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SYDNEY NSW 2000

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## **TROPICANA PRE-FEASIBILITY RESULTS AND DECISION TO COMMENCE BANKABLE FEASIBILITY STUDY**

- **The Tropicana Joint Venture (70% AngloGold Ashanti Australia Limited, 30% Independence Group NL (IGO)) is pleased to announce a positive Pre-feasibility Study (PFS) outcome. The Tropicana Joint Venture has approved the commencement of a Bankable Feasibility Study (BFS).**
- **The PFS considered a wide range of project options and the BFS focus has been narrowed to assess in detail owner and contract mining options. at a processing rate of 6 Mtpa .**
- **The BFS will also focus on optimising capital and operating costs.**
- **IGO's share of initial planned production is over 1Moz Au. Production has the potential to increase with further resource drilling and potential underground operations as well as exploration success.**
- **Gold production for the first 5 years is forecast at 420,000 to 430,000oz pa**
- **Additional drilling at Havana South and in the Havana supergene zones is expected to increase resource ounces with recent drill intersections including 16m @ 5.6 g/t Au and 12m @ 6.3 g/t Au.**

PRE-FEASIBILITY STUDY SUMMARY	RECOMMENDED RANGE	COMMENTS
<b>RESOURCE</b>	75.3Mt @ 2.07 g/t Au 5.0Moz Au	Resource Classification has been modified with more material in the Measured and Indicated category.
<b>MINING INVENTORY</b>	56Mt @ 2g/t Au 3.6Moz Au	Less than 5% of scheduled mill feed is classified as Inferred. Expected to increase with current infill and step-out drilling at Havana South.
<b>WASTE MINED</b>	356Mt*	A number of robust pit designs & schedules have been developed to accommodate potential future gold price and cost fluctuations.
<b>ORE MILLED</b>	56Mt*	
<b>GOLD HEAD GRADE (LOM)</b>	2.0 g/t Au*	Higher grades will be processed in the first five years.
<b>STRIP RATIO (waste / ore )</b>	6.2:1	

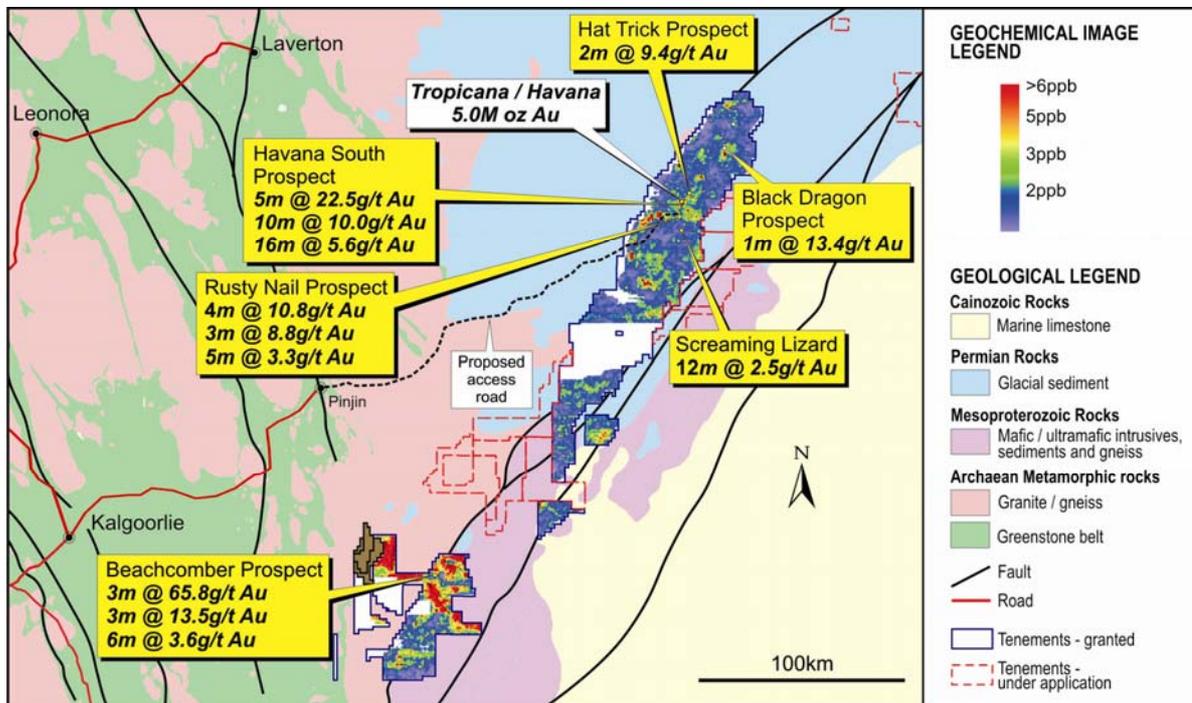
<b>GOLD RECOVERY</b>	92%	Oxide and fresh rock average
<b>GOLD RECOVERED</b>	330,000 – 410,000 oz Ave pa	Based on 8 to 10 year mine life. First 5 year recovered ounces expected to be 420,000 to 430,000
<b>CASH COSTS (Real)**</b>	A\$590 –610 / oz Au	Owner mining Diesel power purchase agreement
	A\$690 – 710 / oz Au	Contract mining Diesel power purchase agreement
		First 5 year cash cost expected to be lower than life of mine cash costs
<b>COMMENCE CONSTRUCTION</b>	Second half 2010	Subject to permitting and approvals.
<b>COMMENCE PRODUCTION</b>	First half 2013	Site construction will begin after construction of 220 km of road is completed.
<b>MINE LIFE</b>	8 to 10 years initial life	Encouraging results from Havana South drilling indicate potential to increase the mine life.
<b>PLANT THROUGHPUT</b>	5.5 to 6 Mtpa	

