ASX RELEASE

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LAKE MACKAY JV - GRAPPLE PROSPECT DRILLING UPDATE

Independence Group NL ('IGO' or 'the Company') (ASX: IGO) and ABM Resources NL ('ABM' or 'JV Partner') (ASX: ABU) are pleased to provide an update on the Lake Mackay Joint Venture Project[1], which includes assay results from the first diamond hole drilled at the Grapple Prospect.

HIGHLIGHTS

- Assay results received from Grapple's first diamond drill hole 17GRDD001 include:
  - 11.4m @ 7.9g/t gold, 20.7g/t silver, 0.8% copper, 1.1% zinc, 0.5% lead and 0.1% cobalt from 284.9m
    - Including 3.5m @ 18.3g/t gold, 13.8g/t silver, 1.1% copper, 0.3% zinc and 0.2% lead from 288.8m
  - 14.4m @ 1.8g/t gold, 6.0g/t silver, 1.1% copper, 0.3% zinc and 0.1% lead from 348m
    - Including 2m @ 7.2g/t gold, 1.0g/t silver, 0.2% copper and 0.1% zinc from 348m
- Multiple narrow zones of sulphide mineralisation were also intersected in three additional diamond drill holes (17GRDD002, 3 and 4). These intercepts are considered to be near misses, as the main conductive zones identified in subsequent downhole electromagnetic (DHEM) surveys are interpreted to occur at locations either above, below or beyond the end of the hole. Assay results for these holes are pending.
- A fifth hole (17GRDD005) intersected two sulphide zones 100m along strike to the east of the two sulphide zones intersected in 17GRDD001.
- A sixth hole is in progress to test the extension of the conductive zone 200m west of holes 17GRDD002 and 4.

IGO's Chief Growth Officer Matt Dusci commented "*We are encouraged by the initial results returned from the first diamond drilling program on the Lake Mackay Project at the Grapple Prospect. The drilling results returned continue to support our perceived potential of this emerging belt-scale opportunity.*

The agreement recently signed with the Central Land Council ("CLC"), the representative body of the Traditional Owners of the region, has now provided the framework to access the entire Lake Mackay Project in the Northern Territory as part of the planned work program to systematically explore this highly prospective tenement package. We look forward to working together for the benefit of all stakeholders as we continue to execute our regional reconnaissance exploration programs."

ABM Managing Director Matt Briggs said "*This project continues to go from strength to strength, especially considering the very early stage of exploration. The only exploration completed to-date is limited to EL24915. The result from the first hole of this maiden diamond drilling program is very promising. Mineralisation at Grapple has been confirmed over 600m strike length and remains open down-plunge towards the west. The program planned for the remainder of 2017 has the potential to rapidly identify additional Grapple and other style targets on the remainder of the Lake Mackay Project.*"

Current Program

The diamond drilling program at the Grapple Prospect (Figure 1) was planned to further define the size and grade of mineralisation intersected in earlier reverse circulation (RC) drill holes.

[1] IGO is earning 70% interest in the Lake Mackay tenements by solely funding $6 million of exploration expenditure (ASX 6 May 2016).

