



## NOVA PROJECT TO REACH NAME PLATE PRODUCTION CAPACITY IN SEPTEMBER 2017 QUARTER

Independence Group NL ('IGO' or 'the Company') is pleased to update the market on the progress of ramp-up to name plate production capacity of 1.5Mtpa at its 100% owned Nova nickel-copper-cobalt project located in the Fraser Range Belt, in Western Australia.

### Highlights

- Nova expects to ramp-up to name plate production in the September 2017 quarter, 12 months earlier than planned in the Feasibility Study and some five years after discovery in July 2012.
- Actions taken since January 2017 by underground mining contractor, Barmenco, to increase development rate have been successfully implemented.
- Mine design further optimised to reduce upfront lateral capital development requirements by 24%, delivering multiple mining fronts.
- Average daily development rate for March 2017 has improved by 43%, when compared to January 2017.
- Total metal to be produced in concentrate for FY17 is projected to be 5,000t to 6,000t nickel and 1,900t to 2,300t copper.
- First offshore shipments of copper and nickel concentrate are scheduled to commence in the June 2017 quarter.

### Ramp-up to name plate capacity in September 2017 quarter

Following the completion of more detailed mine design and the reprioritisation of the mine scheduling work, the Company is able to confirm the guidance provided in February 2017, being that the ramp-up to name plate capacity would be deferred by about three months from the June 2017 quarter to the September 2017 quarter. The Company is confident that there will be no further deferral of the ramp-up to name plate capacity.

### Underground development improved

To date, Barmenco, the underground mining contractor, has completed more development metres than originally envisaged in the underground mining contract.

Barmenco's scope of work was updated in mid-2016 with additional development metres, to access larger stopes in the central part of the Nova and Bollinger deposits, earlier than originally planned in the Feasibility Study. This scope change targeted the achievement of name plate capacity of 1.5Mtpa during the June 2017 quarter. However, the higher development advance rate required to meet this objective was not achieved. Consequently Barmenco committed to a number of corrective actions which have been successfully implemented. These include:

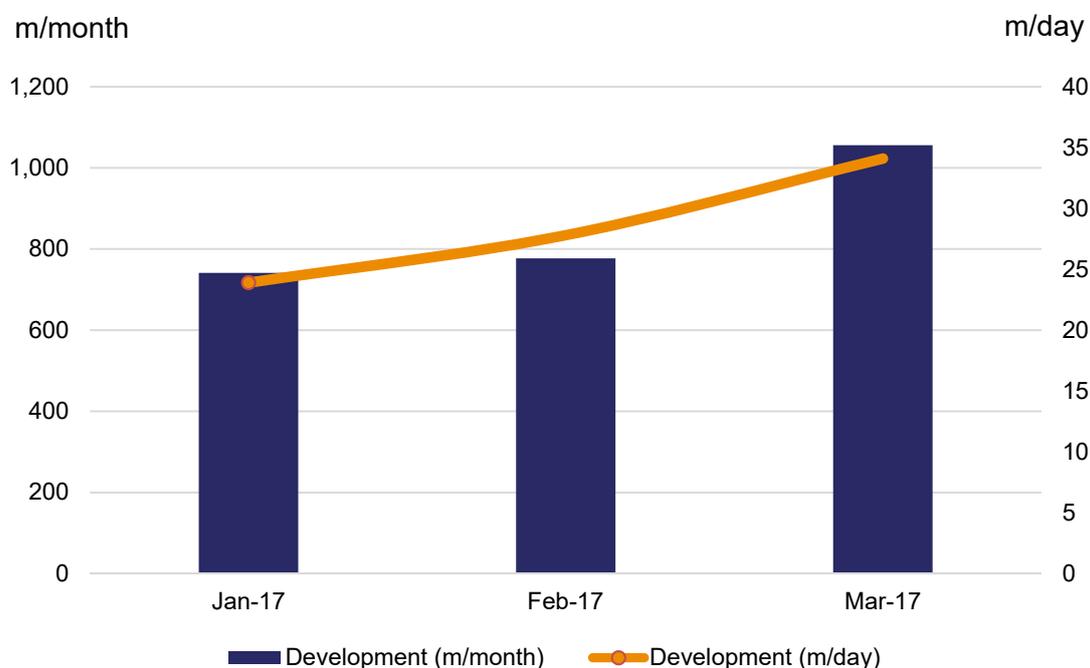


- Strengthened site management and supervision.
- Increased the number of site employees by 75 during the period January to March 2017. This allowed for the completion of more than 2,000 competency tests during this period.
- Expanded the equipment fleet with additional drilling, loading and haulage equipment.
- Strengthened site maintenance and stores functions.

