

For immediate release: 13 January 2022



InterGroup Mining Limited
("InterGroup" or "Company")

Company Update

Summary

InterGroup, the Australian company focused on exploring and extracting minerals essential for delivering net zero emissions, is pleased to announce:

1. Initial resource drilling on the Surprise and Clydesdale areas of its Brumby Project has been completed - these areas comprise approximately 2% of the identified area of potential kaolinised mineralisation on the properties;
2. Publication of maiden Inferred Mineral Resources Estimates for the kaolinised granite at Surprise and Clydesdale totalling 9.2 Mt kaolinised granite for 3.67 Mt of contained kaolinite;
3. Commercial analysis of the immediate metakaolin carbon reduction markets in Australia and associated metakaolin pricing;
4. Second Queensland kaolin exploration project in application; and
5. Latest results of the gold diamond drilling programme at Brumby and the current gold Exploration Target.

Kaolin & Metakaolin

Overview

Following a year of field exploration, sampling, drilling (aircore and diamond), test work and completion of an in-house project concept study, InterGroup has materially advanced its understanding of the potential for kaolin extraction and metakaolin production and commercialisation from its Brilliant Brumby Project in NE Queensland, Australia.

The work of the last twelve months has also included a significantly improved understanding of:

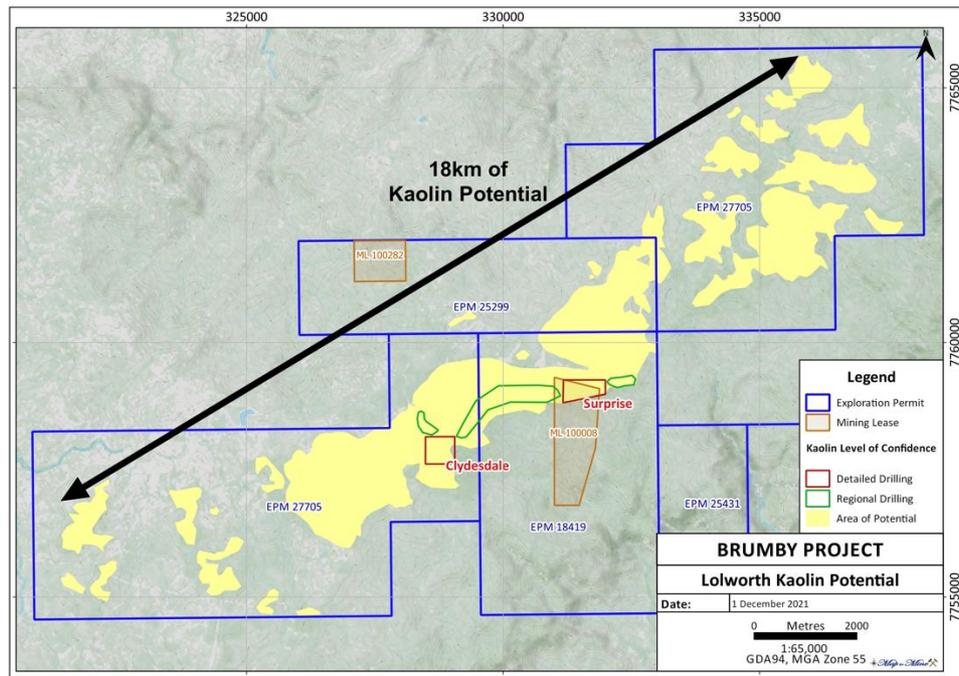
- The cement and concrete industry end-markets for Brumby derived metakaolin;
- The CO₂ reduction potential of metakaolin when incorporated into the cement production process;
- The improved performance and CO₂ reduction potential when Brumby derived metakaolin is used as an additive for concrete and mortar production.

