

# Diggers and Dealers Mining Forum



## Independence Group NL

Peter Bradford, Managing Director and CEO

3 August 2015



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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 Mineral Resource and Ore Reserve estimates should be read in conjunction with IGO’s 2014 Mineral Resource and Ore Reserve announcement dated 28 August 2014 (excluding Stockman Ore Reserves) and Stockman Optimisation Study announcement dated 28 November 2014 (updated Stockman Ore Reserves), and lodged with the ASX, which are available on the IGO website.
- ▼ Any references to Mineral Resource and Ore Reserve estimates for Sirius Resources NL (“Sirius” or “SIR”) should be read in conjunction with SIR’s ASX announcement dated 14 July 2014.
- ▼ All currency amounts in **Australian Dollars (AUD)** unless otherwise noted.
- ▼ Cash Costs are in AUD and reported inclusive of royalties and after by-product credits on per unit of payable metal basis.
- ▼ IGO reports All-in Sustaining Costs (AISC) per ounce of gold in AUD 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.

**IGO: our business**



# Corporate Snapshot

## Key Highlights



**Leading ASX200 Gold and Base Metals Producer**

**Quality Assets with Tier 1 Gold Asset (Tropicana)**

**Strong Cash Flow and Balance Sheet**

**Demonstrated Consistent Operational Performance**

**Strong Focus on Return to Shareholders Including Stated Dividend Policy**

**Current Australian Focus**

## Unaudited financial snapshot to 30 June

Highlights	FY15	FY14	Change
Revenue	\$499M	\$399M	25%
Underlying EBITDA <sup>(2)</sup>	\$213M	\$148M	45%
Profit after tax <sup>(2)</sup>	\$77M	\$49M	57%
Net Operating Cash Flow <sup>(2)</sup>	\$202M	\$127M	59%
Free Cash Flow	\$116M	\$30M	NA
Cash at end of period <sup>(1)</sup>	\$121M	\$57M	112%
Debt at end of period	(\$0M)	(\$29M)	NA

(1) Excludes \$0.2M refined bullion and \$15.5M marketable securities at 30 June 2015

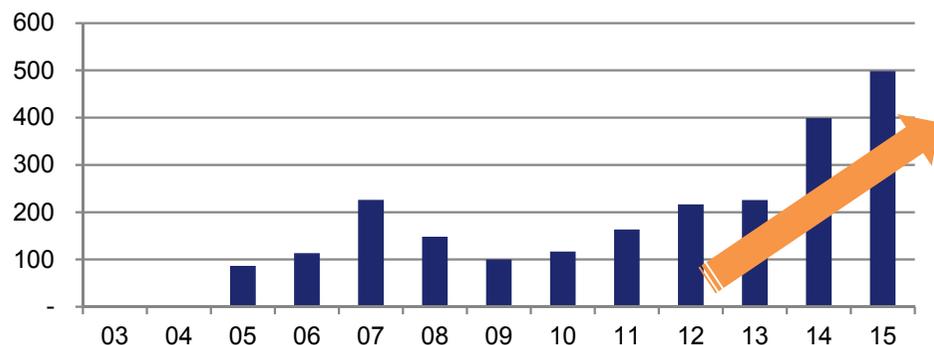
(2) Adjusted for voluntary change in exploration and evaluation expenditure accounting policy

## Stated Strategy for Growth

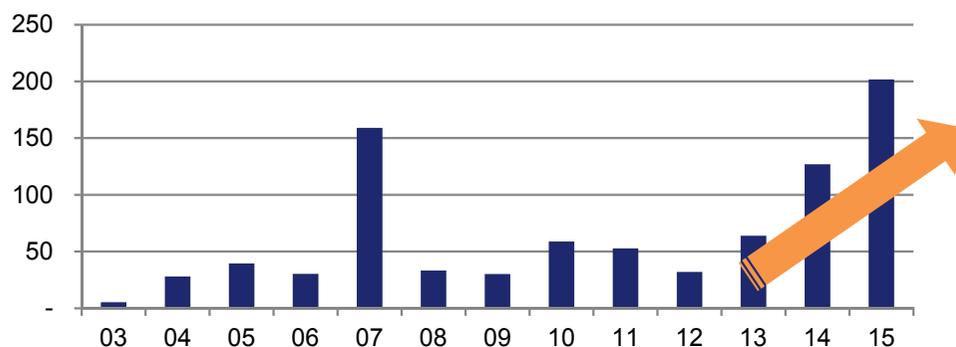
**“IGO will continue to build sustained growth through the targeting of projects that have scale, high margin and long-life potential through further exploration, situated in low-risk mining jurisdictions.”**

# History of growth

Annual Revenue (\$M)



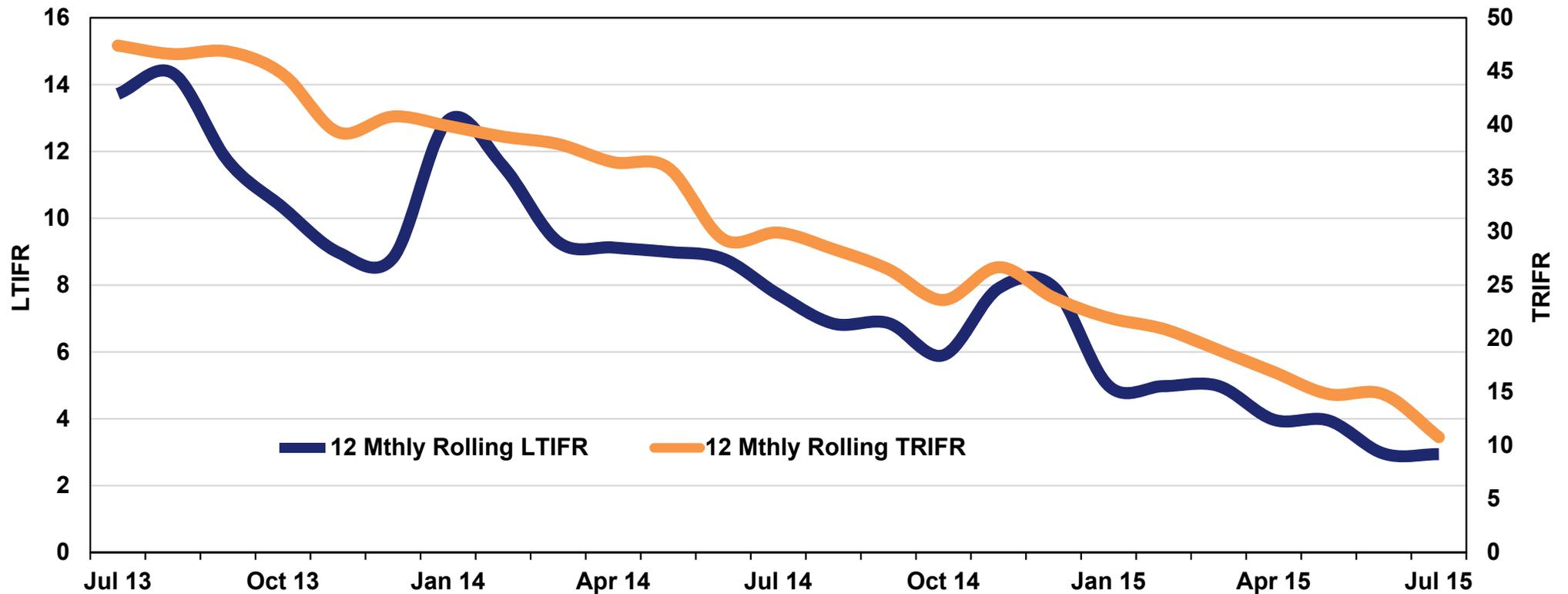
Annual Cash flow from Operating Activities (\$M)



