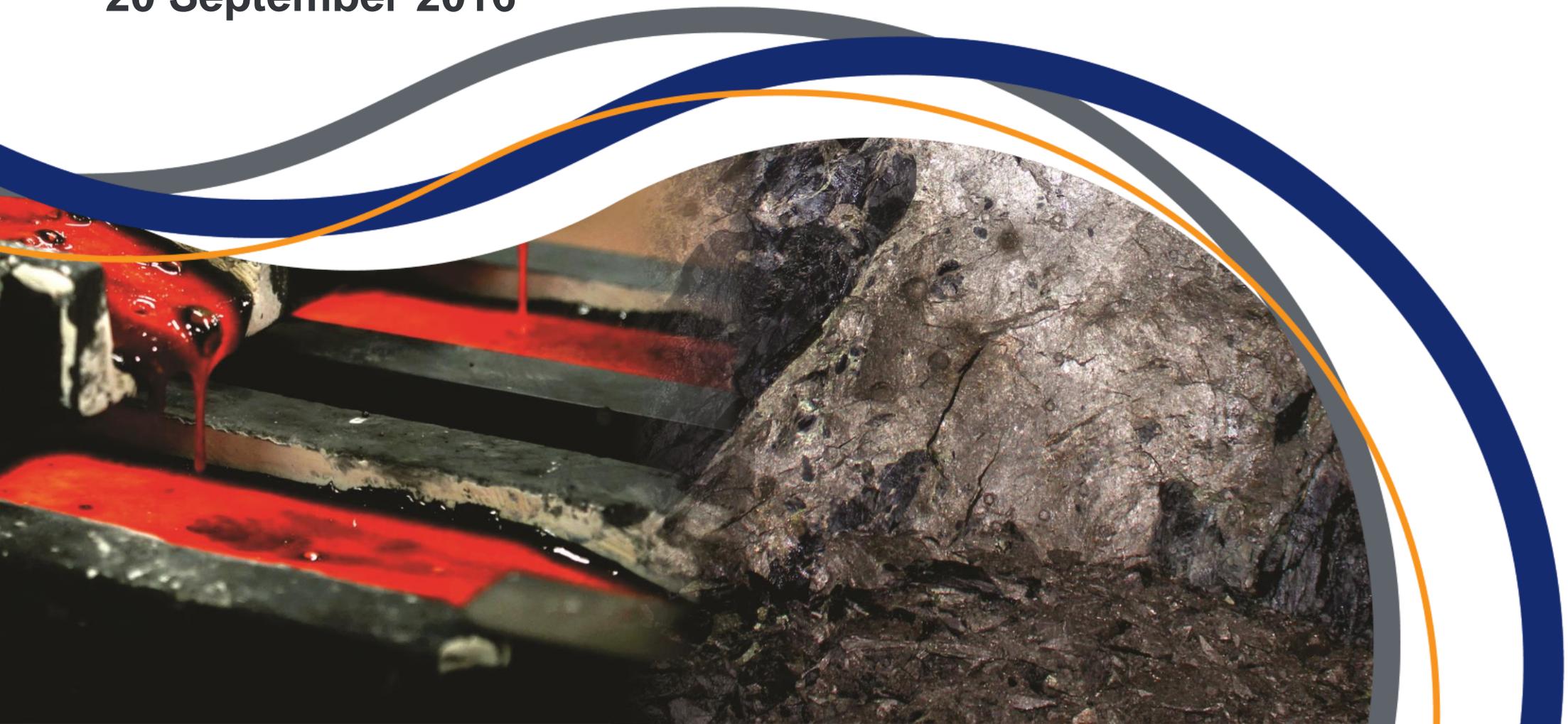


# INDEPENDENCE GROUP NL

Peter Bradford, Managing Director and CEO

Denver Gold Forum

20 September 2016



# Cautionary statements & disclaimer



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- There are a number of risks specific to IGO and of a general nature which may affect the future operating and financial performance of IGO and the value of an investment in IGO including and not limited to economic conditions, stock market fluctuations, commodity demand and price movements, access to infrastructure, timing of environmental approvals, regulatory risks, operational risks, reliance on key personnel, reserve and resource estimations, native title and title risks, foreign currency fluctuations and mining development, construction and commissioning risk. The production guidance in this presentation is subject to risks specific to IGO and of a general nature which may affect the future operating and financial performance of IGO.
- Any references to IGO Mineral Resource and Ore Reserve estimates, except the Nova Ore Reserve should be read in conjunction with IGO’s 2015 Mineral Resource and Ore Reserve announcement dated 28 October 2015 and lodged with the ASX, which are available on the IGO website. The Nova Ore Reserve was updated during the optimisation study dated 14 December 2015 and lodged with the ASX, which is available in the IGO website. The information in this presentation that relates to Exploration Results has been extracted from ASX release 25 July 2016 - Tropicana - Delineation of new high grade shoot, which is available on the IGO website. IGO confirms that it is not aware of any new information or data that materially affects the information included in the original announcements and all material assumptions and technical parameters underpinning the estimates of Mineral Resources and Ore Reserves in those announcements continue to apply and have not materially changed.
- All currency amounts in **Australian Dollars** unless otherwise noted.
- Cash Costs are reported inclusive of Royalties and after by-product credits on per unit of payable metal basis, unless otherwise stated
- IGO reports All-in Sustaining Costs (AISC) per ounce of gold for its 30% interest in the Tropicana Gold Mine using the World Gold Council guidelines for AISC. The World Gold Council guidelines publication was released via press release on 27th June 2013 and is available from the World Gold Council’s website.
- Underlying EBITDA is a non-IFRS measure and comprises net profit or loss after tax, adjusted to exclude tax expense, finance costs, interest income, asset impairments, investment sales, depreciation and amortisation, and once-off transaction costs.

# Investment highlights

Australian diversified mining company (ASX:IGO)



## QUALITY DIVERSIFIED ASSETS

- Three operating mines with commodity diversification through exposure to gold, nickel, zinc, copper, cobalt and silver
- All located in Western Australia
- High-margin operating assets with proven cash flow generation through the commodity cycle

## LEADING GROWTH PORTFOLIO

- Development of the world-class Nova nickel, copper and cobalt Project which is on time and budget for first concentrate in December 2016
- Tropicana Gold Mine mill expansion nearing completion reaching 7.3Mtpa annualised run rate (May and June 2016)
- High-grade gold mineralisation intersected as part of the Long Island Study aimed at unlocking the upside potential of the Tropicana Gold Mine
- Controlling ground position in three emerging belt scale exploration opportunities

## STRONG AND CONSISTENT OPERATIONAL PERFORMANCE

- Focus on optimising and maximising our assets through operational excellence
- Track record of delivery and value creation
- Proven and experienced management team and Board – with disciplined approach

# IGO assets

Consistent high-margin production with platform for growth



## DISCOVERY

- Emerging belt scale regional exploration opportunities
  - Albany Fraser/ Tropicana
  - Lake Mackay
  - Bryah Basin
- Significant near mine / brownfields potential

## DEVELOPMENT & CONSTRUCTION

- Construction of the world-class Nova Ni-Cu-Co Project
- Tropicana Long Island Study – likely to deliver material step-change to the Tropicana Gold Mine

## CURRENT OPERATIONS

- Tropicana (Au)
- Long (Ni)
- Jaguar (Zn- Cu)

A leading Australian growth platform

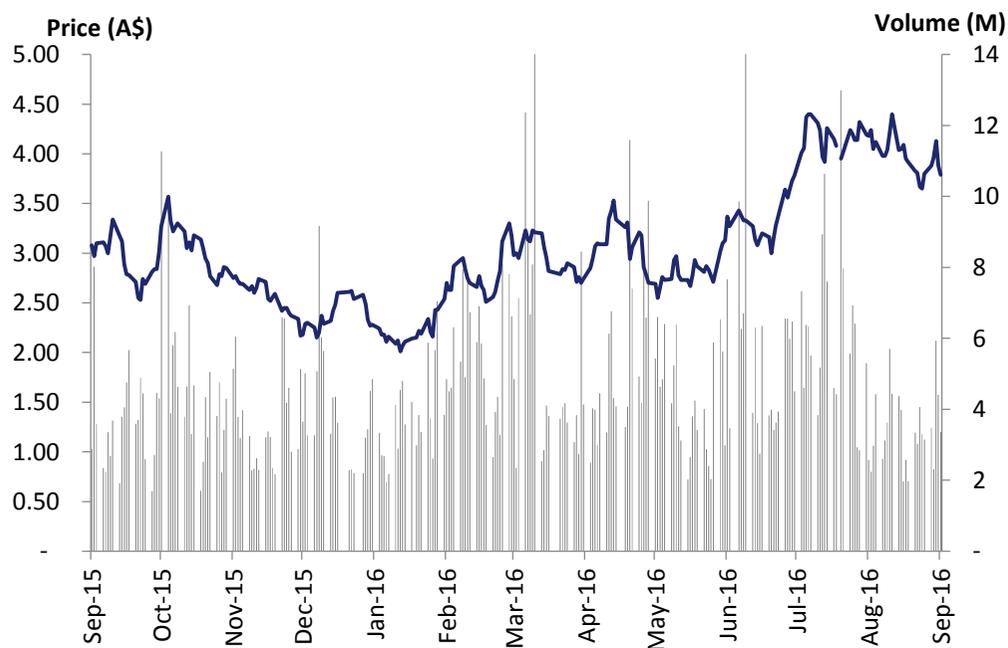
# Market profile



Strong domestic institutional support + growing international profile

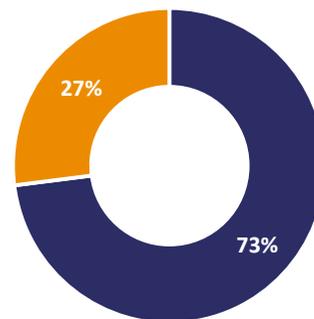
## Corporate Structure

- Shares on issue: 587M
- Share price 52 Week Range:
  - Low A\$1.98 20 January 2016
  - High A\$4.49 14 July 2016
- Share price: A\$3.80<sup>(1)</sup>
- Average Daily Volume: 4.6M per day over 3 months

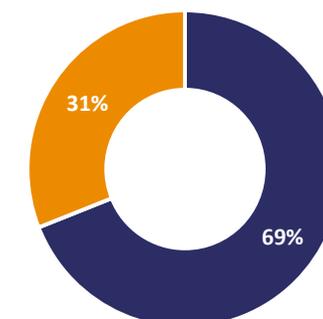


## Share Ownership

- Substantial Holders <sup>(2)</sup>
  - Mark Creasy 17%
  - Van Eck 11%
  - FIL Limited 10%
  - Ausbil 5%
- Institutional Ownership<sup>(2)</sup>
  - Australia 69%
  - USA & Canada 18%
  - UK & Europe 3%
  - Rest 10%



