ASX Release

Independence Group

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ASSAY RESULTS FOR NEW "FLYING SPUR" SULPHIDE LENS AT JAGUAR

Independence Group NL (ASX:IGO)("Independence") is pleased to provide assay results from five underground diamond drill holes (13BUDD136 – 13BUDD145) recently completed at the IGO's Jaguar operation ("Jaguar") in Western Australia. The identification of the Flying Spur lens was reported in IGO's December 2013 Quarterly Report prior to assay results having been received.

True width assay results include:

- **5.42m @ 9.7% Zn, 0.18% Cu, 232g/t Ag and 1.7g/t Au including 2.18m @ 17.9% Zn, 0.31% Cu, 464g/t Ag and 2.42g/t Au** in 13BUDD143 at a vertical depth of 811m.
- **2.58m @ 15.9% Zn, 0.7% Cu, 151g/t Ag and 1.5g/t Au** in 13BUDD138 at a vertical depth of 694m.

Flying Spur is located at the down dip extremity of the Bentley ore body in the hanging wall to the main Arnage massive sulphide lens currently being mined. The lens was identified by resource drilling testing a hanging wall target defined by a down hole electro-magnetic (DHEM) survey. A total of five underground holes and one surface hole (drilled in 2010) have intersected the lens which remains open along strike and down dip. Intercept results from the underground holes are provided in Table 1. Mineralisation comprises both massive and stringer style and varies in true width from 0.13m to 5.42m. Initial interpretation of the results suggests that Flying Spur sits in the same horizon as the Brooklands lens and Comet lens which lie in the hanging wall to Arnage (Figure 1) separated by a post mineralisation dolerite intrusion. This interpretation is supported the elevated precious metal content of Flying Spur, similar in characteristic to Brooklands and Comet.

A two phase follow-up underground drill program is planned; phase one to infill and test the immediate strike of Flying Spur scheduled to commence in Mid-February 2014 and phase two to test the area between Flying Spur and Comet scheduled to commence in mid-2014 (Figure 2). The down dip continuity of Flying Spur, which cannot be effectively drill tested from current underground development, will likely be tested by a series of holes drilled from the surface once all results from the phase one underground program have been reviewed.

Table 1: Jaguar operation – Flying Spur Drilling Results

HOLE No	TOTAL DEPTH (m)	Intercept Details								Comments
		DEPTH FROM (m)	DEPTH To (m)	TRUE WIDTH (m)	VERT DEPTH (m)	Cu (%)	Zn (%)	Ag (g/t)	Au (g/t)	
13BUDD136	**1.75**	**331.25**	**332.00**	**0.91**	**628**	**0.38**	**31.7**	**410**	**2.02**	**Massive sulphide**
13BUDD138	7.13	**390.16**	**397.29**	**2.58**	**694**	**0.67**	**16.9**	**158**	**1.55**	**Massive and stringer sulphide**
13BUDD139	**0.76**	**361.24**	**362.00**	**0.13**	**660**	**0.01**	**1.2**	**23**	**0.07**	**Stringer sulphide**
13BUDD143	**16.38**	**503.31**	**519.69**	**5.42**	**811**	**0.18**	**9.7**	**232**	**1.70**	**Massive and stringer sulphide**
13BUDD145	**1.42**	**394.95**	**396.37**	**0.72**	**688**	**0.32**	**26.4**	**226**	**0.58**	**Massive sulphide**

Note: Assay results are density weighted.