\*The following key JV assumptions were used in the PFS: Gold US\$900/oz; AUD:USD 0.85; Oil Price US\$103/bbl; discount rate 15%; tax rate 30%.

\*\*Current prices: Gold US\$950/oz; AUD:USD 0.80; Oil Price US\$70/bbl.

## 1 LOCATION

The Tropicana Deposit is located 330km north-east of Kalgoorlie and 200km south-east of Laverton which should be approximately 4 hours drive from Kalgoorlie once the site access road is established (**Figure 1**).



**FIGURE 1: TROPICANA AND HAVANA DEPOSIT LOCATIONS, TENURE, GOLD GEOCHEMICAL ANOMALIES, SIGNIFICANT DRILL INTERCEPTS OUTSIDE JUNE 2009 TROPICANA-HAVANA RESOURCES AND SELECTED ADDITIONAL PROSPECT LOCATIONS**

## 2 GEOLOGY

The Tropicana Deposit comprises two known mineralised zones, the Tropicana zone to the north and the Havana zone to the south (**Figure 2**). The Tropicana and Havana zones are broadly “stratiform”, with both the favourable host sequence and gold mineralisation dipping approximately 30° towards the east to south-east.

Mineralisation has been mainly tested to a vertical depth of 250m to 300m, with drilling depth largely determined by a number of pit optimisation studies progressively completed during exploration and the PFS phase of the project. The approach utilised was aimed at optimising drilling efficiency within likely open pit mining limits.

### Mineral Resources

A Measured, Indicated and Inferred Mineral Resource of 75.3Mt at 2.07g/t for 5.01Moz has been identified within a US\$1000/oz optimisation shell at an A\$:US\$ exchange rate of 0.80 (A\$1,250/oz).

Subsequent to the January 2009 resource release, additional classification work has increased the Measured and Indicated Resource by 16% as follows:

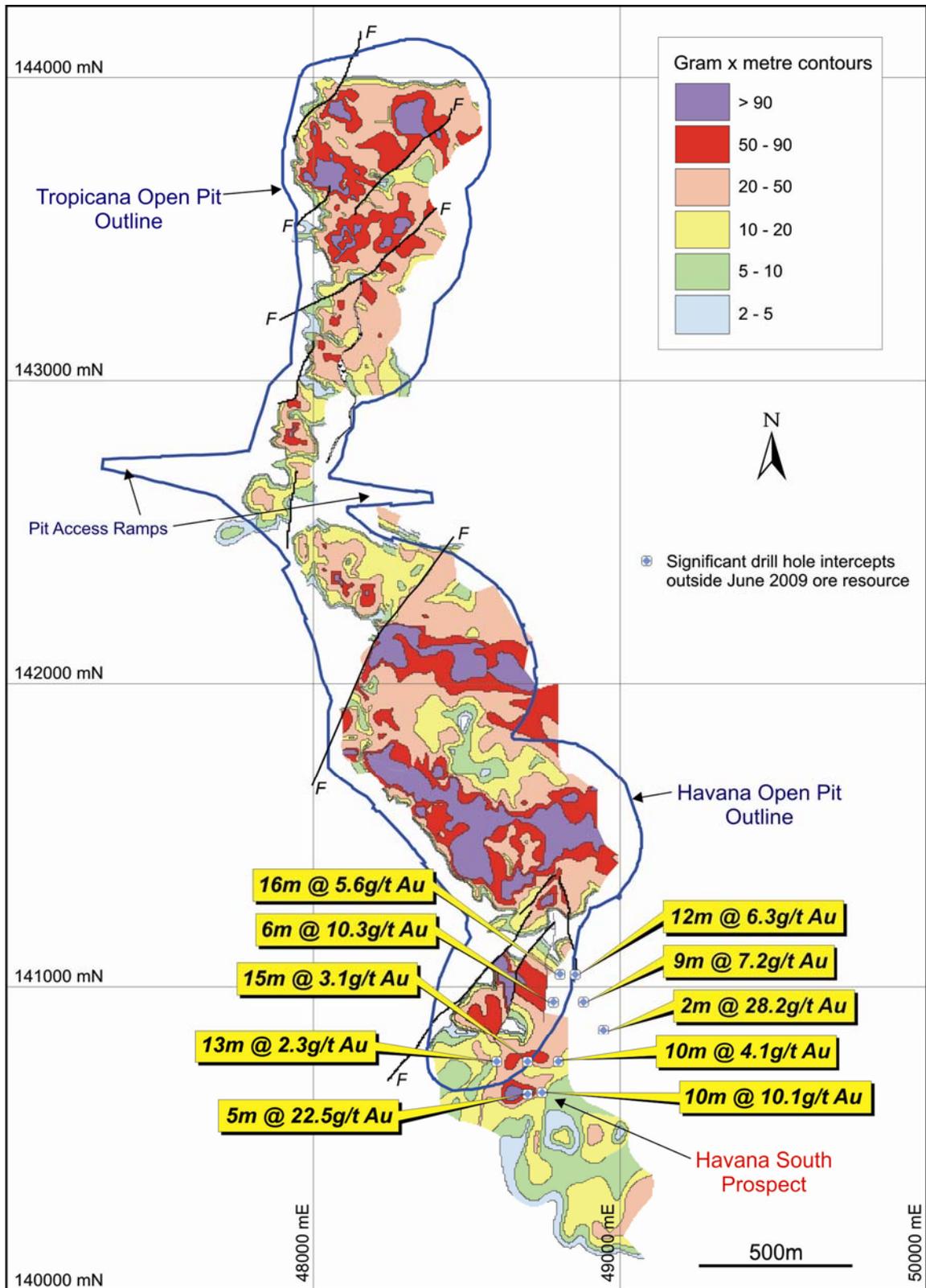
### Resources Classification

CLASSIFICATION	JANUARY 2009 CLASSIFICATION				JUNE 2009 CLASSIFICATION			
	Mt	g/t	Moz	% Ounces	Mt	g/t	Moz	% Ounces
Measured	19.9	2.4	1.53	30%	24.2	2.3	1.79	36%
Indicated	31.1	2.1	2.05	41%	39.8	2.0	2.58	51%
Inferred	24.3	1.8	1.43	29%	11.3	1.8	0.64	13%
<b>TOTAL</b>	<b>75.3</b>	<b>2.1</b>	<b>5.01</b>	<b>100%</b>	<b>75.3</b>	<b>2.1</b>	<b>5.01</b>	<b>100%</b>

**Table 1: Comparison of June 2009 and January 2009 Resource Classifications within A\$1250/oz Au Optimisation. Cut offs: 0.6 g/t Au oxide ore, 0.7 g/t Au fresh ore.**

Underground mining may be viable for exploiting extra material at depth under the open pit resource, however no underground material has been included in the PFS resource.

Additional gold mineralisation has been intersected immediately south of the current Havana open-cut resource shell including **5m @ 22.5 g/t Au, 10m @ 10.1 g/t Au, 15m @ 3.1 g/t Au, 10m @ 4.1 g/t Au, 12m @ 6.3 g/t Au, 6m @ 10.3 g/t Au, 2m @ 28.2 g/t Au, 16m @ 5.6 g/t Au and 9.0m @ 7.2 g/t Au**. Havana South infill drilling is in progress and is likely to increase the resource base. Additional near surface infill BFS drilling in the proposed Tropicana and Havana open-cuts may also increase the resource base (**Figure 2**).