■ Instos ■ Retail & Other



■ Domestic Instos ■ International Instos

1) As at market close 9 September 2016  
 2) As at 7 September 2016

# Balance sheet and funding

Strong balance sheet with pro-forma net cash of A\$50M



At 30 June 2016 cash of A\$46M and debt of A\$271M<sup>(1)</sup>

At 30 June 2016 A\$279M of \$550M debt facilities undrawn<sup>(1)</sup>

At 30 June 2016 A\$145M remaining construction capex at Nova<sup>(1)</sup>

At 28 July 2016 A\$274M raised via placement and SPP<sup>(2)</sup>

Pro-forma net cash position of A\$50M<sup>(2)</sup>



**Nova project at 93% completion<sup>(1)</sup>**



**Nova project commissioning underway**



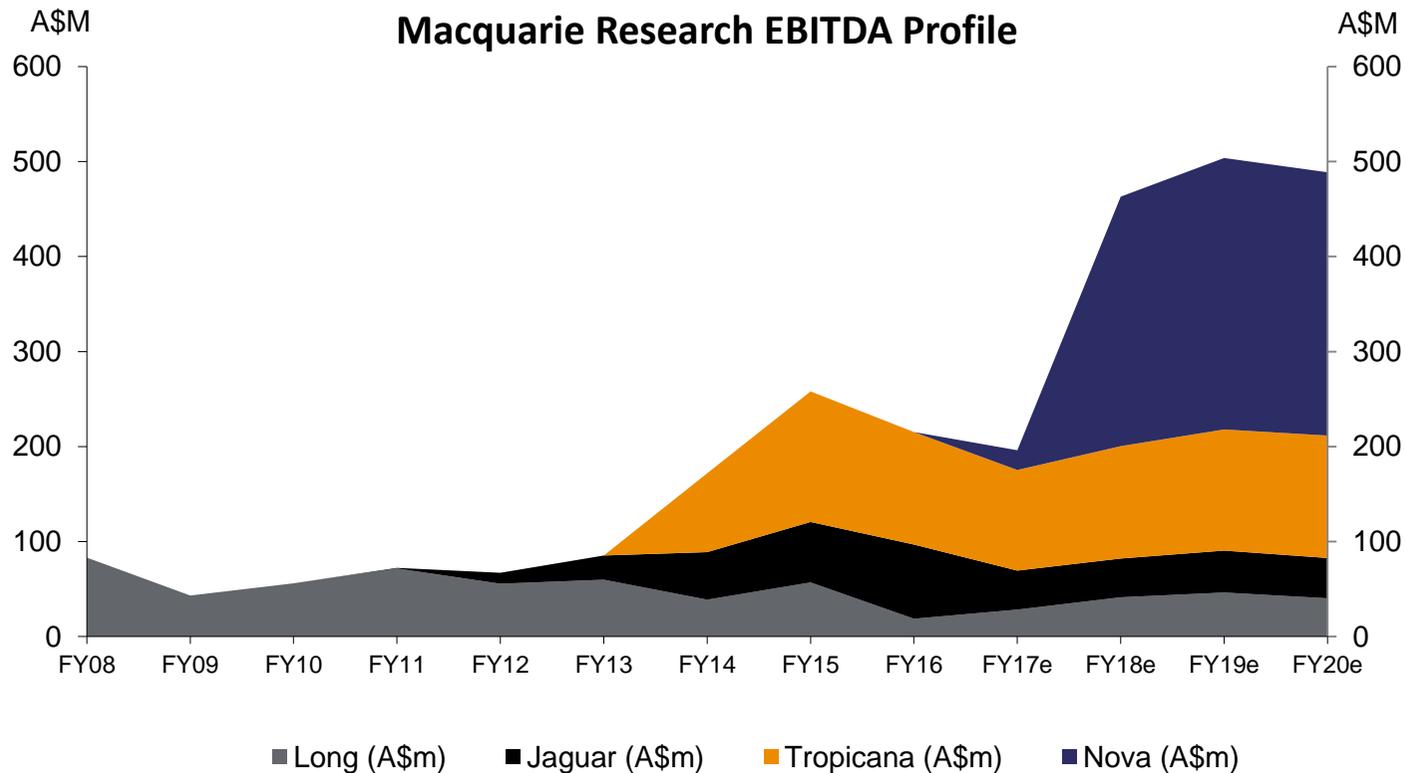
**Tropicana mill expansion to 7.5Mtpa**

1) For further information see ASX release 27 July 2016 – June 2016 Quarter Results Presentation

2) Funds raised through completion of institutional placement and share purchase plan, net of costs totalled A\$274.3M see ASX releases dated 28 July 2016 and 26 August 2016

# IGO portfolio earnings

## Strong platform of growth



## Realising Value Through

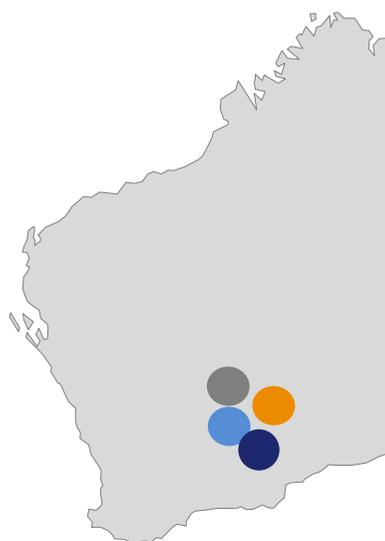
- Development of the world class Nova Project
- Optimising Nova and reducing operating risks
- Tropicana process plant expansion to lift throughput rate +21%
- Tropicana Long Island Study to provide potential for a step change reduction in mining costs
- Committed to exploring a portfolio of brownfields and greenfields exploration projects
- Exploring belt scale opportunities for tier one assets

1) Source Data: Macquarie Research

# Snapshot of IGO asset base



Nova	Ni, Cu, Co
<b>World-class development project</b>	
Status	Under construction
Est. Mine Life	10+ years
Est. cash cost	FY17: A\$4.00 – \$4.50/lb <sup>(1)</sup> FY18: A\$1.50 – \$2.00/lb
Current Resources <sup>(2)</sup>	325,000 Ni t 134,000 Cu t
Estimated production	FY17: 9,000 – 10,000t Ni FY18: 27,000 – 30,000t Ni
Growth potential	In-mine exploration and resource extensions Regional exploration opportunities



Western Australia

Tropicana JV (30%)	Au
<b>Long mine life with potential to increase</b>	
Status	Producing
Est. Mine Life	7+ years
Est. cash cost (FY17)	A\$850 – 950/oz <sup>(1)</sup>
Current Resources <sup>(2)</sup>	2.1Moz Au (IGO share)
Estimated production (FY17)	117koz – 129koz Au pa (IGO share)
Growth potential	Plant capacity increase from 5.8 to 7.5Mtpa complete H1FY17 Long Island open pit study to complete in H1FY17 Underground potential Expansion potential Large tenement package Regional exploration upside

Jaguar	Zn, Cu, Ag
<b>Record mining and milling in FY16, significant exploration potential</b>	
Status	Producing
Est. Mine Life	3+ years
Est. cash cost (FY17)	A\$0.70 – 0.80/lb Zn <sup>(1)</sup>
Current Resources <sup>(2)</sup>	290,000t Zn 67,000t Cu 15.4 Moz Ag
Estimated production (FY17)	39,000 – 43,000t Zn 4,600 – 5,100t Cu 0.4 – 0.5 Moz Ag
Growth potential	Bentley deeps remains open Potential VMS clusters

Long	Ni
<b>Cash flow positive throughout nickel cycle</b>	
Status	Producing
Est. Mine Life	2 years
Est. cash cost (FY17)	A\$3.50 – \$3.90/lb <sup>(1)</sup>
Current Resources <sup>(2)</sup>	66,000t Ni
Estimated production (FY17)	7,400 – 8,200t Ni
Growth potential	In mine exploration opportunities under review

Projects/Exploration Opportunities	
Stockman (Cu, Zn, Ag, Au)	Final permitting process Considering strategic ownership options Resource 294,000 Cu t, 598,000 Zn t, 17.0 Moz Ag, 0.4 Moz Au <sup>(2)</sup>
Fraser Range Project & Salt Creek JV (Ni, Cu) (70%)	Regional geochemical sampling, moving loop electromagnetic surveying and/or drilling Aircore programs identified anomalous results requiring additional exploration
Lake Mackay (Gold/Base metals) (70%)	Unlocking new underexplored mineral province Drilling at Bumblebee has confirmed proof of concept
Bryah Basin (Cu, Au) (70%)	Follow up drilling of targets within a 2km strike of previously delineated zone of geochemical anomalism and electromagnetic conductors
De Beers Database	Unique sample database

1) For further information see ASX release 27 July 2016 - June 2016 Quarterly Activities Report and Presentation

2) Resources shown are inclusive of Reserves, For further information on Mineral Resources and Ore Reserves refer to ASX release dated 28 October 2015

# Tropicana Gold Mine

One of Australia's leading open-pit gold mines

<b>Overview</b>	JV IGO 30% with AngloGold Ashanti 70%		
	Open pit with potential for expansion		
	7+ years current LOM		
<b>Resource Reserve 30 June 2015 <sup>(1)</sup></b>	7.04Moz (100%) 3.01Moz (100%)	2.1Moz (30%) 0.9Moz (30%)	
<b>Production Guidance FY17</b>	(100%) 390 to 430koz pa	(30%) 117 to 129koz pa	
<b>Operating cost Guidance FY17</b>	Cash cost A\$850 to 950/oz		All-in Sustaining cost A\$1,150 to 1,250/oz
<b>Capital Guidance FY17</b>	Sustaining A\$2 to 3M	Improvement A\$2 to 3M	Waste Stripping A\$29 to 36M
<b>Exploration Budget Guidance FY17</b>	A\$6 to 8M (30%)		

## Key developments and potential

- Converted to gas power generation in January 2016
- Plant expansion nearing completion from 5.8Mtpa to 7.0 – 7.5 Mtpa processing rates
- Resource drilling identifying significant extensions to mineralisation. Technical study (Long Island Study) targeted at delivering material step-change opportunities <sup>(2)</sup>

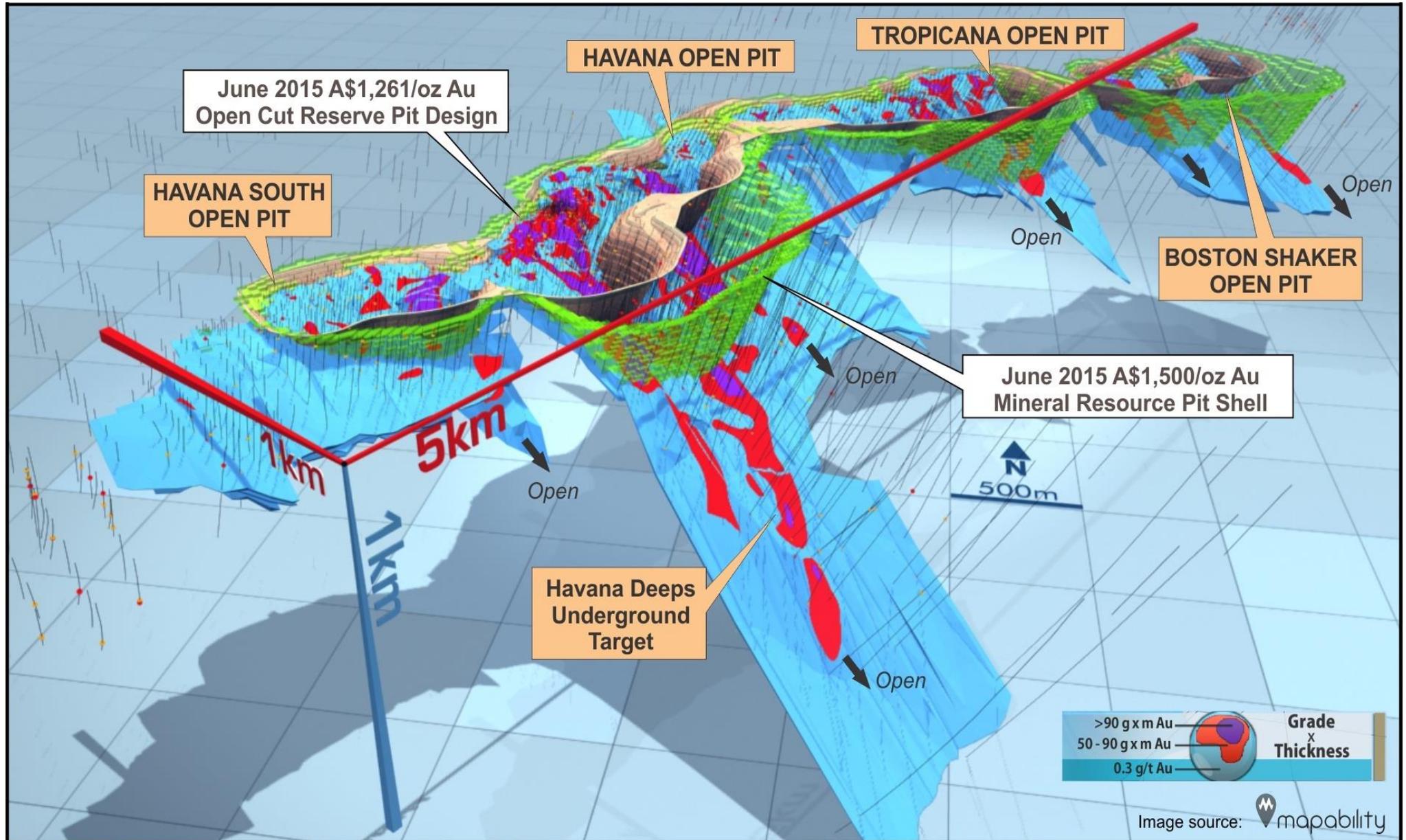


1) Resources shown are inclusive of Reserves, For further information on Mineral Resources and Ore Reserves refer to ASX release dated 28 October 2015

2) For further information see ASX release 25 July 2016 – Tropicana – Delineation of new high-grade shoot

