



NOVA PROJECT REMAINS ON TIME AND ON BUDGET

Independence Group NL (IGO or the Company) (ASX:IGO) is pleased to advise the development of the Nova Project remains on schedule and on budget, with first concentrate production expected in December 2016.

Key Highlights

- Construction, as at 30 November 2015, is 56% complete, and the Project continues to be de-risked with the completion of multiple critical path items.
- Expected capital expenditure to production of first concentrate remains at \$443M. This includes a number of scope changes to unlock Project value.
- The integration of Sirius Resources NL into IGO is complete. This was done on an accelerated timeframe with no disruptions to business continuity and the progress of the Nova Project development.

IGO's Managing Director, Peter Bradford, commented: *"Our ability to maintain the Nova Project development on schedule and on budget through the integration of Sirius is a testament to the development, operational and exploration experience within the group. Importantly, the critical path items, being the underground mine development and processing plant construction, are ahead of schedule. The underground mine development is currently about eleven weeks ahead of schedule with approximately 2,217m of advance completed to 7 December 2015, compared to the schedule of 1,401m. The underground mining contractor Barmingo continues to achieve development rates significantly above the feasibility study forecast rates.*

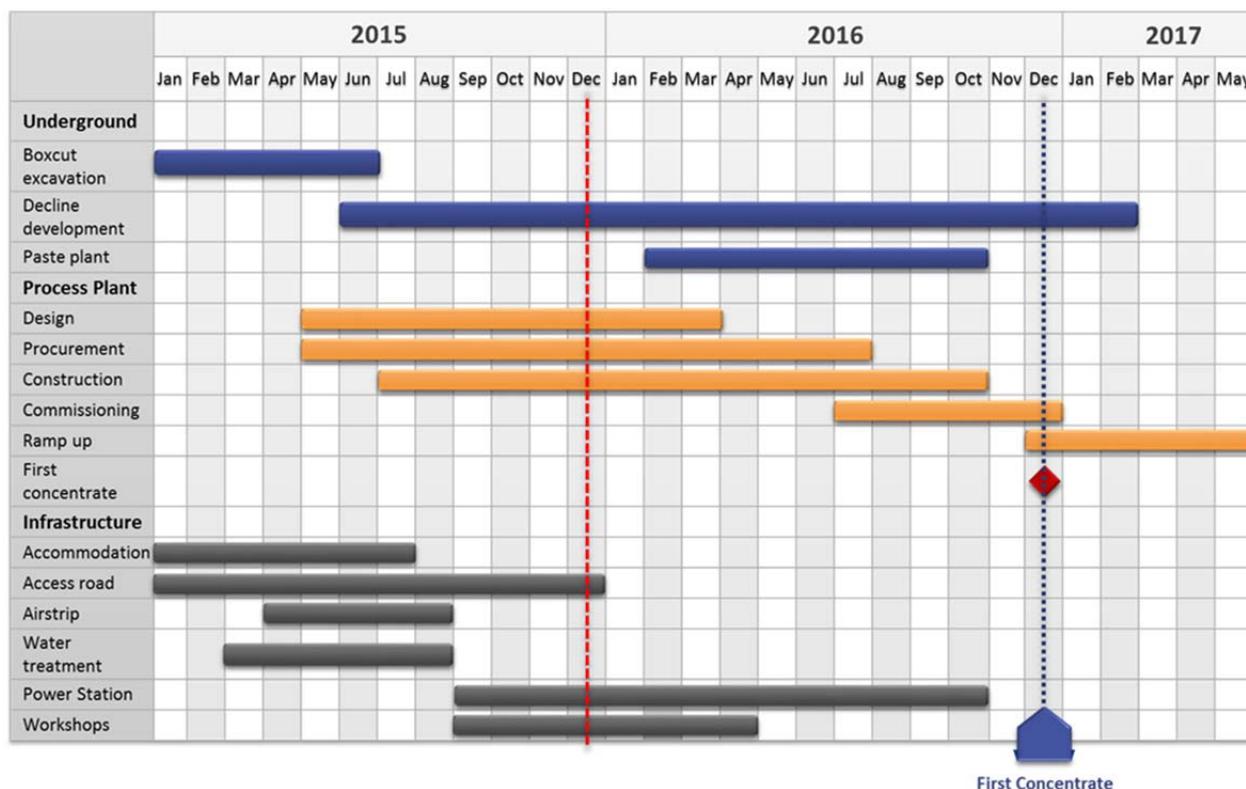
Nova is a world-class project that will deliver significant margins and shareholder value over a long life of mine. Our commitment to maximising the value of Nova continues and we are currently finalising an Optimisation Study and expect to release the outcomes of this study on 14 December 2015."