**FIGURE 2: PROPOSED TROPICANA AND HAVANA OPEN PIT OUTLINES, g/t Au x THICKNESS CONTOURS AND SIGNIFICANT HAVANA SOUTH INTERCEPTS OUTSIDE THE JUNE 2009 TROPICANA-HAVANA RESOURCE**

### **3 MINING**

Based on the current resource estimate, the open-cut is expected to provide approximately 56 million tonnes of plant feed (including less than 5% Inferred Resources) at an average grade of 2 g/t and producing 3.3 million ounces of recovered gold. A total of 356 Mt of waste is planned to be mined at an overall waste to ore ratio of 6.2:1.

Mining is planned to be by conventional open pit drill and blast methods using trucks and excavators. It has been assumed that bulk mining methods would be appropriate for waste material. The BFS will evaluate the options of contract mining and owner mining.

### **4 METALLURGY**

A comprehensive metallurgical test work program and engineering analysis has been completed with a range of processing flow sheets considered. A gold process flow sheet including high pressure grinding rolls and ball milling to 80% passing 75 microns followed by a carbon-in-leach (CIL) circuit is currently recommended. This is anticipated to result in an average recovery rate of 92%.

A nominal plant throughput of 6.0mtpa is indicated with oxide and fresh rock ores blended at up to 20% oxide to optimise plant throughput, recovery, power efficiency and cost performance. The plant throughput is expected to progressively reduce to approximately 5.5mtpa when processing 100% fresh rock.

### **5 CAPITAL COSTS**

Despite the relative proximity to the mining hub of Kalgoorlie, the area is characterised by a lack of infrastructure. A substantial investment in supporting infrastructure including mine access roads (220 km), communications, power infrastructure, water supply (located 50 km from proposed plant site) accommodation village and aerodrome is required.

#### **Capital Cost Summary (A\$ 2008)**

**Plant & Infrastructure Capital Costs (excluding mining) A\$500-\$540M which includes 15% contingency.**

Costs for the PFS were largely derived during the 'boom' period in 2008 when a number of projects experienced delays and high input costs. Capital costs will be optimised and reviewed during the BFS. Mining costs will depend on whether contract mining or owner mining is selected (owner mining fleet capital is estimated to be A\$170-A\$190M, before owners costs and contingency).

Expenditure during the two quarter commissioning period is likely to be substantially offset by gold production during the same period.

### **6 ENVIRONMENT & PERMITTING**

The environmental assessment of the project will involve State and Federal agencies. The primary assessment process will be a Public Environmental Review (PER), with a draft PER document currently being considered by State Government. The PER document is expected to be released for an eight week public review period in the September 2009 Quarter. It is anticipated the required approvals will be obtained by mid-2010, enabling construction to commence shortly thereafter.

## 7 PROJECT IMPLEMENTATION TIMEFRAME

Construction of the new 220km site access road will be required before major site construction activities can commence. Construction of site infrastructure is anticipated to take up to two years. Providing all JV partner and environmental approvals are obtained by June 2010, it is anticipated that project commissioning would occur in early 2013.

All Mining Licences and Miscellaneous Licences necessary to enable the project to proceed have been granted. A comprehensive consultation programme with key stakeholders is continuing.

## 8 FEASIBILITY STUDY SCOPE

The BFS will be based on a 6Mtpa operation with owner and contract mining options to be further evaluated. The Study will consider a number of opportunities to optimise mining and plant performance, and optimise and better define capital and operating costs.



### Christopher Bonwick MANAGING DIRECTOR

**Sign Off:** The information in this report that relates to Mineral Resources is based on information compiled by Mark Kent, who is a full-time employee of AngloGold Ashanti Limited, and a member of the AusIMM. Mark Kent has sufficient experience relative to the type and style of mineral deposit under consideration and to the activity which has been undertaken, to qualify as a Competent Person (or Recognised Mining Professional) as defined in the 2004 Edition of the JORC Code. Mark Kent consents to the release of this resource based on the information in the form and context in which it appears.

**Note:** The information in this report that relates to Exploration Results is based on information compiled by Mr Christopher M Bonwick who is a full-time employee of the Company and is a member of the Australasian Institute of Mining and Metallurgy. Christopher Bonwick 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'. Christopher Bonwick consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

**Forward-Looking Statements:** This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Independence Group NL's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are forward-looking statements. Although Independence Group NL believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

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