiary volcanics. The mineralisation and vein system appear to be controlled by sub-vertical structures with vein emplacement and silicification related to these and to sub-horizontal bedding related weaknesses.

Trenching of the Higo Blanco veins also commenced during the quarter. Results of sampling received from Trench 1 indicate that gold values are broadly distributed and very anomalous, ranging up to 2.09 g/t gold while silver values appear vertically zoned with low values in the upper portions of the sampled mineralisation (<17 g/t silver) while in the lower section there is considerable enrichment (<463 g/t silver).

All rock types regardless of precious metal values, level of oxidation or amount of quartz veining, contain anomalous values of indicator elements such as arsenic and antimony. Several other trenches were undertaken in the period. Results are awaited.

El Salvador - San Cristobal Property

The government of El Salvador has not provided required permits to the Company or to other exploration companies in the country for more than six months as a result of a political debate about the resource sector within government. The Company's projects are impacted by this lack of process and it is uncertain when permitting processes will return to normal and the Company can continue work on its properties.

As a result of the above political uncertainties and following a review of the Groups exploration assets during the period and in line with future commitments and recoverability of Groups assets, the El Salvador exploration property has been fully impaired.

However, as reported at the Intrepid Annual General Meeting in May 2008, with the aim to deliver increased value to its shareholders, the Company is considering a number of options in respect of its Mexico and El Salvador exploration assets. While a number of options are currently being considered, no decision has yet been made. Intrepid will keep shareholders informed of any developments in respect of these exploration assets.

OVERALL FINANCIAL PERFORMANCE

Business Combination

On 11 March 2008 the Company completed a business combination by acquiring all of the issued securities of Emperor Mines Limited. The purchase consideration comprised the issue of 246,118,931 Intrepid ordinary shares for 1,046,005,621 issued securities of Emperor Mines Limited, 623,529 unlisted Intrepid shares and payment in cash of A$89,826 for 4,880,900 Emperor's unlisted shares at fair value. As per the Merger Implementation Deed (MID) signed on 18 September 2007, Intrepid acquired all outstanding Emperor shares on 11 March 2008 (1,046,005,621) on the basis of the Exchange ratio, being (1) Ordinary Intrepid share for every 4.25 Emperor Shares outstanding with each fractional entitlement rounded up or down to the nearest whole number of Ordinary Shares.

The Exchange Ratio of the Ordinary Shares for Emperor Shares represented on 18 September 2007 (being the date of the execution of MID) an effective price of C$0.245 per Ordinary Share. The closing price on the TSX, on 18 September 2007 for the Ordinary Shares was the C$0.25 per Ordinary Share and the 20 day volume weighted average price ending 18 September 2007 of the Ordinary Shares on the TSX was C$0.239. The closing price of the Emperor Shares on the ASX on 18 September 2007 was A$0.067 and the 20 day volume weighted average price ending 18 September 2007 on the ASX was A$0.069.

The cost of the business combination has been determined by reference to the market value of Intrepid shares as at the date of the business combination (11 March 2008) and has been determined as outlined below. Note, at 30 June 2008 the balances are provisional due to ongoing work required to finalise the valuations of certain assets and liabilities

	Costs of business combination $000
Issue of 246,118,931 shares @ A$0.255	57,576
Transaction costs directly attributable to business combination (including costs of unlisted shares)	3,410
Total cost of business combination	**60,986**

Details of net assets acquired were as follows:

	Acquiree's carrying amount $000	**Fair value $000**
Cash and cash equivalents	57,467	57,467
Receivables	8,858	8,858
Plant and equipment	1,895	1,895
Exploration properties	-	7,638
Payables	(14,872)	(14,872)
Net assets acquired	**53,348**	**60,986**

The AIFRS approach required the fair value to be allocated to Exploration properties of $7,638,000. The amount has been allocated to Emperor's Tujuh Bukit gold-silver copper exploration project in eastern Java.

INCOME STATEMENT

	Notes	3 months to 30 June 2008 $000	3 months to 30 June 2007 $000	6 months to 30 June 2008 $000	6 months to 30 June 2007 $000
Revenue from continuing operations					
Gold and silver sales	1	19,789	7,787	33,630	17,594
Other income	2	747	266	1,004	245
		20,536	8,053	34,634	17,839
Expenses					
Cost of gold and silver – excluding depreciation and amortisation	3	11,362	7,083	19,985	14,231
Cost of gold and silver – depreciation and amortization	4	5,270	2,650	9,035	5,647
Exploration and evaluation expenditure	5	2,172	389	2,631	817
General and administration expenses					
- General	6	1,825	825	3,938	1,634
- Option value expense	7	110	119	174	223
Borrowing costs	8	280	763	781	1,312
Foreign exchange loss		66	-	422	-
Impairment of Mining Properties	9	5,265	30,000	5,265	30,000
Loss before income tax		**(5,814)**	**(33,776)**	**(7,597)**	**(36,025)**
Income tax benefit	10	1,500	**9,000**	1,501	9,000
Loss attributable to members of the company		**(4,314)**	**(24,776)**	**(6,096)**	**(27,025)**

