



## IGO IMPLEMENTS BUSINESS IMPROVEMENT MEASURES AND UPDATES GUIDANCE FOR LONG OPERATION

Independence Group NL (“IGO” or the “Company”) advises that it has implemented a number of changes to the mining plan at its 100% owned Long Operation in Kambalda, including some redundancies. The changes have been made in response to the current weakness in nickel prices to ensure that the mine remains profitable and sustainable.

Future mining activities at the Long Operation will focus on longhole stoping, supported by twin boom jumbo development. Other mining methods and activities, including mechanised cut and fill, air-leg mining and single boom jumbo, will be discontinued with effect from 9 September 2015.

The revised mining plan will result in a reduction in operating costs for the Long Operation of between 11 and 13 per cent. Contained nickel production will be approximately 8,500 to 9,000 tonnes for FY2016 (previously 9,000 to 10,000 tonnes), while guidance on FY2016 sustaining capital expenditure and exploration expenditure have both been reduced.

Updated FY2016 guidance for Long Operation:

	<b>Units</b>	<b>Original</b>	<b>Updated</b>
Ore Production	tonnes	NA	210,000 to 220,000
ROM Grade	%Ni	NA	3.8 to 4.0
Contained Nickel	tonnes	9,000 to 10,000	8,500 to 9,000
Cash Costs	\$/lb <sup>(1)</sup>	4.00 to 4.50	3.50 to 4.00
Sustaining Capex	\$M	5 to 6	3 to 5
Exploration Expenditure	\$M	18 to 20	13 to 15

(1) Cash costs expressed in \$/lb of payable nickel inclusive of by-product credits and royalties.

The Long Operation remains a high quality orebody providing mining flexibility in response to different nickel price regimes. While the Long Operation is highly efficient operationally, it requires a higher nickel price environment to re-commence the discontinued mining methods.

The operational and mining plan changes will result in 28 positions at the Long Operation being made redundant.

IGO’s Managing Director, Peter Bradford said: *“We deeply regret the impact that these changes will have on our people and it is a decision that has not been taken lightly. IGO remains committed to the Kambalda community and the broader Goldfields community. These steps were necessary in the current environment to ensure IGO continues to generate sustainable margins and returns on capital from the Long Operation.”*



## **Forward-looking statements**

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning IGO's planned production and 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 IGO believes that it has a reasonable basis for these forward-looking statements, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with those expressed or implied.

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