Project Safety

A focus on a safe work culture has resulted in the Nova Project remaining lost time and major incident free to date. Sound safety and environmental management practice is a priority for all individuals, contractors and the IGO team.

Project Schedule

The development of the Nova Project is on schedule with the first concentrate expected to be produced in December 2016.



All major contracts have been awarded and all long lead equipment is either in the final stages of factory testing or ready for dispatch.

The two critical paths for the Nova Project are as follows:

- The mine development drives, and all systems to establish sustainable mining and ore feed to the processing plant; and
- the design, procurement, construction, commissioning and production ramp-up of the processing plant.

The mine development is ahead of schedule and the risks involved in the development of a new underground mine have been progressively reduced. The Company, with the underground mining contractor, Barmenco, has implemented the effective and appropriate management systems to progress the underground development in a safe and timely manner.

GR Engineering Services (GRES) continues to progress the design and procurement of the processing plant, and, during November, progress on civil works and structural steel erection have maintained the early momentum in construction progress gained since mobilisation to site in late August.

The critical path remains in a strong position to progress through any challenges that may present throughout the construction and commissioning of the Project.

Infrastructure Development



Sealing works on the Project's 38km access road through to the Eyre Highway is currently underway and is expected to be completed by early December. Work on rehabilitation of temporary construction areas established for the road's construction has also commenced and is planned to be completed by the end of the year.

The aerodrome is complete and operational. CASA certification to enable the use of larger aircraft is expected in the near future and aircraft refuelling facilities are currently being fabricated.

The 492-room Nova village is complete and operational.

The tailings dam/water storage facility is complete and commissioned. The facility is currently being utilised to collect water from the underground dewatering programme. This water will be used during processing plant start-up.



Bulk earth works (earth works required for infrastructure) are complete.

Non-process plant infrastructure, which includes areas such as workshops, change rooms, fuel bays, wash down bay, is being completed by GRES. Non-process plant infrastructure civil works are well advanced with the first of the buildings planned for completion in early 2016.

The permanent concrete batch plant is operational and providing concrete to the Project.

Zenith Pacific, which has been awarded the contract to provide the long term power requirement for the Nova Project, has commenced site works for the power station. The first 5MW of installed power is planned to be available in March 2016. Further machines required to bring the power station to its full capacity have been factory tested and are ready for shipping from North America. Portable diesel generating sets are currently being used to supply power to the Project.

Construction of the 11kV overhead powerline by Future Power commenced in late September. All poles have been dressed and stood along the main line including all spurs. All overhead conductors have been strung, sagged and terminated.

The central water facility is complete and utilises Reverse Osmosis to produce fresh water for the site. In addition, all sewage is processed to produce an A grade effluent which is returned to the tailings dam for storage as process water.



Underground Mine Development

With approximately 2,217m of development completed to 7 December 2015, compared to the planned 1,401m in the Definitive Feasibility Study, the Nova underground mining operation is substantially ahead of schedule.

The acceleration of the schedule is a key component of the Optimisation Study and has been achieved due to a number of factors, including the high level of performance of the underground mining contractor, Barminco, and the excellent ground conditions.

In addition, the first 135m deep, mine ventilation shaft has been completed and will be used as a return airway until the mine's first main return ventilation raise is completed in 2016. Geotechnical conditions required the first 25m to 35m of these ventilation rises to be developed by conventional shaft sinking method. The sink for the mine's first main return airway will be completed in December 2015 and raise boring of this rise will commence late in 2016 once underground access has been achieved.



Processing Plant Construction



GRES commenced site establishment for construction of the concentrator and paste fill plants in September and, as at 30 November, has achieved 22% of the planned schedule compared to a budget of 20%. Plant civil works are well advanced and the erection of steel work in the crushing area is approximately 70% complete with the primary crusher now in Perth and ready for transport to site. Progress of the fabrication of the long lead equipment such as the grinding mills, filters and thickeners is on schedule and being monitored

closely for both schedule and quality assurance and control purposes. Civil works at the paste plant site commenced in November.



Operational Readiness

Preparations for operational readiness are progressing with the recruitment of senior operational management personnel, who will commence the development of the necessary operational systems and training packages, at an advanced stage.

Development of the necessary operational systems is well advanced in the mining area where operations follow directly from mine development. Work has commenced for the development of a computerised maintenance management system (Pronto based) and further senior operational management positions will be filled in December and January.

FORWARD LOOKING STATEMENTS

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Independence Group NL's 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 Independence Group NL believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these Forward Looking statements.

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