



Lolworth Range Photo Courtesy of: Dr L.J. Hutton

Executive Summary

InterGroup Mining is an Australian registered company developing a large scale Kaolin, Silica and Gold deposit in Queensland Australia with further processing to create High Purity Alumina (HPA). There is also significant evidence of Lithium and Rare Earth Elements which are currently being explored. The property is situated in the Lolworth range close to charters towers Australia. The Clydesdale and Surprise mine locations include an enormous resource of extremely High Purity Kaolin and Silica, right at the surface. Embedded in this 30+ meter deep resource are deposits of gold. There are also strong indications from previous testing and testing of neighboring properties that a number of other Rare earth minerals reside below the original surface deposit. These include but are not limited to Tantalum, Lithium, Niobium, Yttrium, and Cerium.

Originally InterGroup's focus was limited to Gold and the exploration for it among the Kaolin and Silica formations. As time progressed the viability of the High Purity Kaolin and Silica became evident. Changes in production demand worldwide for reduced CO2 concrete and lithium ion batteries spurred the company to put time and effort into processing its Kaolin Resource into the following materials with very positive results: High Purity Alumina for lithium ion batteries and MetaKaolin for reduced CO2 emissions in concrete production. The surface occurring Silica was refined to 99.7%+ purity, reaching critical mineral designation as well.

Currently the resource is projected to have a 30+ year lifespan at full production and with its ability to deliver High Purity Silica, High Purity Kaolin, High Purity Alumina, gold and MetaKaolin the project has all of the needed traits to be deemed a critical resource deposit. It resides close to rail transport at Homestead that connects directly to Townsville Port for worldwide shipment.

With all of the above said and the information outlined in this "Definitive Feasibility Statement," the case is easily made that InterGroup's Clydesdale and Surprise projects are one of if not the premier Kaolin and Silica based rare earth resource deposits in Australia.

InterGroup has, after much due diligence, proven the scope and specifications of the Lolworth Kaolin and Silica resource deposit. We are now moving into production of all of the above mentioned resources.

In stages of production we will deliver:

STAGE 1 - SURFACE MINING YIELDS With on site processing

1. High Purity Kaolin
2. High Purity Silica
3. Gold
4. MetaKaolin
5. Fully Calcined Kaolin
6. High Purity Alumina

STAGE 2 - DEEP MINING YIELDS

Tantalum, Lithium, Niobium, Yttrium, and Cerium as discovered via drilling programs.

No specific data on Stage 2 is contained in this DFS.

A further Pre-Feasibility Study “PFS” is being conducted and written for stage 2 in Q1 2024

This DFS includes 14 separate sections that outline the projects every stage and general, technical and financial aspect from today forward, as well as two addendums outlining in depth the “mineral classifications” and “market demand uses” for the Clydesdale and Brumby Kaolin and Silica Project.

An overview of the Project schedule and Key Performance Indicators (“KPI”):

KPI	Product Yield	Timeline
<i>Stage1 - Upgrade all roads, Transfer Site, water needs and purchase surface mining equipment</i>	DSO (Directly Shippable Ore) Kaolin, Silica, and Stockpile Quartz and Gold	2024 Immediate
<i>Stage 2 - Construct Sand Washing Plant at Homestead</i>	Hydrous Kaolin, Construction Sand, High Purity Silica	2024 Q2 to 2025 Q1
<i>Stage 3 - Construct Upgraded Processing Plant at Homestead</i>	Drier Hydrous Kaolin, Construction Sand, Higher Grade High Purity Silica	2025 Q3 to 2026 Q2

Stage 4 - Construct Full Processing Calcination Plant at Homestead	Metakaolin, Fully Calcined Kaolin,	2024 Q3 to 2026 Q3
Stage 5 - Construct 10,000 tpa High Purity Alumina	High Purity Alumina	2026 Q1 to 2028 Q2
Stage 6 - Upgrade HPA Plant to 20,000 tpa	High Purity Alumina	2028 Q3 to 2029 Q4

The Sand Washing Plant is used to separate the minerals and produce Hydrous Kaolin, Raw Silica Construction Sand, and High Purity Silica.

The gold which occurs in quartz veins, unrelated to the kaolin resource, will be stockpiled for subsequent on site or contract processing..

Once separated, the Kaolin and Silica are wet and dry processed to make further products.

To produce metakaolin from kaolin it is necessary to calcine the kaolin at a temperature of between 700°C to 800°C in a flash calciner until the kaolin has been fully changed into metakaolin. IGM has completed many pilot trials and demonstrated that kaolin from this project makes an excellent quality of metakaolin.