# Tropicana pits

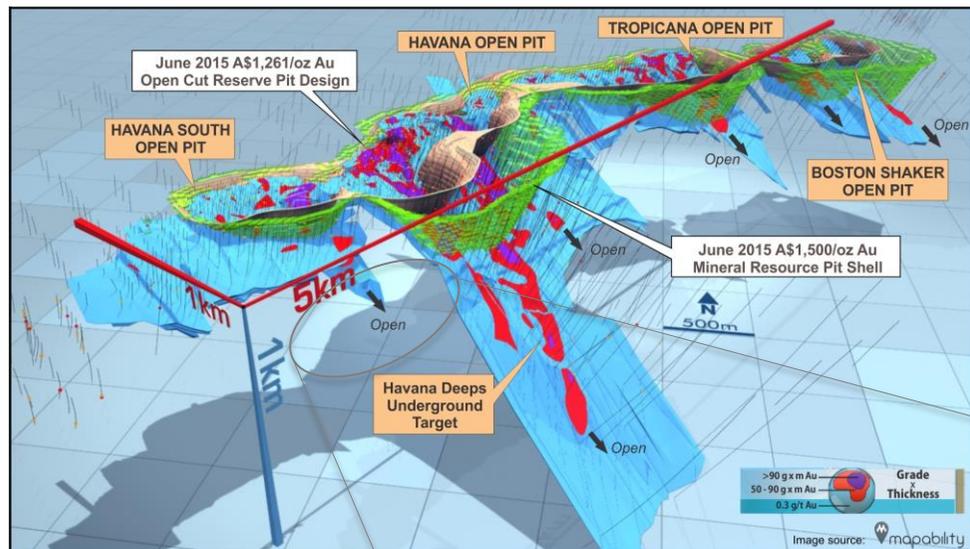
Four contiguous pits extending over a five kilometre strike



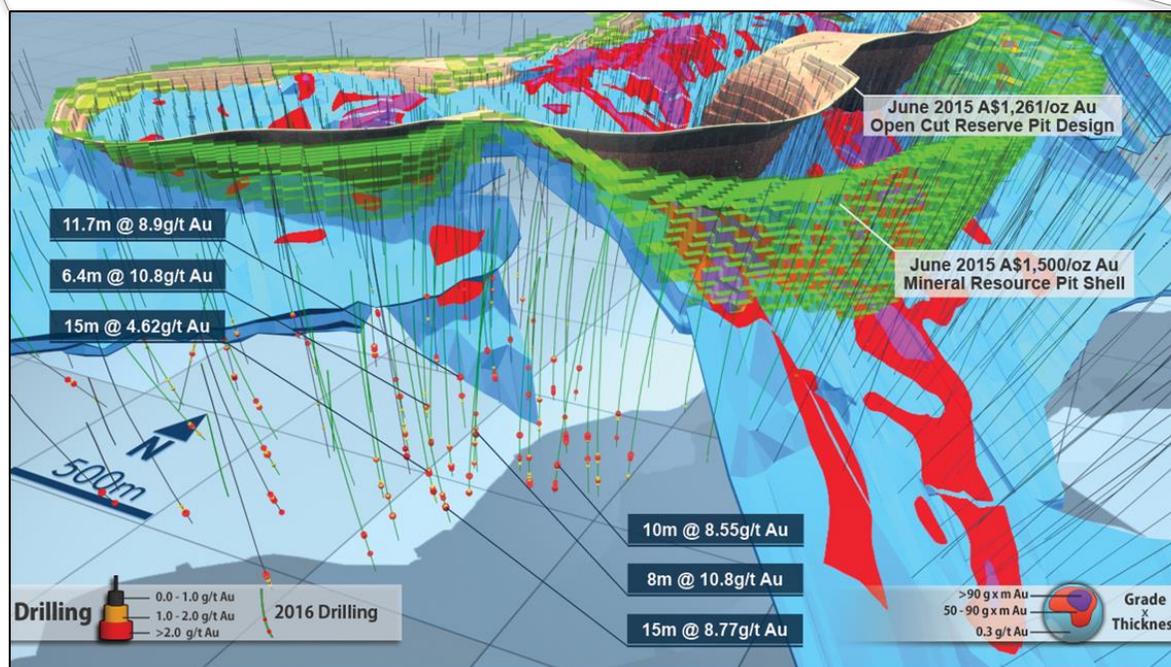
# Tropicana Gold Mine



## Long Island - Likely to deliver material step-change

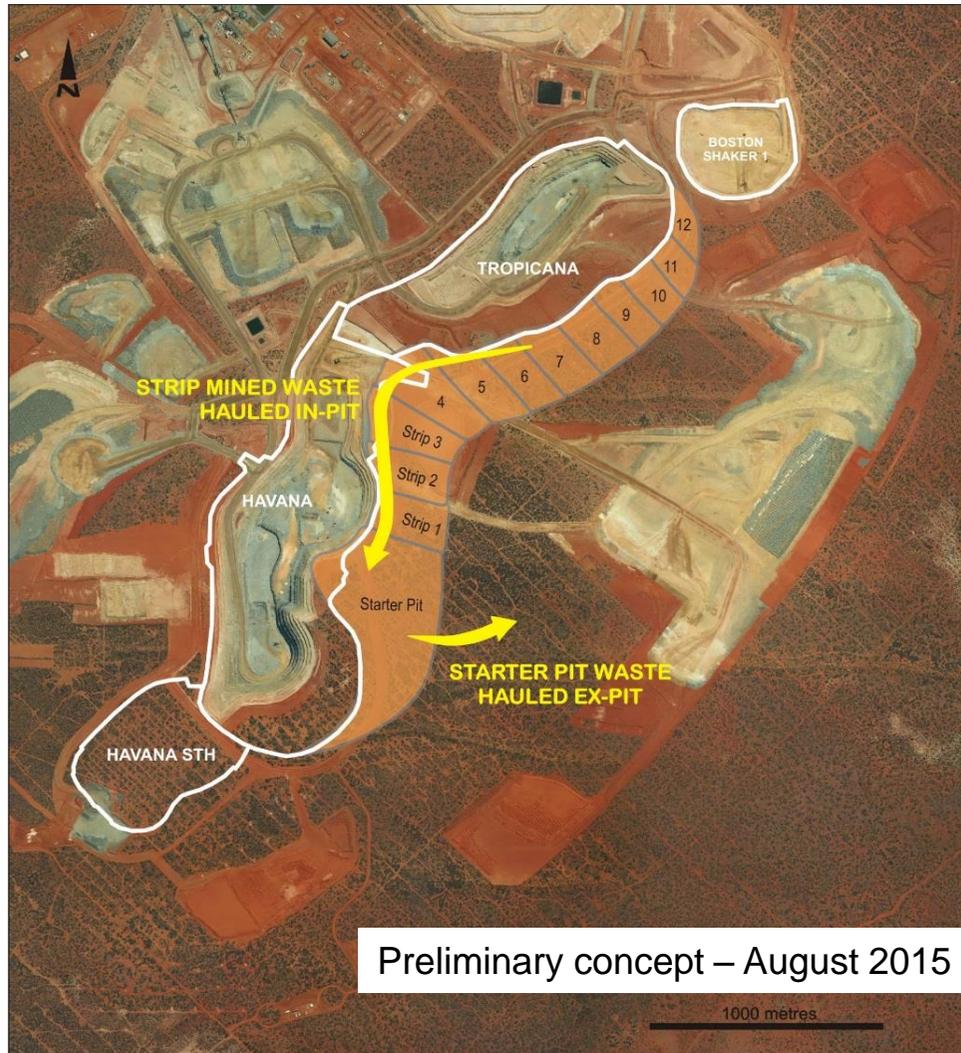


- Long Island Study designed to unlock full potential of Tropicana including:
  - Completion of extensive resource extension exploration program with significant intersections outside current Mineral Resource
  - Development of favourable economic business case funded through operational cash flow
- Mineral Resource and Study to be completed end of CY16

