



FIRST CONCENTRATE PRODUCED AT NOVA PROJECT

Independence Group NL (ASX:IGO) (IGO) is pleased to advise that, following the commencement of ore commissioning at the Nova Project on 14 October 2016, the Project has now produced first concentrate.

Peter Bradford, Managing Director and CEO of IGO said:

“The production of the first nickel and copper concentrates is a key milestone for the Nova Project. Based on the Definitive Feasibility Study, the first concentrate was not scheduled to be produced until 4 December 2016 but this milestone has now been achieved, some six weeks ahead of plan. The Project remains on budget.”

“Our near term focus is on demonstrating steady state operations at design throughput rates and the production of nickel and copper concentrates at the design grade, specification and recovery. This will be followed by delivery of name plate capacity in accordance with plan by mid CY17.”

“Again, I would like to acknowledge the hard work and commitment of the team of our employees and the contracting companies that we have collaborated with during the Project’s development and construction. This is a great achievement.”

Processing Plant Progress

Since the commencement of commissioning, the crushing and grinding sections of the processing plant have performed very well and every indication is that achieving design throughput rates through the crushing and grinding section will be no issue.

Our primary goal over the last two weeks has been fine-tuning the nickel and copper flotation circuits to deliver nickel and copper concentrate production at design grades and specifications. This has been achieved and we are now working to achieve design recoveries.

While progressing the optimisation of the flotation circuit to optimise the reagent regime to achieve design concentrate grades, specifications and metal recoveries, we have maintained throughput rates at approximately 150tph versus design of 188tph.

Next Steps

The next key milestone for the processing plant will be the performance testing required under the GR Engineering Services contract. We expect that performance testing will commence in November 2016 and practical completion will be achieved during December 2016.

The first shipment of nickel concentrate, to BHP Billiton Nickel West, is expected in December 2016 and the first offshore shipments of copper and nickel concentrate are expected to be made in early 2017. The underground mine is expected to ramp up to full production by mid CY17.



About Nova

The Nova Project comprises a 1.5Mtpa underground mine and processing plant to produce an average 26,000tpa of contained nickel and 11,500tpa of contained copper at an average all-in sustaining cost of A\$1.83 per payable pound of nickel (after by-product credits) over an initial mine life of ten years. The initial capital cost for the Project is A\$443 million and the life of mine sustaining cost, inclusive of A\$25 million of closure cost, is expected to be A\$148 million.

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