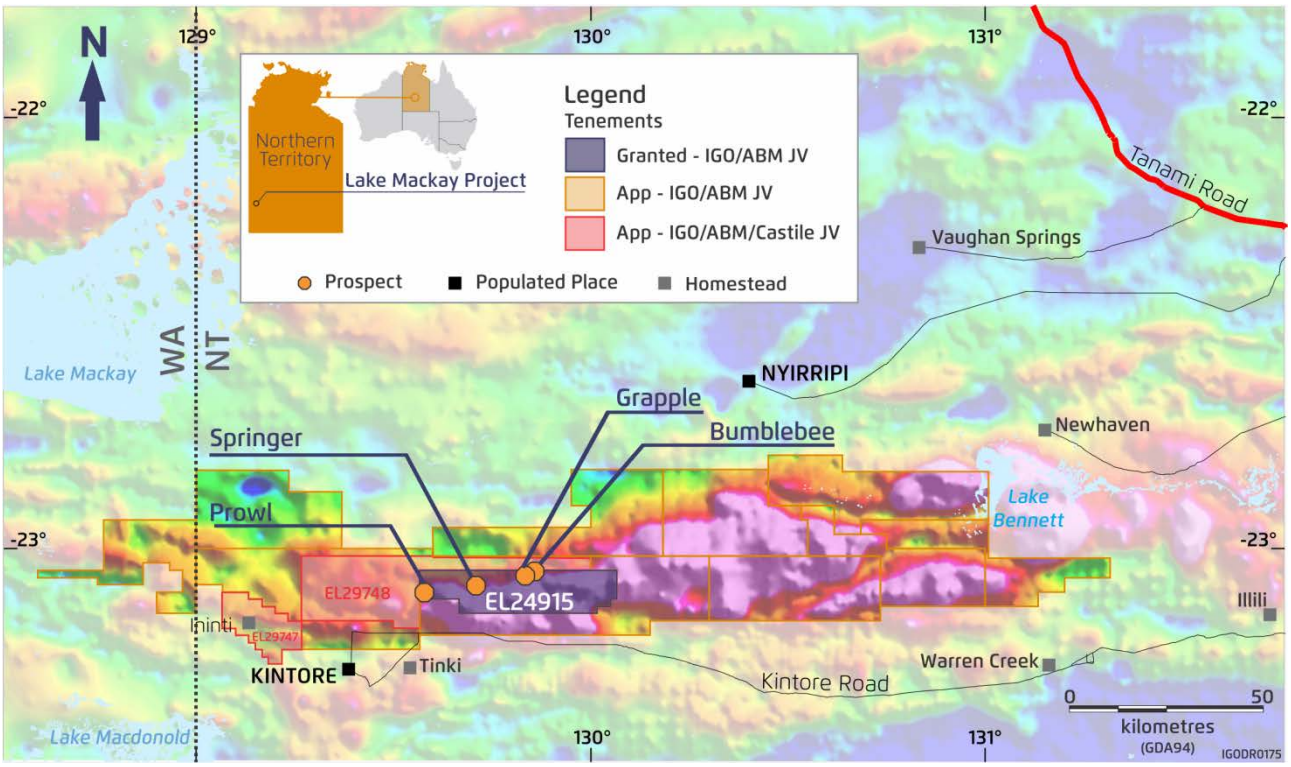

Figure 1: Lake Mackay Project with active prospects on EL24915

Downhole electromagnetic (DHEM) surveying of the holes completed during 2016 identified several conductive plates which were associated with the mineralisation intersected in drilling. Subsequent moving-loop electromagnetic (MLEM) surveys have confirmed that the conductive responses continue further west with a shallow westerly plunge.

Diamond drill hole 17GRDD001 was collared 100m west of 16GRRC011, the previous western-most hole drilled at Grapple (Figures 2 and 3). Two zones of pyrrhotite-chalcopyrite breccia sulphides were intersected which are the source of the MLEM and DHEM conductors. These zones also contain later stage chalcopyrite-pyrrhotite stringers that cross-cut the breccia sulphides and meta-sediments. The higher grade gold zones in 17GRDD001 are associated with stringer mineralisation and sulphide contact zones rather than the massive sulphide breccia. The two mineralised zones are summarised in Table 1 and Table 2.