- ▶ **IPO with Mkt Cap of \$9M in 2002**
- ▶ **Acquired Long Operation in Sept 2002**
- ▶ **Acquired Jaguar Operation in June 2011 through takeover of Jabiru Metals**
- ▶ **Agreement to Acquire Sirius through Scheme of Arrangement in May 2015**
  - ▶ Scheme meeting on 3 Sept 2015
- ▶ **Tropicana Milestones**
  - ▶ Entered into JV with AngloGold Ashanti in 2002
  - ▶ Discovery hole in Aug 2005
  - ▶ Development decision in Nov 2010
  - ▶ First gold production in Sept 2013

# Focus on safety

Significant improvement over the past 1-2 years is a credit to our people



- (1) LTIFR is lost time injury frequency rate expressed in number of injuries per million man-hours worked
- (2) TRIFR is total recordable injury frequency rate expressed in number of injuries per million man-hours worked

## Tropicana: tier 1 gold mine

- ▼ **30% IGO – 70% AngloGold Ashanti (Manager)**
- ▼ **One of best virgin Australian gold discoveries since 2000**
- ▼ **Located 370 km NE of Kalgoorlie**
- ▼ **Low cost with 9 year mine life**
  - ▶ 3.6Moz Ore Reserves, 7.5Moz Resources<sup>(1)</sup>
  - ▶ Open Pit mining with avg LOM strip ratio of 5.4 : 1
  - ▶ 5.8 Mtpa processing plant (with upside) potential to debottleneck to 7.0 to 7.5 Mtpa
- ▼ **Exploration upside**
- ▼ **Ni-Cu prospectivity with IGO earning 70% for \$3M over 4 years**



