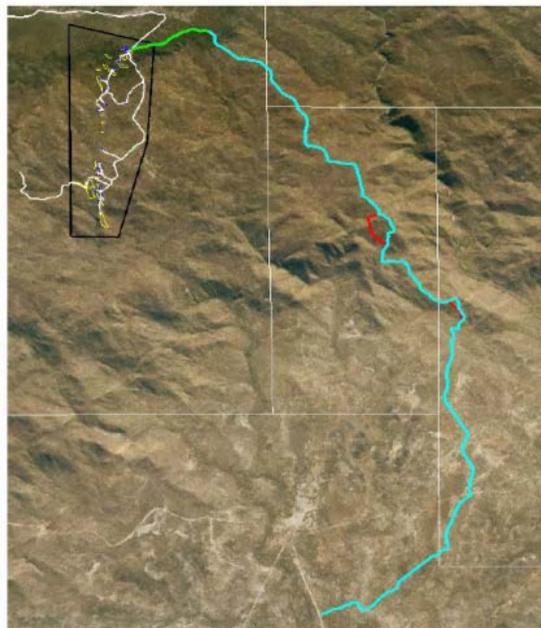


14 April 2017

Dear Shareholder,

The Company is progressing with the planned production of gold following approval of Mining Lease ML 100008 on the property, commencing 1 November, 2016, for a term of 8 years. Current activity on the ML includes:

- Recent bulk samples of 116kg taken from the lease area and sent to Ballarat for metallurgical analysis and amenability tests with Gekko Systems' innovative modular gold production systems.
- Advanced discussions on a proposal to incorporate Gekko's award winning Python modular, ore-concentration plant on site, along with it's environmental advantages <http://www.gekkos.com/equipment/python> . The Environomic plant uses energy efficient comminution (grinding), gravity separation and flotation to concentrate to 10-30% of the original mass.
- Arrangements are progressing for Cultural Heritage clearance of the 10 km new access road to the Mining Lease by the Gudjulla People and earthmoving equipment in readiness to commence roadwoks.

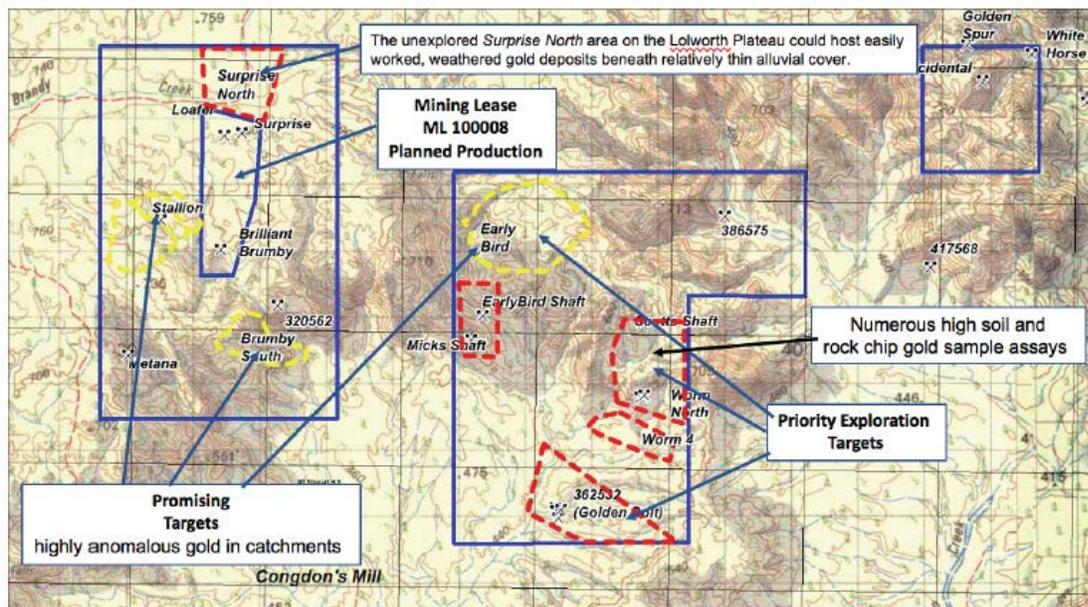


ML 100008 access route as traversed by quad bikes (blue & green).

Aside from the ML, Intergroup's main overall exploration permit (EPM 18419) covers a number of gold prospects which have potential to host additional gold mineralisation for treatment at the proposed Brilliant Brumby facility.

The main potential on EPM 18419 is for vein hosted mesothermal quartz-vein hosted gold ore shoots to augment resources on ML 100008. Unexplored areas also remain on the Lolworth Plateau where more easily worked, weathered gold deposits may lie beneath relatively thin alluvial cover.

Below is a map that outlines priorities beyond commencing gold production at the ML.

