

INDEPENDENCE GROUP NL

Diggers and Dealers Mining Forum 2018

Peter Bradford, Managing Director and CEO



7 August 2018

ASX:IGO / ADR:IIDY

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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 should be read in conjunction with IGO’s 2018 Mineral Resource and Ore Reserve announcement dated 26 July 2018 and lodged with the ASX, which is available on the IGO website.
- All currency amounts in Australian Dollars unless otherwise noted.
- Net Debt is outstanding debt less cash balances.
- 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 27 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, redundancy and restructuring costs, depreciation and amortisation, and once-off transaction costs.
- Underlying NPAT comprises net profit (loss) after tax adjusted for; post tax effect of acquisition and integration costs, and impairments.
- Free Cash Flow comprises Net Cash Flow from Operating Activities and Net Cash Flow from Investing Activities. Underlying adjustments exclude acquisition costs, proceeds from investment sales and payments for investments.

Presentation Focus:

- Introduction
- FY18 & FY19
- Tropicana & Nova
- EV Batteries & the opportunity for Nickel & IGO
- Discovery
- People



Intro





Focus on high quality, long life assets that deliver great financial outcomes

ASX	IGO
Base	Perth, WA
Market Cap⁽¹⁾	A\$2.5 Billion
Cash⁽²⁾	A\$139M
Debt⁽²⁾	A\$143M
Dividend Policy	>30% NPAT

1) As at market close 3 Aug 2018

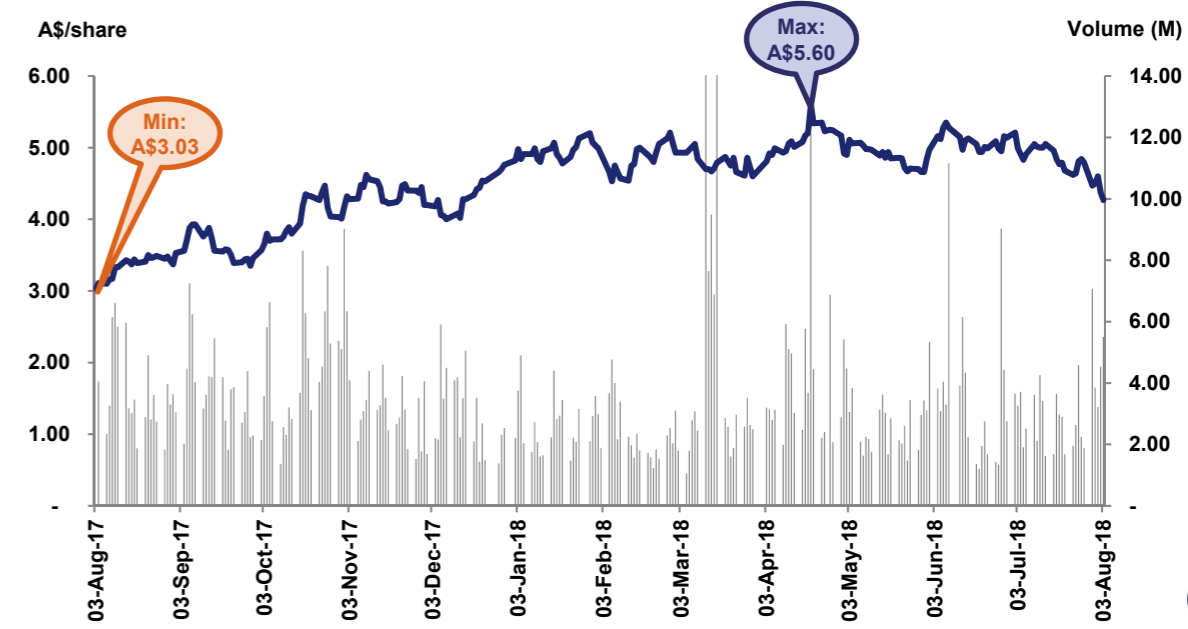
2) As at 30 Jun 2018

3) As at 26 Jun 2018

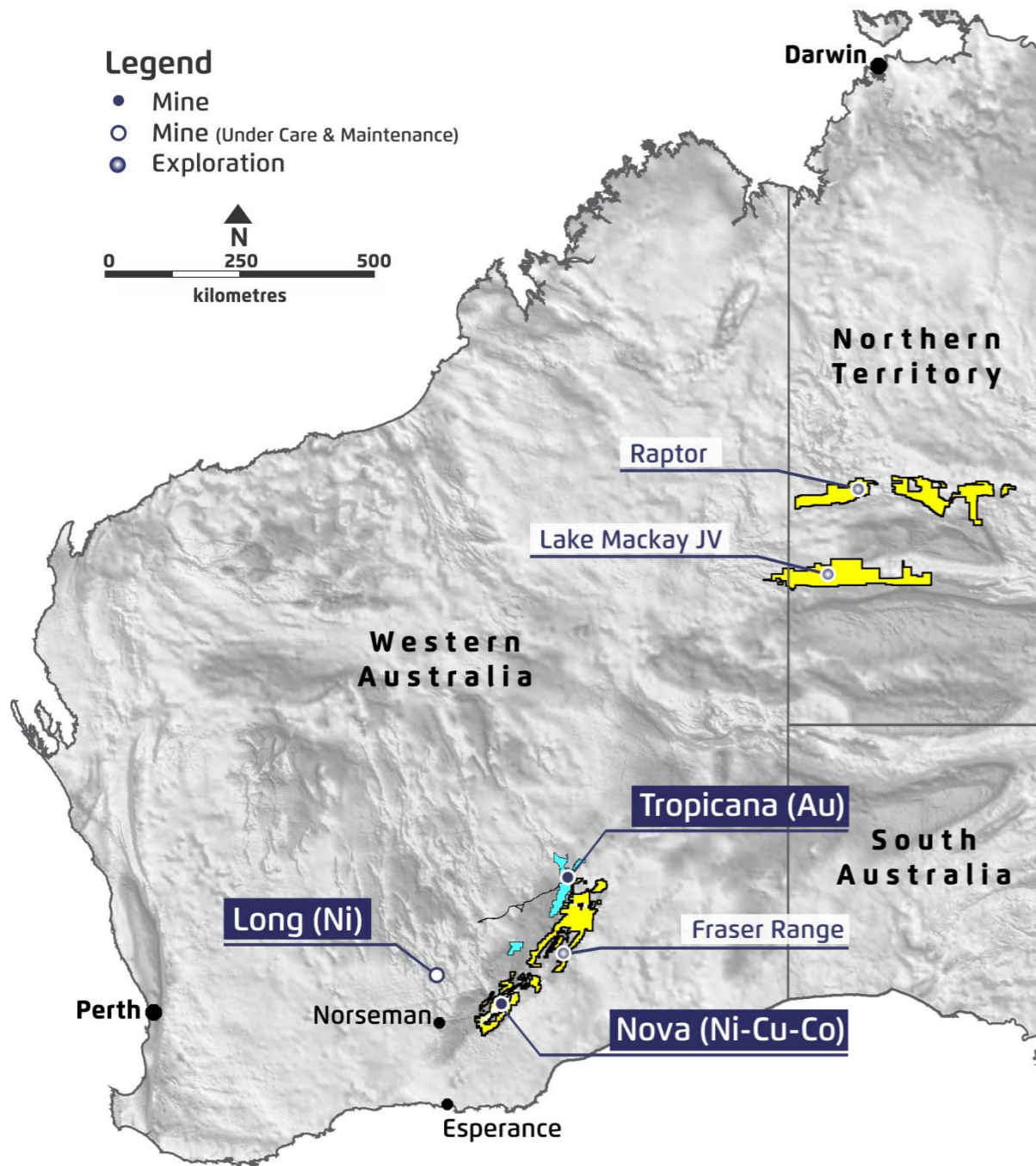
Share Ownership

Substantial Holders ⁽¹⁾		Institutional Ownership ⁽³⁾	
Mark Creasy	16%	Australia	69%
FIL	9%	USA	21%
T Rowe Price	8%	UK & Europe	6%
CBA	6%	ROW	4%
Ausbil	5%		

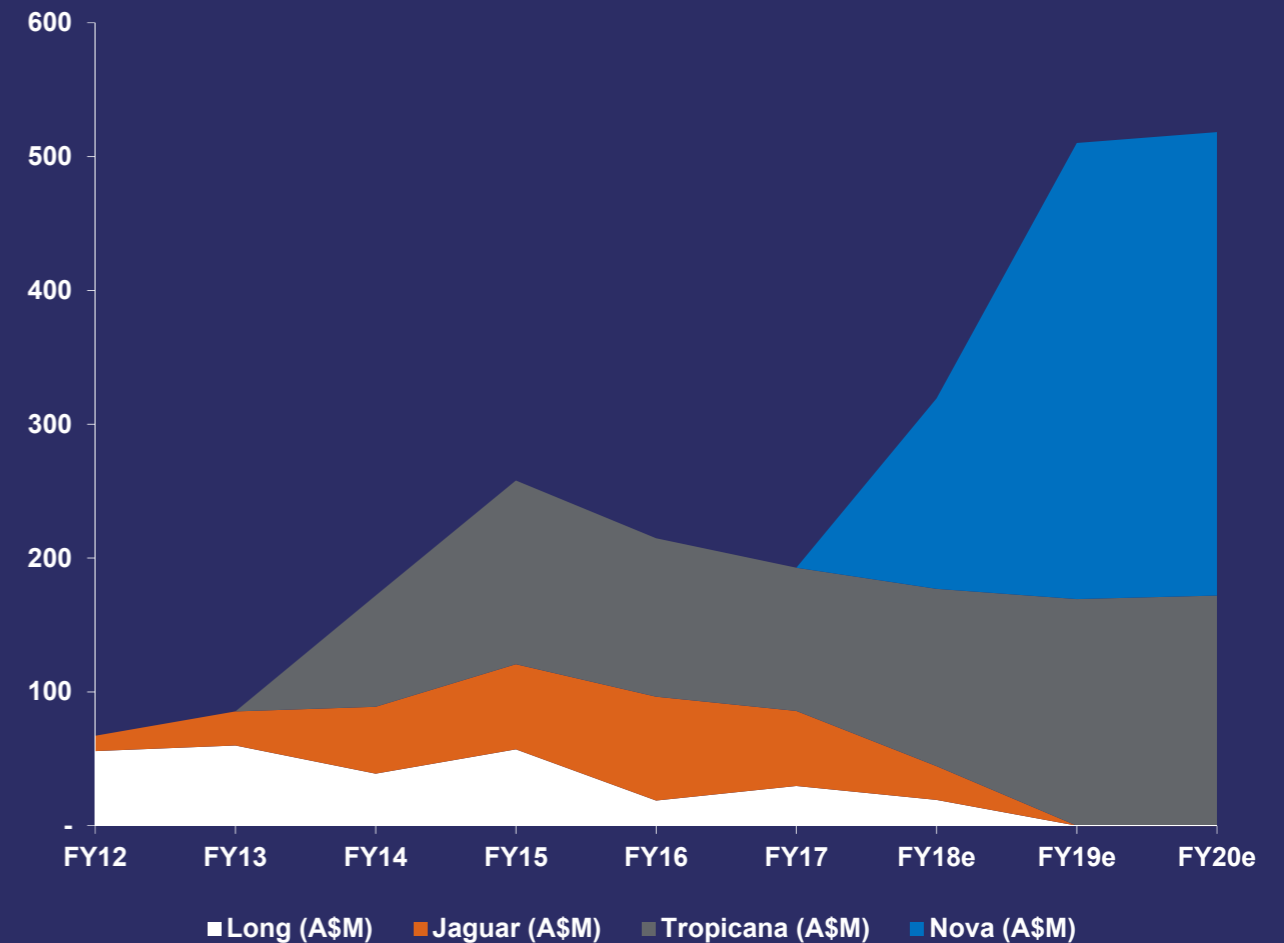
Share Price Performance⁽¹⁾



Future portfolio to focus on minerals critical to energy storage



IGO EBITDA Profile (A\$M)⁽¹⁾



1) Macquarie Research – 30 Jul 2018



FY18 & FY19

FY18 Highlights

- Record revenue and underlying EBITDA for FY18⁽¹⁾
- Successful first year of commercial production at Nova
- Significant value enhancement programs continued at Tropicana
- Long Operation transitioned into Care & Maintenance
- Jaguar divestment completed for total consideration of A\$73M
- Cash balance A\$139M and net debt of A\$4M