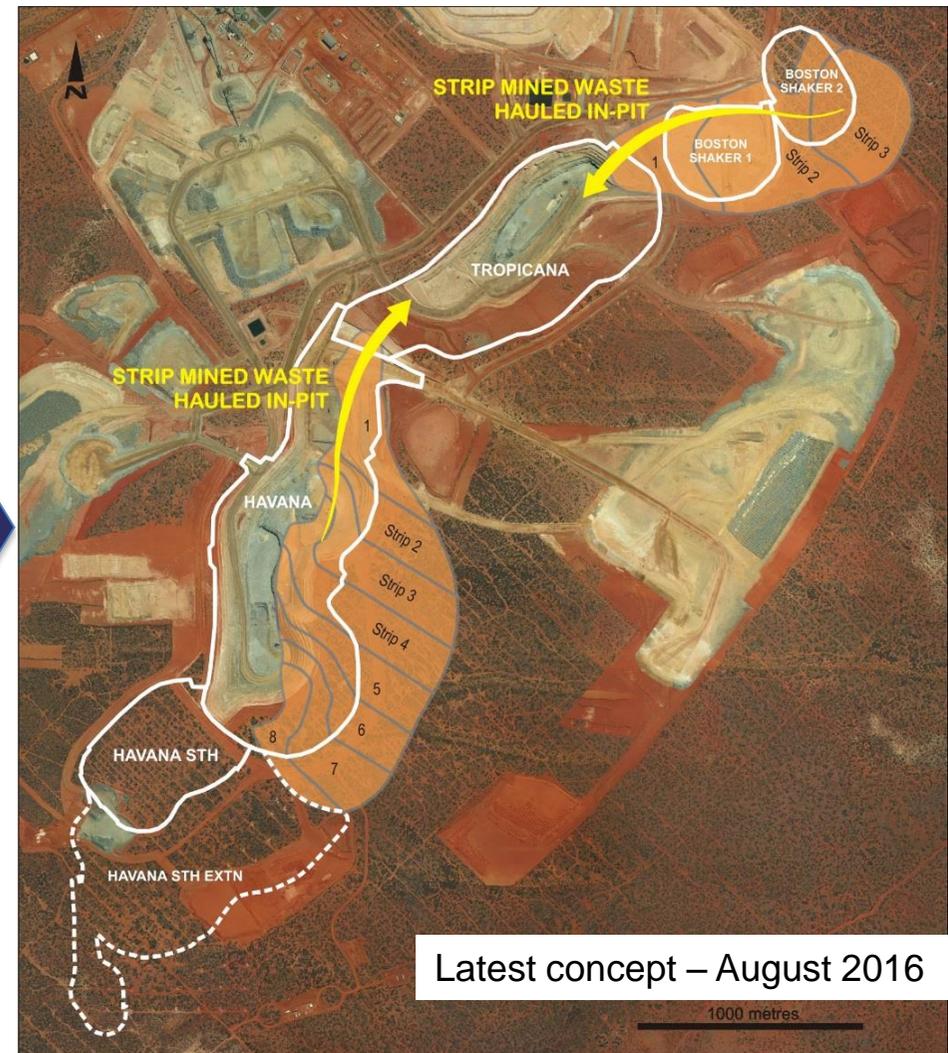


# Tropicana near mine exploration

Long Island Study mining concept



100km of drilling in 12 months

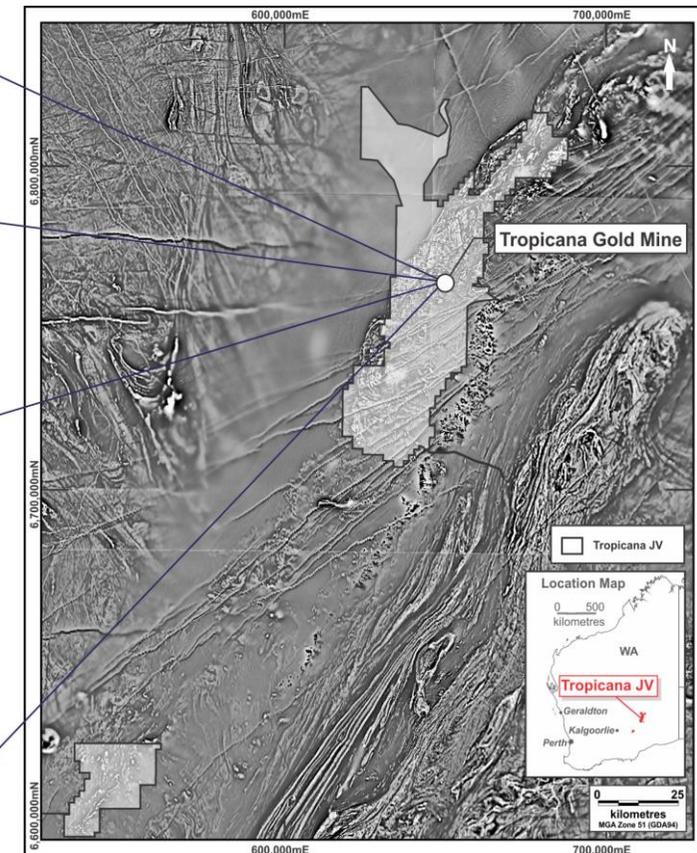
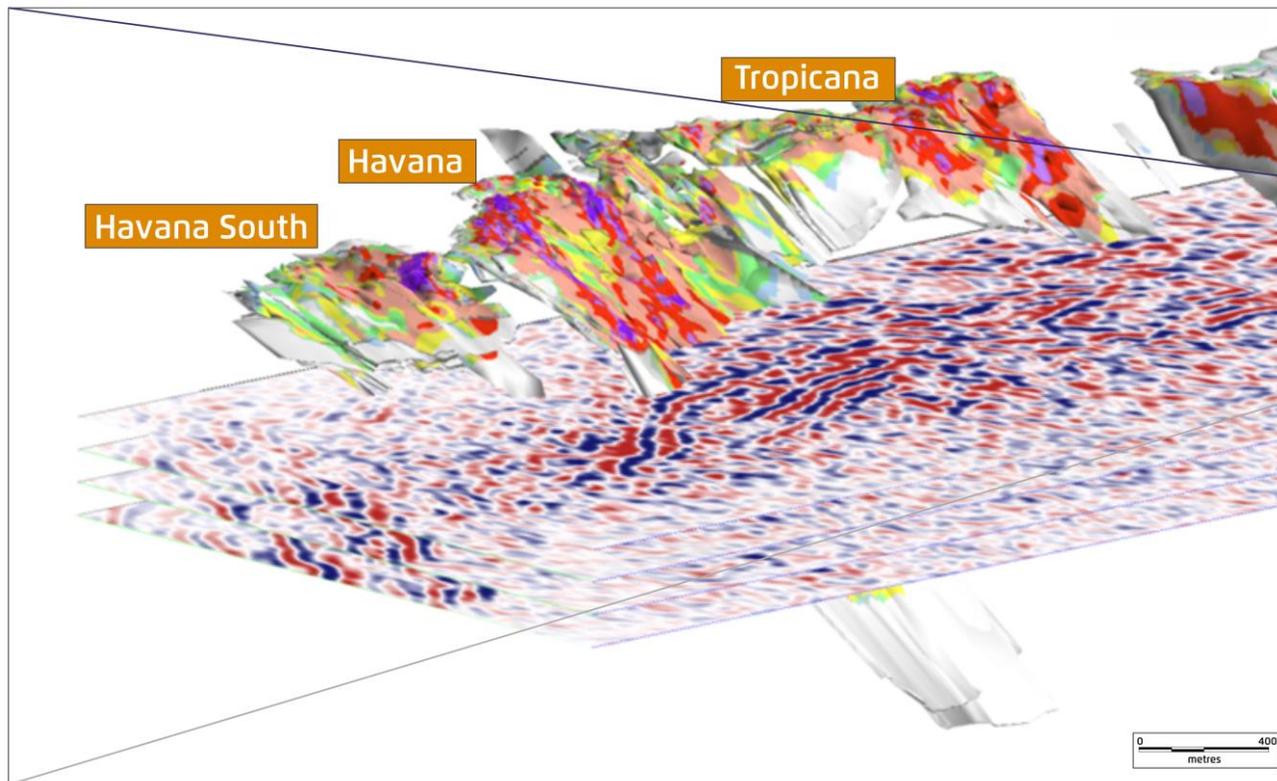


# Tropicana near mine exploration



## Unlocking growth potential through exploration

- Tropicana hosts a unique style of mineralisation
- Using innovative exploration and knowledge transfer from mine geology
- Improved understanding on the mineralisation controls
- JV committed to realising the full exploration potential



# Nova Project

## World class Ni-Cu-Co project in construction



<b>Overview</b>	IGO 100% magmatic Ni – Cu 1.5Mtpa underground mine Construction 93% complete On time and on budget for first production in December 2016	
<b>Resource 30 June 2015 <sup>(1)</sup> Reserve 14 December 2015<sup>(2)</sup></b>	325,000t Ni, 134,000t Cu 275,000t Ni, 112,000t Cu	
<b>Production Guidance FY17</b>	9,000 to 10,000t Ni, 3,900 to 4,400t Cu	
<b>Operating Cost Guidance FY17</b>	A\$4.00 to 4.50/lb	
<b>Initial Capital Remaining</b>	A\$140 to 150M (including working capital)	
<b>Capital Guidance FY17</b>	Sustaining A\$3 to 5M	Development A\$22 to 25M
<b>Exploration Budget Guidance FY17</b>	A\$3.5 to 4.5M	



### Key developments and potential

- IGO has delivered 50% improvement in NPV since acquisition <sup>(3)</sup>
- Acceleration of Bollinger development
- A number of other value enhancement opportunities include increasing mining and processing rates
- Large scale, low cost production

- 1) Resources shown are inclusive of Reserves, For further information on Mineral Resources and Ore Reserves refer to ASX release dated 28 October 2015
- 2) For further information see ASX release 14 December 2015 Nova Project Optimisation Study
- 3) For further information see ASX release 21 July 2016 Accelerated Bollinger Decline at Nova Project

# Nova Project

## Construction is on time and on budget



- Preliminary operating guidance for Nova provided through to FY19
- Additional opportunities exist to improve mining production and processing rates
- These further enhancements will be pursued following commissioning and ramp up

	Units	FY17 <sup>(1)</sup>	FY18	FY19
Nickel Production	tonnes	9,000 to 10,000	27,000 to 30,000	27,000 to 30,000
Copper Production	tonnes	3,900 to 4,400	12,000 to 13,000	12,000 to 13,000
Cobalt Production	tonnes	280 to 320	900 to 1,000	900 to 1,000
Cash costs (real) <sup>(2)</sup>	A\$/lb Ni	4.00 to 4.50	1.50 to 2.00	1.50 to 2.00
Remaining Initial Capital Cost <sup>(3)</sup>	A\$M	140 to 150	0	0
Sustaining Capex	A\$M	3 to 5	25 to 30 <sup>(4)</sup>	5 to 7 <sup>(4)</sup>
Development Capex	A\$M	22 to 25		
Exploration expenditure	A\$M	3.5 to 4.5		

1) FY17 excludes production achieved during commissioning

2) Cash costs includes C1 cash costs + royalty per pound of payable nickel (after by-product credits)

3) Remaining Initial Capital Costs includes the key capital activities (outstanding from the \$443M Project Capital Costs) outlined in the company's 28 June 2016 release titled "First Ore Mine in Development at Nova" including but not limited to capital on, the power station, plant piping/ electrical, past plant and decline development. The amount also includes capital required for the Bollinger Decline as outlined in this ASX release

4) Sustaining capex includes Development capex

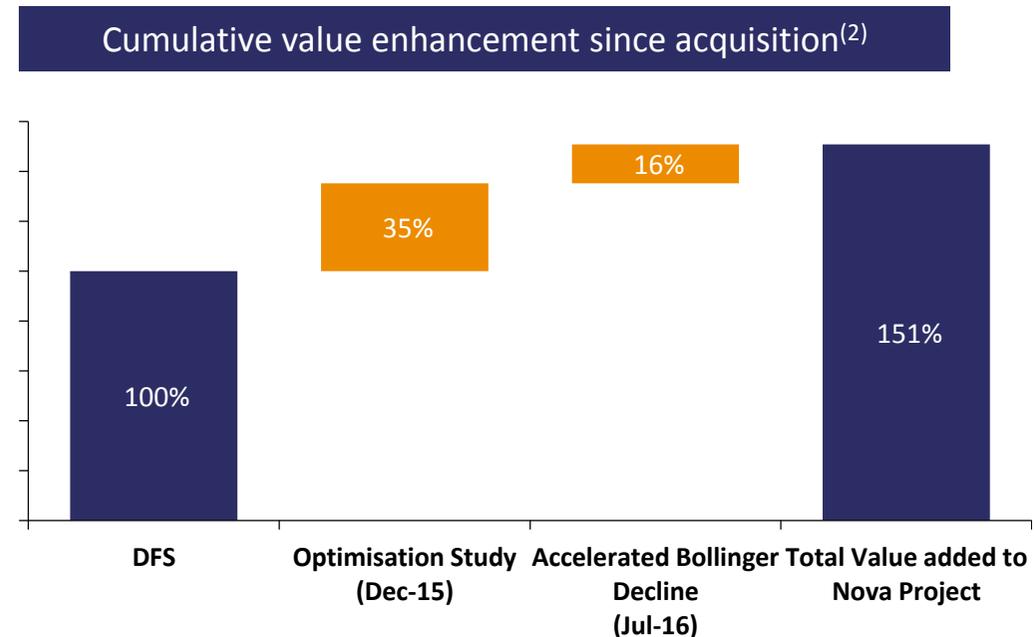
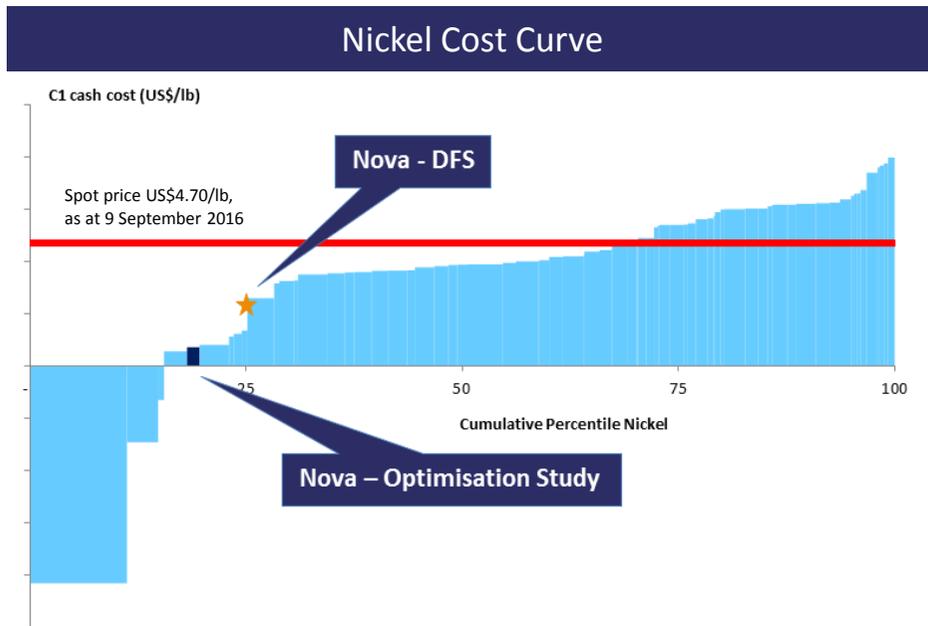
Note: for further information on Nova production guidance see ASX release 21 July 2016 Accelerated Bollinger Decline at Nova Project and also refer to Important notices and disclaimer

# Nova Project



## Significant value unlocked with improved mining flexibility

- Further value unlocked at Nova through
  - Optimisation Study, December 2015
  - Accelerated Development of Bollinger, July 2016
- A cumulative 51% increase in NPV relative to the DFS<sup>1</sup> was achieved with Capex A\$30M below the original DFS estimate of A\$473M
- Value has been unlocked through:
  - Improved mining schedule and sequencing to prioritise higher-value ore early in the mine life
  - Accelerated ramp-up to fill the processing plant earlier
  - Capturing current contracted rates and forecast operating cost structure