1. Gold and silver sales

Three months to June 2008	Six months to June 2008
Revenue from gold and silver sales for the quarter ended 30 June 2008 totalled $19,789,000 compared to $7,787,000 for the three months ended 30 June 2007. The higher revenue compared to the corresponding period in 2007 is primarily the due to a 43% increase in gold production combined with 43% increase in the realised gold price as a result of the increase in spot gold prices and reduced hedging commitments. Gold sold was 25,703 ounces for the quarter, 77% (14,498 ounces) higher than the June 2007 quarter. The average realised gold price for the quarter ended 30 June 2008 was $768 per ounce against a realised price of $538 per ounce for the three months ended 30 June 2007.	Revenue from gold and silver sales for the six months ended 30 June 2008 totalled $33,630,000 compared to $17,594,000 for the six months ended 30 June 2007. The higher revenue compared to the six months ended 30 June 2007 is a consequence of a 29% increase in production and 39% increase in the realised gold price as a result of the increase in spot prices and reduced hedging commitments. Sales ounces of 44,922 for the six months were 37% higher than for the same period in 2007 (32,834 ounces). The average realised gold price for the six months ended 30 June 2008 was $747 per ounce against a realised price of $535 per ounce for the six months ended 30 June 2007.

2. Other income

Three months to June 2008	Six Months to June 2008
Other revenue includes interest income earned on bank accounts. The result for the quarter ended 30 June 2008 of $747,000 compared to the three months ended 30 June 2007 of $266,000 is attributed to the stronger cash position held throughout the three month period to 30 June 2008, including the cash balances contributed by the Emperor merger, compared to the net cash position of the Company during 2007.	Other revenue includes interest income earned on bank accounts. The result for the six months ended 30 June 2008 of $1,004,000 compared to the six months ended 30 June 2007 of $245,000 is attributed to the stronger cash position held throughout the six month period to 30 June 2008, including the cash balances contributed by the Emperor merger, compared to the net cash position of the Company during 2007.

3. Cost of gold and silver sold (excluding depreciation and amortisation)

Three and six months to June 2008

The cost of gold and silver sold (excluding depreciation and amortisation) was $11,362,000 for the quarter ended 30 June 2008 compared to $7,083,000 for the three months ended 30 June 2007.

The cost of gold and silver sold (excluding depreciation and amortisation) was $19,985,000 for the six months ended 30 June 2008 compared to $14,231,000 for the six months ended 30 June 2007.

Operating costs at Paulsens increased as a result of:

- continued strengthening of the Australian dollar against the United States dollar with the average rate for June 2008 quarter of 0.9415 strengthening 13 percent from 0.8306 (or a negative impact of approximately $921,000).
- increased power generation and fly-in and fly-out costs due to rising fuel price.
- increased consumption of cyanide and oxygen to maximise the impact of poorer ore recovery.
- increase in Royalty payables as a result of higher gold price.
- increase ratio of development to stoping ore and reduced capital development allocations.
- decrease in GIC and GIT (Gold stock on hand) resulting in an negative impact on costs.
- continued strengthening of the Australian dollar against the United States dollar with the average rate for the six months to June 2008 of 0.9256 strengthening 15 percent from 0.8077 (or a negative impact of approximately $2,135,000).

4. Depreciation and amortisation

Depreciation and amortisation as it relates to the extraction and processing of ore and work in progress is charged to inventory based on the ounces extracted or processed over the reserve life of the Paulsens Gold Mine before being expensed to cost of goods sold.

Three months to June 2008	Six Months to June 2008
Depreciation and amortisation expense (excluding amortisation of borrowing costs) for the quarter ended 30 June 2008, was $5,270,000 on gold production of 22,687 ounces or $232 per ounce, compared to $2,650,000 for the three months ended 30 June 2007 on production of 15,854 ounces or $167 per ounce. This increase in unit cost relates to : A $22 per ounce increase in depreciation and amortisation as a result of a 13 percent increase in the Australian dollar against a weaker United States dollar. The average exchange rate for the quarter ended 30 June 2008 was A$/US$ 0.9415 against A$/US$ 0.8306 for the three months ended 30 June 2007. A $23 per ounce increase relates to a decrease in GIC and ore stock at the end of the current quarter when compared to the June 2007 quarter and an additional $3 per ounce as a result of depreciation on acquired Emperor assets. The remaining increase relates to the increased cost of new development activity being amortised over reserves.	Depreciation and amortisation expense (excluding amortisation of borrowing costs) for the six months ended 30 June 2008, was $9,035,000 on gold produced of 43,056 ounces or $210 per ounce, compared to $5,647,000 for the six months ended 30 June 2007 on production of 33,348 ounces or $169 per ounce. This increase in unit cost relates to : A $25 per ounce increase in depreciation and amortisation reflects appreciation in the Australian dollar against a weaker United States dollar (15 percent). The average exchange rate for the six months ended 30 June 2008 was A$/US$ 0.9256 against A$/US$ 0.8077 for the six months ended 30 June 2007. A $13 per ounce increase relates decrease in GIC and ore stock at the end of the current quarter when compared to the June 2007 quarter and an additional $2 per ounce as a result of depreciation on acquired Emperor assets. The remaining increase relates to the increased cost of new development activity being amortised over reserves.

5. Exploration and Evaluation Expenditure

Three months to June 2008	Six Months to June 2008
Exploration and evaluation expenditure was $2,172,000 for the quarter ended 30 June 2008 compared to $389,000 for the quarter ended 30 June 2007. The increase has mainly been due to exploration expenditure associated with the Tujuh Bukit project in Indonesia ($1,833,000).	Exploration and evaluation expenditure was $2,631,000 for the six months ended 30 June 2008 compared to $817,000 for the six months ended 30 June 2007. The increase has mainly been due to exploration expenditure associated with the Tujuh Bukit project in Indonesia ($1,903,000).