1) Unaudited FY18 results

FY19 Guidance⁽¹⁾

Nova is fully de-risked by grade control drilling

Metric	Units	FY19 Guidance
Nickel in concentrate	t	27,000 – 30,000
Copper in concentrate	t	11,000 – 12,500
Cobalt in concentrate	t	850 – 950
Cash cost (payable)	A\$/lb Ni	1.65 – 2.00
Sustaining/Improvement Capex	A\$M	21 – 24
Development capex	A\$M	25 – 28

A stronger year is projected for FY19 at Tropicana

Metric	Units	FY19 Guidance
Gold produced (100%)	koz	500 – 550
Gold sold (IGO 30%)	koz	150 – 165
Cash cost	A\$/oz	635 – 705
AISC	A\$/oz	890 – 980
Sustaining/Improvement capex	A\$M	21 – 24
Capitalised waste stripping	A\$M	32 – 36

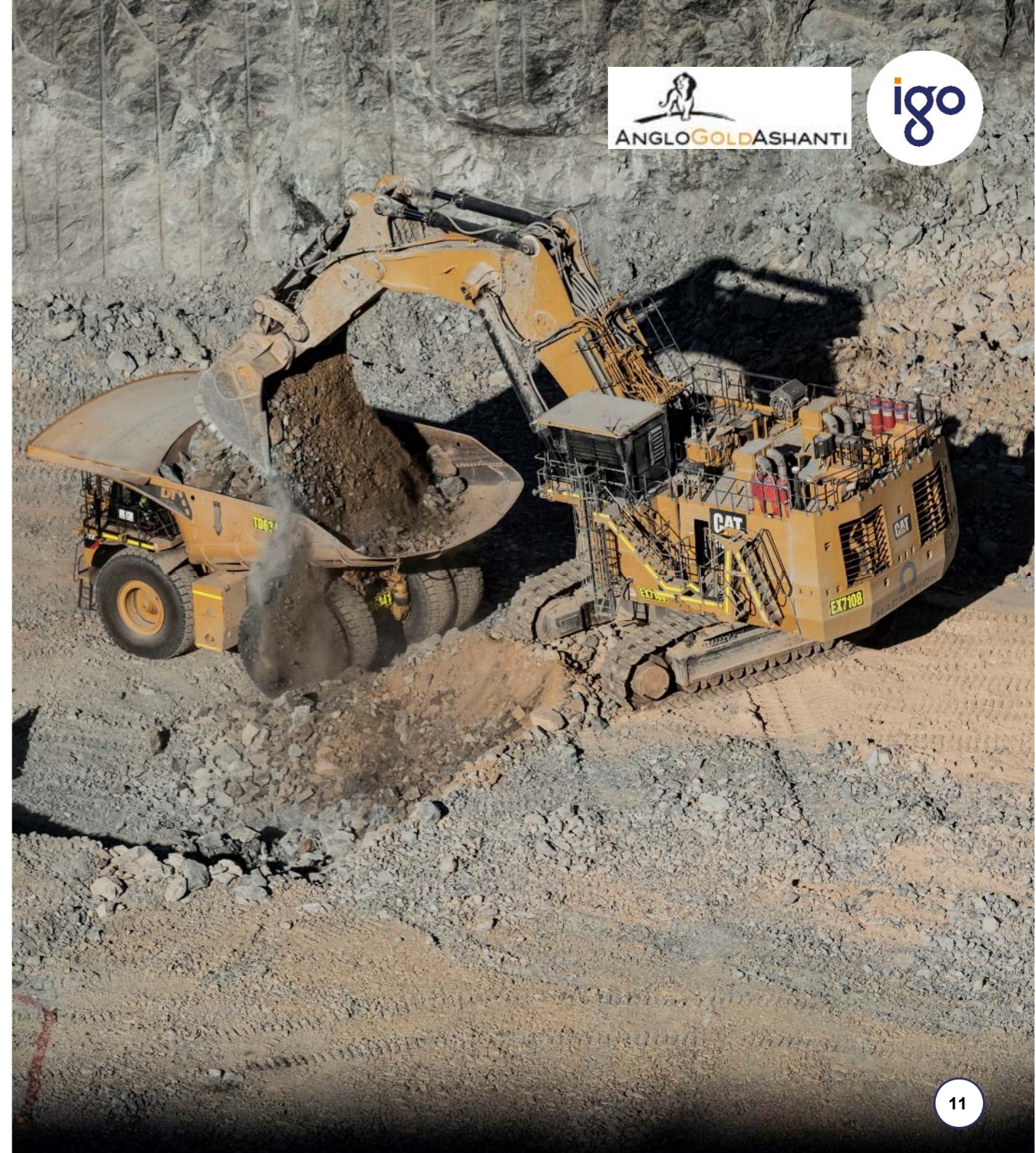
1) Refer to ASX release dated 27 Jul 2018: IGO June 2018 Quarterly Report



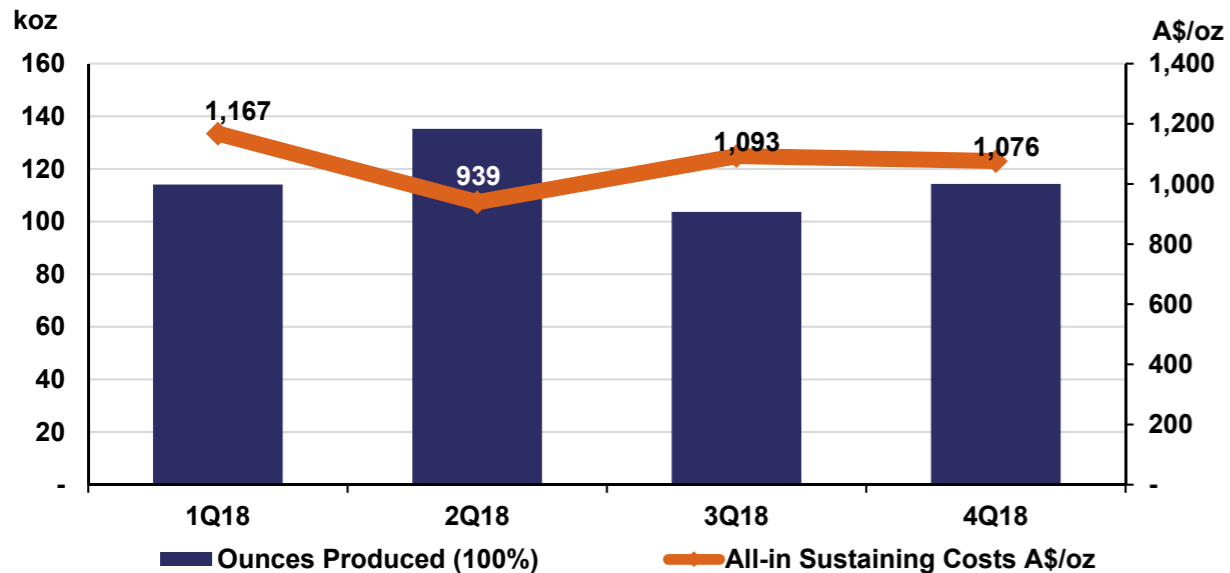
Tropicana

Tropicana

- 330km NE of Kalgoorlie
- 525,000oz gold production (100%) at A\$935/oz AISC⁽¹⁾
- ~10 year mine life remaining
- Upside potential