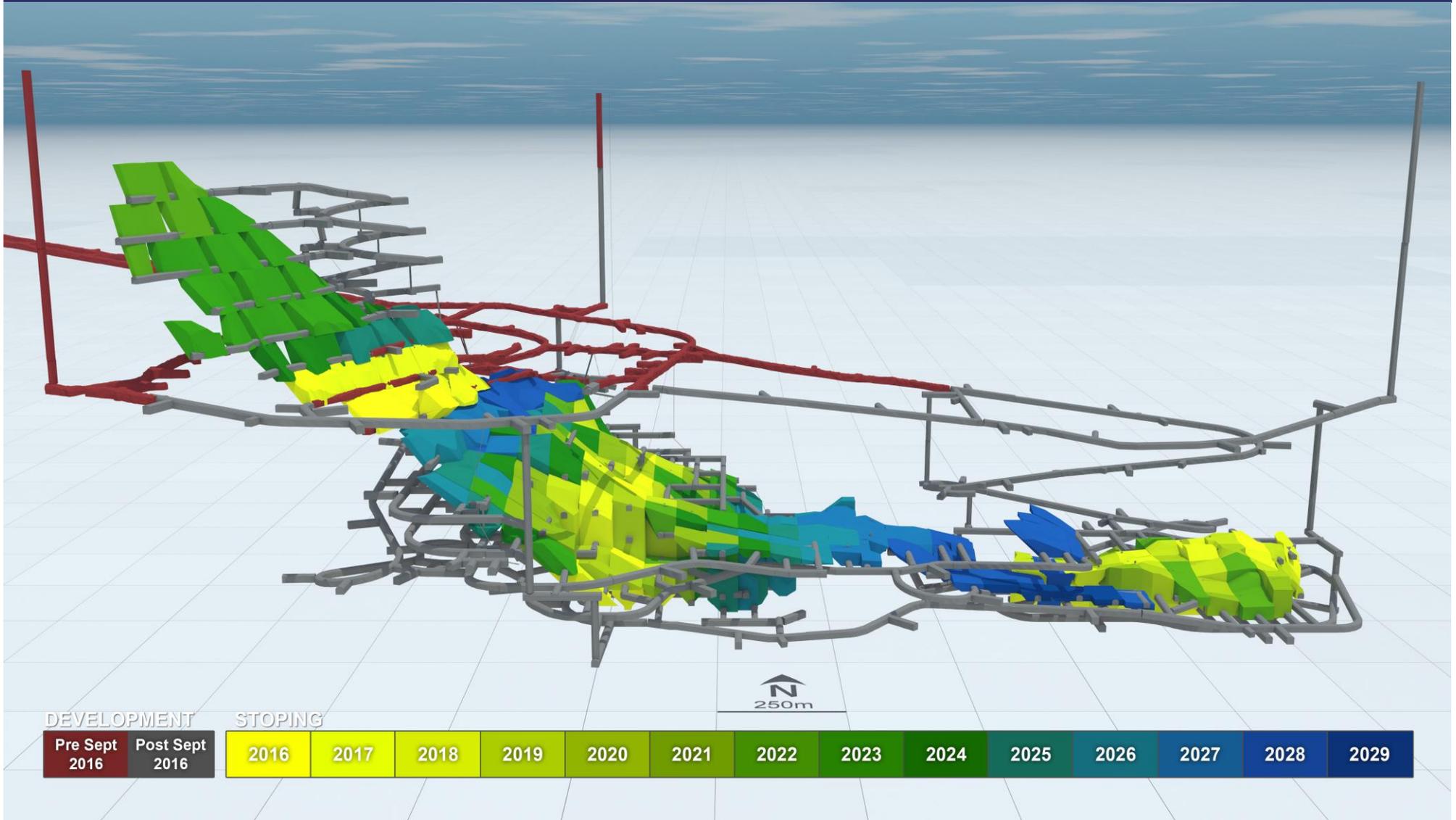
1) For further information see ASX release 14 December 2015, Nova Project Optimisation Study  
 2) For further information see ASX release 21 July 2016, Accelerated Bollinger Decline at Nova Project

# Nova Project



## Accelerated development of the Bollinger Decline

### Nova Mining Schedule

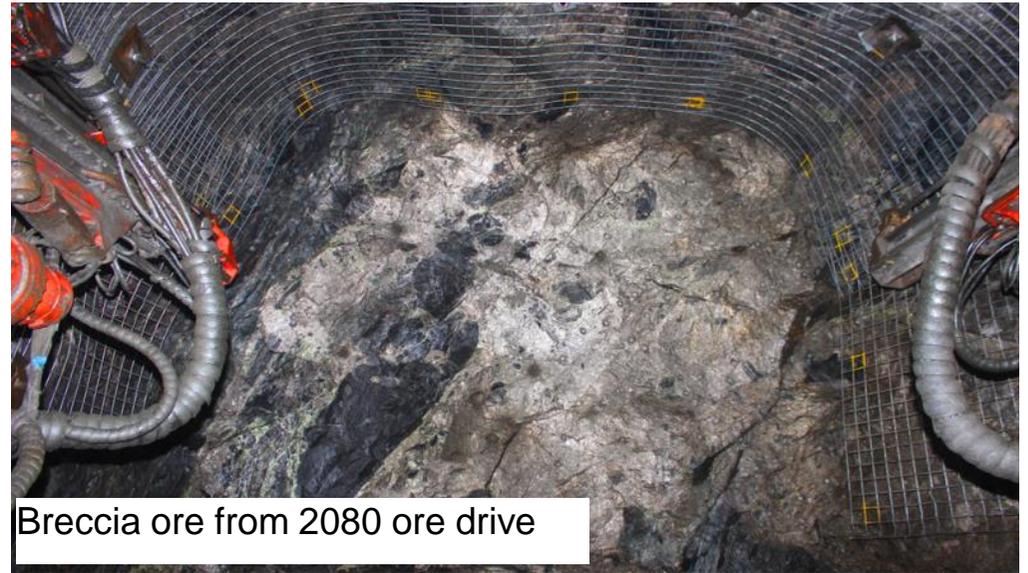


# Nova Project

Overall Project currently 93% complete



Grinding circuit



Breccia ore from 2080 ore drive



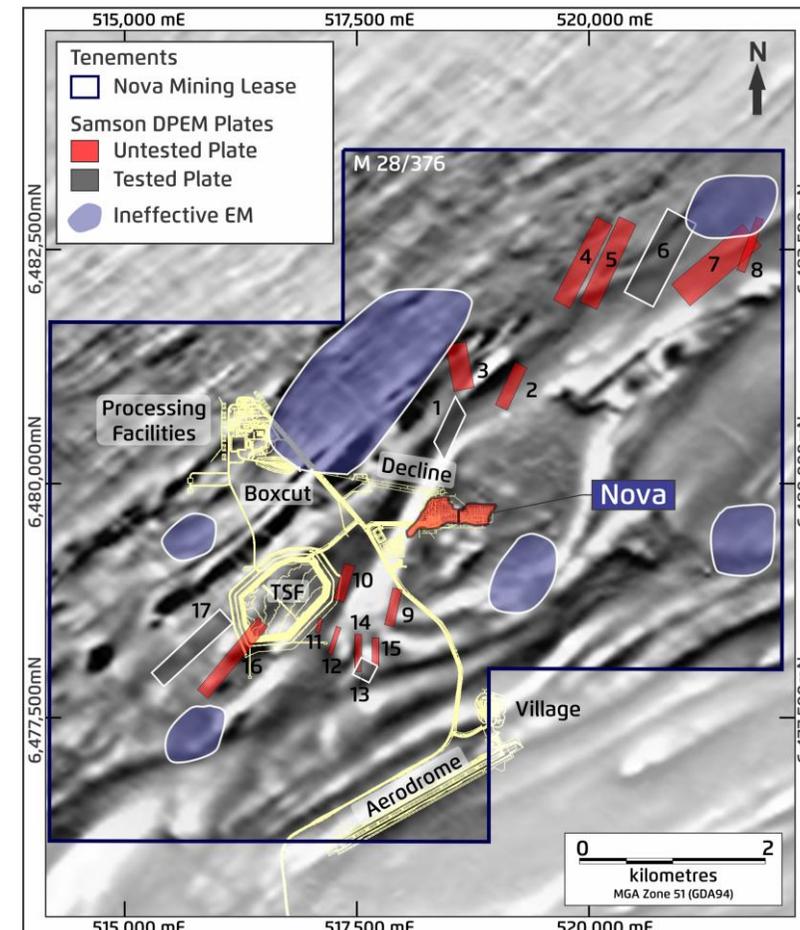
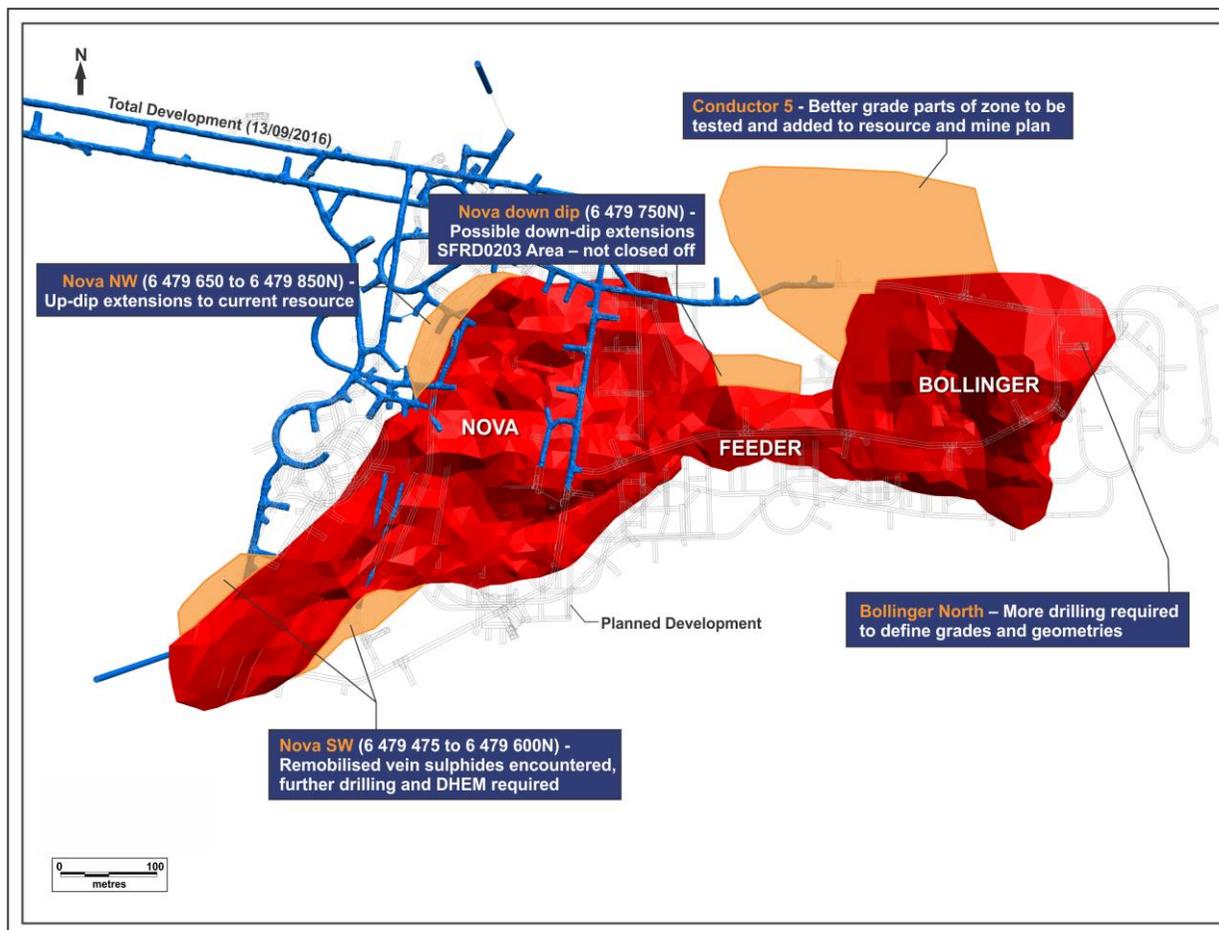
Power station



Flotation circuit

# Nova Project

## In mine and brownfields exploration opportunities



- Areas identified and prioritised for in mine exploration
- Potential to extend known Mineral Resources

- Untested geophysical targets
- Some areas require additional work to define targets