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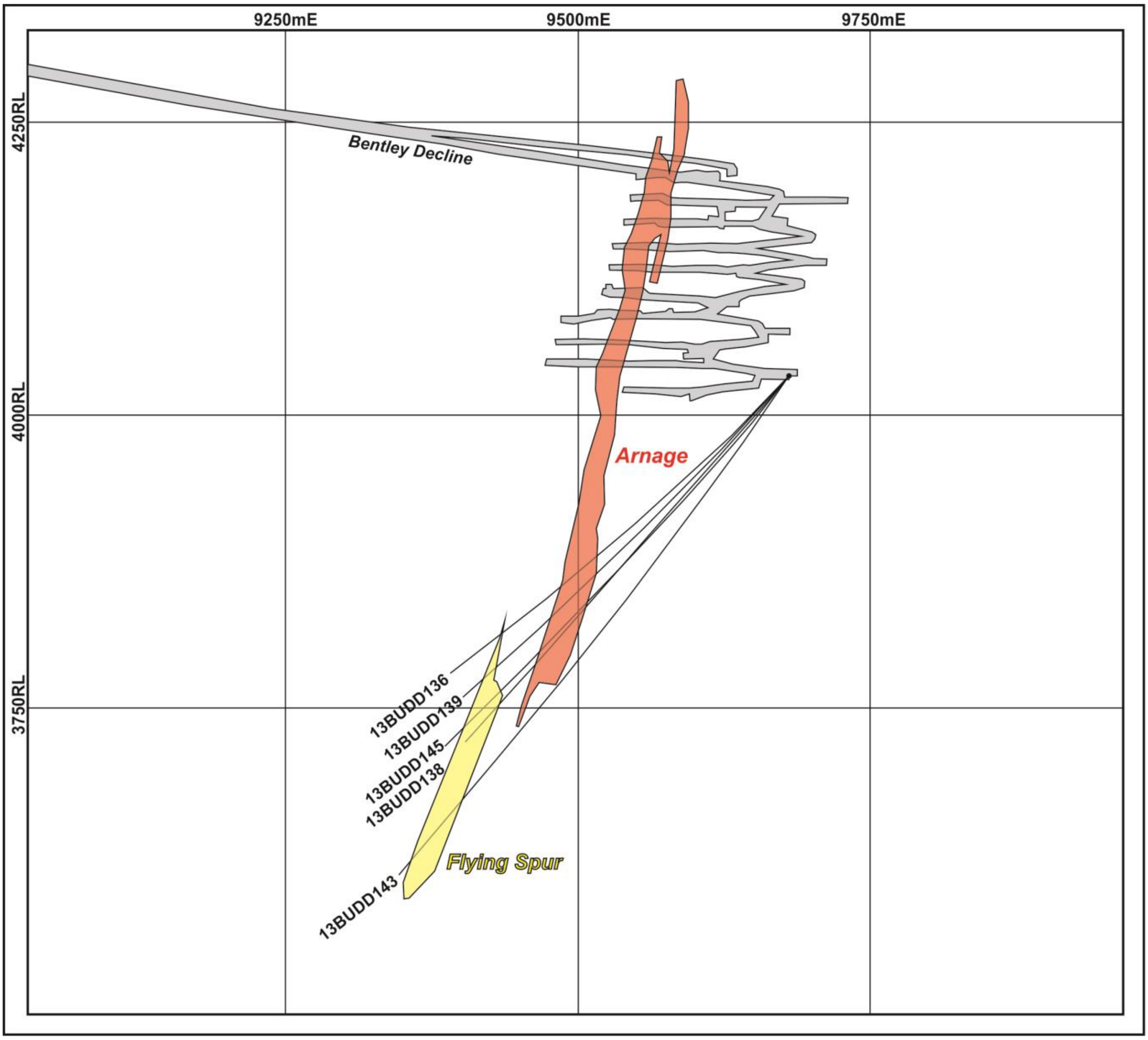

Figure 1. Composite cross-section of Bentley ore body showing position of Flying Spur Lens relative to Arnage and recently completed underground drill holes and mine development.