6. General and administration expenses

Three and six months to June 2008

General and administrative expenses for the quarter ended 30 June 2008 were $1,825,000 whilst the expenditure in this area for the three months ended 30 June 2007 was $825,000.

General and administrative expenses for the six months ended 30 June 2008 were $3,938,000 whilst the expenditure in this area for the six months ended 30 June 2007 was $1,634,000.

The increase in costs has mainly been due to:

- inclusion of integration costs associated with the Emperor merger including public relations, share registry, travel and costs associated with maintaining the Perth, Brisbane and Canadian capital markets offices, together with increased insurance and taxation services costs. In order to realise future overhead savings, the Perth office was closed in April 2008 and the Canadian capital market office has been downsized.

- continued strengthening of the Australian dollar against the United States dollar with the average rate for June 2008 quarter of 0.9415 strengthening 13 percent from 0.8306 (or a negative impact of approximately $107,000).

- continued strengthening of the Australian dollar against the United States dollar with the average rate for the six months to June 2008 of 0.9256 strengthening 15 percent from 0.8077 (or a negative impact of approximately $245,000).

7. Option Value Expense

Three months to June 2008	Six Months to June 2008
Option value expense for the quarter ended 30 June 2008 was $110,000 being the allocation (over the vesting period) of the Black Scholes valuation of the options issued to employees under the Intrepid Mines Employee Option Plan. The option valuation for options issued in the quarter ended 30 June 2008 was based on expected price volatility of 90 percent to 93 percent and a risk-free interest rate of 7.00 percent . Options were granted for no consideration and vest between 3 and 36 months from grant date. This compares to the Option value expense incurred in the three months ended 30 June 2007 of $119,000. The decrease in the expense for the 2008 period reflects a lower allocated fair value to options as a result of options being granted at a lower exercise price to employees during the quarter ended 30 June 2008.	Option value expense for the six months ended 30 June 2008 was $174,000 being the allocation (over the vesting period) of the Black Scholes valuation of the options issued to employees under the Intrepid Mines Employee Option Plan. The option valuation for options issued in the quarter ended 30 June 2008 was based on expected price volatility of 90 percent to 93 percent and a risk-free interest rate of 7.00 percent. Options were granted for no consideration and vest between 3 and 36 months from grant date. This compares to the Option value expense incurred in the six months ended 30 June 2007 of $223,000. The decrease in the expense for the 2008 period reflects a lower allocated fair value to options as a result of options being granted at a lower exercise price to employees for the six months ended 30 June 2008.

8. Borrowing costs

Three months to June 2008	Six Months to June 2008
Borrowing costs of $280,000 were incurred during the quarter ended 30 June 2008 compared to $763,000 for the three months ended 30 June 2007. The decrease in interest expense in the quarter ended 30 June 2008 resulted from a reduction in and subsequent repayment of the Paulsen's Gold Mine project finance facility during the quarter compared with a loan balance of $11,710,000 as at 30 June 2007. Interest expense has also decreased as a result of a reduction in finance lease facilities to $407,000 compared to $1,316,000 as at 30 June 2007. Borrowing costs while lower for the quarter were inflated compared to the comparative quarter as a result of the weaker United States dollar.	Borrowing costs of $781,000 were incurred during the six months ended 30 June 2008 compared to $1,312,000 for the six months ended 30 June 2007. The decrease in interest expense during the period resulted from a reduction in and subsequent repayment of the Paulsen's Gold Mine project finance facility during the six months compared with a loan balance of $11,710,000 as at 30 June 2007. Interest expense has also decreased as a result of a reduction in finance lease facilities to $407,000 from $1,316,000 as at 30 June 2007. Borrowing costs while lower for the period were inflated compared to the comparative period as a result of the weaker United States dollar.

9. Impairment of Mining Properties

Three and six months to June 2008
For the three and six month to 30 June 2008, a pre-tax impairment charge of $5,265,000 on the El Salvador exploration asset was recorded compared to a $30,000,000 pre-tax impairment recorded during the three and six months ended 30 June 2007 against the mining properties acquired in 2006 . This was following a review of the Group's exploration assets during the period in line with future commitments and recoverability of its assets.

10. Income tax benefit

Three and six months to June 2008
For the three and six months to 30 June 2008, an income tax benefit of $1,500,000 and $1,501,000 was recorded respectively which was dominated by application of tax effect accounting on impairment charged against the deferred tax amount initially recorded against the mining properties acquired in 2006 ($9,000,000 tax benefit for the three and six months to 30 June 2007).