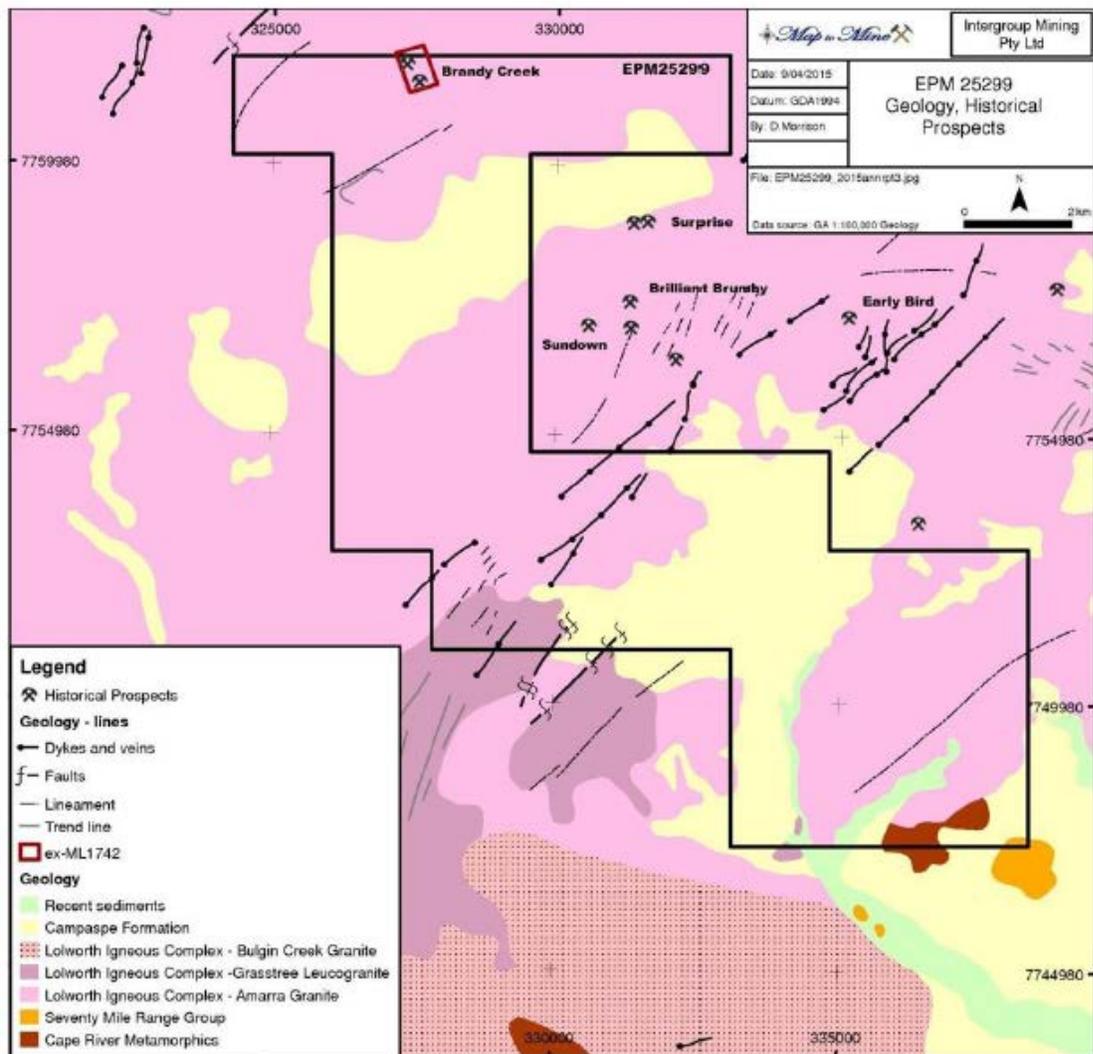


EPM 18419 Exploration Targets February 2017.

The Brandy Creek EPM 25299 is one of a group of adjoining tenements also held by Intergroup Mining Limited. The Company is also reviewing the lodgement of a Mining Lease application at Brandy Creek.

The combined Project is working towards establishing viable gold operations based on auriferous veins that characterise the Mt Stewart region. Gold was not discovered in the area until the 1930s and led to the Mt Stewart gold rush. The late discovery was presumably due to the rugged topography and widespread presence of barren quartz float derived from pegmatite dykes which would have discouraged early prospectors.

The Brandy Creek prospect lies on Mt Stewart Station on the northern boundary of EPM 25299. The Brandy Creek workings mined mesothermal gold mineralisation hosted within typically steeply dipping 10cm-30 cm wide quartz veins. The alteration associated with mineralised veins is relatively consistent with moderate to strong (green) sericite-chlorite alteration. This alteration persists within the host granite up to several metres from the veins, but is generally in the order of 1m wide.



Mineralisation at the Brilliant Brumby Mine on the adjacent EPM 18419 is similar and is typically hosted by quartz veining trending north-south, in contrast to the general NE-SW trend of major faults and lineaments.

The first recorded gold found on the Lolworth Range was at Brandy Creek, which had production recorded intermittently from 1932 to 1936.

Brandy Creek reports in the Qld Government Mines Department Annual Reports from 1932 to 1935 record 83.5t of ore being treated for 137.4 ounces of gold at a grade of 51 g/t Au. The average grades at Brilliant Brumby and Charters Towers historical mines was 26 g/t Au and 34 g/t Au respectively, compared to a global average grade for producing mines of 1.18 g/t.

In addition to the above, the Company has applied for an additional EPM application to the east of it's current holdings. Known as Oakey Creek, the application area is a "greenfield" exploration target for gold ore associated with a large breccia – porphyry complex, the Mundic Breccia.

We look forward to provide further updates on our progress.

Thank you for your continuing support.

Sincerely,

Intergroup Mining Limited