ASX Release

Independence Group

10 December 2014

INDEPENDENCE INTERSECTS MASSIVE SULPHIDE AT MORAN SOUTH TARGET

Independence Group NL ("the Company") (ASX:IGO) is pleased to announce that ongoing drilling at the Moran South target has intersected 5.4m @ 12.38% nickel of massive sulphide (true width 3.5m) in drill hole LSU-493 (refer to Attachment A). The intercept is 1140m below surface, 320m south of the Moran nickel ore body and 90m below the recently completed Moran South Drill Drive platform.

The intercept consists of massive sulphide in an ultramafic-basalt contact position and is co-incidental with a significant downhole electromagnetic (DHEM) geophysical response identified from recently completed drill hole LSU-492, drilled down dip of LSU-493. This intercept comes from the third underground diamond drill hole out of a proposed nine hole exploration program to identify the Long-Moran komatiite channel south and down plunge of the Moran orebody, east of the Moran East fault. Further step out drilling to the south is planned to test down plunge of the current intercept in the coming months.

Independence Group NL Managing Director, Peter Bradford, said *"Although one drill hole does not make a discovery, this is an important step in identifying the potential southern extensions of the Moran orebody. We are particularly pleased at the high tenor of mineralisation, which is similar to Moran, and look forward to further drill testing of this target position by the Long exploration team in the coming months."*

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ATTACHMENT A

Table 1: Long Operation – Moran South Drilling, December 2014.

Hole ID	Northing (m)	Easting (m)	RL (m)	DEPTH (m)	DIP (degree)	AZIMUTH (degree)	From (m)	To (m)	Interval (m)	True Width (m)	Ni Grade (%)
LSU-491	547130	375487	-777	166.0	-12	125	158.4	158.55	0.15	0.1	2.19
LSU-492	547131	375487	-777	343.7	-30	113	Porphyry obscured contact, unmineralised				
LSU-493	547131	375487	-777	235.0	-26	114	205.4	205.65	0.25	0.1	8.12
	Including						211.0	216.4	**5.4**	**3.5**	**12.38**