CASHFLOWS

Cashflows from:		3 months to 30 June 2008 $000	3 months to 30 June 2007 $000	6 months to 30 June 2008 $000	6 months to 30 June 2007 $000
Operating Activities	11	5,558	724	7,627	(1,769)
Investing Activities	12	(7,526)	(2,058)	48,457	(5,630)
Financing Activities	13	(13,029)	(1,982)	(15,378)	(167)
Net (decrease)/increase in cash and cash equivalents		(14,997)	(3,316)	40,706	(7,566)

11. Operating activities

Three months to June 2008	Six Months to June 2008
Cash inflow from operating activities for the quarter ended 30 June 2008 was $5,558,000 compared to the three months ended 30 June 2007 where there was a cash inflow from operating activities of $724,000. This has been as a result of : • solid performance at Paulsens Gold Mine (25,703 ounces sold) during the June 2008 quarter compared to (14,498 ounces sold) during the 30 June 2007 quarter. • Increase in interest income, decrease in borrowing costs and partially offset by increase in payments to suppliers and employees as discussed in items 2, 3, 5 & 6 above.	Cash inflow from operating activities for the six months ended 30 June 2008 was $7,627,000 compared to the six months ended 30 June 2007 where there was a cash outflow from operating activities of $1,769,000. This has been as a result of: • solid performance at Paulsens Gold Mine with 44,922 ounces sold compared to 32,834 ounces for the six months to June 2007. • Increase in interest income, decrease in borrowing costs and partially offset by increase in payments to suppliers and employees as discussed in items 2, 3, 5 & 6 above.

12. Investing activities

Three months to June 2008	Six Months to June 2008
The investment in development and other capital assets for the Paulsens Gold Mine ($1,592,000), the Casposo Gold and Silver ($1,397,000) development project (drilling and feasibility related costs), and the Tujuh Bukit ($4,216,000) exploration project in the quarter ended 30 June 2008 was $7,205,000 compared to $1,925,000 in the three months ended 30 June 2007. Outflows for Property, Plant and Equipment for the quarter ended 30 June 2008 were $321,000 compared to $133,000 for the corresponding 30 June 2007 quarter.	The investment in development and other capital for the Paulsens Gold Mine ($2,482,000), the Casposo Gold and Silver ($1,860,000*)* development project (drilling and feasibility related costs), and the Tujuh Bukit ($4,216,000) exploration project in the six months ended 30 June 2008 was $8,558,000 compared to $5,430,000 in the six months ended 30 June 2007. Outflows for Property, Plant and Equipment for the six months ended 30 June 2008 were $452,000 compared to $200,000 for the corresponding six months to 30 June 2007. Cash acquired of $57,467,000 following completion of the merger with Emperor in March 2008.

13. Financing activities

Three months to June 2008	Six Months to June 2008
Total cash outflows from financing activities were $13,029,000 for the quarter compared to total cash outflows of $1,982,000 for the quarter ended 30 June 2007. A total of $9,612,000 of debt was repaid during the quarter ended 30 June 2008 compared to $2,147,000 for the three months ended 30 June 2007. During the three months ended 30 June 2008, merger related costs of $3,417,000 were also incurred compared to the corresponding period.	A total of $13,094,000 of debt was repaid during the six months ended 30 June 2008 compared to repayment of borrowings of $4,095,000 for the six months ended 30 June 2007. In the six months ended 30 June 2008, funds borrowed from Emperor pre-merger were $1,133,000 together with merger related costs of $3,417,000 resulting in a net cash outflow from financing activities of $15,378,000 for the six months to 30 June 2008 compared to the net cash outflow of $167,000 for the six months ended 30 June 2007. Merger related costs includes costs associated with the Emperor merger such as legal, taxation, and accounting services and restructure costs associated with the Perth office closure and downsizing the Canadian office.

LIQUIDITY AND CAPITAL RESOURCES

Assets	**30 June 2008 $000**	**31 December 2007 $000**
Cash and cash equivalents	45,939	2,861
Current assets	6,628	6,216
Non-current assets	86,199	81,540
Total Assets	138,766	90,617
Liabilities		
Current liabilities	28,231	36,670
Non current liabilities	12,395	14,234
Total Liabilities	40,626	50,904
Working Capital	24,336	(27,593)

Cash and cash equivalents

At 30 June 2008, cash and cash equivalents represented $45,939,000 ($2,861,000 at 31 December 2007) held in the Company's operating bank accounts.

The Paulsens Gold Mine continues to be the Company's cash generating asset with funds from the mine dedicated to debt retirement in accordance with the Westpac facility agreement. Following the retirement of the Westpac facility on 22 May 2008 the Board is reviewing expenditure forecasts and the funding requirements of the Company's international gold and silver projects. The Board will continue to monitor cash resources against expenditure forecasts associated with implementation of the Company's growth strategies and development plans to assess financing requirements.

Working capital position

As at 30 June 2008 the Consolidated entity's current assets exceeded its current liabilities by $24,336,000 (current liabilities exceeded current assets by $27,593,000 as at 31 December 2007). The significant positive movement in the working capital position for the six months to 30 June 2008 was primarily driven by the merger with Emperor.

BALANCE SHEET

Trade and Other Receivables

At 30 June 2008 receivables were $2,430,000 compared to $1,284,000 at 31 December 2007. These balances represent prepayments for no more than the coming twelve months and amounts receivable for goods and services tax (GST), insurance and diesel fuel rebate (DFR) refunds. The increase reflects the inclusion of $1,315,000 in receivables for Emperor following the merger on 11 March 2008, including $500,000 receivable from DRD Gold. The remaining variance is due to the timing of GST and DFR refunds.

Inventories

Inventories of fuel, general consumables, gold in circuit, and ore stocks decreased from $4,591,000 at 31 December 2007 to $4,005,000 at 30 June 2008, primarily as a result of a decrease in gold in circuit levels which reflect timing of gold sales.