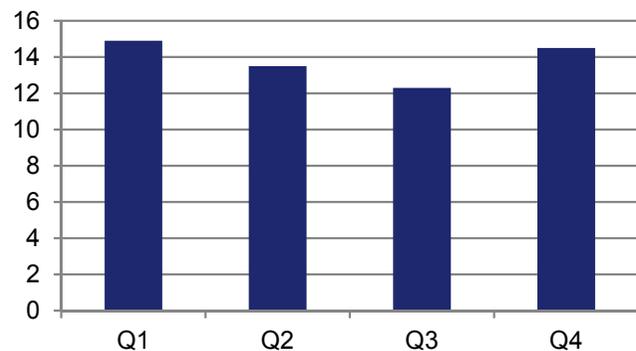
(1) As at 30 June 2014

# Tropicana: FY15 scorecard

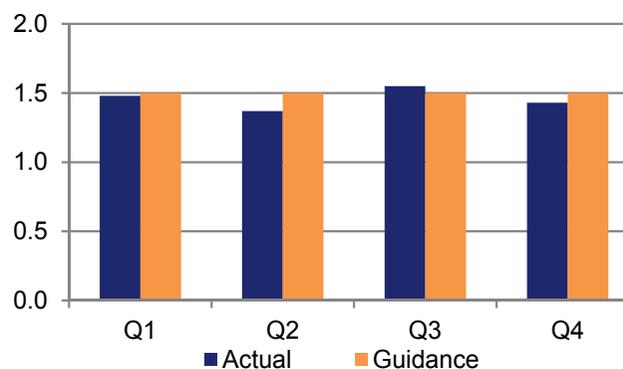


## Annual gold production and cash costs better than original guidance

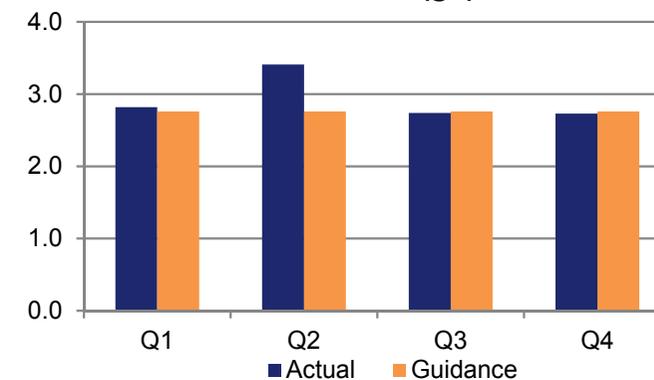
**Total Mined (Mt)**



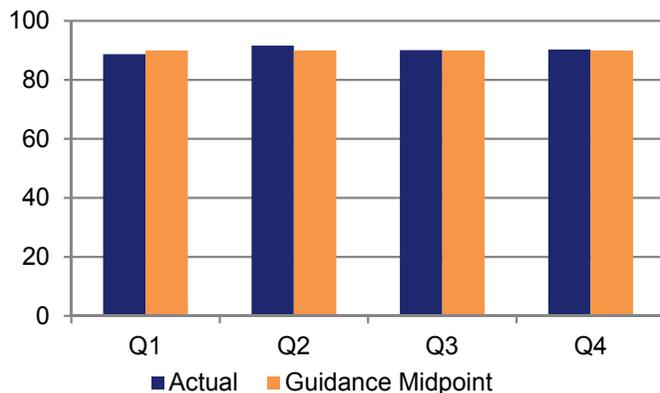