# Jaguar Mine

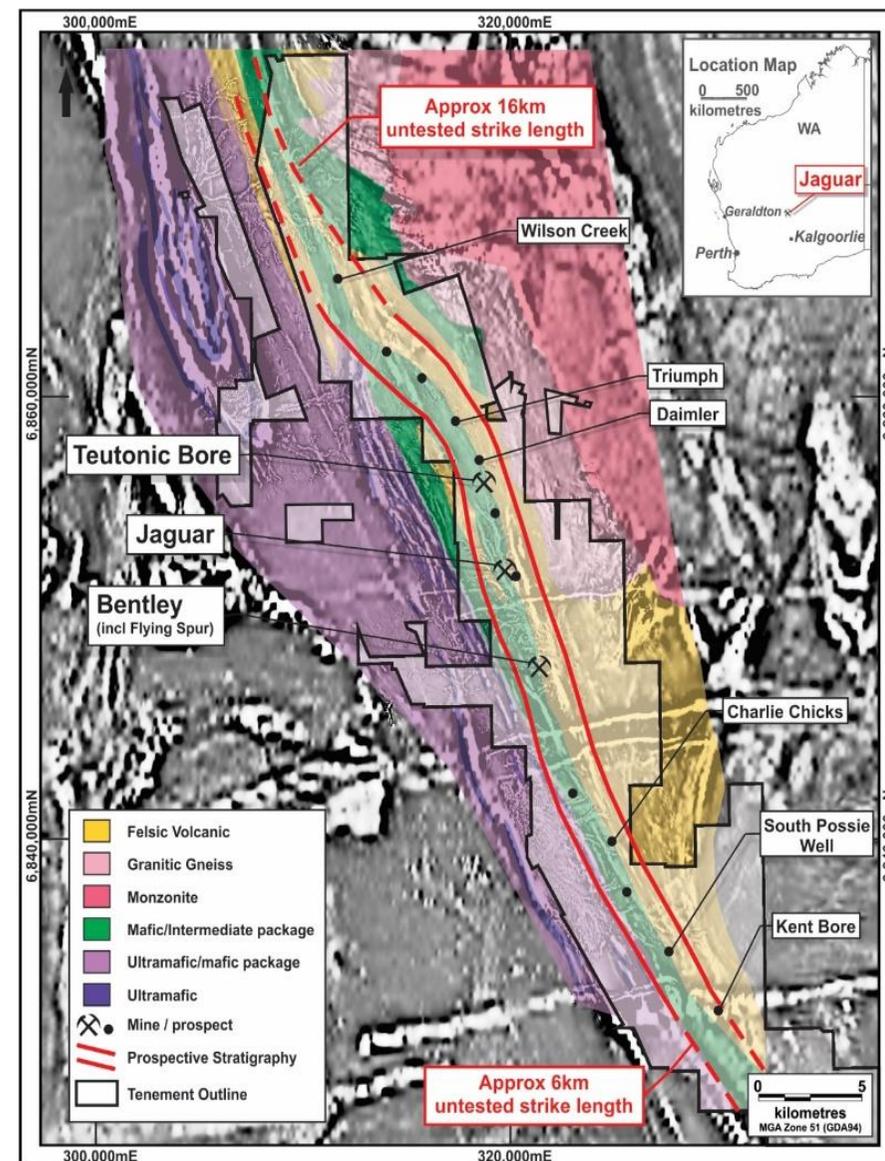
## VMS Corridor with cluster of orebodies



<b>Overview</b>	IGO 100% High grade Underground Cu – Zn VMS	
<b>Resource Reserve 30 June 2015 <sup>(1)</sup></b>	67,000t Cu, 294,000t Zn & 15.4Moz Ag 20,000t Cu, 88,000t Zn & 4.7Moz Ag	
<b>Production Guidance FY17</b>	39,000 to 43,000t Zn in concentrate 4,600 to 5,100t Cu in concentrate	
<b>Operating cost Guidance FY17</b>	Payable Cash cost A\$0.70 to 0.80/lb Zn	
<b>Capital Guidance FY17</b>	Sustaining A\$8 to 9M	Development A\$12 to 13M
<b>Exploration Budget Guidance FY17</b>	A\$3 to 4M	

### Key developments and potential

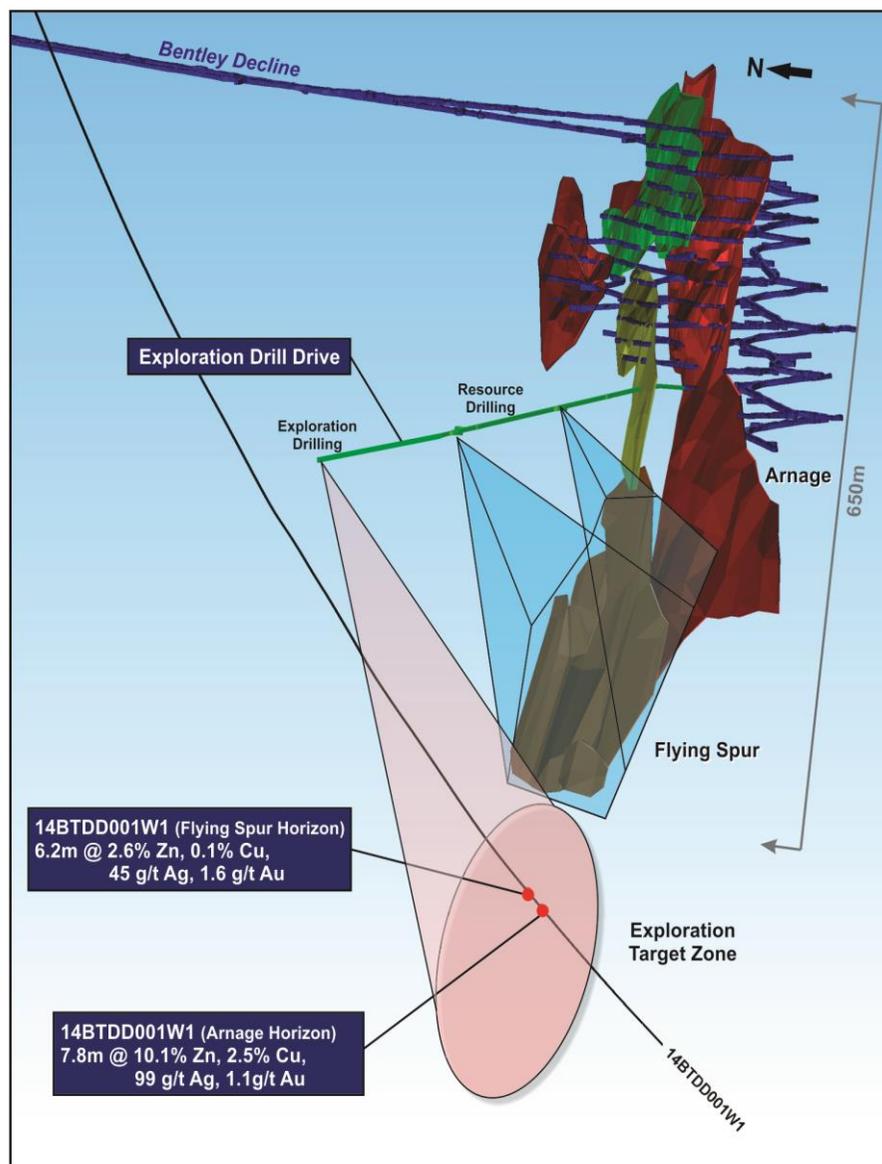
- Record mining and milling rates since project inception achieved in FY16
- Bentley Mineral Resources open down plunge
- Opportunities to extend and test new areas of prospective stratigraphy identified



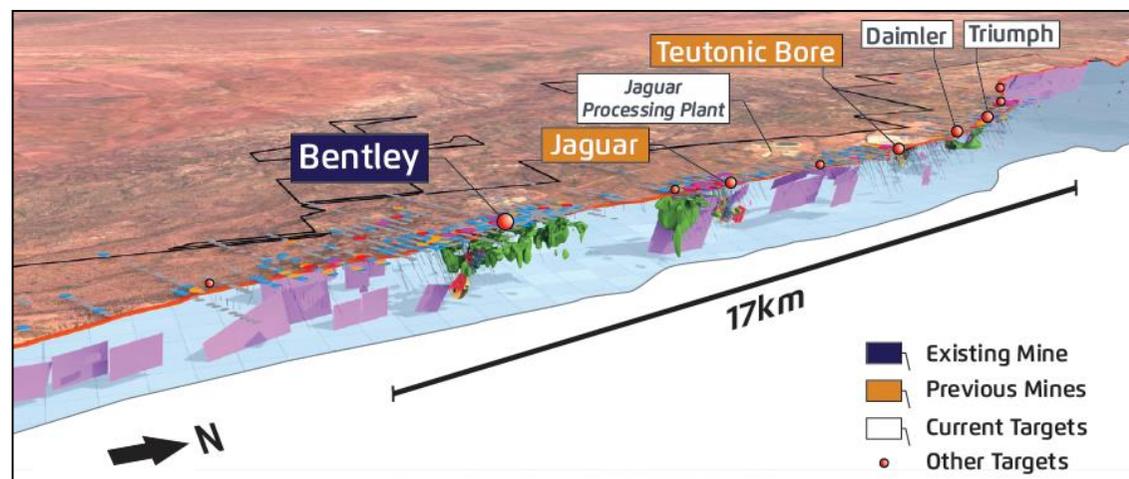
1) Resources shown are inclusive of Reserves, For further information on Mineral Resources and Ore Reserves refer to ASX release dated 28 October 2015

# Jaguar Mine

## Resource extension and regional opportunities



- Opportunities to extend mineralisation and Resources down plunge at the Bentley mine
- 50km long prospective corridor
- Potential to discover VMS mineralisation under cover along strike from known deposits



1) For further information see ASX announcement – Significant new drill results at Jaguar project dated 22 September 2014

# Long Mine

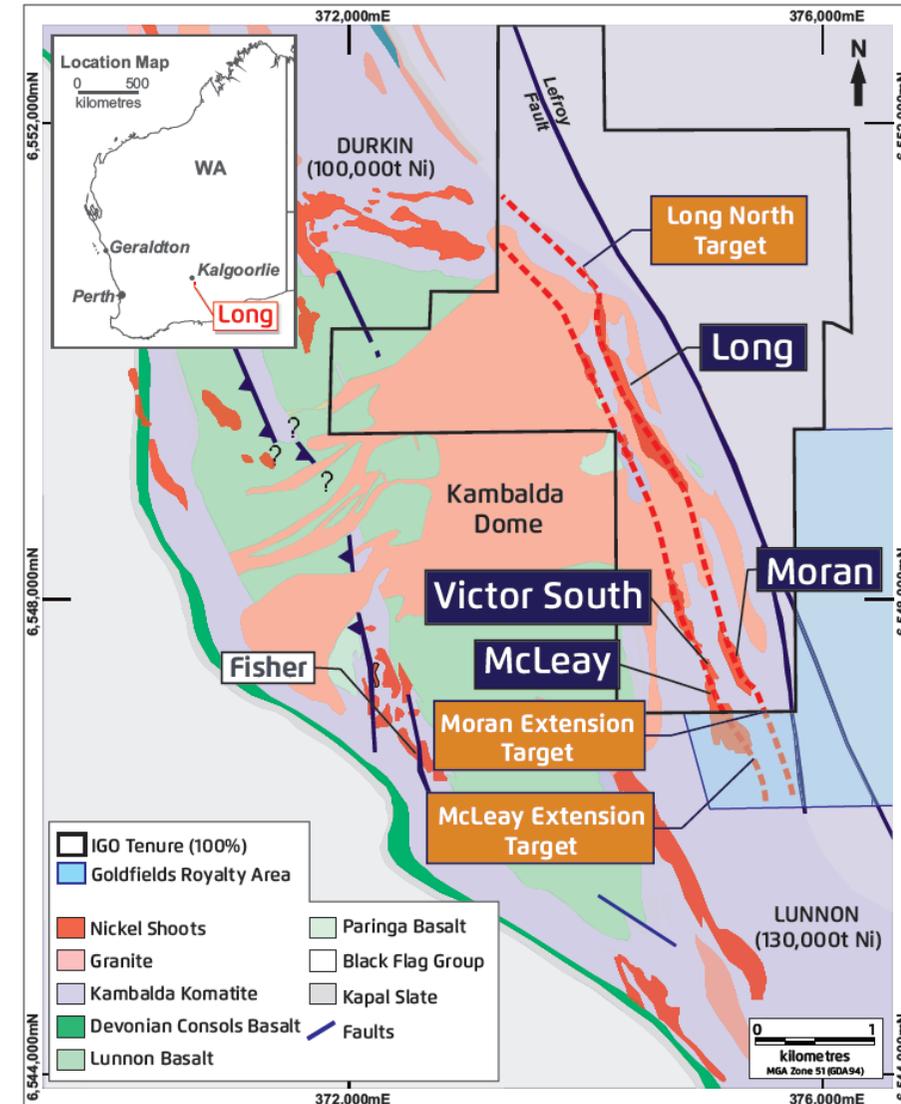


## High grade underground nickel on the Kambalda dome

<b>Overview</b>	IGO 100% high-margin underground nickel Average grade project to date of 3.8% Ni Consistent low cost producer
<b>Resource Reserve 30 June 2015 <sup>(1)</sup></b>	66,000 Ni t 22,000 Ni t
<b>Production Guidance FY17</b>	7,400 to 8,200 Ni t
<b>Operating cost Guidance FY17</b>	A\$3.50 to 3.90/lb
<b>Capital Guidance FY17</b>	A\$1M
<b>Exploration Budget Guidance FY17</b>	A\$2 to 3M

### Key developments and potential

- Operations restructured in response to challenging nickel prices during FY16
- Successfully transitioned to new operating plan
- Consistently delivering higher operating margins and improved productivity
- Recommended in-mine exploration