Property plant and equipment

The net book value of property, plant and equipment was increased by $317,000 or 3 percent from $9,418,000 at December 2007 to $9,735,000 at 30 June 2008, reflecting a $1,895,000 addition as a consequence of the merger with Emperor and an exchange gain on translating at a much stronger Australian dollar at the period end exchange rate (A$/US$ 0.96 for 30 June 2008 compared to A$/US$ 0.8738 for 31 December 2007). This was partly offset by increased depreciation resulting from the higher average exchange rate for the six months and the increased production at Paulsens.

Deferred Tax Assets

The deferred tax asset reduced $1,818,000 during the six months ended 30 June 2008 to $2,268,000. The reduction reflects the tax impact of the reduction in the financial instruments liability position during the six months ended 30 June 2008.

The Company has not brought non-capital tax losses to account as it is currently reviewing the availability of its tax losses under Australian income tax legislation which requires losses pass one of two tests being the Continuity of Ownership or the Same Business.

Deferred Tax Liabilities

A deferred tax liability of $11,157,000 at 30 June 2008 primarily reflects the potential tax effect of the fair value allocated to the future exploration potential of Intrepid Minerals Corporation from the July 2006 merger. The reduction in the deferred tax liability of $1,951,000 from 31 December 2007 is made up of income tax benefit of $1,523,000 as result of impairment on El Salvador exploration asset during the period and the due to exchange movements as a result of translating the Canadian denominated fair value in United States dollars at 30 June 2008 rate of 0.9912 (compared to 1.0199 for December 2007).

Mining properties

Mining properties consist of acquired exploration assets and mineral properties currently under development or in production, together with related mine development costs and capital assets.

All exploration and evaluation costs incurred by or on behalf of the Company up to the establishment of a commercially viable mineral deposit (as approved by the Board) must be expensed as incurred except for the cost of acquiring exploration properties (where the expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale).

The additions to mining properties of $17,065,000 in the six months ended 30 June 2008 is principally comprised of $7,638,000 acquired via Emperor merger which has been allocated to Tujuh Bukit project, additional capitalised expenditure of $4,128,000 on Tujuh Bukit project, capitalised development expenditure on the Casposo project of $2,826,000 together with additional capitalised expenditure at Paulsens of $2,473,000. This was offset by a $5,265,000 write-down of the exploration asset in El Salvador and increased amortisation as a result of increased production and exchange gains as a result of translation to presentation currently.

Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the period. The amounts are generally unsecured. The amount has increased by $14,804,000 from the 31 December 2007 balance of $4,214,000 to the 30 June 2008 balance of $19,018,000. The balance includes payables acquired following the merger with Emperor on 11 March 2008 and as at 30 June 2008 consisted primarily of $12,500,000 owed to DRD Gold (Refer Note on Significant developments/subsequent events on payment made to DRDGold) and provision for professional services provided in relation to the feasibility study at the Casposo project.

Borrowings

Borrowings decreased by $18,060,000 from the 31 December 2007 balance of $18,467,000 to the 30 June 2008 balance of $407,000. The decrease reflects the retirement of the Westpac project finance facility during the period, with the balance comprising finance leases.

Current Tax Payable

Current tax payable is generated from interest income earned by the PNG subsidiary, DRD (Porgera) Limited and Fortis Insurance Limited in PNG .

Provisions

Provisions reflect employee benefits and provision for mine rehabilitation. There was a $207,000 increase from the 31 December 2007 balance of $864,000 to the 30 June 2008 balance of $1,071,000.

The increase principally reflects the stronger exchange rate at 30 June 2008 of A$/US$ 0.96 compared to A$/US$ 0.8738 at 31 December 2007.

Financial Instruments - Gold Hedging Program

Gold hedges represent approximately 19 percent of the 30 June 2008 Paulsens Gold Mine estimated mine depleted recoverable gold reserves, and are schedule to be delivered over the period to December 2008. The mark-to-market value of the forward gold hedge contracts at 30 June 2008 was an unrealised loss of $7,559,000 (compared to an unrealised loss of $13,621,000 at 31 December 2007).

The contracts are timed to mature monthly to be matched to monthly forecast future gold sales.
A summary of outstanding contracts is provided below:

Maturity

Forward sales	**Ounces**	**A$/ounce**
2008	22,448	A$627
Total contracts	**22,448**	**A$627**

Financial Instruments - Interest Rate Swap Program

The final interest rate swap was settled on 1 April 2008.

	30 Jun 2008 $000	**31 Dec 2007 $000**
Less than 1 year	-	1,791
	-	**1,791**

OUTSTANDING SHARE DATA

As at 14 August, 2008, issued securities consisted of:

- 413,872,831 ordinary shares issued and outstanding.
- 16,224,844 unlisted options to acquire ordinary shares (includes 3,000,000 financing options issued to Claymore Capital during 2007).
- 14,029,519 Intrepid NuStar Exchange Corporation (TSX : IXN) exchangeable shares.

RELATED PARTY TRANSACTIONS

Refer Note 21 of the 30 June 2008 interim unaudited financial statements presents a summary of the related party transactions.

COMMITMENTS AND CONTINGENCIES

Refer Note 22 of the 30 June 2008 interim unaudited financial statements presents for disclosure on commitments and contingencies.

Native Title

The Paulsens Gold Mine was established under an agreement with the relevant Native Title claim group the PKKP. The agreement established a production royalty of $2 per ounce produced payable quarterly to the PKKP on the current reserve.

Exploration areas of interest retention commitments

In order to maintain rights of tenure to mining tenements, the Consolidated entity is required to outlay for tenement rentals and to meet the minimum exploration expenditure requirements. The commitment, being $976,000 for 2008, will continue for future years with the amount dependent upon tenement holdings.