**Mill Throughput (Mt)**



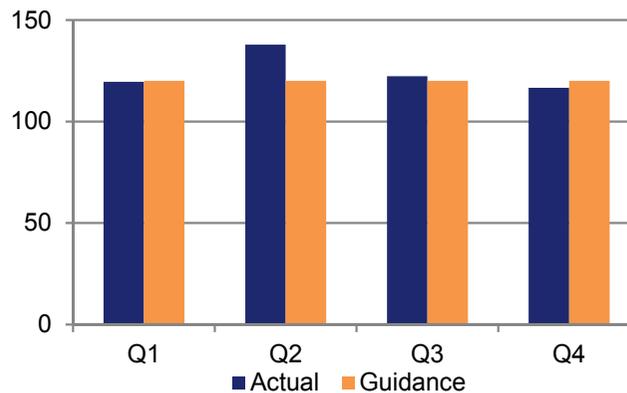
**Milled Grade (g/t)**



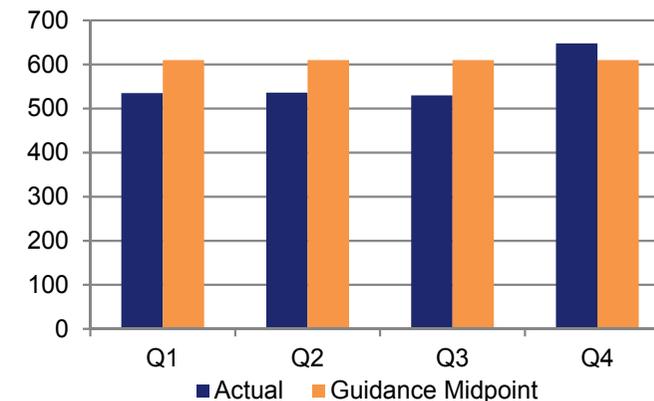
**Gold recovery (%)**



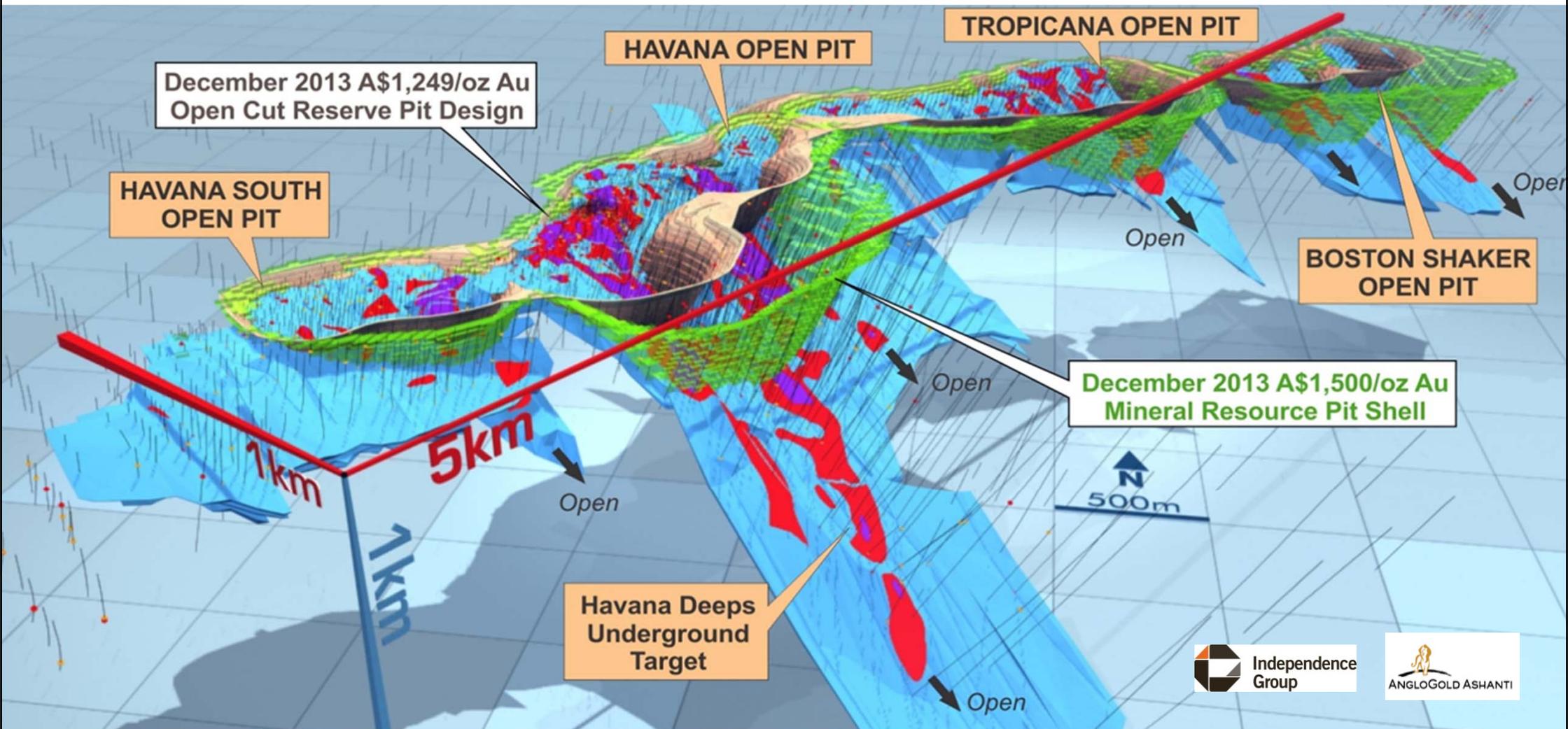
**Gold Production (koz)**



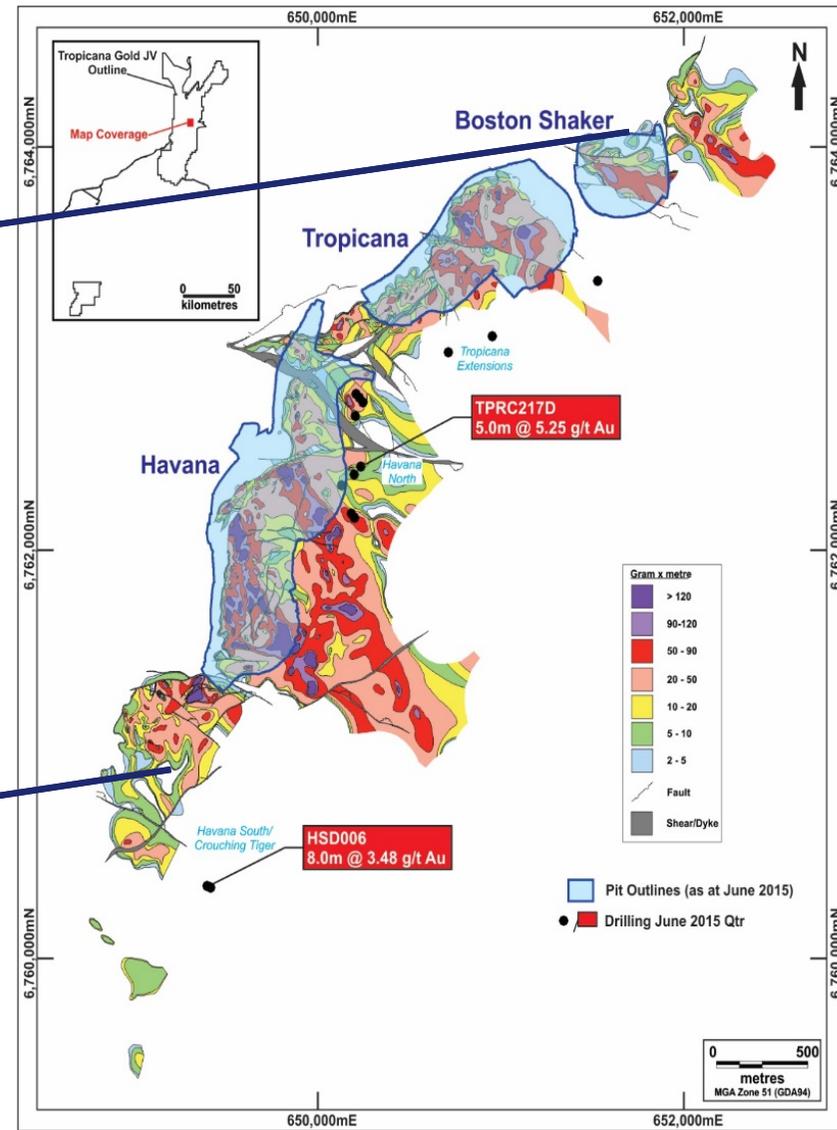
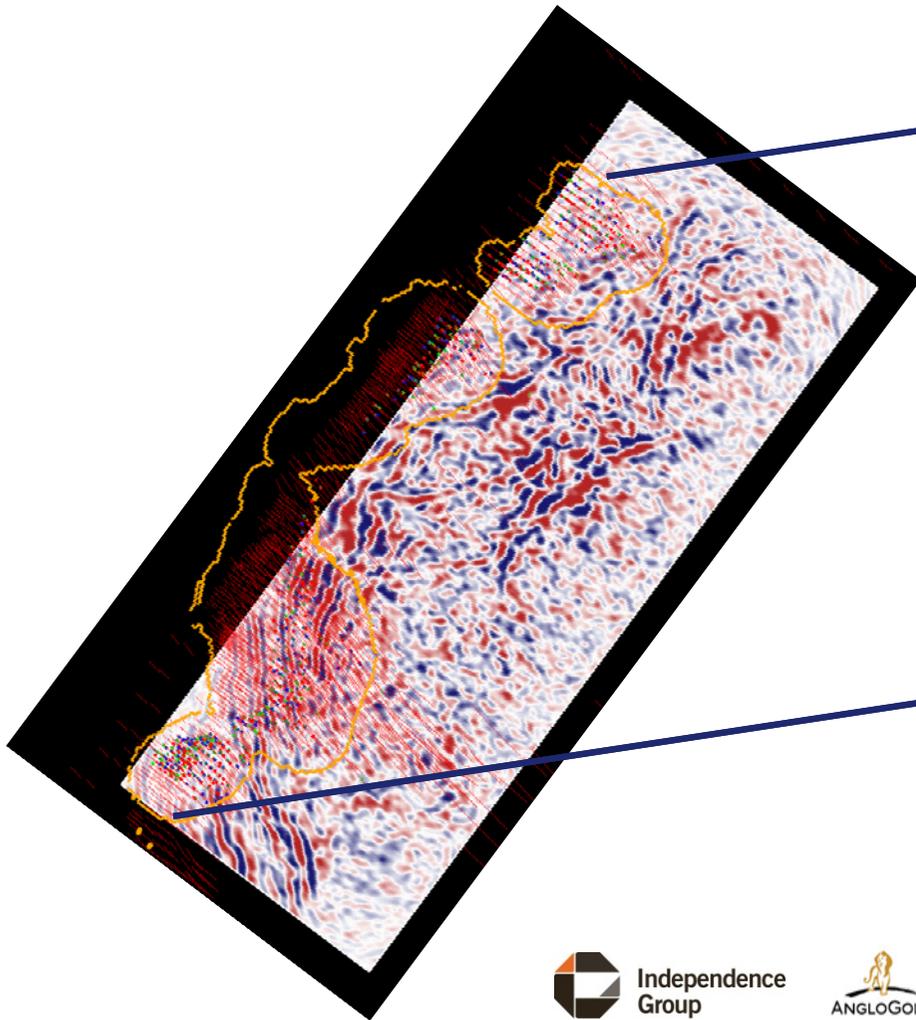
**Cash Costs (\$/oz)**