Tropicana Production (100%) & AISC



1) Refer to ASX release dated 27 Jul 2018: IGO June 2018 Quarterly Report

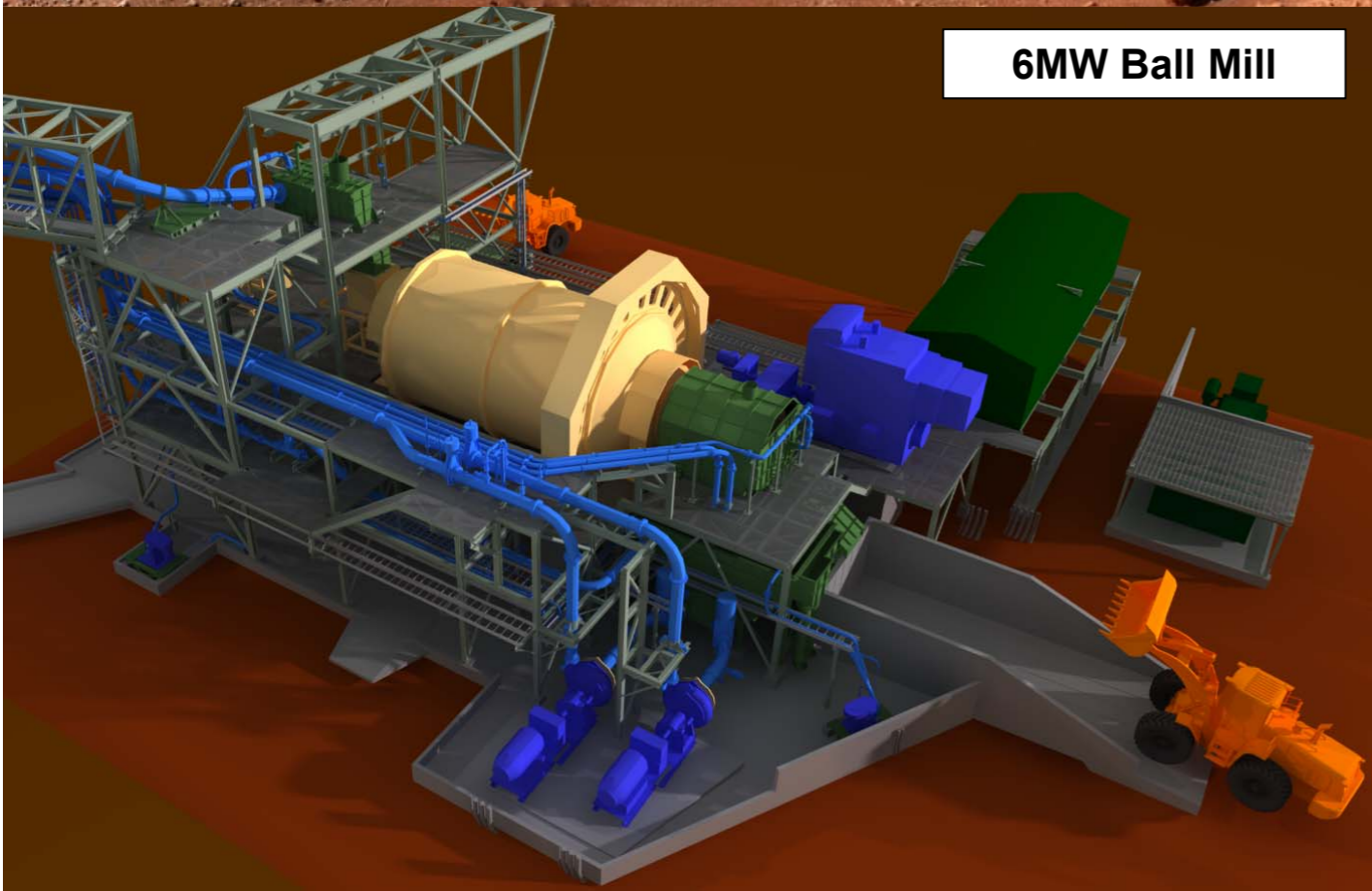
Backfilling



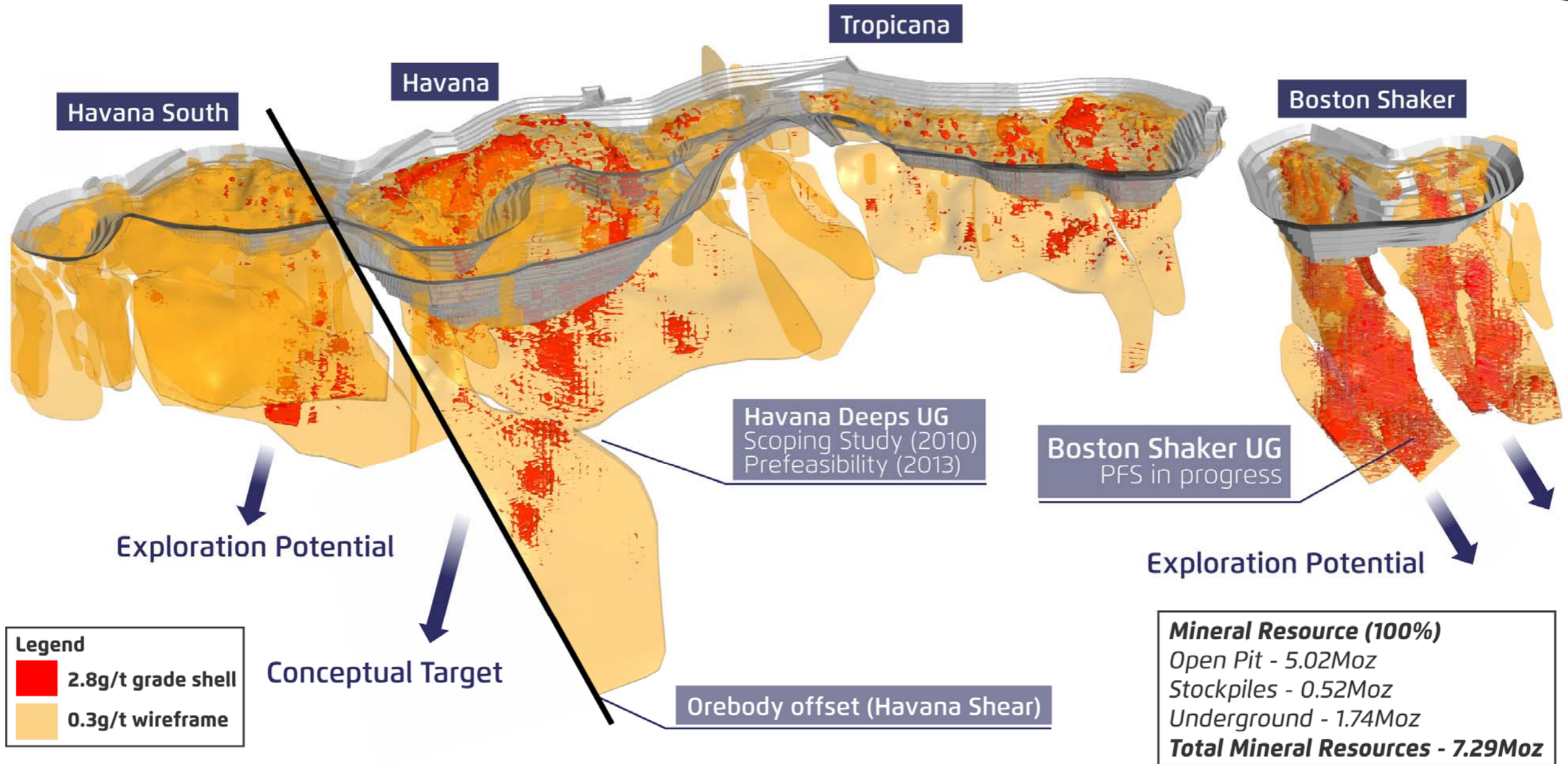
Tropicana value drivers

- Grade streaming drives FY19-FY20 gold production and costs
- Long Island underpins mine life
- Additional ball mill delivers lift in scale and gold recovery
 - Construction commenced
 - Commissioning by end CY18
- Underground potential being advanced

6MW Ball Mill



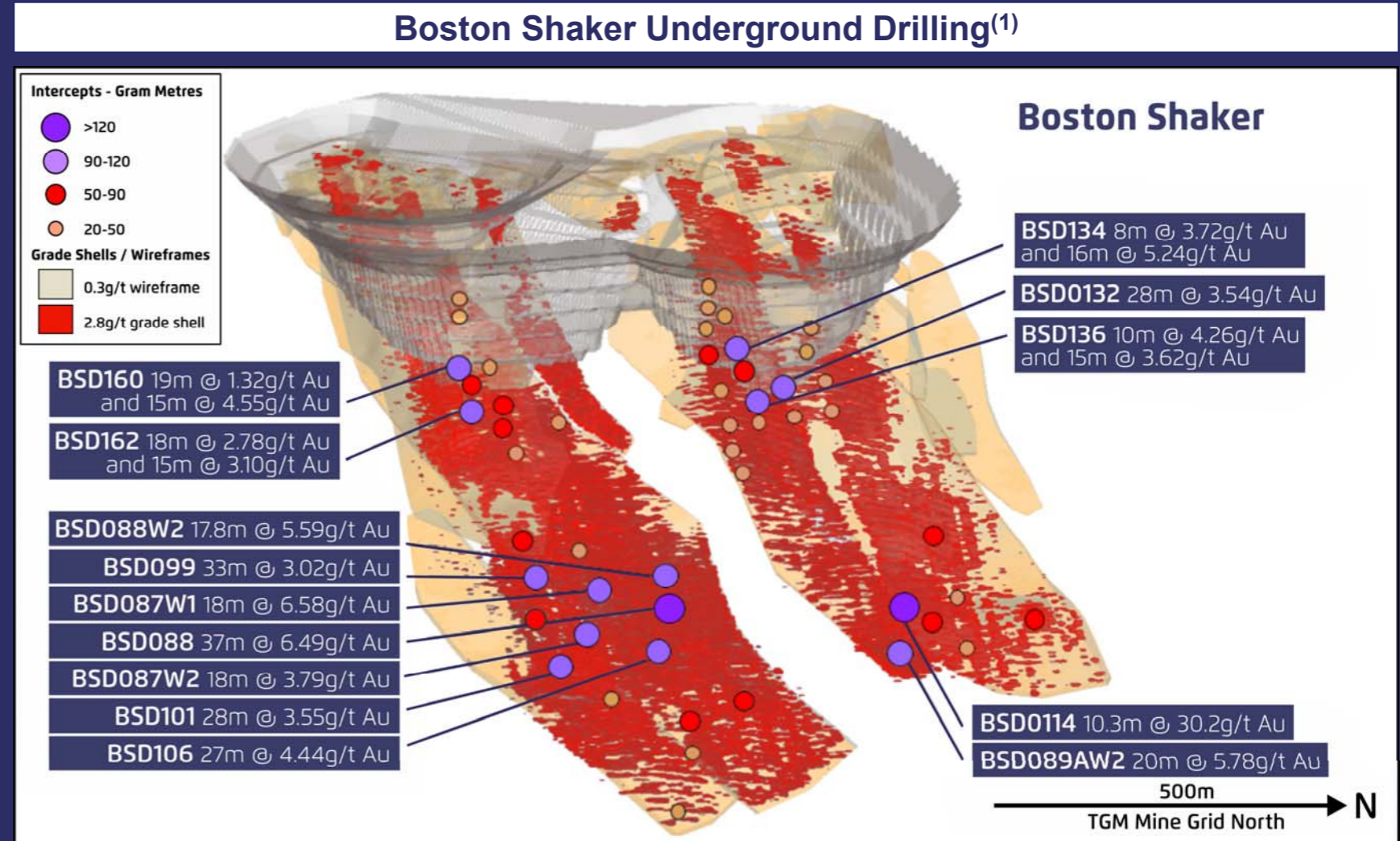
Tropicana – 5km strike of mineralisation



1) Refer to AGA ASX release dated 3 Aug 2018: Tropicana Site Visit

Reserve extension opportunities

- Boston Shaker underground study expected 2Q19
- Future underground assessment at Havana and Havana South
- Regional exploration along 160km of strike on 3,000km²



