

5 August 2015

TROPICANA PRESENTATIONS' CLARIFICATION

Independence Group NL ("IGO") (ASX: IGO) wishes to provide context to both the Tropicana Site Visit presentation and the IGO Diggers and Dealers Mining Forum presentation released to the market on 3 August 2015, and advises as follows:

Grade Streaming and FY2016 Guidance

- The initial grade streaming strategy at Tropicana (IGO: 30%), which the joint venture partners adopted to deliver early project returns, is expected to come to an end during the second half of the 2016 Financial Year ("H2 FY2016"). The grade streaming strategy has involved an accelerated mining profile and associated stockpiling strategy. This has resulted in more ore being mined than required for the processing plant, thereby allowing the higher grade portion to be processed and the progressive build-up of a low grade stockpile.
- As a result of the cessation of grade streaming, gold production in the second half of the FY2016 will be lower and costs higher, resulting in full year production for FY2016 at Tropicana of 430,000 to 470,000oz Au (100% basis) at a cash cost of \$640 to \$710 per ounce produced. This was disclosed in the FY2016 Guidance section in IGO's June 2015 Quarterly Report released on 29 June 2015.
- From the second half of FY2016, the average grade processed at Tropicana is expected to be at the average reserve grade of about ~2 g/t, which will be maintained over the next few years.

Processing Plant Debottlenecking to 7.0 to 7.5 Mtpa

- In parallel with the cessation of grade streaming, AngloGold Ashanti is pursuing opportunities to debottleneck the processing plant throughput from its nameplate capacity of 5.8 Mtpa to a throughput in the range of 7.0 to 7.5 Mtpa. The debottlenecking will involve ongoing work to reduce planned maintenance downtime by improving the design of high wear areas, speeding up conveyors and pumps and potentially supplementing the existing leach tank capacity.
- AngloGold Ashanti has already demonstrated that the processing plant can operate at a rate of 6.6 Mtpa for a month long period and has achieved throughput rates of about 7 Mtpa over shorter periods. Therefore, the goal of 7.0 to 7.5 Mtpa on a sustainable basis is considered highly achievable with minimal incremental capital expenditure.
- The higher throughput rates are achievable due to the inherent overdesign of key equipment items such as the primary crusher, high pressure grinding rolls ("HPGR"), and ball mill. The HPGR has performed extremely well and is operating at about ~60% of capacity with wear on the HPGR surface twice as good as expected. AngloGold Ashanti expected the wear life for the HPGR to be about 7,000 hours, however the first change-out was at 14,000 delivering a significant benefit in reduced downtime and reduced cost.
- At the higher processing plant throughput rates and average reserve grade, the sustainable gold production rate is expected to be about 400,000 ounces per annum from 2016.
- The current low grade stockpile at Tropicana, which is currently estimated to be approximately 8Mt at an average grade of 1.0 g/t Au, and which is expected to grow to about



10Mt by the end of the grade streaming period, will be processed at the end of mine life, as contemplated in the definitive feasibility study.

Conceptual Mining Study

- As part of a conceptual mining study the joint venture partners will be evaluating the depth and strike extensions of the Tropicana mineralised system. The study will also consider alternative mining methods and scale of equipment, including strip mining techniques in a large cutback. This would potentially deliver substantially lower mining costs than traditional open cut methods, which were the basis of the mining options in the Havana Deeps study.
- If the concept can be demonstrated, mine life would be significantly extended.
- The JV partners expect to carry out a substantial drilling program, utilising data generated by last year's 3D seismic survey to test for extensions to the Tropicana, Boston Shaker and Havana South mineralisation.
- Subject to positive results from this mine-life extension study and the resource drilling, we would expect that the work would progress to a feasibility study in 2016.

Competent Persons Statement: Mineral Resources and Ore Reserves

- JORC Code (2012) Competent Persons Statements IGO refers to the Mineral Resources and Ore Reserves included on slide 5 of the Tropicana Site Visit presentation released to the market on 3 August 2015 and provides the following competent person statement in relation to these Mineral Resources and Ore Reserves as at 31 December 2014. The Mineral Resource and Ore Reserve figures quoted were released to the market as part of AngloGold Ashanti's Mineral Resource and Ore Reserve Report 2014 (published 3 March, 2015).

Tropicana Gold Mine (TGM) Mineral Resources and Ore Reserves at 31 December 2014

The information that relates to TGM Mineral Resources was based on information compiled by Mr Mark Kent, a full-time employee and security holder of AngloGold Ashanti Australia Limited, who is a member of The Australasian Institute of Mining and Metallurgy. Mr Kent has sufficient experience relevant to the type and style of mineral deposits under consideration, and to the activity which has been undertaken, 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). Mr Kent consented to the release of the Mineral Resource estimate, based on the information in the form and context in which it appears.

Competent Persons Statement: Exploration Results

- IGO refers to the exploration results included on slides 19 to 22 off the Tropicana Site Visit presentation released to the market on 3 August 2015 and provides the following competent person statement in relation to these exploration results.

The information in this report that relates to Exploration Results in the Tropicana Site Visit Presentation is based on information compiled by Dr. Mark Geoffrey Doyle who is a full-time employee and security holder of AngloGold Ashanti Australia Limited and is a member of the Australasian Institute of Mining and Metallurgy. Dr. Doyle has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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'. Dr. Doyle consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



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