Mineralisation Assessment

The Brumby Project (Figure 1 below) comprises a number of mining and exploration license areas and includes the Surprise and Clydesdale areas where recent drilling has focused on quantifying the kaolin potential. Prior mapping, aerial and field exploration and interpretation of topology by the Company's geologists Map-to-Mine had identified an area of approximately 2,630 hectares ("ha") of potential kaolin mineralisation across the Brumby Project area (indicated in yellow on the figure). By way of

context the total drilled area at Surprise and Clydesdale comprises approximately 60 ha or c.2% of the identified area of potential kaolin mineralisation.

Error! Reference source not found.: The Brumby Project including the Surprise and Clydesdale Drilling Areas and the Potential Area of Kaolin Mineralisation



Maiden Kaolin Resources

CSA Global has completed Mineral Resource Estimates for the kaolinised granite in the Surprise and Clydesdale areas of the Brumby Project and the key elements of these estimates are laid out below

The Mineral Resources for Surprise and Clydesdale are presented in Table 1, which reports the sample analyses from the Head sample. These Mineral Resource Estimates have been prepared in accordance JORC Code (2012 Edition¹), and, in accordance with this standard, the contents of the JORC Table 1 for both Surprise and Clydesdale are available on the Company’s website (<https://igmining.com/technical/>).

Table 1: Inferred Mineral Resource Estimates for Brilliant Brumby Kaolin

Prospect	In Situ Material (kt)	Al ₂ O ₃ (%)	Fe ₂ O ₃ (%)	K ₂ O (%)	LOI (%)	Kaolinite %	Kaolinite Qty (kt)
Surprise	700	17.2	1.4	2.2	5.4	38.8	270
Clydesdale	8,500	18.3	0.9	1.0	6.0	39.7	3,400
Total	9,200	18.2	0.9	1.1	6.0	39.6	3,670

Notes:

- Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

¹ Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

- The Mineral Resource estimate was prepared by David Williams, B.Sc. (Hons), MAIG, a CSA Global employee, and the Competent Person for the estimate.
- Mineral Resources were estimated using Datamine Studio RM (Version 1.9.36).
- Block-model grade interpolation was undertaken using Inverse Distance Squared.
- Reported Mineralogy result derived from Head sample analyses, interpolated into block model.
- Kaolinite percentage is the percentage of the total mineralogy that is Kaolinite. It does not refer to product yield.
- Mineralogy proportions were sourced from samples analysed by x-ray diffraction, and results interpolated by inverse distance squared.
- Dry bulk density was assigned to all blocks in the weathered profiles using a value of 1.76 t/m³.
- Mineral Resources are reported from a model with parent block dimensions of 25 m x 25 m x 2 m, from within the "White" domain.
- Surprise Mineral Resource was reported from blocks where Al₂O₃>0%; Clydesdale Mineral Resource is reported from blocks where Head grade (Na₂O + K₂O)<2% and Head Fe₂O₃<2%. Reporting cut-off grades for Clydesdale were advised by InterGroup's metallurgical consultants.
- Tonnage and grade have been rounded to reflect the relative accuracy of the Mineral Resource estimate.
- The Mineral Resource is classified in accordance with the guidelines of the JORC Code.
- The Mineral Resource is reported from block model blocks located within tenements EPM 27705 (Clydesdale) and ML100008 (Surprise).

The Clydesdale Mineral Resource is also reported in Table 2, which presents the expected product yield, product tonnes and grades derived from the minus 45 micron sample fraction, where the particle size is <0.045 mm. This represents the clay fraction and contains the Kaolinite product. The product yield is the proportion of the minus 45 micron fraction compared to the total (head) sample. Note that the in situ tonnage is different from Table 1 due to different criteria used for reporting from the Mineral Resource block model.

Table 2 Inferred Mineral Resource estimate for the Clydesdale Kaolinite Deposit, reported (Na₂O + K₂O) < 2% and <2% Fe₂O₃

In Situ Material (Kt)	Yield <45 µm (%)	Product Tonnes (Mt)	Kaolinite (%)	K ₂ O (%)	Na ₂ O (%)	Fe ₂ O ₃ (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	LOI (%)	Kaolinite (Kt)
7,200	46	3.3	84	1.2	0.06	1.4	49.6	35.1	12.0	2,800

Notes applicable to Table 2, additional to footnotes of Table 1:

- Reported XRF results derived from -45 micron sample fraction analyses interpolated into block model.
- Clydesdale Mineral Resource is reported from blocks where -45µm grade (Na₂O + K₂O)<2% and -45µm Fe₂O₃<2%.

