



ORE COMMISSIONING COMMENCES AHEAD OF SCHEDULE AT NOVA PROJECT

Independence Group NL (ASX:IGO) (IGO) is pleased to advise that ore commissioning of the processing plant at IGO's 100% owned Nova Project has commenced approximately four weeks ahead of schedule.

Peter Bradford, Managing Director and CEO of IGO said:

"The ore commissioning commencement is a great milestone for the Nova Project and, combined with the progress that has been achieved with the underground development, marks a significant reduction in the development risk profile for the Project. We now expect that we will produce first concentrate, ahead of time, in November 2016 and potentially by late October 2016. The Project continues to be on budget."

"Our delivery of this ore commissioning milestone, ahead of plan, is the result of the hard work and commitment of the IGO team at Nova and the excellent contractors that we have collaborated with during the Project's development and construction."

Processing Plant Progress

Construction completion, which includes wet commissioning, was achieved on 10 October 2016 and crushing and milling on ore, commenced on 14 October 2016 following several days of operating on waste to test all systems in slurry. This compares to the scheduled date for ore feed to the processing plant in the definitive feasibility study of 10 November 2016.



Nickel flotation at Nova (15/10/16)



Copper flotation at Nova (14/10/16)

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Over the coming weeks we will focus on calibrating the processing plant control systems and achieving design concentrate grades and recoveries. The last phase of the commissioning process will be the commissioning of the concentrate filters and production of first concentrates.

Underground Progress

Approximately 8km of development has been completed underground and some 85,000 tonnes of ore at an average grade of 1.5% nickel and 0.7% copper, has been mined from development and stockpiled on the Run of Mine stockpile.

Mining of the first stope commenced in September 2016 in an area defined by the grade control drilling and outside of the current mineral resource model with approximately 6,000 tonnes of ore broken to date. Grade control drilling underground using three drill rigs is progressing at a faster rate than planned and we have now carried out sufficient drilling to reconcile the resource model between the 2080mRL level and the 2030mRL level. Results to date, although only representative of a small proportion of the total resource, have been encouraging with positive nickel equivalent metal reconciliations when compared to the resource model.

Infrastructure Progress

All site infrastructure is complete and operational.

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