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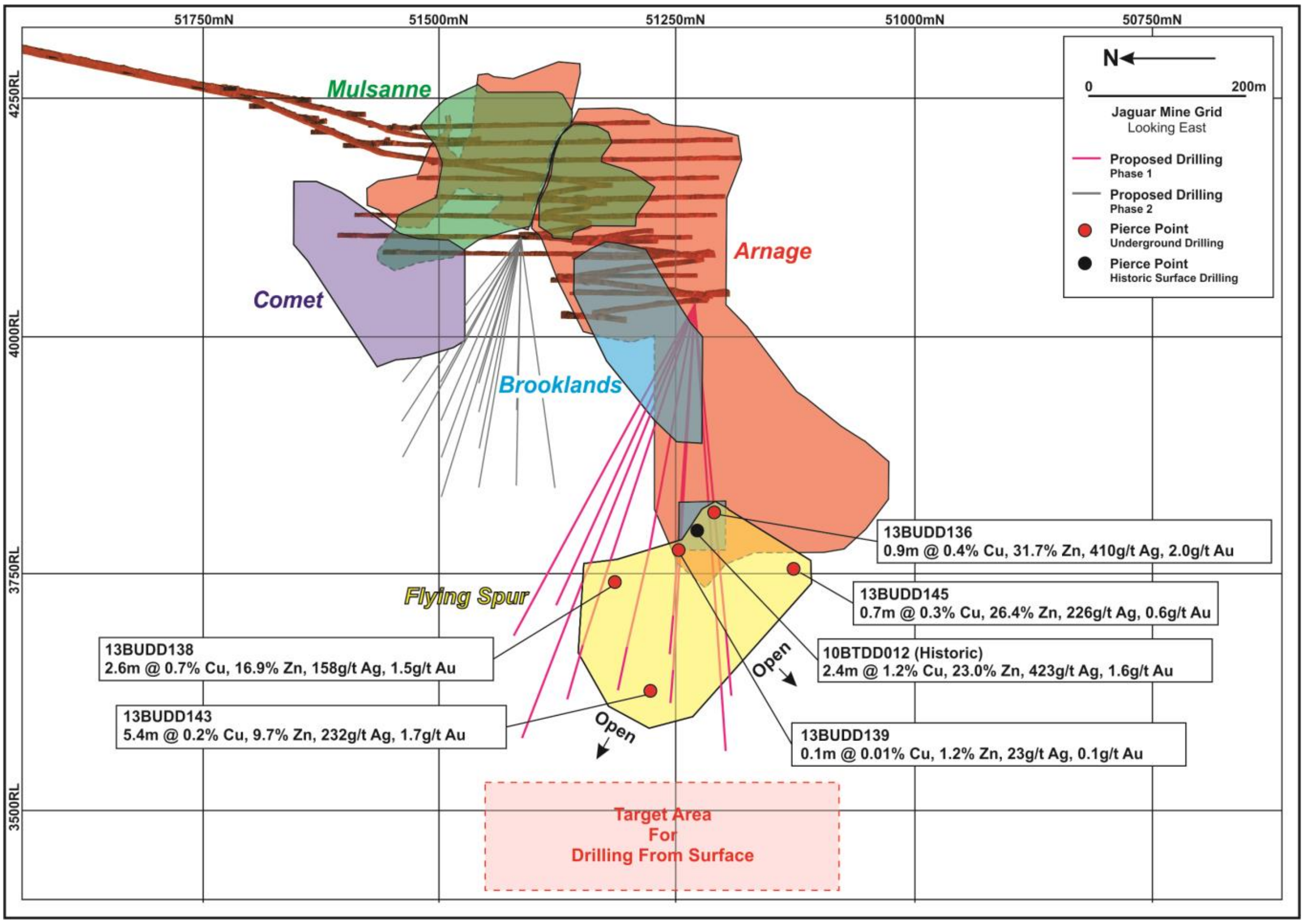

Figure 2: Long Section of Bentley ore body showing location of Flying Spur in relation to other lenses, intercepts and point from the recently completed underground drill program and planned phase one (pink) and phase two (blue) follow-up drilling

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Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Graham Sweetman who is a full-time employee of the Company and is a member of the Australasian Institute of Mining and Metallurgy. Mr Sweetman 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Sweetman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1 – Bentley Exploration Results