# Tropicana: reserves optimised at \$1,249/oz gold price



# Tropicana: resource extension



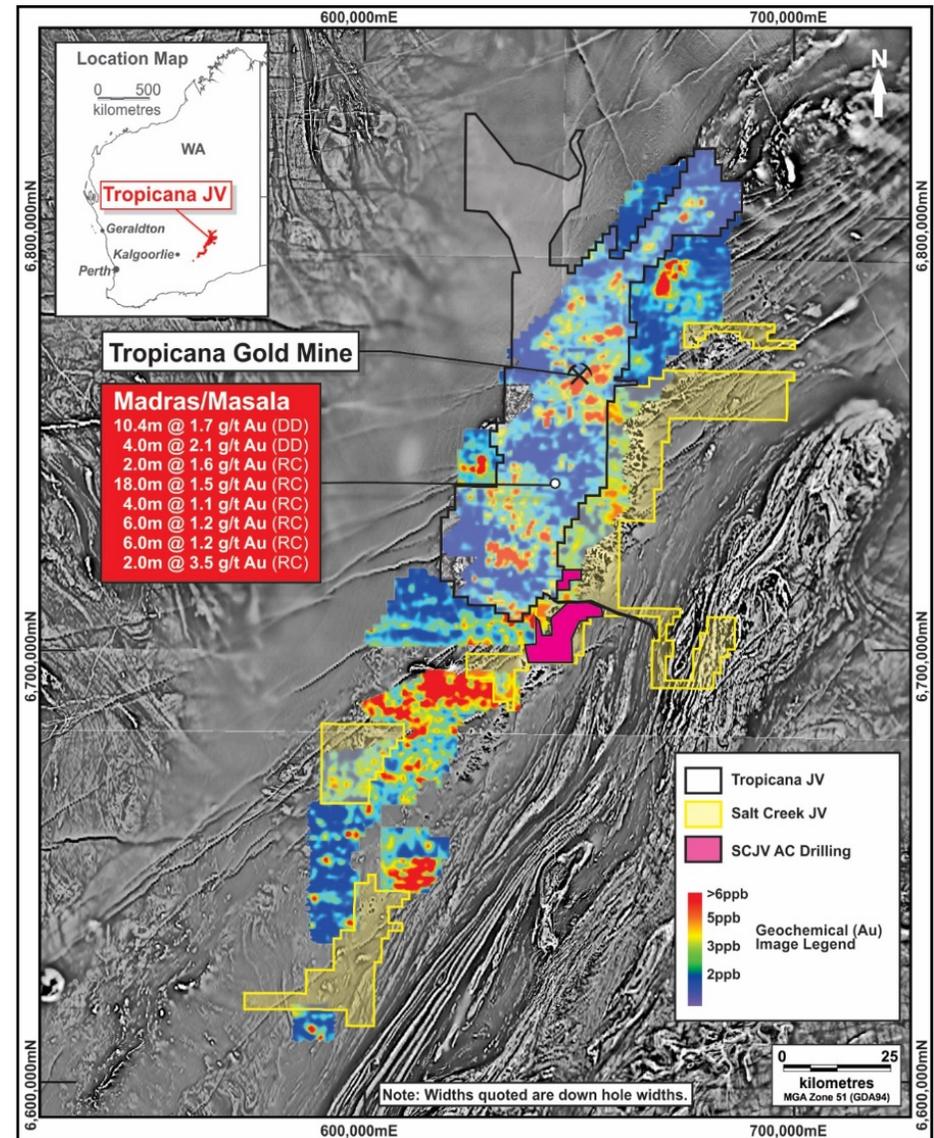
# Tropicana: regional exploration

## Systematic regional exploration continuing

- ▶ Non-prospective ground dropped
- ▶ Prioritising geological and structural targets in prospective domains and rock packages

## Near Mine Exploration

- ▶ AC, RC and DDH drilling at several targets within 50km of Tropicana
- ▶ Small supergene zone identified at Madras



## Long: getting longer

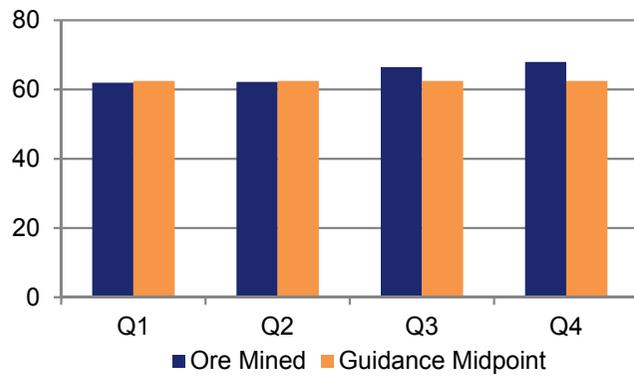
- ▼ Located in Kambalda, 60km south of Kalgoorlie
- ▼ High grade underground Nickel (3.8% avg grade)
- ▼ 35 year operating history
- ▼ Consistent track record
  - ▶ Production and costs
  - ▶ Positive reserve call factor
  - ▶ Replacing production with new reserves
- ▼ Largely residential (Kalgoorlie and Kambalda)
- ▼ Owner mining
- ▼ Toll treat ore at BHP Nickel West Concentrator
  - ▶ Concentrate offtake agreement with BHP Nickel West



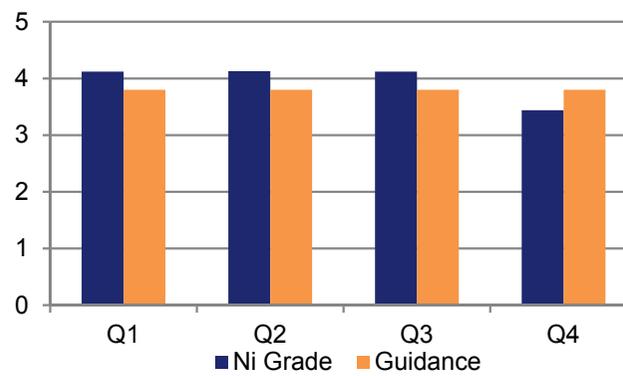
# Long: FY15 scorecard

## Annual nickel production and cash costs better than original guidance

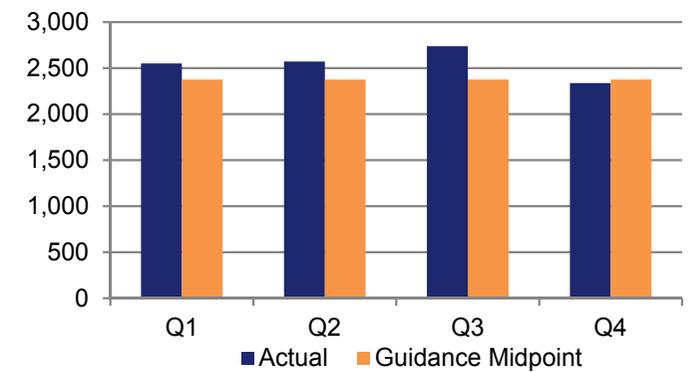
Ore Mined (kt)



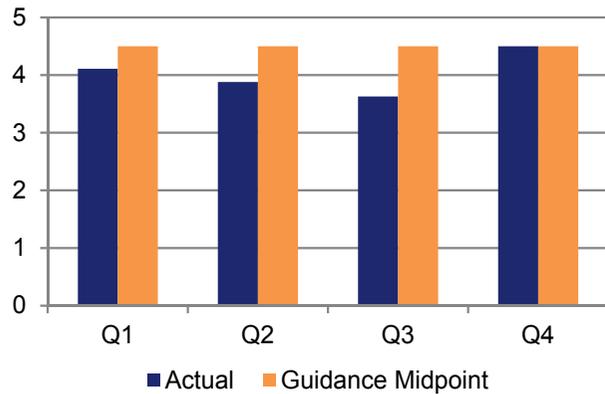
Ni Grade (%)



