



## IGO ANNOUNCES RATIONALISATION AND PRIORITISATION OF EXPLORATION EXPENDITURE FOR 2016

Independence Group NL (IGO or the Company) (ASX:IGO) has rationalised and prioritised exploration activities across the Company for CY16, in response to continued weak base metals prices. This is expected to deliver a reduced exploration spend rate for CY16 that is approximately \$20 million lower relative to the previous guidance for FY16 exploration spend rate.

IGO's Managing Director, Peter Bradford said: *"The changes we have implemented demonstrate our commitment to actively managing and prioritising the allocation of capital across the business during very challenging commodity markets. Some of the decisions have been difficult ones, given the quality within the portfolio of brownfields and greenfields opportunities, and we deeply regret the impact these changes will have on some of our people. IGO remains committed to discovery and we have deliberately preserved both optionality and technical capacity within the Company."*

The CY16 exploration programs include:

- Funding and execution of the Tropicana and Nova brownfields exploration programs will remain a priority for the Company and will continue as planned in CY16.
- Exploration activities at Long have been suspended, given low nickel prices. This has resulted in approximately thirty roles being made redundant in January 2016. Production and cash costs guidance for Long is unaffected by the suspension of the exploration activities. These activities would be in a position to recommence in an improved commodity price environment.
- Regional exploration expenditures will be scaled back at Jaguar and work will be carried out on a campaign basis using our Perth-based exploration team. This change will result in nine roles being made redundant. In-mine exploration and resource definition drilling, designed to upgrade the resource classification of Flying Spur and continue testing of depth extensions at Bentley, will remain a priority.

Greenfields exploration expenditure will be rationalised to focus on in-ground expenditure on three projects that deliver belt-scale opportunities, being the Fraser Range/Tropicana Belt, Lake Mackay and Bryah Basin projects.

Capital allocation on growth activities in CY16 is being prioritised towards:

- the development of the world-class Nova Project, which is on time and on budget to produce first concentrates in December 2016, and
- IGO's contribution to the debottlenecking of Tropicana to increase processing capacity in excess of 7.0Mtpa.

### For further information contact:

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