Section 1 Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	All sampling is from core from underground diamond drilling and one surface drilled hole (10BTDD012). Core samples were minimum length 0.3m and maximum length 1m. Core was cut with an automated core cutter after orientation and mark-up.
	Zinc and copper mineralisation is visible and zones containing sphalerite and chalcopyrite, whether in massive sulphide or stringer form, are sampled, along with a 5m buffer zone either side of the mineralised interval.
	Core was cut with an automated core saw after orientation, mark-up, logging and photography. The same side of the core is always selected for sampling.
Drilling techniques	Surface hole 10BTDD012 was drilled by Boart Longyear Pty Ltd in 2010. This hole was drilled HQ to 329.5m then NQ to end of hole (850m). Core was oriented using an Ace tool or spear. Underground drilling for the Flying Spur zone was by Sanderson Drilling, Kalgoorlie and holes were NQ2 core size. Core was oriented using a Reflex ACT II tool and the orientation line was drawn on core prior to mark-up for cutting and sampling.
Drill sample recovery	Core recovery was good to excellent, being consistently >90%. Measured core lengths and core losses are compared with driller's blocks and recorded in the database. The measured lengths are compared with expected lengths to calculate recovery.
	Core was cut with an automated core saw after orientation, mark-up, logging and photography. The same side of the core is always selected for sampling.
	Most core is competent and cuts well with minimal loss of fines. No sample bias is suspected.
Logging	Core was photographed both dry and wet and copies of the digital images stored on the Jaguar minesite server. All core holes are logged. Geological logging included rocktype, deformation, structure, alteration, mineralisation, veining and RQD measurements. Logging of underground core occurs digitally straight into AcQuire data entry objects and is loaded into the AcQuire database. Surface drilled holes were logged on paper and subsequently data entered and loaded into the AcQuire database. Geological logging is adequate for eventual resource estimation for the Flying Spur zone.
	Logging is qualitative and semi-quantitative in nature.
	All mineralised zones are logged in detail and the remainder of the hole is logged in slightly less detail (at distances >20m from economic ore zones, detailed structural alpha and beta angles are not collected).
Sub-sampling techniques and sample preparation	Core was cut with an automated core cutter after orientation and mark-up. HQ core was quarter-core sampled, NQ and NQ2 core was half-core sampled.
	Samples were sent to Intertek Genalysis in Maddington, WA. The sample preparation method was to dry the core in ovens for at least 2 hrs (105°C), then jaw crush the samples to a nominal minus 10mm size then Boyd crush samples to a nominal minus 2mm. After crushing, the samples were pulverised in a mixer mill in a single stage mix and grind process (SSMG) to a nominal 85% passing 75 micron. Any samples that exceeded the 3kg mill limit were rotary split to 3kg prior to the pulverising stage. This technique is appropriate for base metals samples.
	Coarse crush washes at the crusher stage and quartz washes at the pulverising stage have been implemented between every sample to combat sample carryover (contamination) during the sample preparation process. Sieve tests on 10% of the samples are performed to measure the fraction of pulp passing the 75 micron threshold.
	Field duplicates in the form of second half core sampling are inserted at a rate of 2 per 100 samples in the underground drilling. The sampling is representative of the material drilled. 90% (or better) of the field duplicate samples in the 2013 drilling for Flying Spur were within +/-20% relative difference for Zn, Cu, and Ag (with 82% for Pb and 73% for Au).
	Sample sizes are appropriate for the material sampled.
Quality of assay data and laboratory tests	For surface hole 10BTDD012, assaying for Cu, Pb, Zn, Ag and Fe was by four-acid digest involving hydrofluoric, nitric, perchloric and hydrochloric acids and analysis by Flame Atomic Absorption Spectrometry (AAS), while Au was analysed by fire assay with AAS finish. The assay technique for base metals was to 0.01% detection limits, while Ag used four-acid digest with an MS finish to 0.2-1ppm detection limit. Au was analysed by 50g fire assay to 0.01ppm detection limit. For the underground drill samples a similar four-acid digest method was used with a 25g fire assay for Au and AAS finish. The underground samples were finished by ICP-OES method for Cu, Zn, Pb, Ag and Fe, so that As, Sb and S could also be analysed. Detection limits for ICP-OES were Cu (10ppm), Zn (10ppm), Pb (50ppm), Ag (5ppm), Fe (0.01%). Detection limit for Au was 0.01ppm. The assay techniques used are considered appropriate for this type of mineralisation, both are total extraction methods.
	No geophysical or XRF results are reported.
	Quality control procedures included the insertion of standards (5 in 100 samples), blanks (5 in 100 samples) and field duplicates (2 in 100 samples). IGO is satisfied that the base metal and Ag analyses are accurate and show minimal bias. Blanks are monitored regularly and any contamination of note is dealt with by submitting new samples. No precision checks have been carried out at this early stage for Flying Spur.
Verification of sampling and assaying	Significant intersections are checked by company personnel to see they meet the known geological and mineralisation models.
	Holes are fan drilled in the underground mine and twinned holes are not drilled.
	Primary data are collected using off-line AcQuire data entry objects on Toughbooks. Data are imported directly to the database with importers and have built in validation rules. Assay data are imported directly from digital assay files and are merged in the database with sample information. All holes have a hard copy summary plotted for review with geological and assay information.
	From time to time assays will be repeated if they fail company QAQC protocols, however no adjustments are made to assay data once accepted into the database.