Fully calcined kaolin is needed for the TiO₂ replacement in paint and will require a horizontal calciner after the flash calcining.

In order to create High Purity Alumina a wet processing stage is required. Section 7 of the DFS outlines all the equipment and processing necessary in imaged detail.

To date 30 Million \$AUD has been raised and deployed to prove the project up to its current state. This includes drilling, permitting, mineral testing, mineral processing and explorations work across the property.

The Clydesdale and Brumby Kaolin and Silica project is now ready to move into full production. The project requires an initial capital investment totaling 56 million \$AUS to take it to full production of all products in stage 1. The project can begin producing Hydrous Kaolin Higher and Lower Purity Silica , gold and Construction Sand This will yield operational cash flow to assist in the implementation of wet and dry processing equipment.

The sum of the 216 million \$AUS will yield MetaKaolin, Fully Calcined Kaolin and an additional \$300m will yield 10,000 tpa of High Purity Alumina. Then a further \$300m will increase the HPA Production to 20,000tpa.

All capital expenditure for subsequent future stages will be funded with cash flows from the project, to the best of the company's ability.

Current financial models and projections, without debt, show:
The NPV “Net Present Value” (\$Au) is \$1.39Bn at a discount of 10%
The IRR “Internal Rate of Return” is 35% pa

Risk Assessment

The project's risk assessment includes the following externalities:

Weather - *medium risk*. This is remediated through upgrading the roads and dams that are used for the project. At certain times of year production will be slowed in favor of safety as the seasonal rain load increases. This risk factor has been accounted for in the mining operation plan.

Production timelines/equipment delivery - *medium risk*. As with any new construction project, we are held to the timelines of other contractors. Delays are natural but remediated through careful planning and patience.

Commodity prices - *low risk*. Commodity prices can fluctuate often. The minerals we produce have maintained a stable price for a number of years, and are only projected to rise as the market sees a deficit to demand in the future time horizon. Our cost to produce on this project is low by market standards.

Political instability - *low risk*. Australia has been a pro-mining and stable democracy for many years and shows little signs of changing, with the government actively supporting this project.

The environmental impact of the Clydesdale and Brumby IGM Kaolin and Silica Stage 1 project, is low by industry standards. There is little impact in the surface mining activity and waste production is well within industry parameters. Water usage is controlled via dams, and dams are used to feed livestock and local agricultural practices by current landowners. The dams will be maintained by the landowner when mining operations cease.

An estimated mine life of 30+ years will bring generational employment and sustained economic activity for surrounding areas. The project will bring a total of 56 job positions to the area, as well as increasing work positions and economic activity in Homestead, along the rail transport network to Townsville, and at Townsville Port. The Landowners and indigenous residents have all been contacted and consulted for economic remediation and approval of activities at the mine site and processing locations.

All permits and titles are clear and present as outlined in section 2 of the main DFS. The Clydesdale mining lease is subject to being granted by the Queensland Government and is expected to be granted in about 12 months.. All required authorities, landowners and indigenous parties have been consulted and remediated for the Stage 1 Kaolin and Silica project to advance and produce.

It is recommended that the project proceed as outlined in this DFS immediately. The stages outlined in section 5 allow the project to proceed from initial start to full regular production of all stage 1 products in a 3 year timeline.

The project requires an initial capital investment totaling \$56 million \$AUS to take it to full production of all products in stage 1. The project can begin producing Hydrous Kaolin, Gold, High Purity and Lower Purity Silica and Construction Sand. This will yield operational cash flow to assist in the implementation of wet and dry processing equipment.

The further sum of 216 million \$AUS will yield Fully Calcined Kaolin, MetaKaolin,

A further \$300m will build a plant to produce 10,000 tpa of High Purity Alumina. This can be doubled with a further investment of \$300m

This DFS has been completed to prove the long and short term feasibility case of the IGM Clydesdale and Brumby Kaolin and Silica project. Contained within this report is all the information necessary to remediate all known risk factors, a path to mining and processing high value rare earth minerals and the financial reward for such. The Lolworth range that the Clydesdale and Brumby mining locations encompass contains all of the kaolin and silica deposits in the area. It is the largest in Australia and sits at the ground surface then extending 40+ meters deep. The mining access and process is as simple as a project can be. The processing plants are planned very close to the mine site and sit right next to a rail loading station that traverses directly to the open ocean port in Townsville, Australia. In all ways the IGM Clydesdale and Brumby project is a high value multi-generational Kaolin and Silica Gold mine.

The next steps of purchasing necessary equipment, constructing processing plants and mining at surface can begin immediately with minimal investment. The project has been staged to pay for its own growth quickly and to in turn run at a cash surplus for 30+ years.

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