Barminco’s response since January 2017 and their implementation of the corrective actions has been outstanding.

### Daily development advance improved 43% since January

Average daily development rate for March 2017 has improved 43% when compared to January 2017, as shown in the following figure.



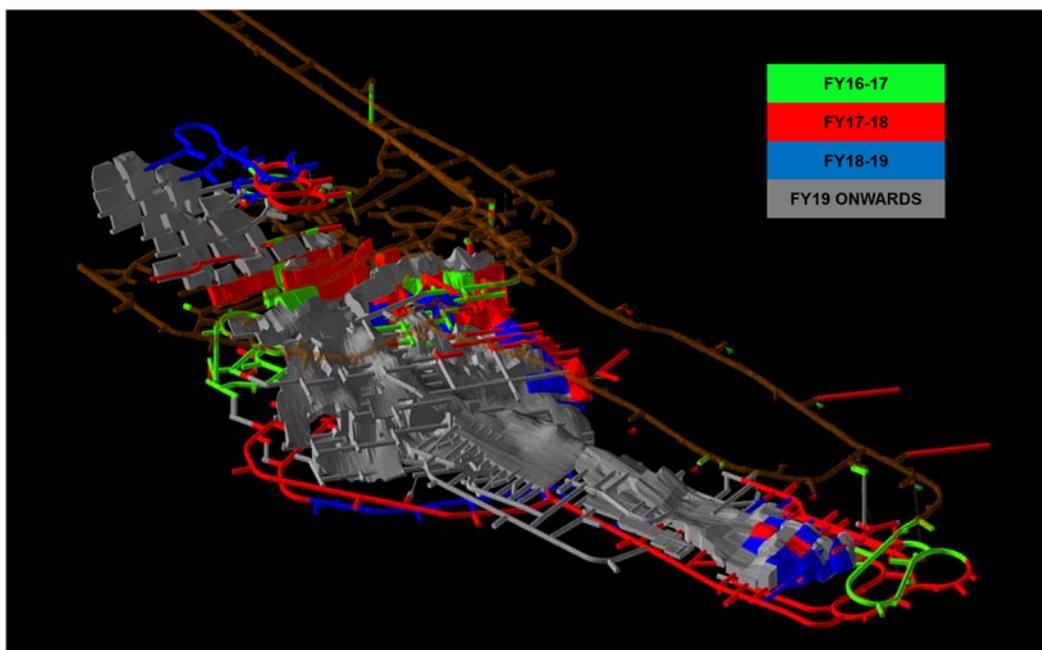
### Underground mine design further optimised

The recent mine design work has resulted in a reduction to the lateral capital development metres to access the stopes required to mine the Nova Project at the name plate capacity of 1.5Mtpa.

This has been achieved through an optimised decline position, more centralised access and a 24% reduction in lateral capital metres. A greater level of operational flexibility has been achieved by providing additional works areas along an expanded mining front.

Mine scheduling now incorporates a reduction in development metres required and assumes a more conservative monthly development advance rate than in the June 2016 mining plan and is more closely aligned to the development advance rate achieved by Barminco in March 2017.

The following graphic illustrates the update mine design and three year mining schedule.



### Metal production

To the end of March 2017, approximately 1,834t nickel and 836t copper in concentrates had been produced, which, when combined with expected production for the June quarter, is expected to result in 5,000t to 6,000t nickel and 1,900t to 2,300t of copper production in concentrates for FY17.

Once in full production, average annual production rates over the Life of Mine are expected to be 26,000t nickel, 11,500t copper and 900t cobalt in concentrates. Guidance for FY18 will be provided as part of our June 2017 quarterly report.

### Concentrates

First nickel concentrates were shipped to BHP Nickel West in December 2016. First offshore shipments of copper and nickel concentrates, via the Port of Esperance, are expected to be shipped in the June 2017 quarter.

### About IGO

IGO is a leading ASX-listed diversified mining, development and exploration company, with a portfolio of high-quality, gold and base metals mining operations in Western Australia and a growing pipeline of belt scale greenfields exploration projects.

IGO has a strong sense of purpose focused on the creation of long-term shareholder value through discovery, acquisitions, development and operation of high-margin, long-life mining projects diversified by commodity and geography.

The world-class Nova nickel project, which is ramping up to full production in 2017, and the 30% interest in the Tropicana gold mine, give IGO two long life assets of scale that deliver the cashflow to fund near term returns to shareholders and the next phase of the Company's growth. Along with our strong sense of purpose, IGO has the culture and a team of people focused on optimising and maximising the business, which we describe as "The IGO Way".



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