Criteria	Commentary
Location of data points	All holes were collar surveyed by on-site surveyors. The drillhole collar position for 10BTDD012 was surveyed using RTK GPS equipment. For 10BTDD012 Dip and Azimuth readings – a north-seeking gyro survey tool was used for the downhole surveys to 830m. Underground hole collars are surveyed by the on-site surveyors using a Leica TCRP1203 Total Station instrument to an accuracy of +/-3mm. Underground drilling used a DeviFlex 8276 non-magnetic multi-shot tool (referencing gyro) with downhole surveys at 4m intervals, accuracy to +/-0.01° Azimuth (per station) and +/-0.2° Dip. Collar and downhole surveys are considered accurate, which is supported by location of mine workings into the Arnage modelled mineralisation.
	All underground drilling location work has been conducted using the local mine grid co-ordinates.
	All mineralisation is mined by underground methods so no surface topographic control is required.
Data spacing and distribution	Diamond hole drill coverage in the Flying Spur zone is at a very early stage and is irregularly spaced with lens intersections variable from 20-100m apart along strike and 120m vertically. In general, for Bentley, the maximum hole spacing does not exceed 70m for an Inferred Resource to be defined.
	The data spacing and distribution are insufficient to establish the geological and grade continuity for Mineral Resource estimation. The wide spaced drilling precludes resource classification until greater confidence through further drilling can be demonstrated.
	No sample compositing has occurred.
Orientation of data in relation to geological structure	Underground drilling intersects the Flying Spur massive sulphide lens at a very low angle such that true widths are just less than half the intersection widths. Underground fan drilling is drilled from the footwall through to the hangingwall, orientation is not optimal.
	Current orientation of underground drilling will produce biased (clustered) sampling.
Sample security	All samples are securely contained and sealed during transport to and from the laboratory in Perth and site. All transportation is direct with corresponding sample submission forms and consignment notes travelling with the samples which are also recorded at site. The laboratory receives samples and checks them against dispatch documents. IGO staff are advised of any missing or additional samples. All storage is secure on site, at the laboratory, and when the samples return to site after assay.
Audits or reviews	Sampling techniques and data collection processes are reviewed regularly by IGO staff. No external review has been conducted.

Section 2 Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	The Flying Spur zone is part of the Bentley deposit, within mining lease M37/1290 held 100% by Jabiru Metals Ltd (JML), a wholly owned subsidiary of Independence Group NL (IGO). There is no native title claim over the area.
	The tenure is secure and no known impediments exist. The Bentley mine has been operating since 2011.
Exploration done by other parties	The Bentley mineralisation was discovered by JML in 2008. No exploration is being conducted by other parties in or around the Bentley mine.
Geology	Bentley is a V(H)MS style deposit, occurring as polymetallic (pyrite-sphalerite-chalcopyrite-galena) massive sulphide mineralisation within a volcano-sedimentary succession. Intrusion by tholeiitic dolerite has led to disruption of the original massive sulphide lenses into four or more discrete lenses (Arnage, Mulsanne, Brooklands and Comet). The Flying Spur zone is thought to be a fifth discrete lens, or to be the Arnage lens in an offset position. The mineralisation dips steeply (75-80°) to the west (local grid). The largest lens, (the Arnage lens) has a strong southerly plunge. The plunge on the Flying Spur zone is not yet defined.
Drill hole Information	Holes drilled into the Flying Spur zone are described in Section 1 and material intercepts are tabulated in the announcement.
	No material information has been excluded.
Data aggregation methods	Grades have not been top-cut. A geological boundary for massive sulphide was applied and a cut-off grade of 2.5% Zn was applied to stringer mineralisation.
	Intersection true widths have been calculated using a Surpac macro utilising the geometrical relationship between the hole dip and azimuth and the average orientation (dip and dip direction) of the Flying Spur lens. Intersection grades have been length and density-weighted.
	No metal equivalent values have been reported.
Relationship between mineralisation widths and intercept lengths	The mineralisation dips steeply (75-80°) to the west (local grid). Drillholes were fan-drilled from underground and have varied dips and azimuths. Drillhole orientation is shown in the tabulation and section diagram in the announcement. Orientation of mineralisation with drilling angles has been further covered in Section 1.
	Reported widths are true widths of the mineralisation.
Diagrams	A long section diagram for the Bentley deposit including the Flying Spur zone is shown in the announcement.
Balanced reporting	No material information has been excluded.
Other substantive exploration data	Downhole EM has been successful in identifying targets for drilling and further testwork is planned.
Further work	Further drilling of the Flying Spur mineralisation is planned in order to better define the geometry and plunge orientation.
	Drill testing the gap between the Comet lens and the Flying Spur zone is expected to be completed from underground in 2014. Refer to the long section diagram in the announcement.