Mine Grid co-ordinates shown. Kambalda Nickel Operation (KNO) azimuth

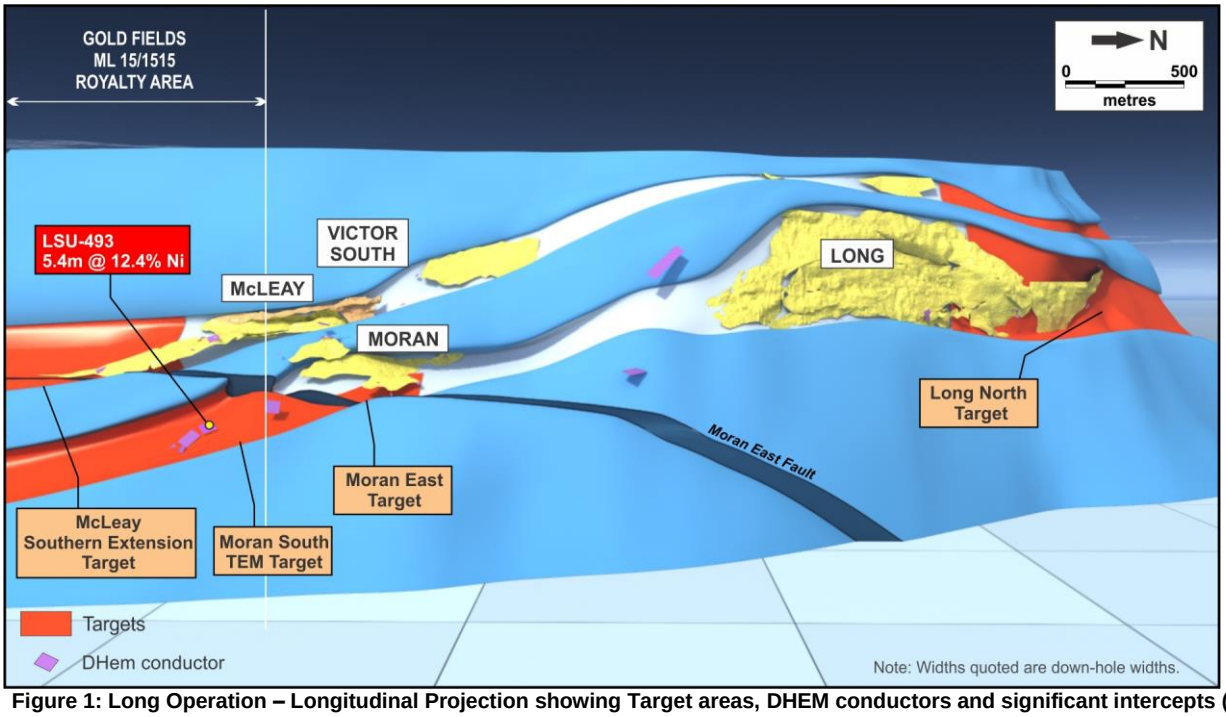

Figure 1: Long Operation – Longitudinal Projection showing Target areas, DHEM conductors and significant intercepts (>0.5% Ni).

Competent Persons Statement

The information in this report that relates to Independence Long Exploration Results is based on information compiled by Ms. Somealy Sheppard. Ms. Sheppard is a full-time employee and security holder of the Company and is a member of the Australian Institute of Geoscientists. Ms. Sheppard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code) and consents to the inclusion in the report of the matters based on her 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 the 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.

JORC CODE (2012) TABLE 1 INFORMATION

LONG EXPLORATION RESULTS 2014

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	Commentary
Sampling techniques	Under underground diamond drill core consisted of HQ and NQ2 diameters. Sampling was undertaken by ½ coring to logged geological intervals using an automatic core saw. Maximum sample length is 1.0m and minimum sample length was 0.1m for all core sizes. Sample lengths did not cross geological intervals. Core was cut to give sample weights of approximately 3.2kg. All geological contacts between the footwall basalt and hanging wall ultramafics, with or without the presence of sulphides, were sampled. Sample intervals extend at least 5m beyond the sulphide zone (greater than 1% nickel grade) within the footwall and hanging wall geological contact positions. Samples were crushed and pulverised (total prep) to produce sub-samples of 400mg for analysis by four acid digest, followed by ICP-OES analysis. Down hole electromagnetic geophysical surveys have been undertaken to assist in targeting of massive sulphide horizons. Densities were determined using the Archimedes water immersion technique.
Drilling techniques	Recent diamond drill core consisted of HQ (core diameter 63.5mm) holes are drilled where bad ground is expected,and the hole is often completed with a smaller NQ2 (core diameter 50.6mm). Drill core were un-orientated.
Drill sample recovery	Diamond core was logged and recorded in the drill hole database. Intervals of core loss are logged as geological units with a code of 'CLOSS'. Intervals of partial core recovery are rare, but are noted in comments for both the sample and geology logs. Overall recoveries are >95% and there are no core loss issues or significant sample recovery problems. Intervals of core loss were not included in the sample intervals. All recent drilling is completed using underground diamond drill holes with high (>95%) core recovery. Diamond core was reconstructed into continuous runs, where possible, and each interval identified on the core and the depths checked against the depth given on the core blocks. Rod counts are marked on additional core blocks routinely completed by the drill contractor. Core losses are marked on additional core blocks marking the start of core loss and end of core loss intervals, by the drill contractor.
Logging	Geotechnical logging of diamond drill holes for recovery, RQD, and number of fractures (per interval) was completed. The information is captured in the drill hole database. Geological logging of drill samples recorded lithology, mineralogy, mineralisation, veins, alteration minerals, contact type. Recent core samples were photographed wet and the images stored in the drill hole database. The drill samples were logged qualitatively in full for all samples.
Sub-sampling techniques and sample preparation	All samples were cut in ½ using an automatic core saw cutter. All core samples were collected from the same side of the core. Extremely broken core is sampled by visually picking a representative sample consisting of half of the rock fragments. The core samples were totally crushed in a jaw crusher to a nominal particle size of 6mm then fine crushed in a Boyd crusher to a nominal size of 2mm. A sub-sample of approximately 750g is split out via a rotary divider (the rotary divider is adjustable so that consistent-sized splits can be taken for pulverising, regardless of original sample weights). The sample is then pulverised in a ring mill. A sub-sample of 100g is taken from the pulverised, homogenised sub-sample; this sub-sample is retained as the 'pulp'. An assay sample of 400mg is taken from the pulp for four acid digest and then ICP-AES analysis. Sample preparation checks for grain size were carried out by the contract laboratory as part of its internal checks to ensure the grind size of 90% passing 75 microns. Greater than 90% of all sizing tests met acceptable limits. Field QC is through the use of certified reference material as assay standards inserted at irregular intervals and blank core samples inserted after massive sulphide mineralisation and at irregular intervals. The insertion rate for blanks is 1 in 10 samples and for standards is 1 in 20 samples. Results of standards and blanks from each batch are scrutinised at the time they are reported, and compared with expected values. Variation outside two standard deviations of the expected result is reported