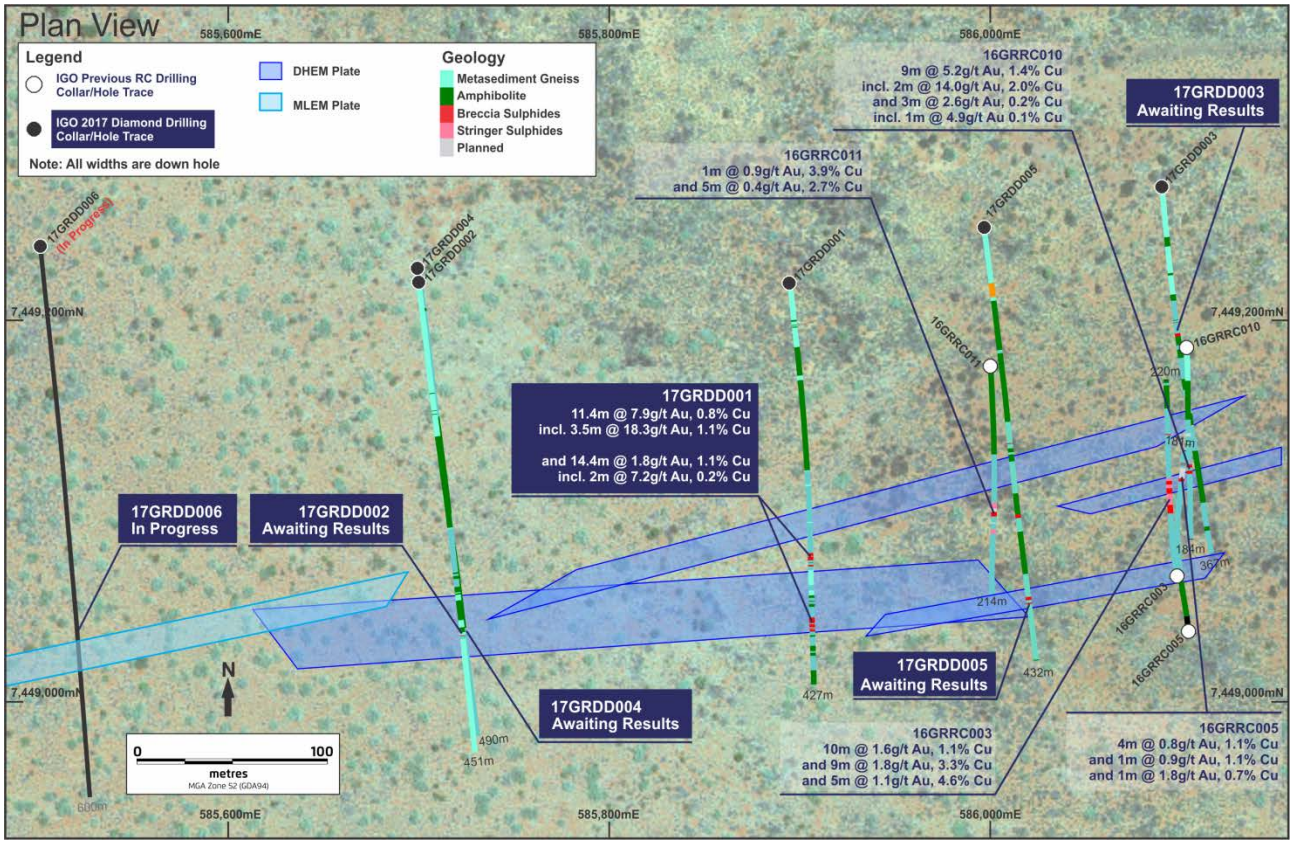

Figure 2: Plan projection of Grapple Prospect drill holes

Table 1: Significant intercepts from 17GRDD001

Hole Name	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	Cu (%)	Zn (%)	Pb (%)	Co (ppm)
17GRDD001	284.9	296.3	11.40	7.9	20.7	0.8	1.1	0.5	761
including	**288.8**	**292.25**	**3.45**	**18.3**	**13.8**	**1.1**	**0.3**	**0.2**	**142**
17GRDD001	348.0	362.4	14.40	1.8	6.0	1.1	0.3	0.1	268
including	**348.0**	**350.0**	**2.00**	**7.2**	**1.0**	**0.2**	**0.1**	**0.0**	**48**

Notes:

- Intervals are reported downhole. True widths are currently uncertain.
- Reporting cut-offs at >0.5 g/t Au or 1% Cu with maximum internal dilution of 2m.