1) Refer to AGA ASX release dated 3 Aug 2018: Tropicana Site Visit

Nova

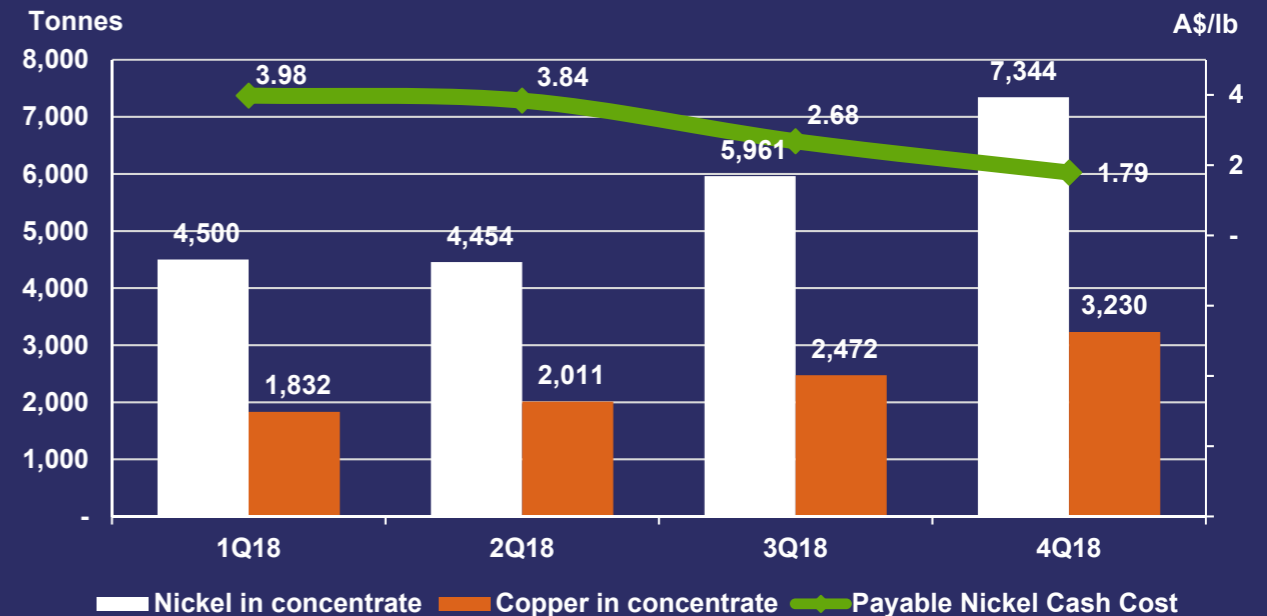




Nova

- Delivers scale, low cost, long mine life and exploration upside
- Successful first year of commercial production

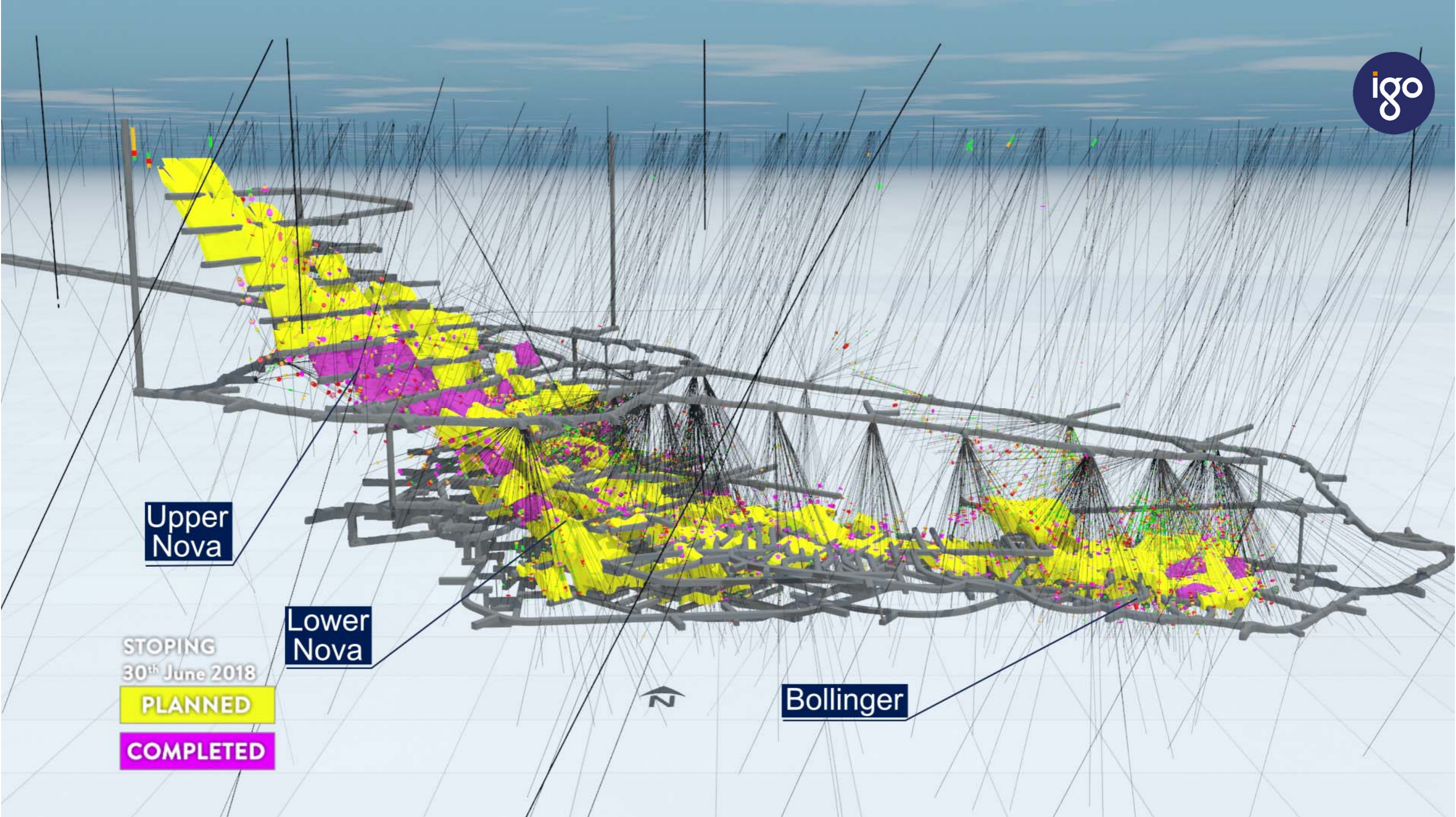
Nova Production & Payable Cash Cost



Successful first year of commercial production

- Delivered nameplate capacity of 1.5Mtpa
 - Demonstrated 1.8Mtpa mining and processing rate
- Transitioned to smaller number of larger stopes at Nova and Bollinger
- Resource model performing
- Nickel recoveries in line with or better than design recoveries





Upper
Nova

Lower
Nova

Bollinger

STOPPING
30th June 2018

PLANNED

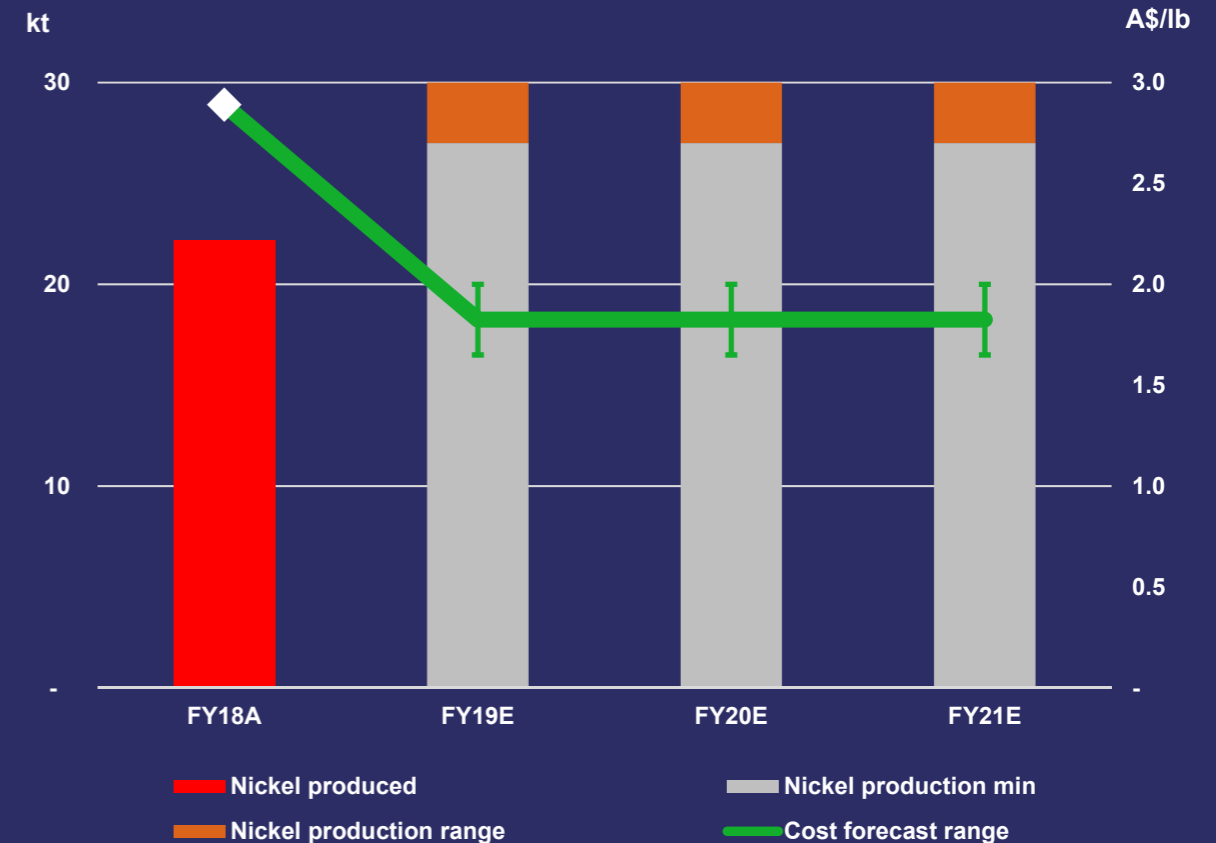
COMPLETED



Strong outlook for Nova

- Consistent and higher production rate expected next three years
- Main driver is higher grade stopes in core of Nova and Bollinger
- Assumes:
 - 1.5Mtpa mining and processing rate
 - 89% nickel recovery and 85% copper recovery