Criteria	Commentary
	to the lab for checking, and re-assaying if required. In-house QAQC reports are produced quarterly and yearly to examine variability in standards and blanks performance and reliability. The ½ core sampled at 0.1m to 1.0m sample intervals was considered to be appropriate to correctly represent the sulphide mineralisation based on the style of dominantly massive and matrix sulphides, the thickness and consistency of the intersections, the sample methodology and percent value assay range for the primary elements.
Quality of assay data and laboratory tests	The analytical techniques used a 400mg sub sample digested in four acid digest (Nitric Acid, Perchloric Acid, Hydrochloric Acid and Hydrofluoric Acid). The digest commences with the samples at room temperature and after thirty minutes the beakers are transferred to a hot plate which heats the digest solution to 200°C. The digest solution is heated until the solution is reduced to a dry, solid, state. This process takes approximately four hours. The dry, powdery, material which remains is soluble in Hydrochloric Acid and is ready for the next stage. The beaker is then removed from the hot plate and Hydrochloric Acid is added. The beaker is then returned to a hotplate, this time operating at 100°C. This "leach back" stage ensures all solids are dissolved back into solution. The beaker is then removed from the hot plate and allowed to cool. De-iodised water is then added to the beaker to bring the volume of the solution up to a standard 18ml and the solution is then transferred to a test tube, where the volume is checked again and if necessary adjusted. This solution is vigorously agitated, so that solution is fully homogenised. This "Primary Digest Liquor solution" is diluted on a 1:1 basis. Included in the diluent are two rare elements, which are used as "internal standards" - Yttrium (Y) and Ytterbium (Yb). The ICP-OES analysis is run for nine elements The nine element suite is: As (10ppm), Co (10ppm), Cr (20ppm plus the possibility of incomplete digestion), S (100ppm), Cu (5ppm), Fe (100ppm), Mg (100ppm), Ni (10ppm), Zn (10ppm). No geophysical tool was used to determine element concentrations. Sample preparation checks for grain size were carried out by the contract laboratory as part of its internal checks to ensure the crush size of 90% passing 2mm and grind size of 90% passing 75 microns. Greater than 90% of all sizing tests met acceptable limits. The performance of the blanks and standard samples submitted to the laboratory returned acceptable values. No umpire labs were used. No precision checks have been implemented.
Verification of sampling and assaying	Due to the high visibility of mineralisation, significant intersections in diamond core were visually verified following lithological logging of core samples and after laboratory analysis, by IGO geologists. Core photos and visual checks from remaining half core samples were randomly checked. No drill holes were twinned. Primary data was collected using an Excel template on laptop computers using look up codes. The information was transferred into acQuire Database version 4.4.1.2 with SQL2008 database server. There was no adjustment to assay data. Assay results are submitted from the laboratory via email in CSV and PDF files. Original assay files are archived digitally in the company computer network. CSV files are imported into acQuire database through a database extraction protocol.
Location of data points	The planned drill collars for underground diamond drill holes are laid out by marking the fore-sight pins drilled in the walls of the mine development by the Company Surveyor using a Viva TS15 Total Station Theodolite considered to be accurate to 0.002m. The bearing of the hole is located by the diamond drilling contractor using a DHS Azimuth Aligner-FOG100. The collar position is later surveyed, locating the exact position of the drill hole. The collar coordinates are stored in a drill hole database. Down hole surveys were taken using an Electronic Reflex Ez-Trac down hole survey tool by the diamond drilling contractor. Holes were down hole surveyed with multi-shot surveys (6m intervals) at the completion of the hole. Single-shot surveys were progressively taken as the hole was drilled to maintain planned drill direction at 15m, and 30m intervals. Stated accuracy of the Electronic Reflex Ez-Trac down hole survey tool is 0.35 degrees on azimuth and 0.25 degrees on Dip. All down hole surveys were stored in the drill hole database and de-surveyed as curvilinear projections down the drill hole trace. One gyroscopic validation of a down hole survey was undertaken. No other gyroscopic validation of a down hole survey was undertaken for the drill holes reported this quarter. Validation of the surveys with the SMART TEM geophysical probe was completed for the underground diamond drill holes. No significant survey problems were identified. The grid system is MGA_GDA94, Zone52. The Local Grid (KNO-Grid) is a non-linear projection of MGA co-ordinates. All collars are captured in Local Grid. North-South Local Grid is -1 degrees off Magnetic North declination. MGA co-ordinates are generated by automated scripts within the database.
Data spacing and distribution	Diamond drill spacing for drill holes reported is variable, between 60 to 120m drill spacing along plunge and between 40 to 80m drill spacing down dip. Sample compositing has not been applied to the drill core.
Orientation of data in relation to geological structure	Orientation of mineralisation is interpreted to be similar to the Moran and Long ore body trending north-south and plunging shallowly to the south. Underground diamond drill holes are angled near perpendicular to the mineralisation.
Sample security	Core samples are stored on site and delivered by IGO personnel to ALS in Kalgoorlie which is transported and processed in ALS Perth Laboratory. Whilst in storage the samples are kept in a fenced and locked yard on site. ALS has a batch tracking system that allows IGO staff to track progress of batches of samples from delivery to submission of results. Half core and quarter core is kept for reference and is stored in a fenced and locked yard on site. The location and photographs of the core samples are stored on a regular basis in the drillhole database.
Audits or reviews	The sampling techniques and data are collected and managed by IGO staff geologists familiar with the local