The Mineral Resource estimates above are classified as Inferred and are reported from their respective block models. The estimates represent the maiden Mineral Resources for the Surprise and Clydesdale deposits. Classification of the Mineral Resources accounted for the geological understanding of the deposit, quality of the sampling and density data, drillhole spacing and quality of the grade interpolation. In addition, due consideration was given to the product purity and size distribution, logistics, and proximity to markets, in accordance with Clause 49 of the JORC Code.

CSA Global is of the opinion that results from process testwork carried out to date indicate that likely product qualities for general kaolin markets may be implied, but not verified, for eventual economic extraction from the Surprise and Clydesdale deposits and support the classification of the deposit as an Inferred Mineral Resource in terms of JORC Code Clause 49.

These estimated quantities, which have been classified as Inferred Mineral Resources, will need to be upgraded in classification including through further confirmatory process testing through to final product form, prior to any Ore Reserves being reported.

Kaolin is typically a soft white rock consisting primarily of kaolinite, with lesser amounts of other minerals such as quartz, feldspar and various forms of iron and titanium oxide. The kaolin mineralisation occurs as a kaolinised granite, which constitutes a component of a bulk quartz (silica) and clay deposit. The deposit is a remnant of an originally more extensive ancient land surface which has been partly eroded. Although the feldspar minerals in the granite were decomposed to clay minerals, the resistant quartz grains were not affected by this process to the same extent and remain as sand-sized grains.

All holes drilled at the Clydesdale deposit were drilled by air core ("AC") and diamond drilling ("DD") methods. A total of 50 AC holes for 1,485 m and 10 DD holes for 408.7 m were drilled in 2021. Not all holes drilled penetrated kaolinite mineralisation. All holes drilled at the Surprise Project and supporting the Mineral Resource were drilled by reverse circulation ("RC") method. A total of 33 holes for 717 m were drilled in 2021, and a further 54 RC holes for 3,369 m were drilled between 2013 and 2018 across the Project. Drillhole samples were logged for colour, which was used to assist with the interpretation of the geological models.

Drill hole samples were sent to analytical laboratories where a sub-sample was assayed by x-ray fluorescence ("XRF"), and selected samples analysed for mineralogical content by x-ray diffraction ("XRD").

Consultant geologists to InterGroup interpreted zones of kaolinite mineralisation based upon the field geologist's log of drill sample colour. A domain representing zones of samples logged as white or cream in colour was interpreted and used to construct a block model, within which sample grades were interpolated into the blocks. A bulk density value of 1.76 t/m³ was applied to all blocks in the white domain, derived from 118 dry density measurements from billets of diamond core from the Clydesdale drill holes. This value is considered appropriate by the Competent Person for the host lithologies present and was also applied to the Surprise Mineral Resource.

Kaolin is regarded as an industrial mineral and therefore Mineral Resources should be reported in accordance with Clause 49 of the JORC Code. InterGroup carried out metallurgical testwork from selected samples, from Clydesdale and Surprise, to determine the kaolin specifications and potential markets for the Brumby Kaolinite Mineral Resources. A detailed discussion of results and key findings are available on the Company's website and support the Mineral Resource estimates.

The Competent Persons are of the opinion that available process testwork indicates that products suitable for traditional kaolin markets and as potential pozzolanic feedstock for cement, may eventually be economically extracted from the Clydesdale deposit.

The Mineral Resources are classified as Inferred in accordance with guidelines contained in the JORC Code. The Mineral Resources are classified based upon drillhole spacing, quality of sampling and sample analyses, quantity of density measurements, the relative confidence in the geological interpretation, and the outputs from the grade interpolation. Additionally, and in accordance with Clause 49 of the JORC Code, due consideration was given to the product purity and size distribution, with consideration given to logistics and proximity to markets. The Competent Person is of the opinion that insufficient metallurgical testwork of drill samples has taken place across the breadth of the deposits, which prevents a higher classification level being assigned.