Directional Production and Cash Costs

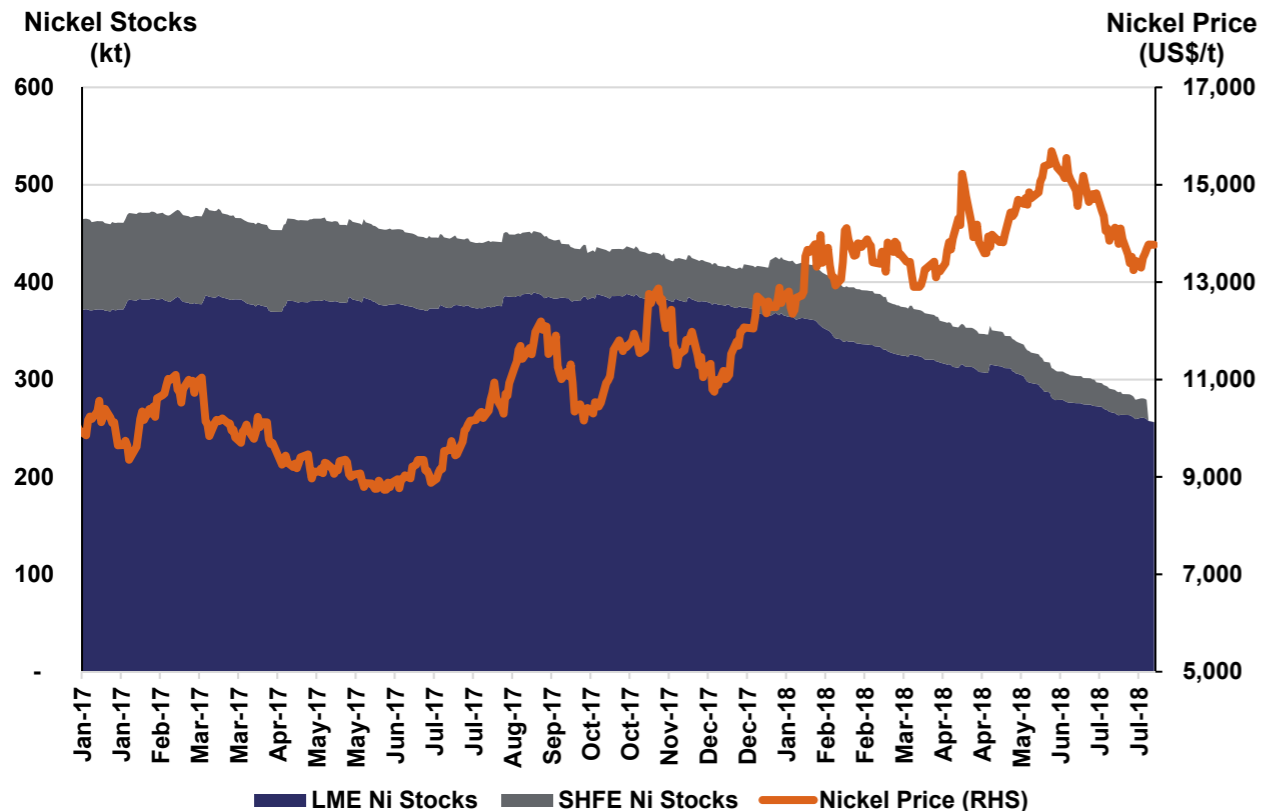


The background of the slide features a 3D wireframe rendering of three electric vehicles (EVs) parked at charging stations. The cars are shown in a blue wireframe style, revealing their internal structures. The charging stations are depicted as glowing yellow vertical pillars with charging cables. The scene is set against a dark background with a blue and yellow color palette.

EV Batteries, Nickel & IGO's Opportunity

Decreasing stockpiles and an uptick in stainless steel demand are placing pressure on the nickel price

Official Nickel Exchange Stockpiles and Price⁽¹⁾



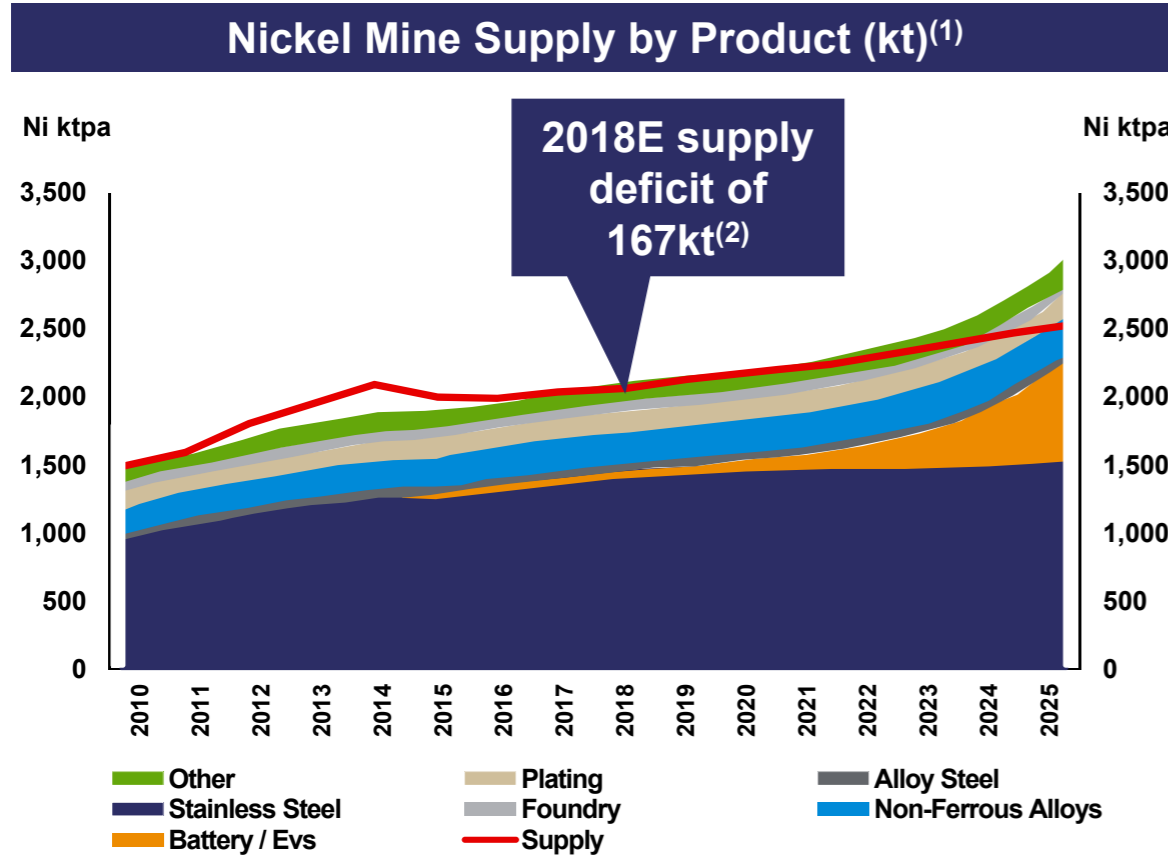
Nickel to be a big winner from EV battery demand disruption

- Market in deficit in 2016 & 2017
- Synchronous growth in USA, Europe and Asia
- 300-900kt of additional nickel required by 2025⁽²⁾

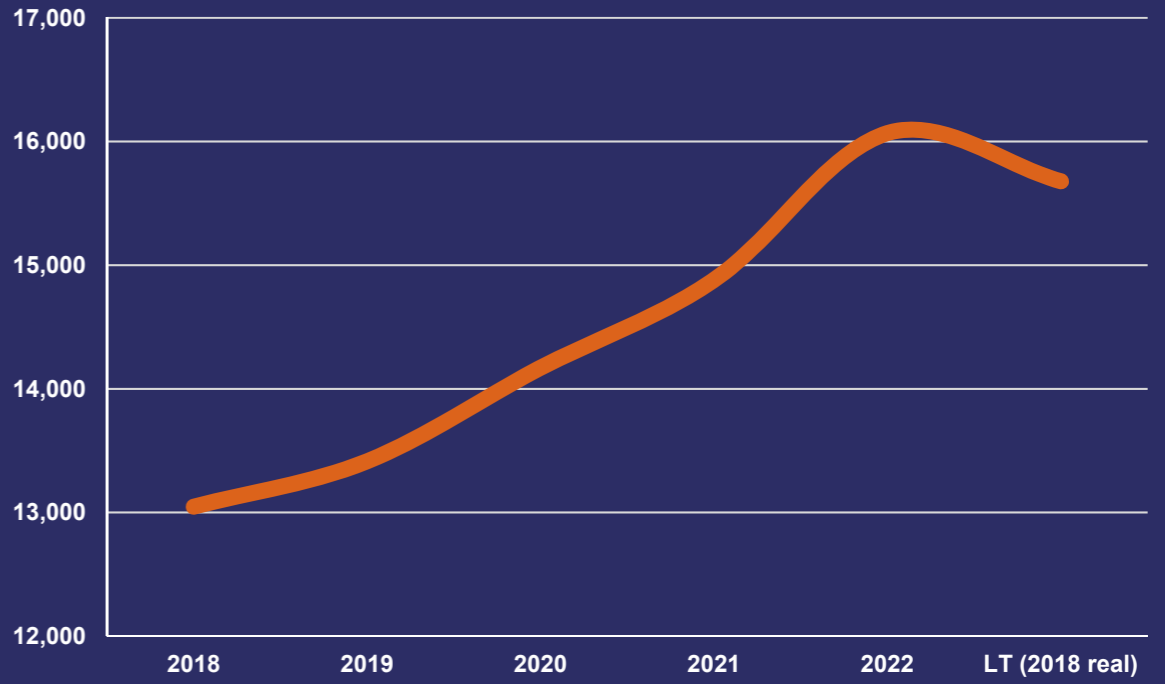
1) Source: Bloomberg

2) Source: UBS Research dated 28 Jun 2018: UBS Global I/O: Miner's Price Review, Still Got It

Expect nickel price pressure to increase as demand for EV batteries picks up after 2020



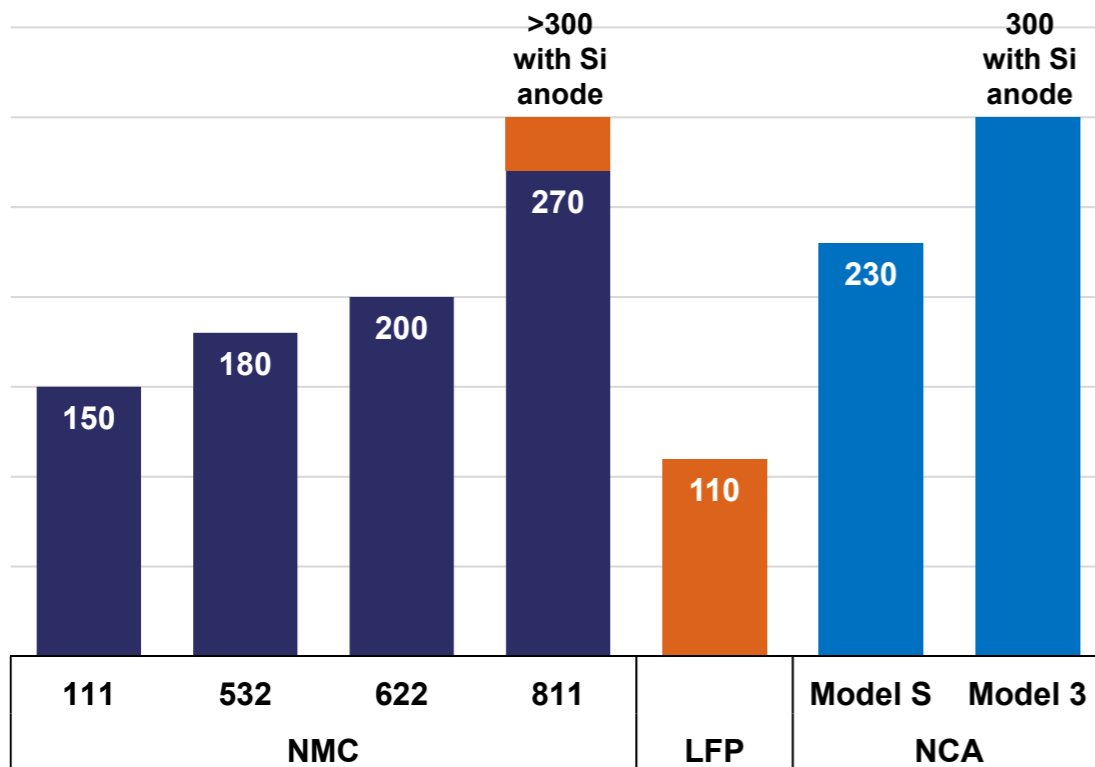
Forecast Nickel Price Consensus⁽³⁾ (US\$/t)