Criteria	Commentary
	rock-types and data collection process established over 14 years, with IGO and previously through WMC Resources. The major rock-types of the area are visually distinct from each other in drill core, there are no major inconsistencies or errors in the logging of lithology or mineralised zones. The database is audited annually by IGO geologists.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	Commentary
Mineral tenement and land tenure status	Mineralisation intercepts reported are located on tenement M15/1515 – expiry date 23/12/2025. There are no Native Title Claims registered over the lease and no other known impediments. The mineralisation reported on M15/1515 forms a part of a Joint Venture Agreement with St Ives Gold Mining Co. Pty Ltd (SIGM).
Exploration done by other parties	Exploration was initially undertaken by WMC and eventually commissioned the Long Shaft and Victor decline mine development. This data is of high quality with most of the historic work concentrated in areas that have been mined out.
Geology	The mineralisation is typical of Kambalda-style nickel deposits, consisting of narrow, steeply dipping, shallowly south-plunging, ribbon-like accumulations of massive and semi-massive (with minor disseminated) sulphides. The mineralisation is located at the base of Archaean komatiitic ultramafic flows at the contact with an underlying tholeiitic basalt unit. The massive sulphide is overlain by matrix then disseminated mineralisation, with the bulk of the nickel mineralisation being massive and matrix in nature. The host rocks and associated contacts have been subjected to lower amphibolite facies metamorphism, structural modification, and intrusion by multiple felsic to intermediate igneous dykes and sills.
Drill hole Information	Holes drilled in the mineralisation are described in Section 1 and new mineralisation intercepts are tabulated in the announcement.
Data aggregation methods	Exploration results are calculated as the length and density weighted average to a 1% nickel cut-off. Maximum internal waste of 2m may be included however the total nickel composite average grade must be >1% nickel. Intercepts are length-density weighted across the entire width of the mineralised unit.
Relationship between mineralisation widths and intercept lengths	All mineralisation intervals are reported as down hole lengths as well as true widths. The plunge and dip of the mineralisation is generally well understood so estimated likely true widths are calculated and reported.
Diagrams	Longitudinal diagrams are shown in the announcement.
Balanced reporting	No material information has been excluded.
Other substantive exploration data	Geophysical plates generated from down hole electromagnetic surveys are used for targeting additional drilling. DHEM targets are generated as 3D surfaces in a geological modelling program to target exploration testing. DHEM targets are displayed as rectangular shapes on plans to identify the proximal location of potential nickel mineralisation targets.
Further work	Further underground diamond drilling is expected to follow up the mineralisation.