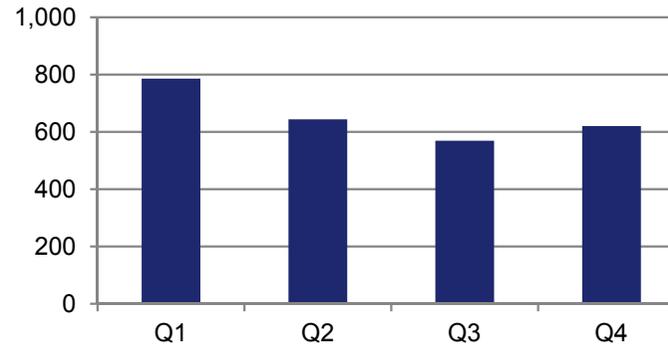
Ni Produced (t)



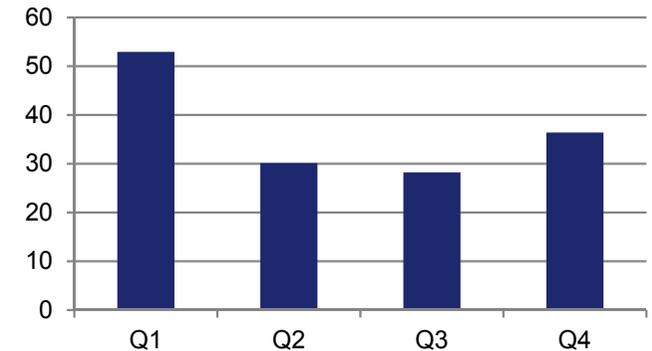
Cash costs \$/lb Ni Payable



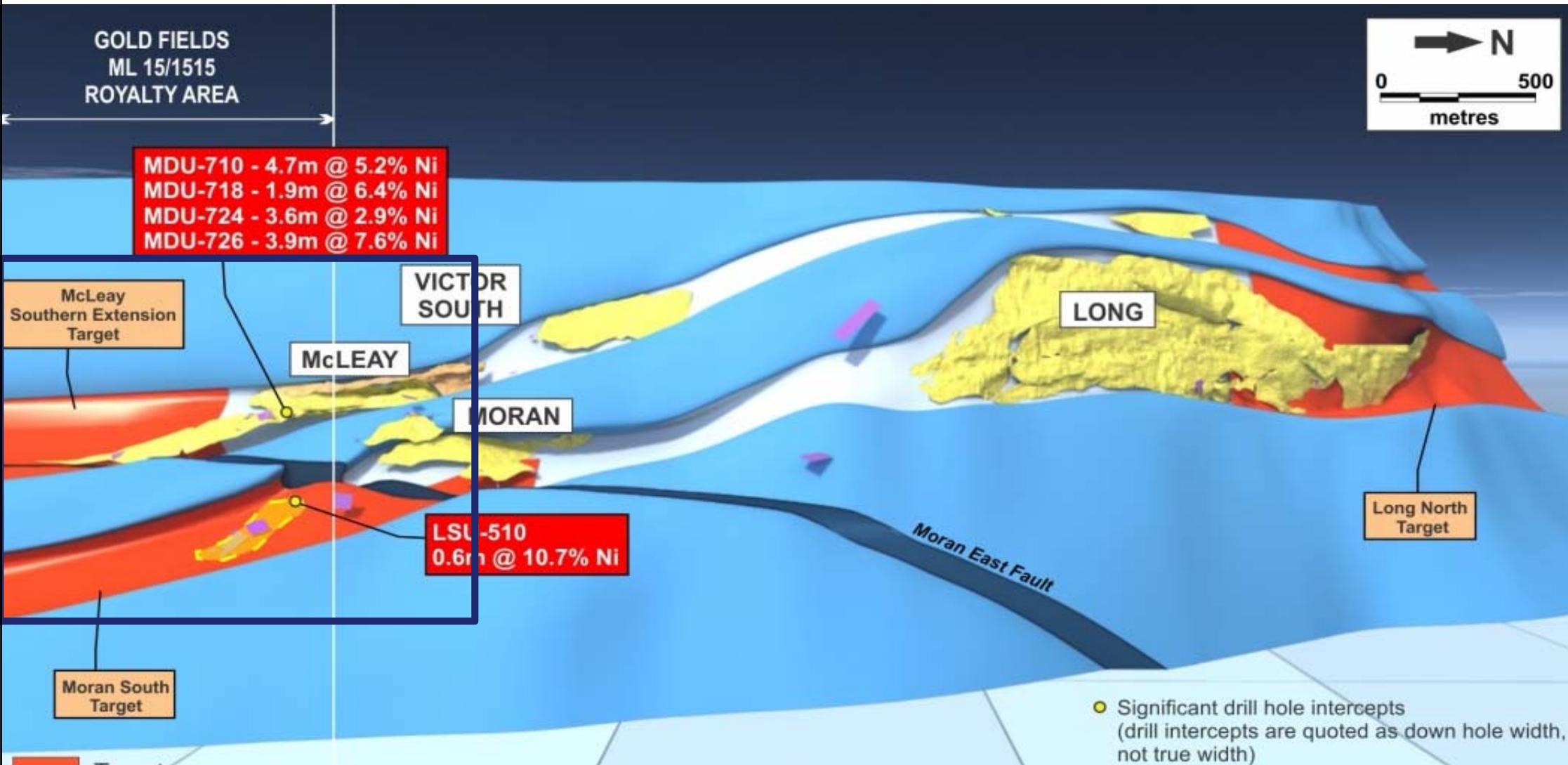
Development (metres)



