

8 SEPTEMBER 2017



IGO'S NOVA NICKEL-COPPER-COBALT OPERATION OFFICIAL OPENING

Independence Group NL (ASX: IGO) ("IGO" or "the Company") today celebrated a corporate milestone with the official opening of the Nova nickel-copper-cobalt operation by the Hon. Bill Johnston MLA, Minister of Mines and Petroleum for Western Australia.

The ceremony, held on site at Nova in the Fraser Range approximately 160km east-northeast of Norseman, was attended by almost 200 people representing state and regional governments, traditional land owners, local communities, and IGO employees, contractors, suppliers, financiers, investors and customers.

Peter Bradford, Managing Director and CEO of IGO, said it was an outstanding achievement that Nova reached commercial production only five years after its discovery and is expected to reach nameplate capacity twelve months earlier than expected in the bankable feasibility study – a feat made possible only by the quality of the project and the quality of the teams involved. Mr Bradford also acknowledged the Traditional Owners of the land, the Ngadju people, who facilitated the rapid approval of the project.

"I would like to thank the many contributors to the exploration and development of Nova and to reiterate IGO's commitment to delivering long term value to all our stakeholders, especially our local communities," Mr Bradford said.

"Our people, whether employed directly by IGO or our contractor partners, are the lifeblood of IGO and it is through their focus, commitment and hard work that Nova has been delivered to commercial production within five years of when the Sirius exploration team, led by Mark Bennett, drilled that now-famous discovery hole back in July 2012."

"Today, Nova is our flagship asset and represents the type of operation that IGO wants in its portfolio – a quality asset that is high margin, with scale and a long mining life, which anchors our presence in the Fraser Range where we are actively exploring to find the next Nova," Mr Bradford added.

Nova is a fly-in-fly-out operation with approximately 400 people employed on site who are a combination of IGO direct employees, contractors and sub-contractors. IGO is an active participant in the community through investments including scholarship, trainee and apprenticeship programs.

The Company also advocates increasing employment numbers from the local community, with 21 people of Ngadju indigenous heritage employed at Nova and an additional 12 Ngadju students who received trainee scholarships in the 2017 financial year.



IGO became owner of Nova in September 2015, following the acquisition of Sirius Resources NL. Project development commenced in January 2015 followed by underground mining in May 2015. First ore concentrate was achieved in October 2016 and commercial production declared in July 2017. Nova is currently ramping up to full nameplate capacity of approximately 125,000 tonnes (t) per month.

IGO has provided Nova production guidance for the 2018 financial year of 23,000-27,000t nickel, 10,000-12,000t copper and 800-1,050t cobalt contained in concentrate, at a cash cost of between A\$1.90-2.50/lb. This is expected to make Nova the lowest-cost nickel mine in Australia.

100 per cent of the high-grade nickel concentrate produced is currently sold to BHP Billiton Nickel West and Glencore under an offtake agreement, and 100 per cent of the copper concentrate is sold to Trafigura Pte. Ltd under an offtake agreement.

Peter Bilbe, Chairman of IGO, said that the official opening of Nova underpinned the Company's long term growth strategy and value proposition as a diversified Australian miner and could not have been achieved without the support of IGO's shareholders.

"Delivery of a project the scale of Nova, in such quick time and with so few hiccups, requires the steadfast commitment of shareholders and I want to acknowledge and thank the loyal investors in IGO for their support," Mr Bilbe said.

"Our Company, with the support of our shareholders, has been able to invest in Nova's development, which in turn has enabled social and economic benefits now and into the future for the prosperity of the Fraser Range region."

"And while today marks an important milestone in the IGO story, with the addition of Nova as our fourth operation in the portfolio, in many respects it is just the beginning," he said.

IGO invested A\$456 million in construction and development costs at Nova (IGO 100%), now bringing the Company's total operations portfolio to four; comprising also the Jaguar copper-zinc mine (IGO 100%), the Long nickel mine (IGO 100%) and the Tropicana gold joint venture with AngloGold Ashanti (IGO 30%), all located in Western Australia. IGO also has a growing pipeline of belt scale greenfield exploration projects.



Figure 1: Nova Operation Concentrate Shed featuring a commissioned traditional art work entitled, “My Country / Ngadju Marlpa” by local Ngadju artist Valma Wicker Schultz

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FORWARD LOOKING STATEMENTS

This announcement contains forward-looking statements regarding future events, conditions and circumstances including but not limited to statements regarding plans, strategies and objectives of management, anticipated construction timelines and expected costs and levels of production. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue" and "guidance", or other similar words.

These forward-looking statements are not a guarantee of future performance and involve unknown risks and uncertainties, many of which are beyond IGO's control, which may cause actual results and developments to differ materially from those expressed or implied. These risks include but are not limited to economic conditions, stock market fluctuations, commodity demand and price movements, access to infrastructure, timing of approvals, regulatory risks, operational risks, reliance on key personnel, reserve and resource estimations, native title and title risks, foreign currency fluctuations, exploration risk and mining development, construction and commissioning risk.

The production guidance in this announcement is subject to the risks referred to above and should be read in conjunction with the further information regarding the Mineral Resources and Ore Reserves, as well as the Competent Persons' Statements, included in the ASX Release – Nova Mineral Resource Estimate and Exploration Update (26 Jul 2017) and Nova Site Visit Presentation (9 Aug 2017) and with IGO's other announcements lodged with the ASX and available on IGO's website: www.igo.com.au

Forward-looking statements in this announcement apply only at the date of issue. Subject to any continuing obligations under applicable law or regulations, IGO does not undertake to publicly update or revise any of the forward-looking statements in this announcement or to advise of any change in events, conditions or circumstances on which any such statement is based. Readers are cautioned not to place undue reliance on any forward-looking statements contained in this announcement.



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