Major contracts

The Company has a number of major contracts in connection with ordinary operations of the Paulsens Gold Mine. The contracts relate to the provision of power generation and oxygen generation and have fixed terms. The directors and management do not intend to terminate or withdraw from the contracts before the end of the terms.

CRITICAL ACCOUNTING ESTIMATES

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Consolidated entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year are discussed below:

(i) Ore reserve estimates

Estimates of recoverable quantities of ore reserves include assumptions regarding commodity prices, exchange rates, discount rates, and production costs for future cash flows. It also requires interpretation of complex and difficult geological models in order to make an assessment of the size, shape, depth and quality of resources and their anticipated recoveries. The economic, geological and technical factors used to estimate ore reserves may change from period to period. Changes in reported ore reserves can impact mining properties carrying values, property, plant and equipment carrying values, the provision for restoration and the recognition of deferred tax assets, due to changes in expected future cash flows.
Ore reserves are integral to the amount of depreciation, depletion and amortisation charged to the income statement and the calculation of inventory.

(ii) Rehabilitation obligations

The Consolidated entity estimates the future removal costs of mine operations disturbances at the time of installation of the assets and commencement of operations. In most instances, removal of assets occurs many years into the future. This requires judgemental assumptions regarding removal date, the extent of reclamation activities required, the engineering methodology for estimating cost, future removal technologies in determining the removal cost, and asset specific discount rates to determine the present value of these cash flows.

(iii) Income taxes

The Consolidated entity is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Sufficient tax losses have been brought to account to offset recorded deferred tax liabilities. The Group's ability to access existing tax losses is dependent on it demonstrating achievement of either of two income tax defined tests, being the continuity of ownership test or the same business test.

CANADIAN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The 30 June 2008 interim financial statements have been prepared in accordance with the Australian equivalents to International Financial Reporting Standards ('AIFRS'). The financial statements presentation currency is United States dollars.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies during the six months ended 30 June 2008. Refer to note 1 of the 31 December 2007 financials statements for a summary of the significant accounting policies.

NON-GAAP MEASURES

The Company has included in this MD&A cash cost per ounce of gold produced and cash cost per tonne mined or processed. These performance measures do not have any standardised meaning prescribed by AIFRS or Canadian GAAP and, therefore, may not be comparable to similar measures presented by other companies. The Company believes that, in addition to conventional measures prepared in accordance with AIFRS, certain investors use this information to evaluate the Company's performance. Accordingly these measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance in accordance with AIFRS. Set out below are definitions of the performance measures:

Cash cost per ounce of gold produced are derived from all direct site costs including mining, processing, adjustment for movement of dore in transit and site administration but excluding capital and related depreciation and amortisation. In addition, to derive the total cash cost, offsite costs to complete processing are added including transport of doré to the refiner, refining costs and royalties net of silver credits. Costs are based on ounces produced.

	6 months ended	
	30 June 2008	**30 June 2007**
Gold ounces sold (oz)	44,922	32,834
Gold revenue ($000)	33,570	17,559
Silver revenue ($000)	60	35
Gold and silver revenue ($000)	33,630	17,594
Average realised gold price ($/oz)	747	535
Gold ounces produced (oz)	43,056	33,348
Cost of gold and silver sold* ($000)	18,547	14,231
Subtract : By-product credits ($000)	(60)	(35)
Add back:Other ($000)	1,163	142
Direct mining costs ($000)	19,650	14,338
Total cash costs ($/oz)	456	430
Tonnes mined (t)	159,990	155,426
Tonnes processed (t)	162,382	158,072
Mining costs per tonne mined ($/t)	62	50
Processing costs per tonne processed ($/t)	41	29
Administration costs per tonne processed ($/t)	10	7
Total ($/t)	113	86

* includes movement for gold in transit.

	Quarter ended	
	30 June 2008	30 June 2007
Gold ounces sold (oz)	25,703	14,498
Gold revenue ($000)	19,750	7,768
Silver revenue ($000)	39	19
Gold and silver revenue ($000)	19,789	7,787
Average realised gold price ($/oz)	768	538
Gold ounces produced (oz)	22,687	15,854
Cost of gold and silver sold* ($000)	9,721	7,083
Subtract : By-product credits ($000)	(39)	(19)
Add back:Other ($000)	653	624
Direct mining costs ($000)	10,335	7,688
Total cash costs ($/oz)	456	485
Tonnes mined (t)	83,633	70,518
Tonnes processed (t)	82,010	80,566
Mining costs per tonne mined ($/t)	62	54
Processing costs per tonne processed ($/t)	43	29
Administration costs per tonne processed ($/t)	10	7
Total ($/t)	115	90

* includes movement for gold in transit.

SIGNIFICANT DEVELOPMENTS / SUBSEQUENT EVENTS

Since 30 June 2008 the following announcements and events have occurred:

- On 17 July 2008, the Company announced the decision to proceed with development of the Casposo project.
- On 18 July 2008, the Company announced a significant Porphyry Copper-Gold Intercept in Hole GTD-08-35 at Tujuh Bukit.
- On 25 July 2008, the Company released the second quarter Activities Report for the three months to 30 June 2008.
- On 28 July 2008 the Company announced the inaugural Inferred Resource estimate defined at Zone C of 1.1 million (at 0.92 AuEq (g/t)) [(1)] ounces at Tujuh Bukit project.
- On 6 August, the Company announced awarding of the contract for the Engineering and Procurement services to Ingeniería PENTA Sur on its Casposo gold-silver Project located in the Cordillera Frontal in the San Juan Province of Argentina.
- On 12 August, the Company paid $12 million to DRDGold Limited. This was following the release of a class ruling by the ATO that the capital distribution made by Emperor Mines Limited in September 2007 was not a deemed dividend to its shareholders.