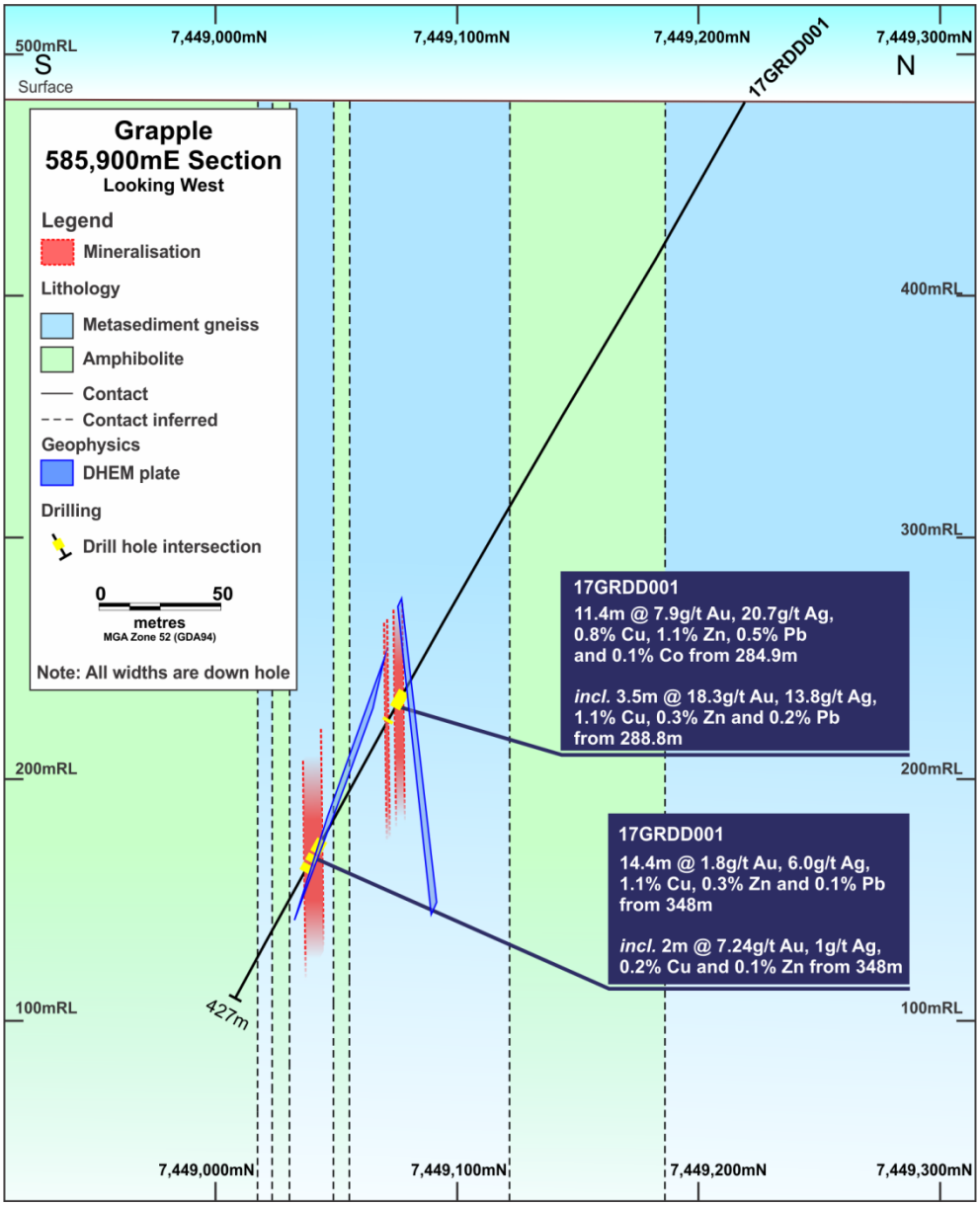

Figure 3: Simplified cross section of 17GRDD001 looking west

Drill holes 17GRDD002, 17GRDD003 and 17GRDD004 (Figure 4) intersected multiple narrow zones of sulphide mineralisation. The post drilling DHEM survey interpretations are that both holes 17GRDD002 and 17GRDD004 were drilled up-dip of the main conductors, and hole 17GRDD003 drilled down-dip of the main conductors. A bottom-of-hole response was also returned from 17GRDD003 and, as such, this hole will be extended to test the bottom-of-hole conductor. Drill hole 17GRDD005 was recently completed 100m east of 17GRDD001 and down-dip from 16GRRC011, and has intersected two sulphide zones like those intersected in 17GRDD001. Figure 5 shows a core photo of the sulphide breccia intersected in the lower zone in 17GRDD005.

Table 2 summarises the mineralised intercepts from the Grapple diamond drilling. Assay results for drill holes 17GRDD002-005 are pending. Table 3 lists all drill hole details relating to this announcement.

17GRDD006 is in progress to test the along strike and down-plunge continuation of the EM conductors 200m further west of holes 17GRDD002 and 17GRDD004 (Figure 4).