1) Source: UBS Research dated 1 Nov 2017 Nickel: Electric Vehicle Demand Refinements
 2) Source: UBS Research dated 28 Jun 2018: UBS Global I/O: Miner's Price Review, Still Got It
 3) Broker consensus

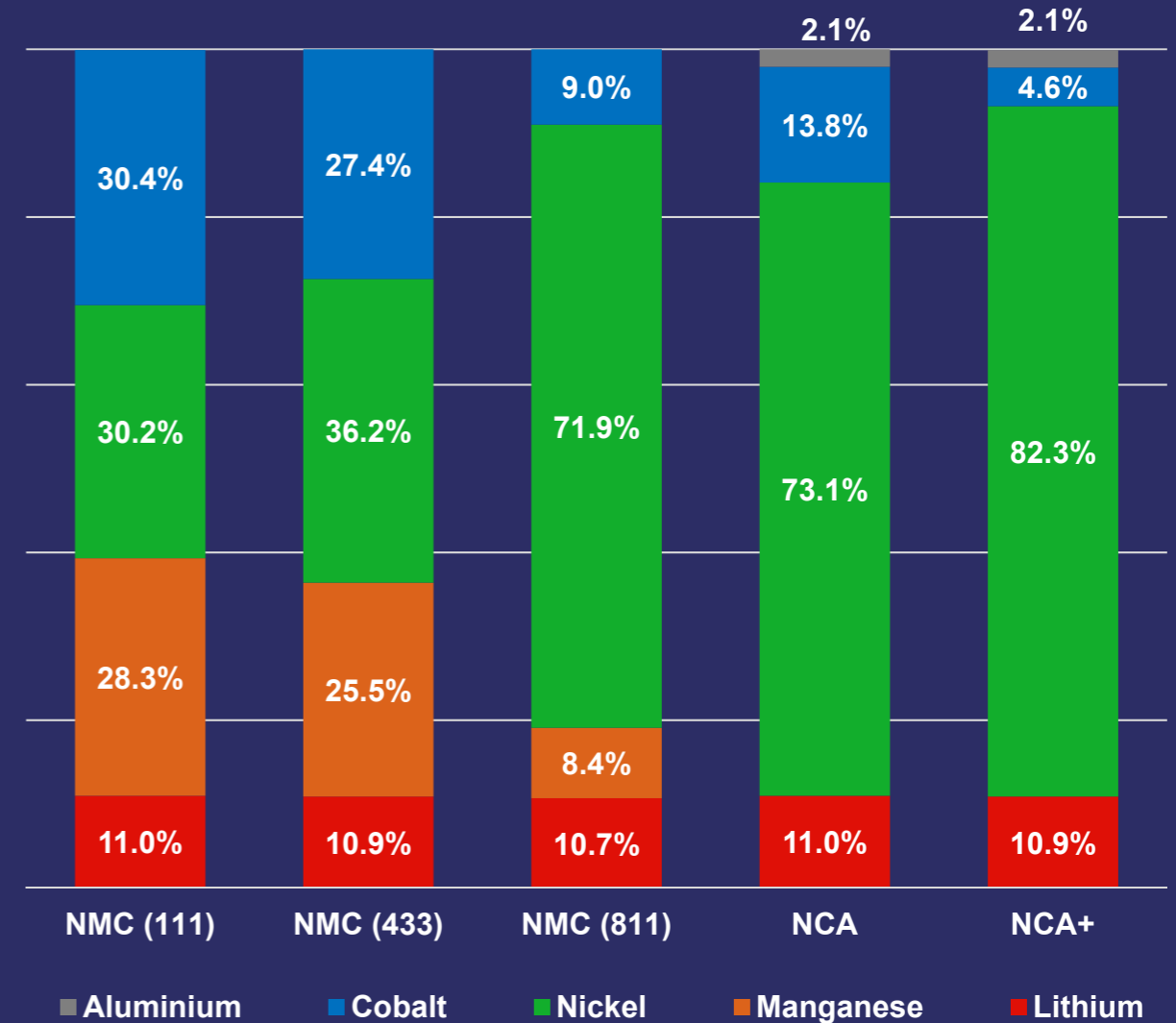
EV lithium ion battery cathodes with higher nickel content are key to enabling higher energy density

NMC Chemistry – Energy Density by Type (Wh/kg)⁽¹⁾

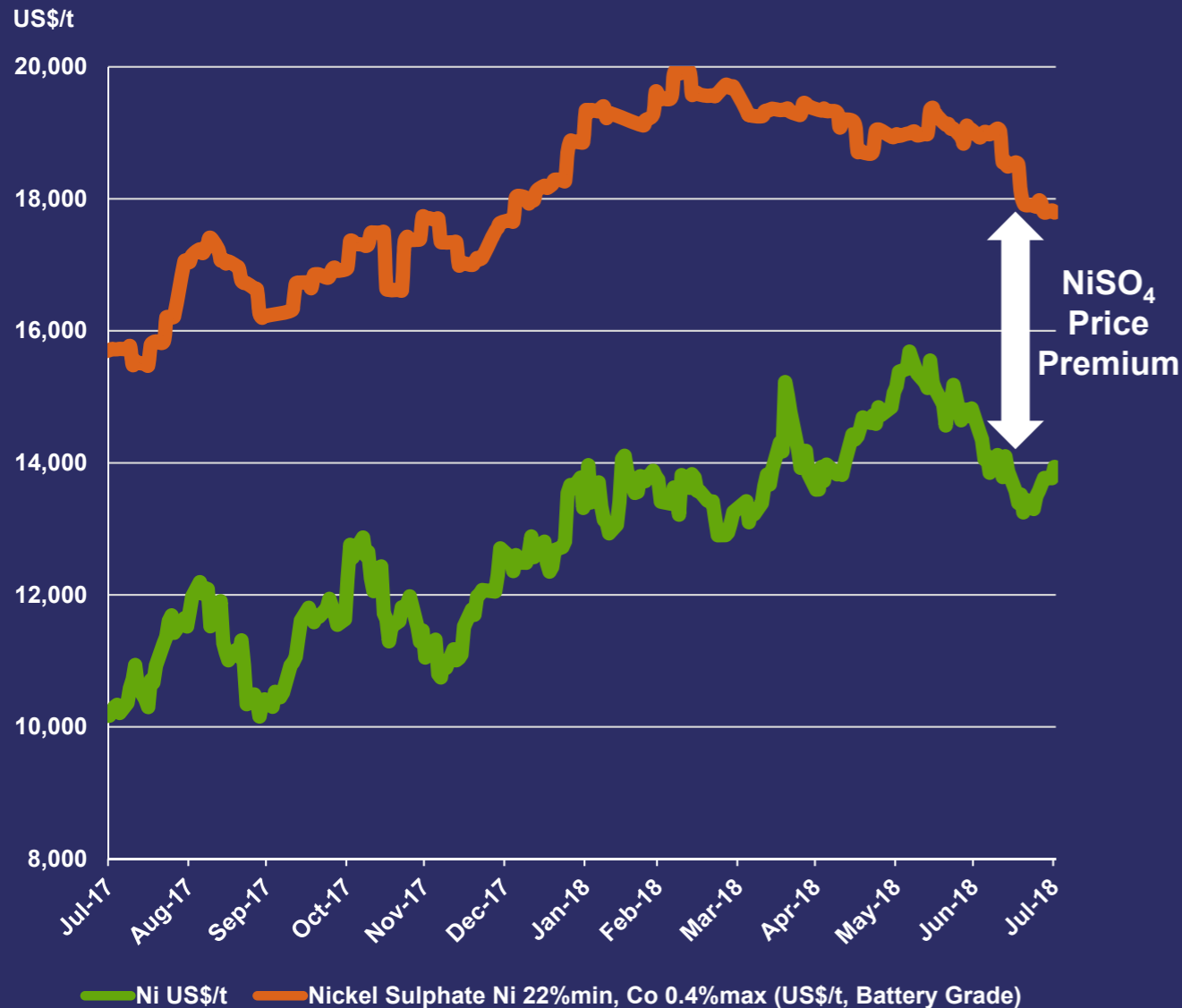


1) AB Bernstein: Electric Revolution: Investing in the car of the Future

Cathode Metal Content



LME Nickel Versus Nickel Sulphate (US\$/t)^(1,2)



Downstream processing potential at IGO

- Produce nickel and cobalt sulphates for EV batteries
- Delivers potential for higher payability, premium price and higher concentrator recoveries
- Prefeasibility underway

1) Source: Asian Metals

2) Nickel Sulphate price converted to per unit of nickel



Nickel sulphate hexahydrate crystals produced from Nova nickel concentrate

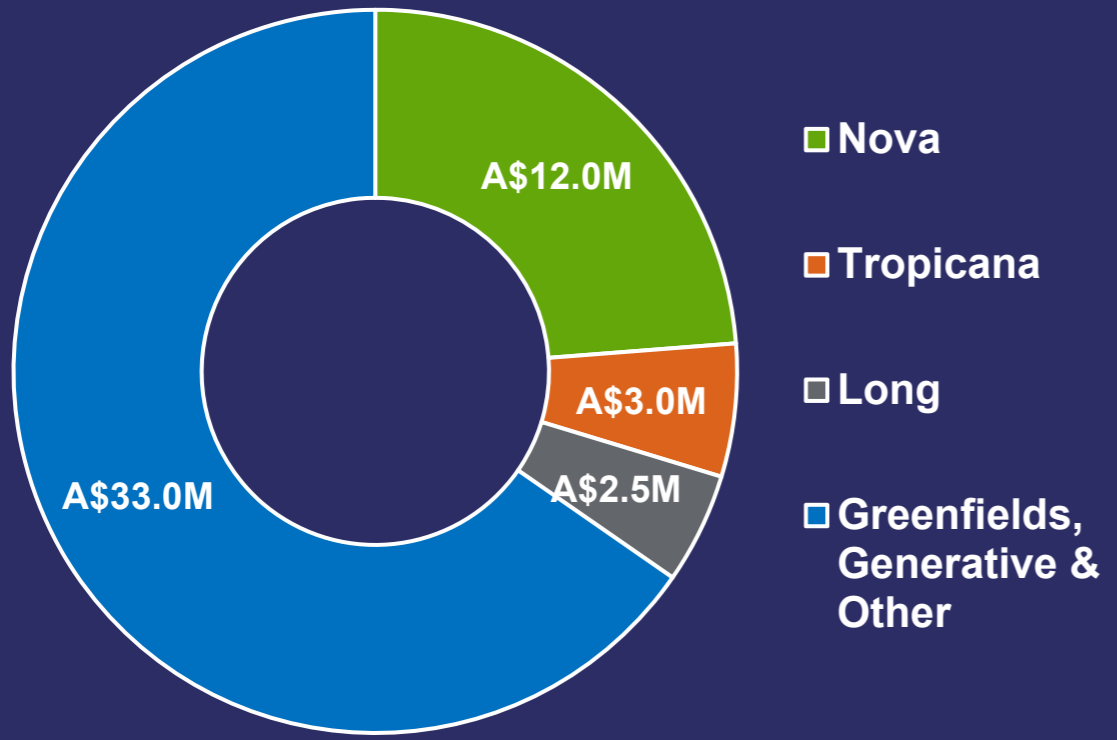
- Demonstrated technical feasibility of process route
- Validated and improved upon previous metallurgical assumptions – potential for lower capex & opex
- Expect Prefeasibility to be completed in 2Q19