1. The gold equivalent ratio for silver has been set at 65:1 based on US$650/oz gold and US$10/oz silver. Historical bottle roll tests have shown recoveries of 83% Au and 84.5% Ag, supporting a 65:1 ratio. Additional metallurgical testing is currently underway and results are expected in September, 2008. Approximately 95% of these estimates are within 300m of the surface.

RISKS AND UNCERTAINTIES

The Company employs an overall risk management program that seeks to minimize potential adverse effects on the Company's overall performance. The program is carried out under policies approved by the Risk Management Committee and Board of directors. Some of the key risks managed include but are not limited to the following:

Competition

There is competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other mining companies, many of which have greater financial resources than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Gold price/Hedging

Gold price is a key performance driver and fluctuations in the price of gold can have a significant impact on the Company's results. The gold price fluctuates daily and is affected by numerous factors beyond the Company's control. The price of gold is influenced by supply and demand, exchange rates, inflation rates, changes in global economies, and political, social and other factors. The supply of gold consists of a combination of new mine production and existing stocks held by governments, banks, producers and consumers.

If the market price for gold falls below the Company's full production costs and remains at such levels for any sustained period of time, the Company may, depending on hedging practices, experience losses and may determine to discontinue mining operations or development of a project. If the price of gold dropped significantly, the economic prospects of the Paulsens Gold Mine and areas of interest in which the Company has an interest could be significantly reduced or rendered uneconomic.

Gold markets are marked by high volatility over short periods. The Company has partially hedged against fluctuations in the price of gold. These hedges are denominated in Australian dollars, as the associated costs to produce gold are incurred in Australian dollars.

Foreign Exchange Rates

Stock exchange listings on the ASX and TSX, and plans to develop projects where the effective currency is US dollars, has resulted in the Company adopting US dollars as its reporting currency. Consequently, fluctuations in the US dollar against the functional currencies of the individual subsidiaries could result in unanticipated changes in the Company's financial results.

Credit Risk

Credit risk arises from the potential failure of counterparties to meet their obligations under the respective contracts at maturity. This arises with amounts receivable from unrealised gains on derivative financial instruments. At 30 June 2008, forward Australian gold sales are all held with Westpac Banking Corporation and are within counterparty limits established in the Company's Financial Risk Policy.

Uninsurable risks

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, and political and social instability. It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increasing costs and a decline in the value of the securities of the Company. The Company does not maintain insurance against political or environmental risks.

Exploration, development and operating risks

Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, explosions, tailings impoundment failures, cave-ins, landslides and the inability to obtain adequate machinery, equipment or labour are some of the risks involved in the operation of mines and the conduct of exploration programs.

The Company has relied on and may continue to rely upon consultants and others for exploration and development expertise. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

The Company believes that it holds all the necessary licenses and permits under applicable laws and regulations and believes it is presently complying in all material respects with the terms thereto. However, there is no certainty that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to further explore and develop its properties.

The economics of developing mineral properties are affected by many factors including the cost of operations, variations in the grade of ore mined and metals recovered, fluctuations in metal markets, costs of processing equipment, continuing access to refining facilities on acceptable terms and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. There is no assurance that the Company's mineral exploration, development and acquisition activities will be successful.

Ore reserve and resource estimates

The Company's reported mineral reserves and resources are only estimates. No assurance can be given that the estimated mineral reserves and resources will be recovered or that they will be recovered at the rates estimated.

Mineral reserve and resource estimates are based on limited sampling, and, consequently, are uncertain because the samples may not be representative. Mineral reserve and resource estimates may require revision (either up or down) based on actual production experience. Market fluctuations in the price of metals, as well as increased production costs or reduced recovery rates, may render certain mineral reserves and resources uneconomic and may ultimately result in a restatement of reserves and/or resources. Moreover, short-term operating factors relating to the mineral reserves and resources, such as the need for sequential development of ore bodies and the processing of new or different ore grades, may adversely affect the Company's profitability in any particular accounting period.

Safety risks and other hazards

The mining industry is exposed by nature to safety risks and other hazards. To minimise these risks we provide training, testing and awareness programs to our employees to continuously improve work practices and the working environment.

Environmental regulation and liability

The Company's activities are subject to laws and regulations controlling not only the mining of and exploration of mineral properties, but also the possible effects of such activities upon the environment. Environmental laws may change and make the mining and processing of ore uneconomic, or result in significant environmental or reclamation costs. Environmental legislation provides for restrictions and prohibitions on spills, releases, or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas which could result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties or the suspension or closure of mining operations. In addition, certain types of operations require the submission of environmental impact statements, bonding and approval thereof by government authorities.

Environmental legislation is evolving in a manner that may mean stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for their companies and their officers, directors and employees. Permits from a variety of regulatory authorities are required for many aspects of mine development, operation and reclamation.

Future legislation and regulations could cause additional expense, capital expenditures, restrictions, liabilities and delays in the development of the Company's properties, the extent of which cannot be predicted. In the context of environmental permits, including the approval of reclamation plans, the Company must comply with standards and laws and regulations which may entail costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority. The Company does not maintain environmental liability insurance.