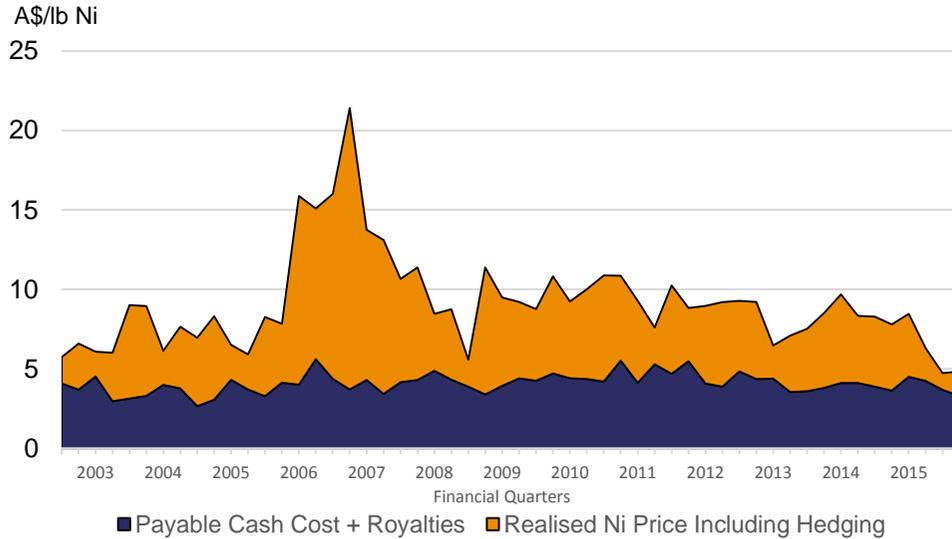
<sup>1)</sup> Resources shown are inclusive of Reserves, For further information on Mineral Resources and Ore Reserves refer to ASX release dated 28 October 2015

# Long Mine

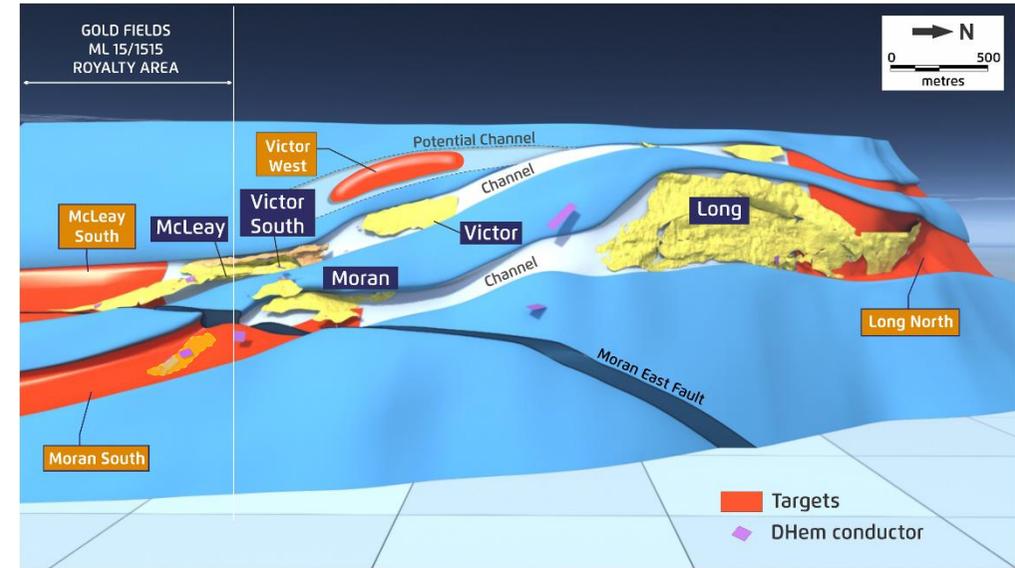
## Consistent low cash cost production



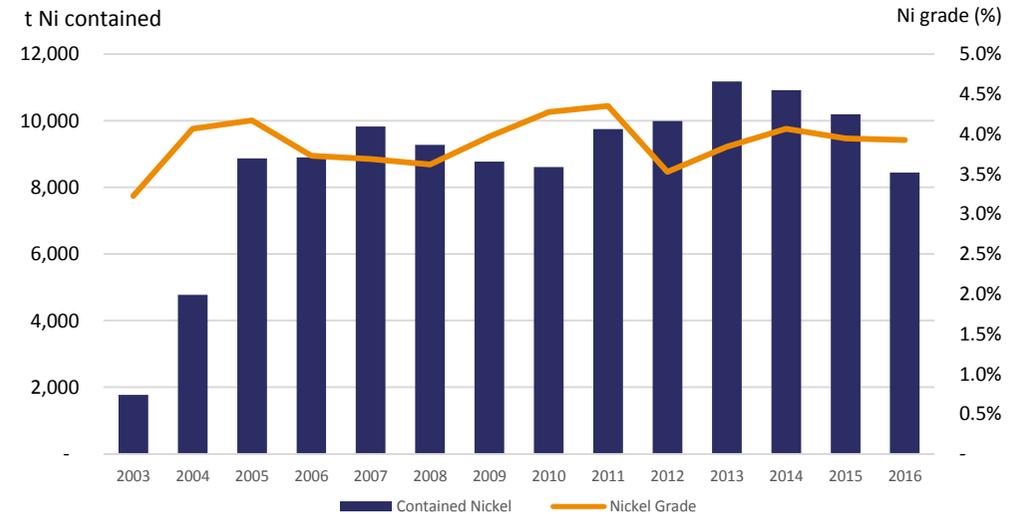
Historical Quarterly Cash Cost & Realised Price



- History of increasing reserve and mine life
- TEM geophysical technology
  - Discoveries of Moran and McLeay using technology
- Recommended in-mine exploration at Long targeting extensions to Life of Mine



Historical Annual Contained Nickel Mined & Nickel Grade



# Exploration

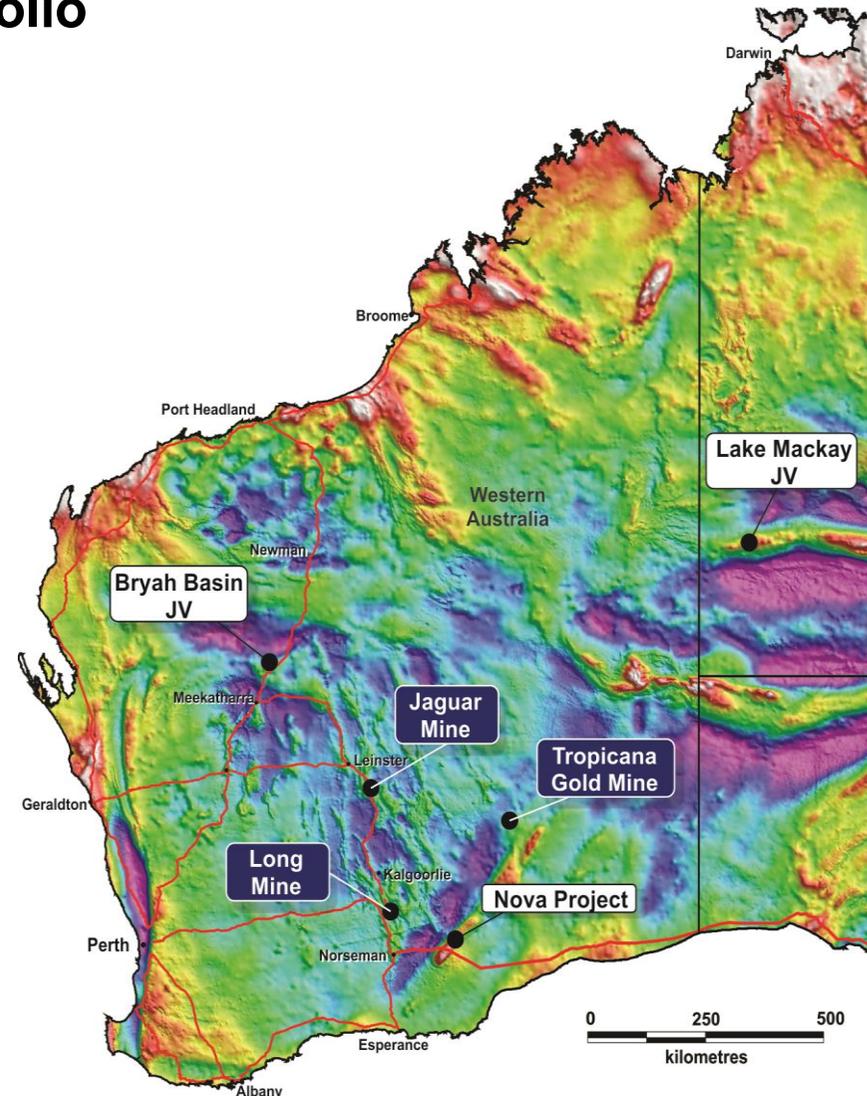
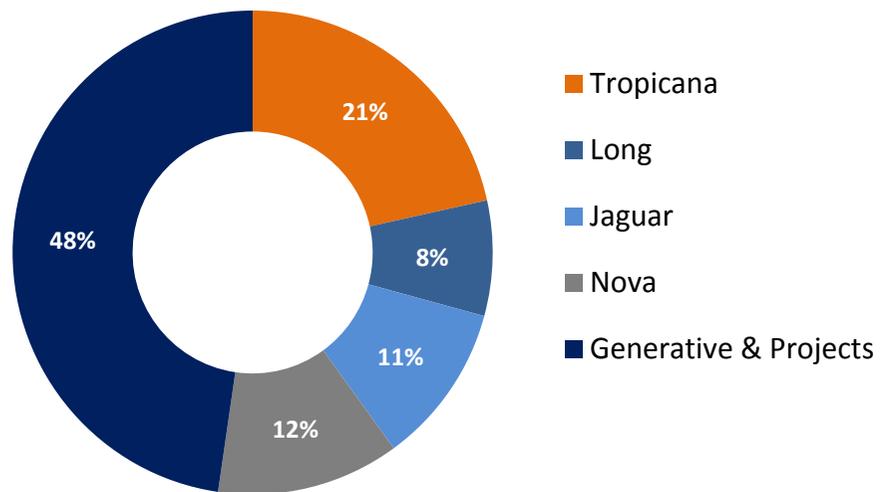