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Table 2: Grapple sulphide mineralisation summary from 17GRDD001-17GRDD005

Hole Name	From (m)	To (m)	Interval (m)	Description
17GRDD001	281.8	282.3	0.5	Breccia pyrrhotite-chalcopyrite massive sulphide in metasediments
	284.9	285.7	0.8	Narrow zone of bedded primary sulphides with cross-cutting chalcopyrite stringer sulphides
	285.7	288.8	3.1	Breccia pyrrhotite-chalcopyrite massive sulphide in metasediments
	288.8	289.6	0.8	Stringer sulphides- pyrrhotite, chalcopyrite in metasediments
	294.8	296.3	1.5	Stringer sulphides- pyrrhotite, chalcopyrite in metasediments
	351.3	351.8	0.5	Stringer sulphides- pyrrhotite, chalcopyrite in metasediments
	351.8	356.8	5.0	Breccia pyrrhotite-chalcopyrite massive sulphide in metasediments
	356.8	358	1.2	Stringer sulphides- pyrrhotite, chalcopyrite in metasediments
	359.1	361.2	2.1	Stringer sulphides- pyrrhotite, chalcopyrite in metasediments
	361.2	362.4	1.2	Breccia pyrrhotite-chalcopyrite massive sulphide in metasediments
	363.6	364.4	0.8	Breccia pyrrhotite-pyrite massive sulphide in metasediments
	365.0	367.0	2.0	Breccia pyrrhotite-pyrite massive sulphide in metasediments
17GRDD002	342.6	343.6	1.0	Stringer sulphides- pyrrhotite, chalcopyrite in metasediments
	346.0	346.5	0.5	Stringer sulphides- pyrrhotite, chalcopyrite in metasediments
17GRDD003	138.7	139.2	0.5	Stringer sulphides- pyrrhotite, chalcopyrite in metasediments
	149.0	152.6	3.6	Stringer sulphides- pyrrhotite, chalcopyrite in metasediments
	214.0	215.0	1.0	Stringer sulphides- pyrrhotite, chalcopyrite in metasediments
	219.6	220.4	0.8	Stringer sulphides- pyrrhotite, chalcopyrite in metasediments
	220.4	220.9	0.5	Breccia pyrrhotite-chalcopyrite massive sulphide in metasediments
	220.9	221.4	0.5	Stringer sulphides- pyrrhotite, chalcopyrite in metasediments
17GRDD004	382.0	382.5	0.5	Stringer sulphides- pyrrhotite, chalcopyrite in metasediments
	382.5	382.8	0.3	Breccia pyrrhotite-chalcopyrite massive sulphide in metasediments
17GRDD005	289.4	290.5	1.1	Breccia pyrrhotite-chalcopyrite massive sulphide in metasediments
	290.5	292.7	2.2	Stringer sulphides- pyrrhotite, chalcopyrite in metasediments
	294.8	295.8	1.0	Stringer sulphides- pyrrhotite, chalcopyrite in metasediments
	370.6	372.7	2.1	Stringer sulphides- pyrrhotite, chalcopyrite in metasediments
	372.7	373.7	1.0	Breccia pyrrhotite-chalcopyrite massive sulphide in metasediments
	376.1	377.3	1.2	Breccia pyrrhotite-chalcopyrite massive sulphide in metasediments