The Company operates to ensure required environmental standards are met in all respects and has a strong commitment to ensure that environmental standards are fully integrated into the construction, commissioning and operation of the Company's mining projects.

Community risks

In addition to mineral tenure and environmental permitting, the Company engages local communities where it explores. Communities may respond differently to exploration and mineral development activities from region to region. Increasingly the exploration sector is required to engage in social contracts with local residents, communities and surface land owners. Factors affecting social acceptance of exploration are variable and can be unpredictable over time. Local opinions can change rapidly about exploration activities and opinions may not be related to the activity of the Company although its ability to enter an area and conduct its programs may be affected by shifts in perception.

Native Title and Aboriginal Heritage issues

Native Title claims and Aboriginal heritage issues may affect the ability of the Company to pursue exploration, development and mining on its prospective areas of interest. Access to Paulsens Gold Mine was negotiated with Native Title claim group, PKKP in November 2002.

In Australia the NTA provides for Native Title claims to be filed in the Federal Court of Australia and if a claim satisfies certain threshold requirements, to be registered by the National Native Title Tribunal pending the ultimate determination of the claim by the Federal Court. The NTA also provides for the Australian States and Territories to validate certain titles and tenements which may have been invalid by reason of the existence of Native Title and also establishes procedures which must be followed before actions which affect Native Title rights are undertaken, such as the grant of mining leases and other tenements. In the case of applications for mining leases, the procedure involves a period of negotiation with the registered Native Title claimants/holders and, if agreement cannot be reached, an arbitrated decision by the National Native Title Tribunal.

Renewals of mining tenements and applications for exploration licenses may be exempted from this process in some circumstances. Registered Native Title claimants/holders also have the right to object to infrastructure titles (such as for power lines and pipelines) in which event a process of consultation and Independent determination applies.

The resolution of Native Title and Aboriginal heritage issues is an integral part of exploration and mining operations and the Company is committed to managing the issues effectively. However, in view of the legal and factual uncertainties, no assurance can be given that material adverse consequences will not arise in connection with Native Title and Aboriginal heritage issues.

Key Personnel

The Company is dependent on a relatively small number of key employees, the loss of any of whom could have an adverse effect on the Company. The Company has taken key personnel insurance on the CEO and other key executives.

DISCLOSURE CONTROLS AND PROCEDURES

The Company evaluated its disclosure controls and procedures as defined under Multilateral Instrument 52-109 for the three and six months ended 30 June 2008. This evaluation was performed by the Chief Executive Officer and the Chief Financial Officer with the assistance of other Company employees to the extent necessary or appropriate. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective.

INTERNAL CONTROLS AND PROCEDURES

The Company evaluated the design of its internal controls and procedures as defined under Multilateral Instrument 52-109 for the quarter ended 30 June 2008. This evaluation was performed by the Chief Executive Officer and the Chief Financial Officer with the assistance of other Company employees to the extent necessary or appropriate. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design of these internal controls and procedures was effective.

Qualified Person

The information in this announcement that relates to Resource estimates on Casposo is based on information compiled by or under the supervision of Rodrigo A Marinho, who is a full-time employee of AMEC International. Mr Marinho 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). Mr Marinho consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to Reserve estimates on Casposo is based on information compiled by or under the supervision of Ralph H Penner, who is a full-time employee of AMEC International. Mr Penner 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). Mr Penner consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Exploration and Development information relating to the Casposo, Taviche and El Salvador projects in this announcement is based on information compiled by or under the supervision of William McGuinty, P. Geo., V.P. Exploration, Intrepid Mines Limited. Bill McGuinty 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 JORC '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). Mr. McGuinty consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Information that relates to mineral resources at Tujuh Bukit is based on information compiled by or under the supervision of Dr. Phillip Hellman, who is an independent consultant to Intrepid Mines Limited. Dr Hellman 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 an Independent Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and an Independent Qualified Person as defined in the Canadian National Instrument 43-101 (standards of Disclosure for Mineral Projects). Dr Hellman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Dr Hellman has undertaken independent verification sampling and assaying of drill core with a close agreement of results with those previously reported.

The information in this report that relates to Exploration Results in Indonesia 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 mineralized veins. These samples and those from other areas are also analyzed using an ICP multi-element scan.

At the Taviche project samples are prepared and sent by 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 analyzed 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 into two metre sample intervals. Intrepid and Joint Venture personnel supervise the immediate splitting, sawing 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.

FORWARD-LOOKING STATEMENTS

This MD&A 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.

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. The drill program at Paulsens is insufficiently advanced to define a revised reserve and resource estimate for Paulsens and it is uncertain if further drilling will result in the determination of a revised reserve and resource statement at Paulsens, and therefore an extension of the mine life. The drill programmes at Tujuh Bukit, Kamila/Mercado and Taviche are insufficiently advanced to define a reserve and resource estimate for these properties and it is uncertain if further drilling will result in the determination of a reserve and resource statement at these properties.

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.

MORE INFORMATION ABOUT INTREPID MINES LIMITED

In addition to the Company's website, www.intrepidmines.com, readers are encouraged to view the Company's Annual Information Form and other public regulatory filings. These can be found at www.sedar.com. Public filings may also be accessed through the Australian Stock Exchange website, www.asx.com.au.