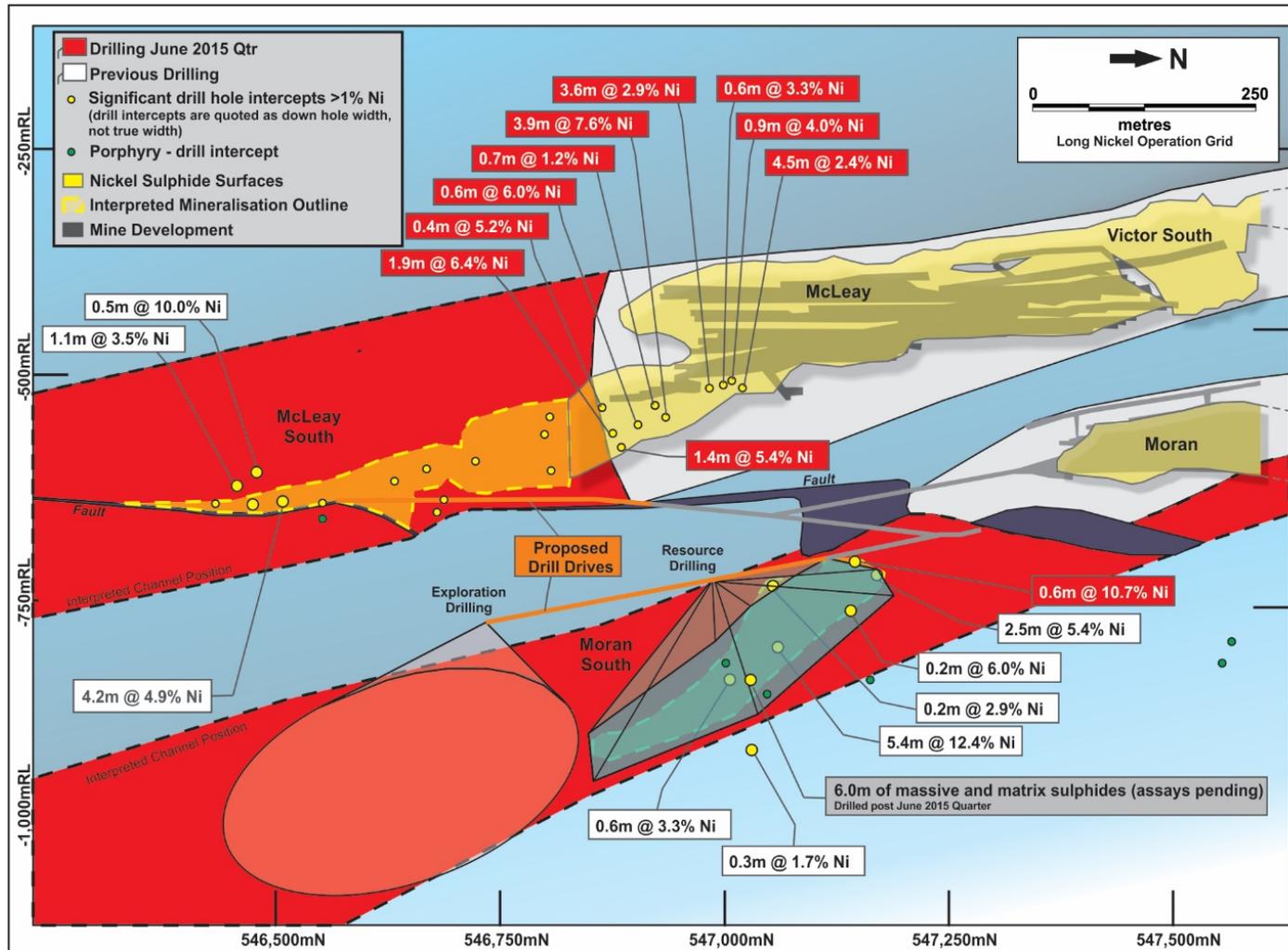
% of Ore from Outside Reserves



# Long: long-section through orebodies



# Long: Moran South exploration



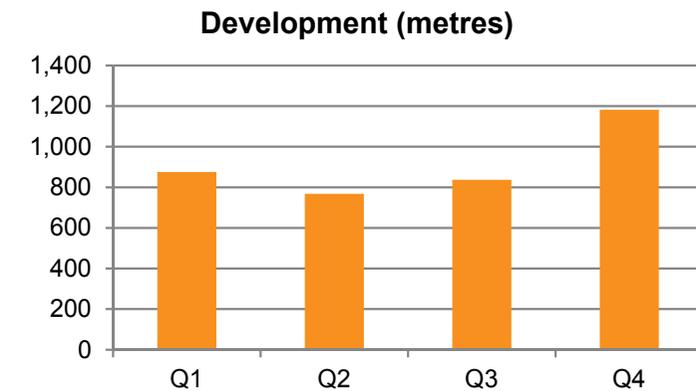
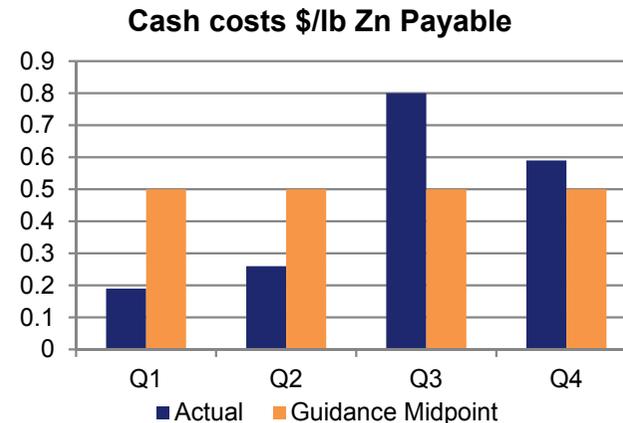
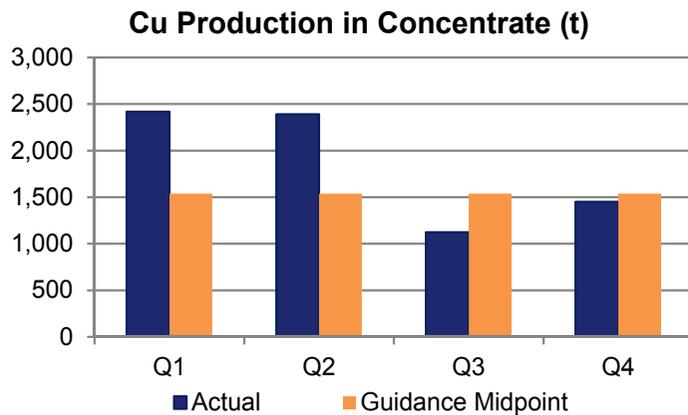
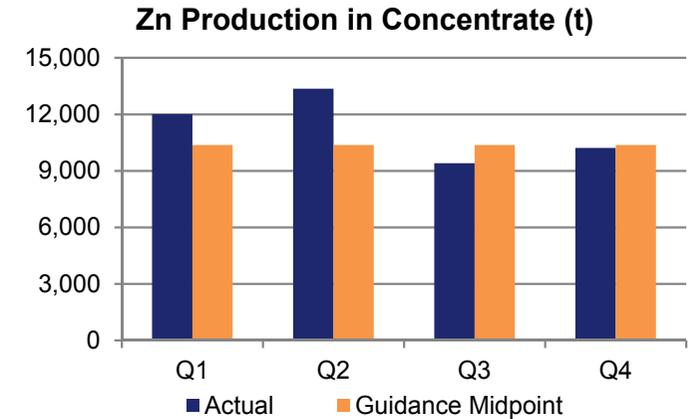
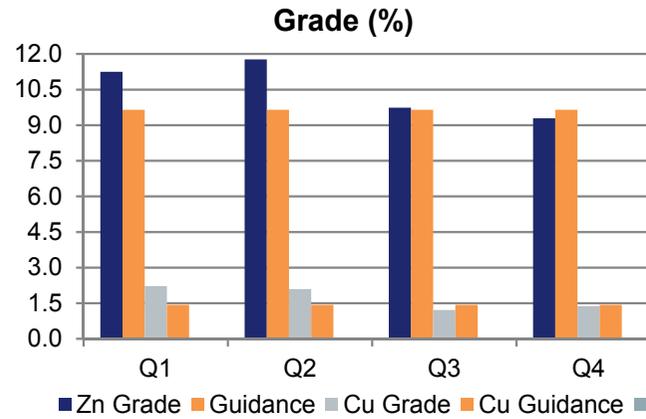
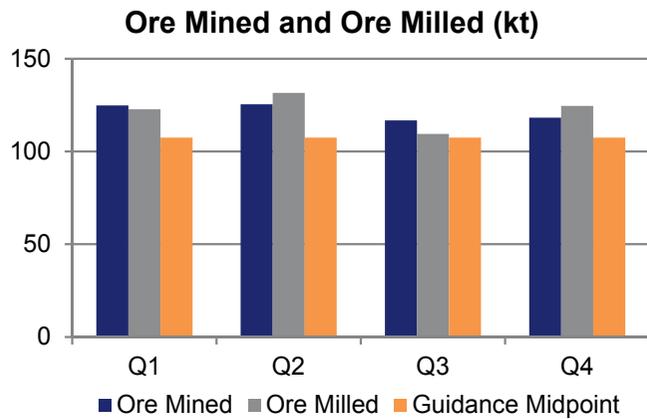
## Jaguar: starting to grow!