1) Photographs to the LHS are of the 1.6kg of nickel sulphate hexahydrate crystals produced in the metallurgical testwork. Photography by Karel Osten, Wood Plc

Discovery

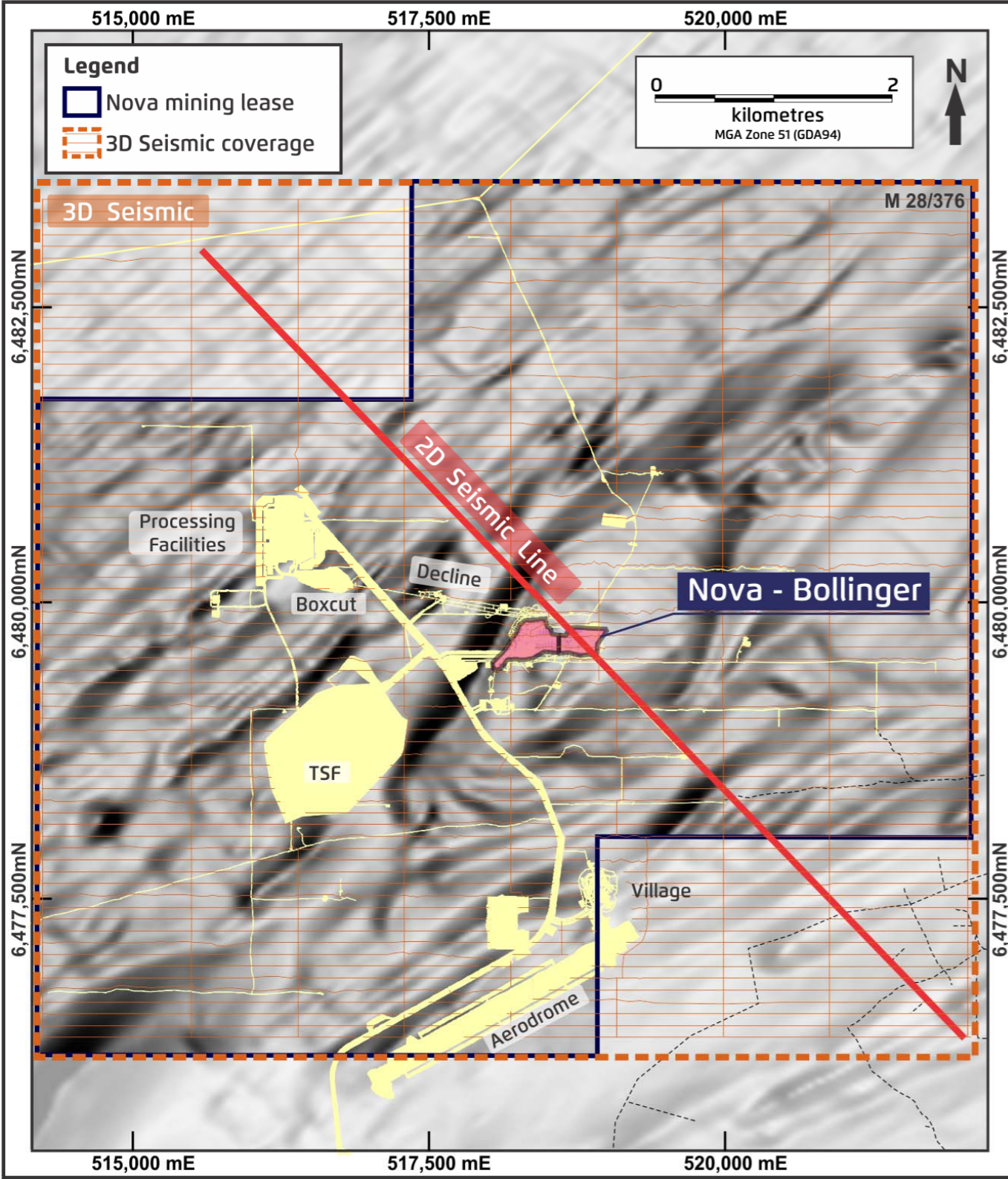


A\$51M committed to discovery in FY19



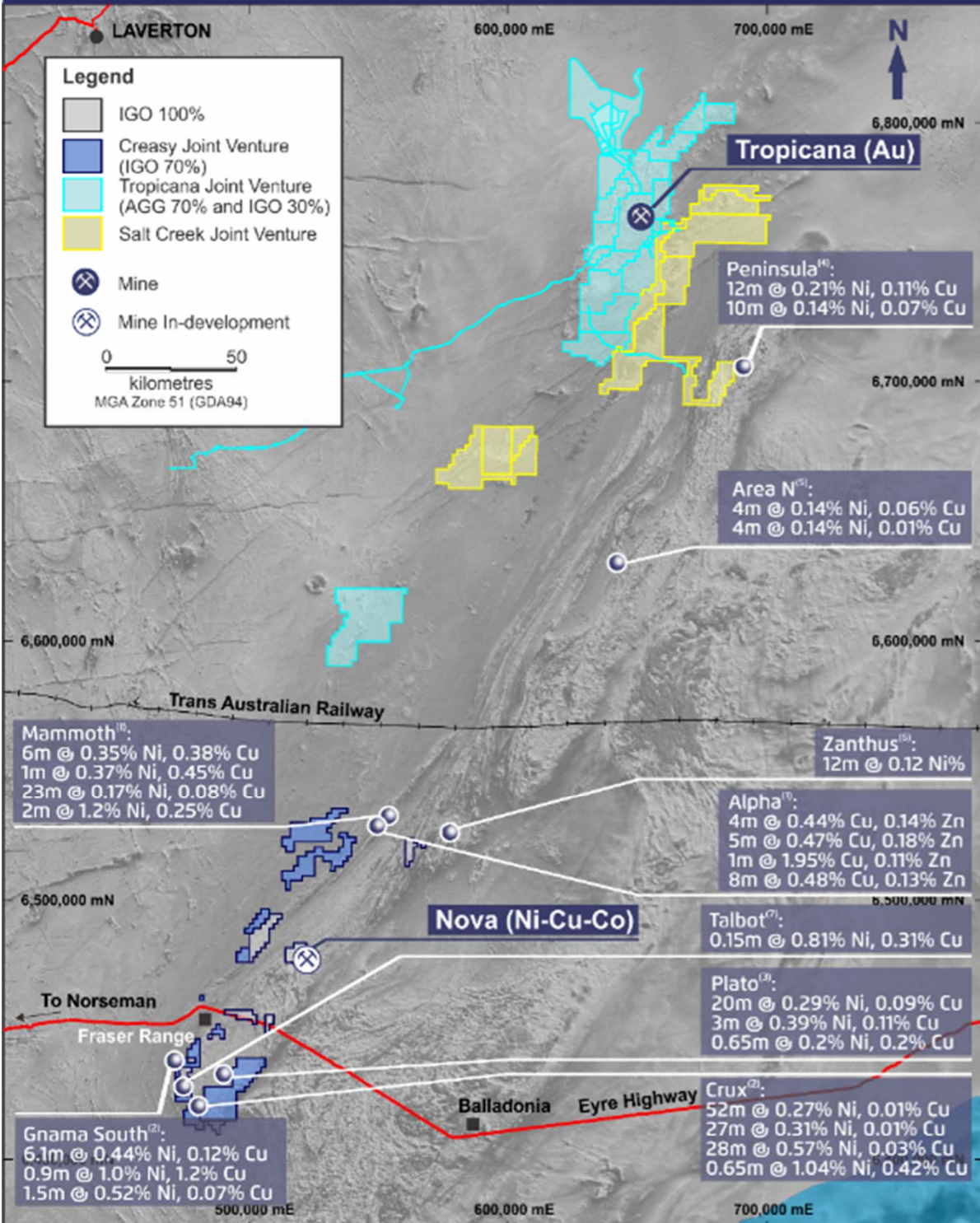
Focussed on discovery and organic growth





FY19 drilling underway!

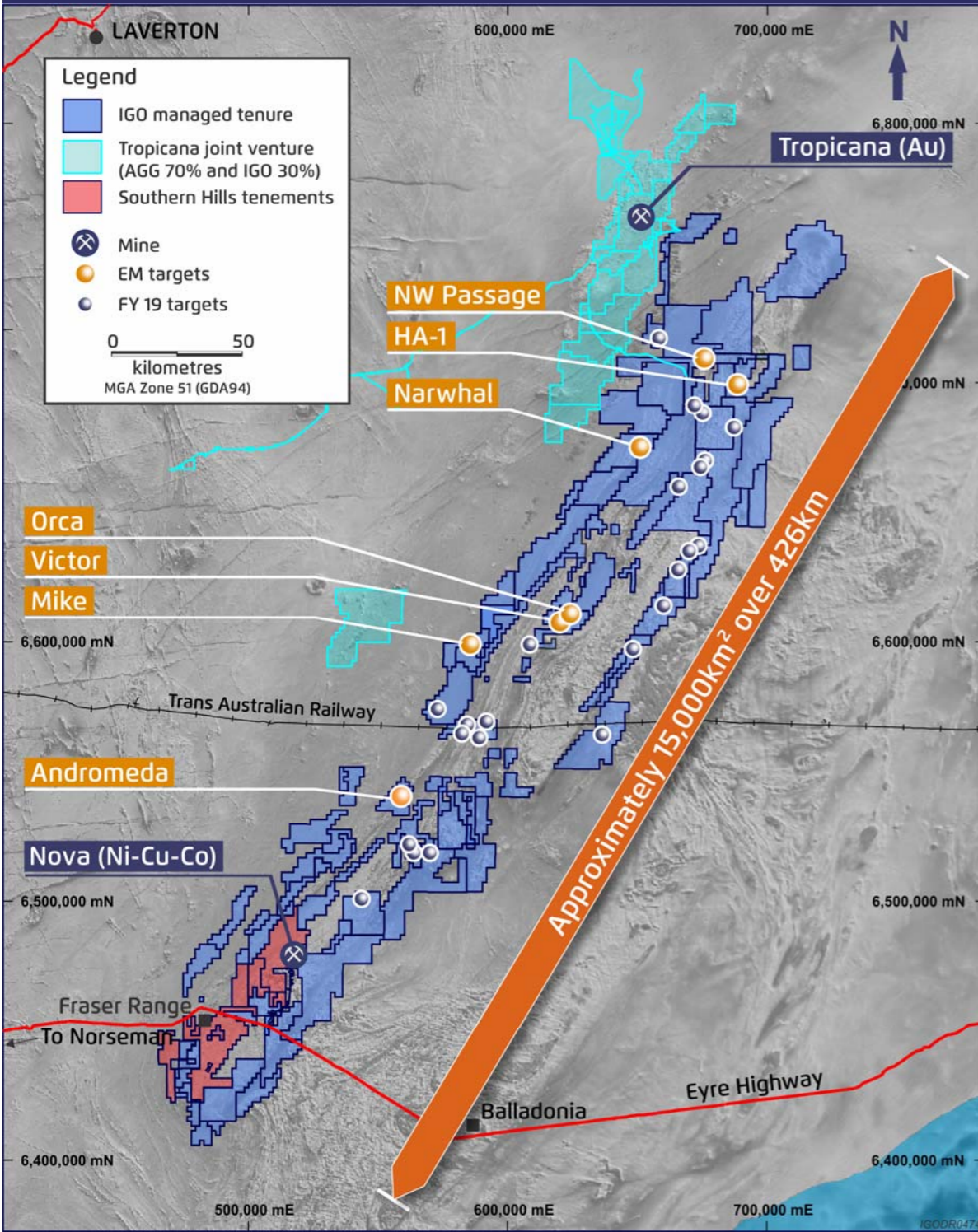
- Completed the largest 3D seismic program ever undertaken in Australia over the Nova Mining Lease
- New AMT and Squid EM
- Full geological reassessment
- Collaborative R&D
- Planned 20,000m drilling program in FY19