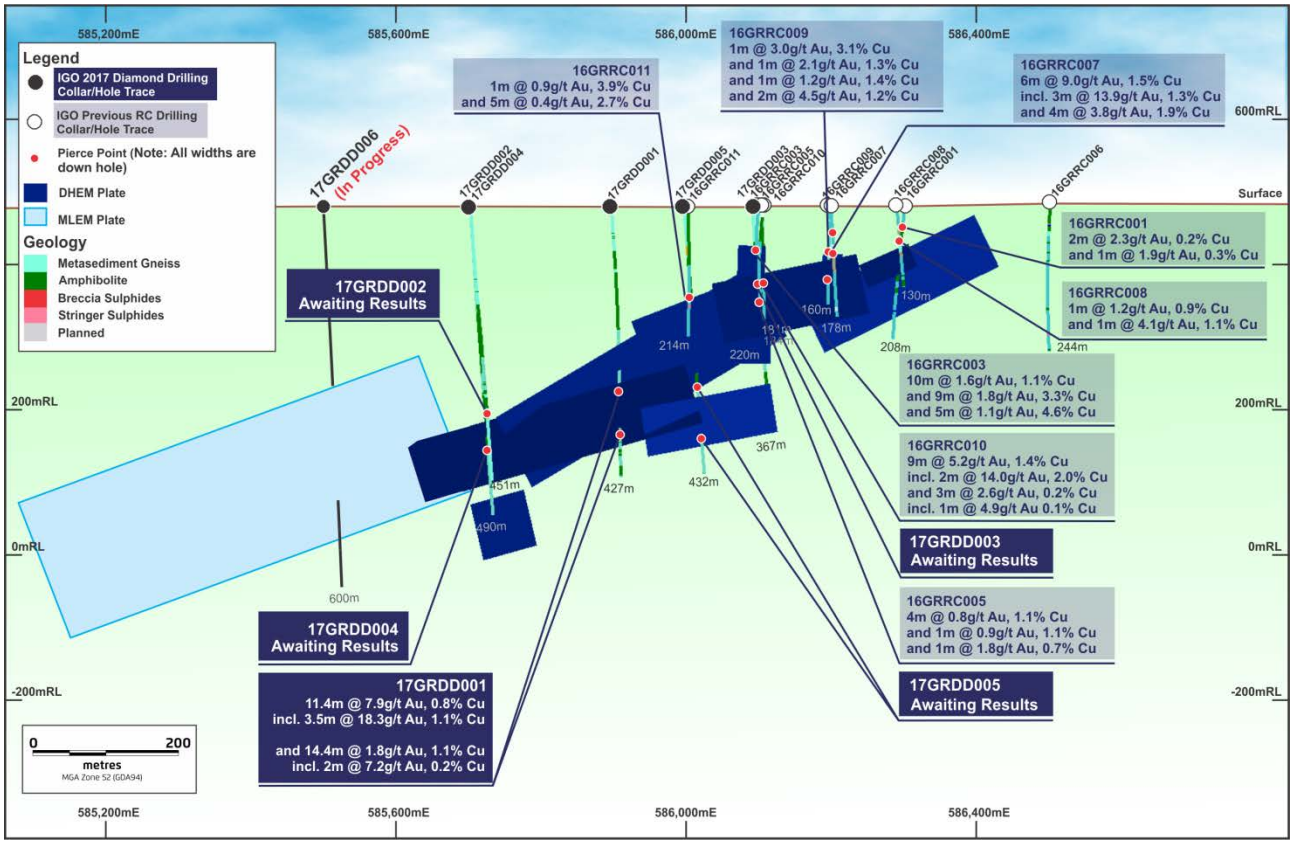

Figure 4: Long section projection of Grapple Prospect looking north showing drilling and EM plates. Mineralisation has been identified over 600m down-plunge

Figure 5: Grapple NQ core with pyrrhotite-chalcopyrite breccia sulphides in the lower mineralised zone of 17GRDD005

Exploration Agreement with CLC and Traditional Owners

An Exploration Agreement has been signed with the Central Land Council ("CLC") which is the representative body of the Traditional Owners of the region. The agreement enables land access and the granting of the tenements which is an important milestone for the Project. The Joint Venture is looking forward to continuing work with the CLC and partnering with the Traditional Owners for the benefit of all stakeholders (see ABM ASX Announcement: 6 Sep 2017).

Work Program for the Remainder of 2017

In addition to the Grapple Prospect drilling program, exploration planning has commenced for the surrounding tenement applications. A sacred site clearance survey is scheduled over priority areas in September 2017 to clear areas of interest directly north and east of EL24915. Soil sampling planned for these areas will commence in the December quarter. An orientation airborne EM survey is also planned for the December quarter over the Grapple, Bumblebee and Springer prospects, which will likely be extended to systematically cover the tenement package.

Background

The Lake Mackay Project is located 400km northwest of Alice Springs, adjacent to the Western Australian border, and includes 8,040 square kilometres of exploration licences and applications (7,140 km^2 IGO/ABM JV, 900 km^2 IGO/ABM/Castile JV). This emerging mineralised belt at Lake Mackay is at a very early stage of exploration. IGO is executing an exploration program as part of an exploration alliance with ABM to systematically evaluate the Lake Mackay Project. The Project has a consolidated tenure over the favourable Proterozoic margin between the Aileron and Warumpi Provinces, and is characterised by a continent-scale geophysical gravity ridge and the Central Australian Suture. The JV partners consider that the exploration potential is to unlock a new metallogenic province hosting multiple styles of precious and/ or base metals mineralisation.