The Competent Person is of the opinion that the deposit has been drill tested with quantity of samples analysed sufficient to support an Inferred Mineral Resource. Material classified as Inferred was considered sufficiently informed by geological and sampling data to imply geological, grade and quality continuity between data points.

The Competent Person believes there are reasonable prospects for the eventual economic extraction of the Mineral Resources. The Brilliant Brumby Project is located within 100 km of the town of Charters Towers, and adjacent to a sealed highway. A workforce can be sourced from Charters Towers, or further afield from Townsville. Queensland is a mature mining jurisdiction and has experienced mining personnel resident throughout the state. The deposit outcrops at surface and will largely be amenable to 'free dig' open pit mining.

Project Development Implications

InterGroup has completed an in-house conceptual study for the commercialisation of kaolin through metakaolin production. This study considered a two-stage project starting with a 10 ktpa demonstration plant followed by a 300 ktpa production plant. Relative to this study and this potential production configuration, the combined quantity of kaolinite in the Inferred Mineral Resource Estimates for the Surprise and Clydesdale areas, as described above, would be sufficient material to supply this production profile for the first 12 years of operation. As noted above, further drilling, exploration and testwork will be required to develop an appropriate Ore Reserve which would then enable the Company to proceed from this conceptual study to appropriate feasibility studies, detailed development plans and potential implementation.

Separately, the Company is pleased to report it is currently in application for a second kaolin area of mineralisation in Queensland (Appletree EMPA 27898) located 15 km south west of Childers and approximately 250km north of Brisbane, accessible via the Bruce and Isis Highways. Previous exploration in the application area was almost solely focused on gold and base metal mineralisation.

Market & Commercial Analysis

Detailed research and analysis, conducted by Stratum Resources Consulting Services ("Stratum"), on behalf of the Company, into the future demand for metakaolin in the immediate Australian concrete market has highlighted:

- The suitability of metakaolin produced from Brilliant Brumby, based on completed testwork, for use as supplementary cementitious material ("SCM") in concrete production. Stratum also produced a comparative validation relative to other global metakaolin products and relative to alternative SCMs currently in use.
- The expected trends in the use of metakaolin within the Australian concrete market in response to the pressures for decarbonisation in the cement, concrete and construction sectors.
- The aligned perspectives of industry participants to the adoption of metakaolin, as a SCM, especially for those applications where the enhanced performance, increased corrosion resistance, reduced alkali-silica reaction and improved workability are relevant, in addition to the potential for reduction of CO₂ emissions.

Based on this research and analysis Stratum concluded:

- Cement demand in Australia is expected to grow to 33.5 million tonnes by 2025-26 from an estimated demand of 23.4 million tonnes in 2020-2021.
- Metakaolin addition rates (where used), as a proportion of cement quantity in concrete production, are expected to be in the range of 8-15%.
- The target market for accelerated metakaolin uptake is high performance and/or factory produced concrete products such as reinforced construction elements, extruded cement

products, oil and gas applications and concreting applications. It is estimated that these applications will constitute 20-30% of cement demand in Australia, or approximately 10 million tonnes in 2025-2026.

- By 2025-26 the potential demand for metakaolin in the Australian concrete market is forecasted to be 300,000 - 500,000 tonnes, based on the range of possible addition rates and assuming a 10% average acceptance rate for all concrete applications.

Stratum also assessed the current pricing dynamics for metakaolin in Australia based on competing metakaolin products, all of which are currently imported. This assessment identified a range of metakaolin prices delivered to the Australian market between US\$530-840 per tonne.