- ## Why explore the Fraser Range?
- Multiple magmatic intrusions
 - Ni/Cu anomalism reported by multiple explorers along belt
 - Disseminated and blebby sulphides

Empirical evidence demonstrates belt is fertile

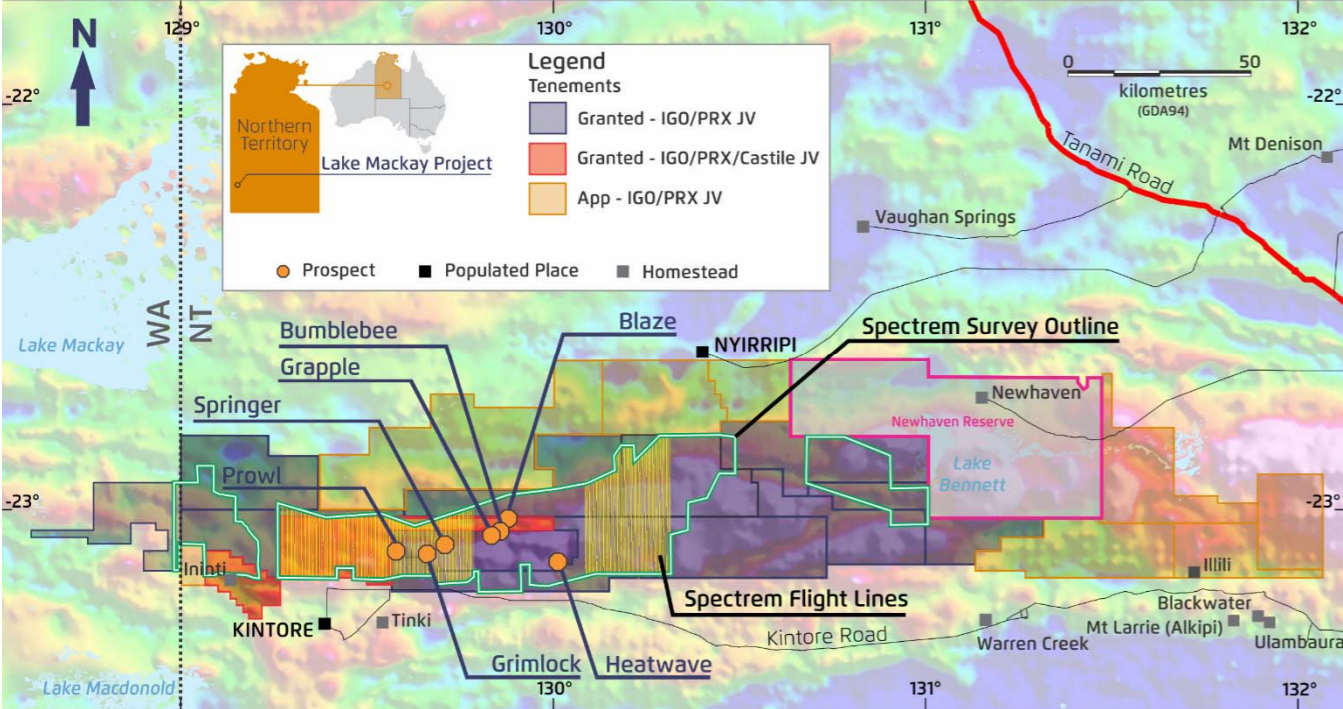
- 1) Classic Minerals ASX Releases: 29 Aug 2013, 12 Dec 2013 and 17 Dec 2016
- 2) Sirius Resources ASX Release: June 2015 Quarterly
- 3) Enterprise Metals EIS Final Drilling Report to DMP: 25 Jul 2014
- 4) Orion Gold ASX Release 17 Mar 2014
- 5) Legend Mining ASX Release 6 Jun 2017
- 6) Buxton Resources ASX Release: 15 Dec 2014
- 7) Newmont report to DMP, 1968
- 8) Arrow Minerals ASX Release: 5 Feb 2018



Systematic exploration over ~15,000km² of consolidated tenure

- Multiple EM platforms
- Bedrock geochem using Aircore
- Gravity survey & mapping
- Follow up RC/DDH

Goal is to discover the next Nova!



Lake Mackay is a 12,800km² belt scale greenfields exploration project for IGO

- Polymetallic intersections in drilling at Grapple & Bumblebee
- Rock chip samples from Grimlock prospect confirm results with up to 2.5% Co, 1.1% Ni, 46.4% Mn⁽¹⁾
- Spectrem airborne EM survey commenced



1) Refer to PRX ASX release dated 26 Jul 2018: Lake Mackay JV: Exploration Update

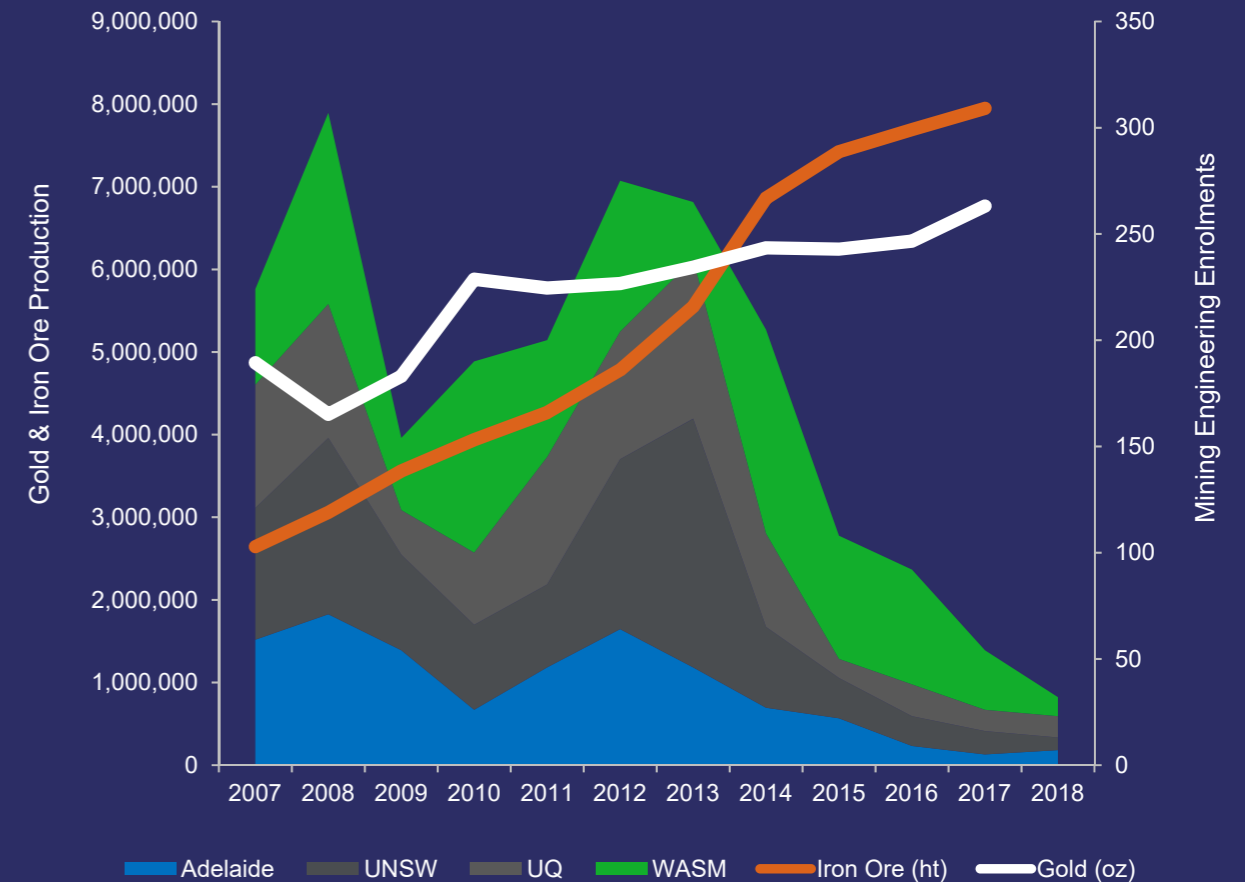
People



Something wrong with this story

- Several years of rhetoric has perpetuated a myth *that the mining boom has busted*
- 81% decline in mining engineering graduates between 2017 to 2020⁽¹⁾
- Mining engineer graduates lag the economic cycle by four years

Mining Activity Vs Mining Engineering Enrolments^(1,2)



1) Minerals Council of Australia

2) WA Department of Mines, Industry Regulation and Safety



There is a need for greater conversation about how we attract new entrants to the industry

- Role for individual companies, industry associations, government
- Increase awareness and interest in mining at the high school level



Part of the *IGO Difference* is our focus on people

- Strong sense of purpose
- Empowered people who are, and act as, owners of the business and want to make a difference
- Focus on diversity because it is the right thing to do



Concluding Comments



- Great people and great culture
- Demonstrated exploration, development and operating capability
- Great assets at Nova and Tropicana
- Strong balance sheet and free cashflow
- Poised for organic growth:
 - Discovery
 - Downstream processing



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