Table 3: Completed drill hole details from the Lake Mackay Grapple Prospect

Hole ID	Drill Hole Type	Easting (GDA94 Zn52)	Northing (GDA94 Zn52)	RL (m)	AZI (GDA94)	Dip (degrees)	Total Depth (m)	Prospect
17GRDD001	DD	585895	7449219	480	175	-61	426.7	Grapple
17GRDD002	DD	585700	7449220	480	173	-61	450.6	Grapple
17GRDD003	DD	586090	7449270	480	173	-61	366.7	Grapple
17GRDD004	DD	585700	7449227	480	175	-63	489.9	Grapple
17GRDD005	DD	585995	7449250	480	171	-59	432.7	Grapple

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JORC Code (2012) Competent Persons' Statements

The information in this announcement relating to exploration results is based on information reviewed and checked by Mr Doug Winzar who is a Member of The Australian Institute of Geoscientists. Mr Winzar is a full-time employee and security holder of IGO. Mr Winzar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC 2012). Mr Winzar consents to the inclusion in the documents of the matters based on this information in the form and context in which it appears.

APPENDIX A: JORC CODE TABLE 1

Section 1: Sampling Techniques and Data

Criteria	Explanation
Sampling techniques	- Diamond drilling of the Grapple Prospect commenced in August and is presently in progress. - The holes drilled from surface are generally oriented towards the south. - DD core drilling has been used to obtain high quality samples that were logged for lithological, structural, geotechnical, density and other attributes. - The diamond core was cut in half along the long axis using an automatic diamond blade rock saw. Half-core was sampled. The samples lengths ranged from 0.5m to 1m to within geological boundaries. - Samples were dried, crushed and pulverised to -75um and split to produce a nominal 200g sub sample. - The samples were analysed for gold using a 25g Lead collection fire assay with analysis by Inductively Coupled Plasma Optical Emission Spectrometry (ICP-OES) - Multi-element analysis was completed using a four-acid digest on a 0.2g prepared sample with analysis of 33 elements using ICP-OES. - Representivity has been ensured by monitoring core recovery to minimise sample loss. - Sampling was carried out under IGO protocols and QAQC procedures consistent with good industry practices.
Drilling techniques	- An LF90D diamond drill rig, owned and operated by West Core Drilling was used. - The collar of the holes was drilled with HQ (63.5mm diameter) and the remainder of the hole was drilled with NQ2 (50.6mm diameter). - Where possible, the core was oriented using Reflex Act III orientation tools.
Drill sample recovery	- DD recoveries are quantified by as the ratio of measured core recovered lengths to drill advance lengths for each core-barrel run. - There are no core loss issues or significant sample recovery problems in the sampled intervals. - RC samples were visually checked for recovery, moisture and contamination. - For orientation marking purposes, the DD core is reconstructed into continuous runs on an angle iron cradle. - Down hole depths are checked against the depth recorded on the core blocks and rod counts are routinely carried out by the drillers to ensure the marked core block depths were accurate.
Logging	- Qualitative logging of DD core included lithology, mineralogy, mineralisation, structural, weathering, colour and other features of the samples. - Quantitative logging has been completed for geotechnical purposes. - All DD core ore has been photographed in both dry and wet condition. - The total lengths of all drill holes have been logged.
Sub-sampling techniques and sample preparation	- DD core was subsampled over lengths ranging from 0.5 m to 1.0 m using an automatic diamond-blade core saw as half-core. - All subsamples were collected from the same side of the core. - The sample preparation of DD core involved oven drying (4-6 hrs at 95°C), coarse crushing in a jaw-crusher to 100% passing 10 mm, then pulverisation of the entire crushed sample in Essa LM5 grinding mills to a particle size distribution of 85% passing 75 microns and collection of a 200 gram sub-sample. - QC procedures involve insertion of certified reference materials, blanks, and collection of duplicates at the pulverisation stage. - The primary tool used to monitor drill core representivity was monitoring and ensuring near 100% core recovery. - The results of duplicate sampling are consistent with satisfactory sampling precision.
Quality of assay data and laboratory tests	- No geophysical tools were used to determine any element concentrations. - The laboratory complete sample preparation checks for particle size distribution compliance as part of routine internal quality procedures to ensure the target particle size distribution of 85% passing 75 microns is achieved in the pulverisation stage. - Field duplicates, CRMs and blanks are inserted routinely at a rate of 1:50 samples. - Laboratory quality control processes include the use of internal lab standards using certified reference materials (CRMs), blanks, and duplicates. - CRMs used to monitor accuracy have expected values ranging from low to high grade, and the CRMs were inserted randomly into the routine sample stream to the laboratory. - The results of the CRMs confirm that the laboratory sample assay values have good accuracy and results of blank assays indicate that any potential sample cross contamination has been minimised.
Verification of sampling and assaying	- Significant intersections were checked by the Competent Person. - No twinned holes were completed. - The logging has been validated by onsite geology staff and compiled onto a SQL database server by the IGO Database Administrator. - Assay data are imported directly from digital assay files and are merged in the database with sample information. - Data is backed up regularly in off-site secure servers. - No geophysical or XRF results are used in exploration results reported. - There have been no adjustment to the assay data..