An additional factor that is likely to have a positive impact on future metakaolin pricing is its use to offset carbon emissions from cement. Depending on the basis of usage, it is estimated that metakaolin can reduce carbon emissions from cement by up to 40%. With European carbon taxes currently at approximately €80/tonne, and estimated by industry participants to be over €250/tonne by the middle of the current decade, it is possible that some of this CO₂ offset may result in higher metakaolin pricing.

Gold

In accordance with the guidelines of the JORC Code (2012 Edition), InterGroup are also reporting an Exploration Target for the Brilliant Brumby and Brandy Creek prospects, with a tonnage of between 0.3 Mt and 1 Mt, and Au grade range of between 1.5 g/t and 2.5 g/t. The Exploration Target is based upon actual exploration results, including drill hole sample assays and geological logs, structural mapping and interpretations of the quartz veins hosting the gold mineralisation, with results and geological models used to construct a block model into which the sample gold grades were interpolated.

It is noted that the potential quantity and grade is conceptual in nature, that there has been insufficient exploration to estimate a Mineral Resource and that it is uncertain if further exploration will result in the estimation of a Mineral Resource. The contents of the JORC Table 1, and related reports, for the Exploration Target are available on the Company's website (<https://igmining.com/technical/>).

In addition to development of this Exploration Target, recent activity has included:

- The application for an additional mining lease at Brandy Creek (*MLA 100282*) which is expected to be fully granted in early 2022.
- Engaging the highly experienced gold and structural geologists Gregg Morrison and Brett Davis to investigate the project and to identify the key components of the gold mineralisation emplacement. This work has led to a new understanding of how the gold was deposited in the area and will greatly benefit how the Company directs its future exploration.
- Continued drilling activity focused on Surprise and Brandy Creek in proximity to significant previous gold intersections in reverse circulation drill holes. This included three diamond drill holes for 458.7m on *MLA 100282* and four diamond drill holes for 324.1m on *ML 100008* at Surprise, Silica Ridge, Brumby North and Brilliant Brumby.

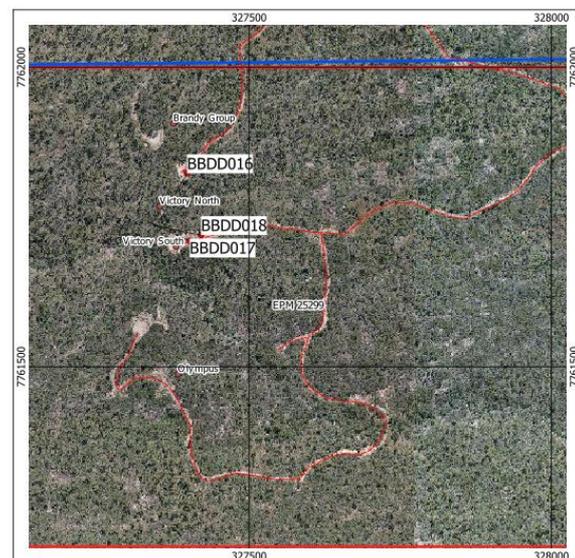
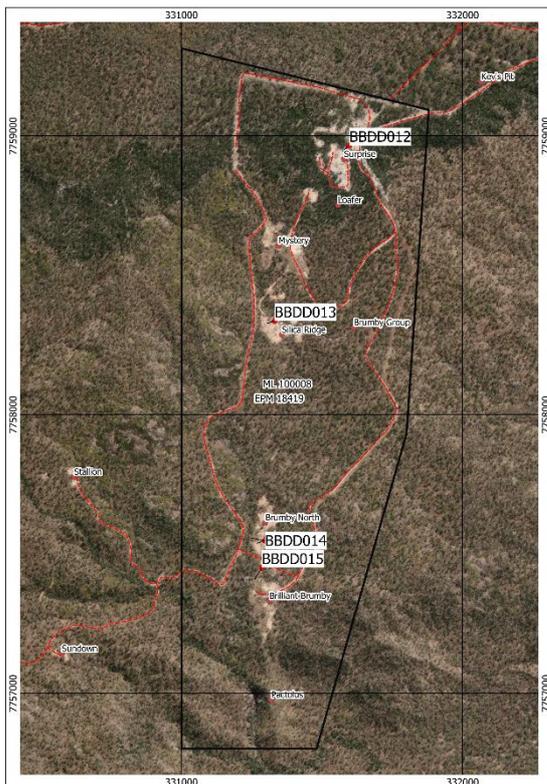
Exploration Results from assays of half HQ core returned significant intersections in five of the holes. The weighted average assays included the following down hole lengths:

- Surprise:

- BBDD012, 1.6 m @ 70.9 g/t Au & 8.1 g/t Ag from 42.2 m.
- Brumby/Brumby North:
 - BBDD015, 1.5 m @ 20.5 g/t Au & 8.0 g/t Ag from 89 m.
 - Including 0.5 m @ 37.2 g/t Au & 13.7 g/t Ag from 90 m.
- Brandy Creek:
 - BBDD016, 0.7 m @ 13.5 g/t Au & 6.0 g/t Ag from 102.4 m.
 - BBDD017, 1 m @ 2.4 g/t Au from 35 m.
 - BBDD017, 1.9 m @ 29.1 g/t Au & 13.0 g/t Ag from 70.7 m.
 - Including 0.3 m @ 70.9 g/t Au & 29.4 g/t Ag from 70.7 m.
 - BBDD017, 1.7 m @ 76.9 g/t Au & 7.3 g/t Ag from 89.3 m.
 - Including 0.9 m @ 148.0 g/t Au & 13.6 g/t Ag from 89.3 m.
 - BBDD018, 0.6 m @ 6.6 g/t Au & 2.5 g/t Ag from 92.9 m.

(Note: These drill results/assays were obtained after completion of the aforementioned Exploration Target.)

Diamond Drill Hole Locations: Brumby left, Brandy Creek right.



In combination the Exploration Target combined with the work completed to date and the recent drilling results demonstrates the continued value in further exploration and evaluation.

Board Composition Review & Listing Process

In line with InterGroup's objectives around the development of its Brilliant Brumby Project, its focus on decarbonisation markets, and its plans to IPO on the London Stock Exchange, the Company is

pleased to report that it is currently undertaking a review of its Board and Senior Management composition aiming to announce new appointments in early 2022.

In parallel, building on the successful operational progress of the last twelve months, InterGroup continues to work towards its planned application for listing on the London Stock Exchange.

Competent Persons Statements

The information in this Company Update that relates to Mineral Resources and Exploration Targets is based on, and fairly reflects, information compiled by Mr David Williams, a Competent Person, who is an employee of CSA Global and a Member of the Australian Institute of Geoscientists. Mr Williams has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). Mr Williams consents to the disclosure of information in this report in the form and context in which it appears.

The information in this report that relates to Industrial Minerals considerations with respect to Clause 49 of the JORC Code is based on, and fairly reflects, information compiled by Dr Andrew Scogings, a Competent Person, who is an employee of CSA Global, a Member of the Australian Institute of Geoscientists and is a Registered Professional Geoscientist (RP Geo. Industrial Minerals). Dr Scogings has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). Dr Scogings consents to the disclosure of information in this report in the form and context in which it appears.

The information in this Company Update that relates to gold Exploration Results is based on, and fairly reflects, information compiled by Mr R J Morrison, who is an employee of Map to Mine Pty Ltd, a Chartered Professional Fellow of the Australasian Institute of Mining and Metallurgy, and a Member of the Australian Institute of Geoscientists. Mr Morrison has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources, and Ore Reserves (JORC Code). Mr Morrison consents to the disclosure of information in this report in the form and context in which it appears.

About InterGroup

InterGroup Mining Limited is an Australian company focused on exploring and extracting minerals essential to delivering a net zero emissions world. Its current focus is on developing a major high-quality kaolin and gold project located in NE Queensland, Australia, approximately 250 kilometres from the major seaport of Townsville, west of Charters Towers, and immediately north of the gold bearing district of Pentland. For further information, please visit www.igmining.com.

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