IGO remains committed to delivering growth through exploration

## A\$33M exploration budgeted across portfolio

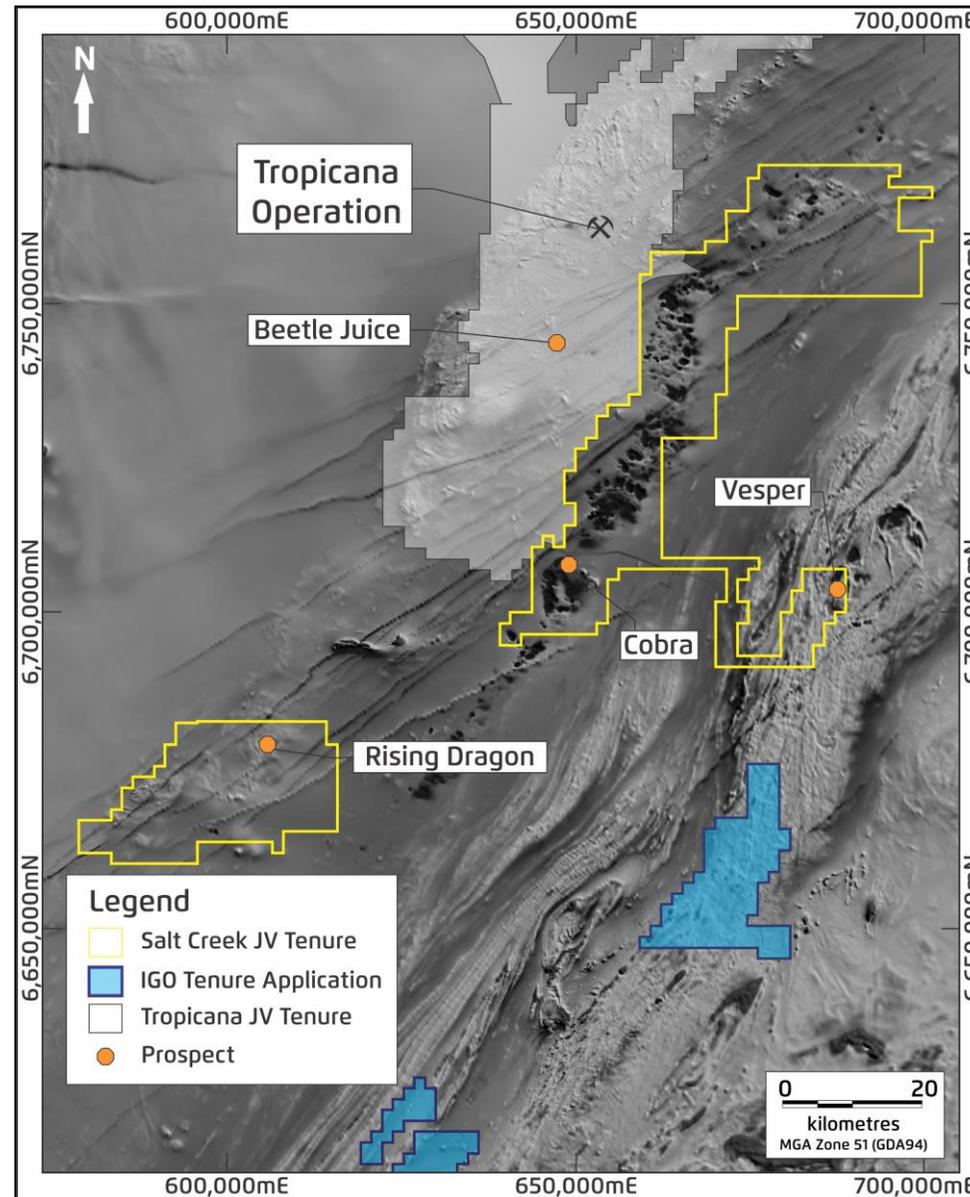
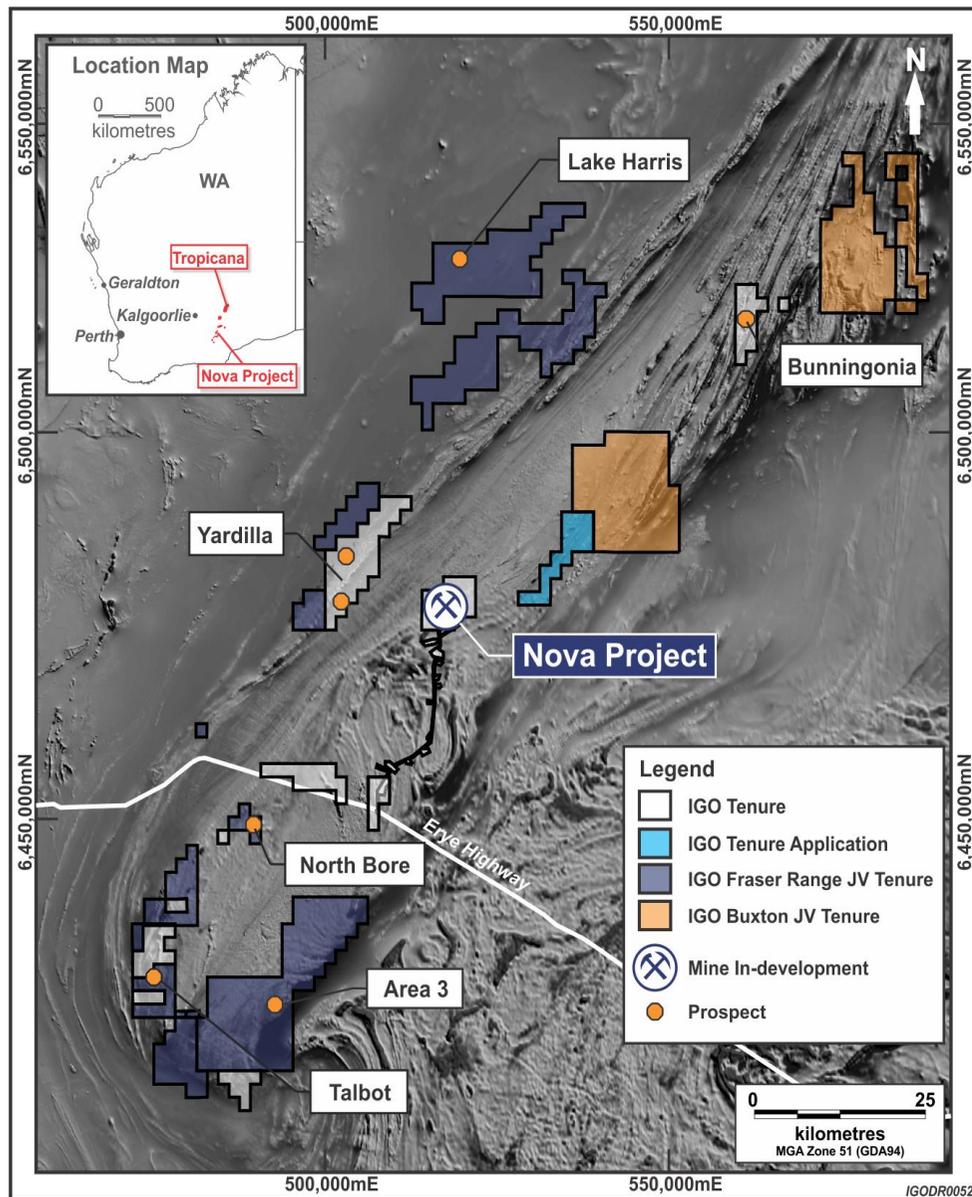
- Targeting provinces that can deliver multiple gold and base metals projects
- Increasing focus on generative and greenfields projects

FY17 Exploration Budget



# Nova – Tropicana Belt

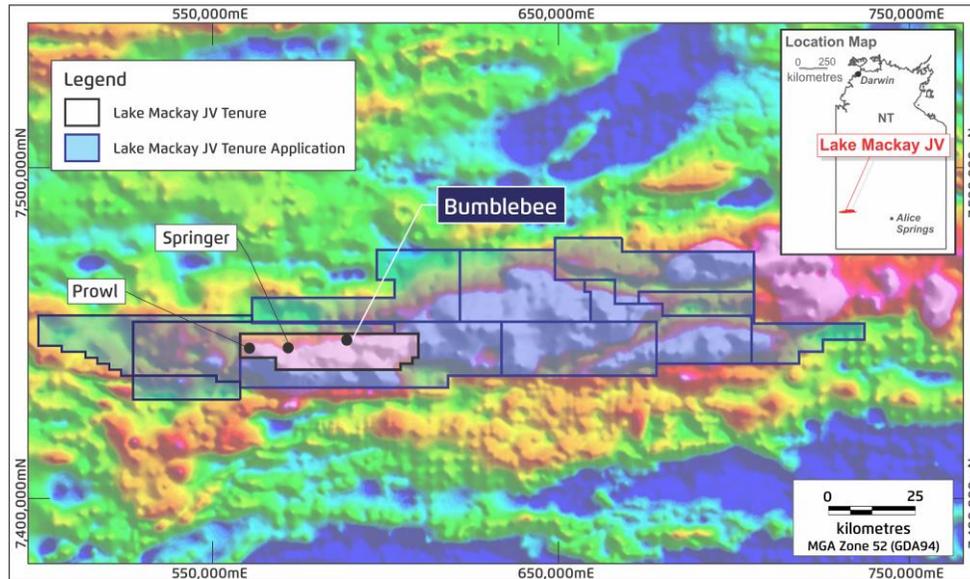
Two of Australia's best exploration discoveries in the last 15 years



# Partnering to unlock opportunities

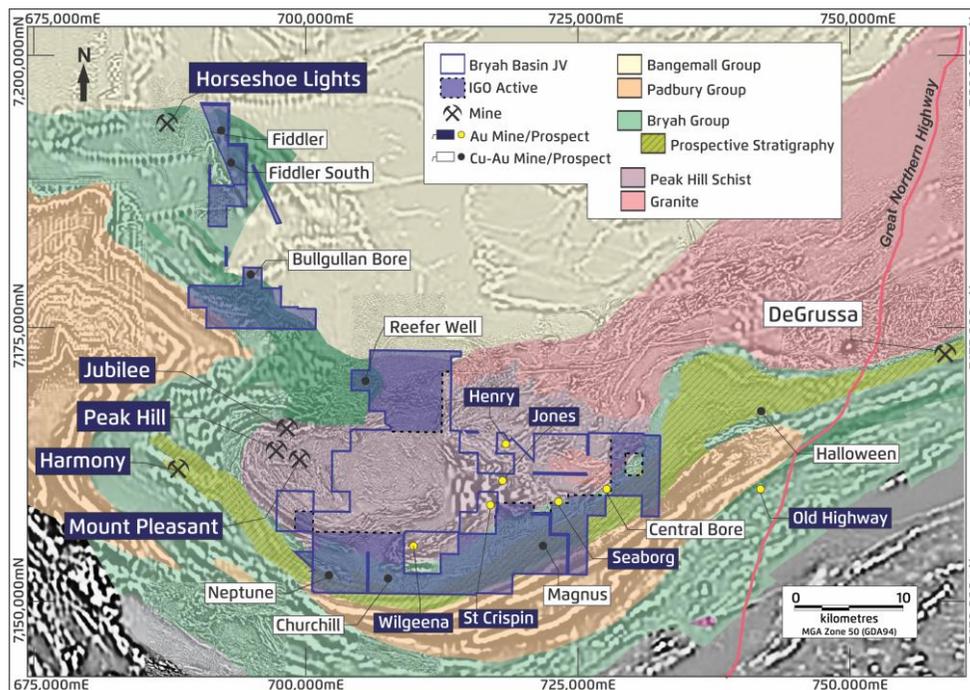


Focussed on belt scale opportunities with potential for Tier 1 assets



## Lake Mackay JV

- Partnered with ABM Resources NL
- IGO has an option to earn 70% interest
- 400km northwest of Alice Springs
- Sparsely explored Proterozoic terrane
- Prospective for gold and base metals

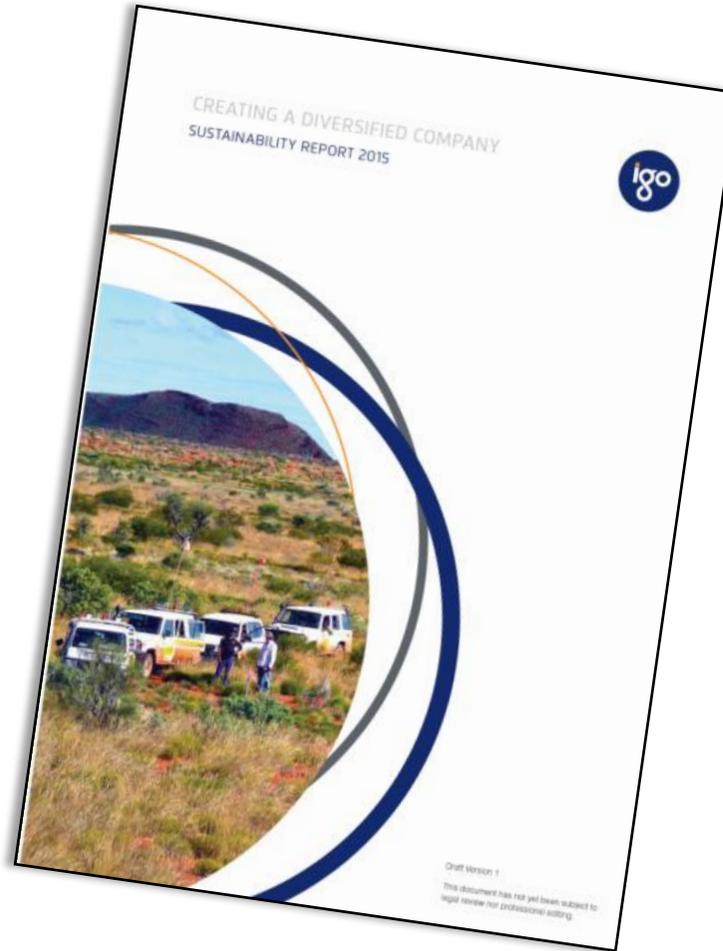


## Bryah Basin JV

- Partnered with Alchemy Resources Limited
- IGO can earn 70% - 80% interest
- 40km west of the DeGrussa Cu-Au VMS
- Covers the prospective Narracoota Volcanic – Karaluni Formation host stratigraphy
- Prospective for Cu-Au VMS deposits

# Sustainability

Continued strengthening and improvement across the business



# IGO Summary

Diversified mining company delivering cash flow and growth



QUALITY  
DIVERSIFIED  
ASSETS

LEADING  
GROWTH  
PORTFOLIO

STRONG AND  
CONSISTENT  
OPERATIONAL  
PERFORMANCE

## Outlook and catalysts for value recognition

- Tropicana processing capacity to reach 7.0 – 7.5Mtpa
- Long Island Study results throughout H1 FY17
- Continued de-risking of the Nova Project in preparation for commissioning
- Nova first production in December 2016
- Access drilling positions to commence in mine exploration around the Nova orebody
- Commitment to explore a portfolio of brownfields and greenfields exploration projects