Criteria	Explanation
Location of data points	- The hole collar locations of surface holes were recorded using Garmin handheld GPS and averaging for 90 seconds. Expected accuracy is +/- 3m for easting and northing. - Down hole drill path gyroscopic surveys have been completed every 6m down hole using a north seeking Reflex Ez-Gyro. - The grid system is GDA94 Zone 52.
Data spacing and distribution	- The drilling is for exploration purposes and targeted on conductive plates generated from DHEM and MLEM. Line spacing have been maintained at a minimum of 100m. - Samples have been composited to length weighted intervals for exploration reporting as necessary.
Orientation of data in relation to geological structure	- The drilling from surface is designed to cross the steeply north dipping conductive plates at a high angle. - True-widths of the intervals are yet to be determined. - The possibility of bias in relation to orientation of geological structure is currently not known.
Sample security	- The chain-of-sample custody is managed by IGO. Samples are stored on site and then cut in Alice Springs by IGO staff and contractors and delivered to the Intertek sample preparation laboratory in Alice Springs. - A sample reconciliation advice is sent by the laboratories to IGO on receipt of the samples. - Once the sample preparation is completed in Alice Springs the samples are transported to Perth for analysis using the laboratories standard chain of custody procedure. - The risk of deliberate or accidental loss or contamination of samples is considered very low.
Audits or reviews	- No specific audits or reviews have been undertaken at this stage in the program.

Section 2: Reporting of Exploration Results

Criteria	Explanation
Mineral tenement and land tenure status	- The explored area of the Lake Mackay Project currently consists of EL24915: - This tenement is in good standing and no known impediments exist. - ABM and Independence Group NL ("IGO") entered into a multi-phase agreement covering the Lake Mackay Project on 21 August 2013. - In May 2016 IGO triggered phase 2 of the agreement to earn a 70% interest in the project. This involved subscribing for $1.5M ABM shares in placement with a six month escrow period and spending $6M on exploration on the project over 4 years.
Exploration done by other parties	- EL24915 was previously explored by BHP in the South Tanami JV. BHP flew a Geotem survey in 1999 and completed ground EM and drilling in 2004 targeting Ni sulphides.
Geology	- The project area is considered highly prospective for orogenic shear hosted gold deposits based on similarities that exist between the West Arunta and the Granites- Tanami Block with respect to gold deposition timing and structural settings. - The region is also considered by IGO and ABM to have potential for the discovery of deposits having a number of mineralisation styles including: : • Iron-ore-copper-gold (IOCG) deposits • Volcanogenic hosted massive sulphide deposits (VMS) • Mafic or ultramafic intrusion related Ni-Cu-PGE
Drill hole Information	- Refer to Table 3 in the ASX release for details of drill holes completed to date.
Data aggregation methods	- Drill hole intercept results are reported using a 0.5 ppm Au or 1.0% Cu grade cut-off with maximum dilution within an interval of 2m. - No capping or top-cutting of high grades were undertaken. - The intercepts are calculated on a length weighted basis. - Higher grade intercepts within lower grade halos are reported for transparency. - Metal equivalent grades were not reported.
Relationship between mineralisation widths and intercept lengths	- Only downhole intersection widths are provided as mineralisation given the understanding of the geometry of the mineralisation is at an early stage.
Diagrams	- Representative plan view, long section and cross sections are included in the body of the ASX release.
Balanced reporting	- Results above 0.5g/t Au or 1% Cu were reported. The remainder of the results are considered low grade.
Other substantive exploration data	- Surface EM survey and DHEM survey generated plates are displayed in the sections in the body of the ASX release.
Further work	- Further drilling is underway to test the conductive plates generated from the EM surveys.