- ▼ Located 300 km north of Kalgoorlie
- ▼ High grade underground Zn / Cu VMS deposit
- ▼ Significant improvement in operation over last 1-2 years
- ▼ Fly in – fly out from Perth
  - ▶ Some drive in drive out from Kalgoorlie
- ▼ Owner mining
- ▼ ~500 ktpa processing plant
  - ▶ Producing zinc concentrate and copper concentrate
- ▼ Export to Asian markets through Geraldton
- ▼ Significant exploration upside: in mine, near mine and regionally



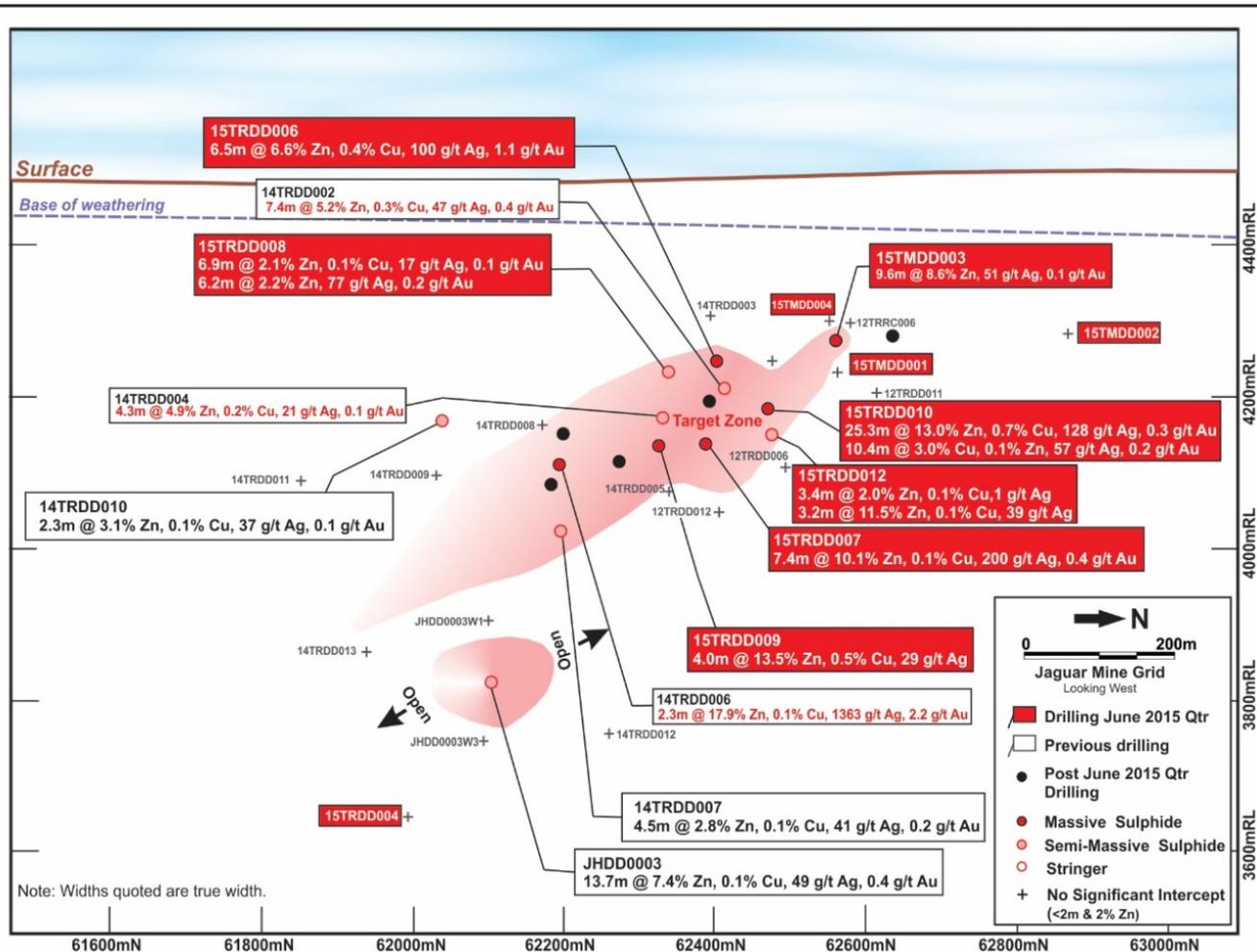
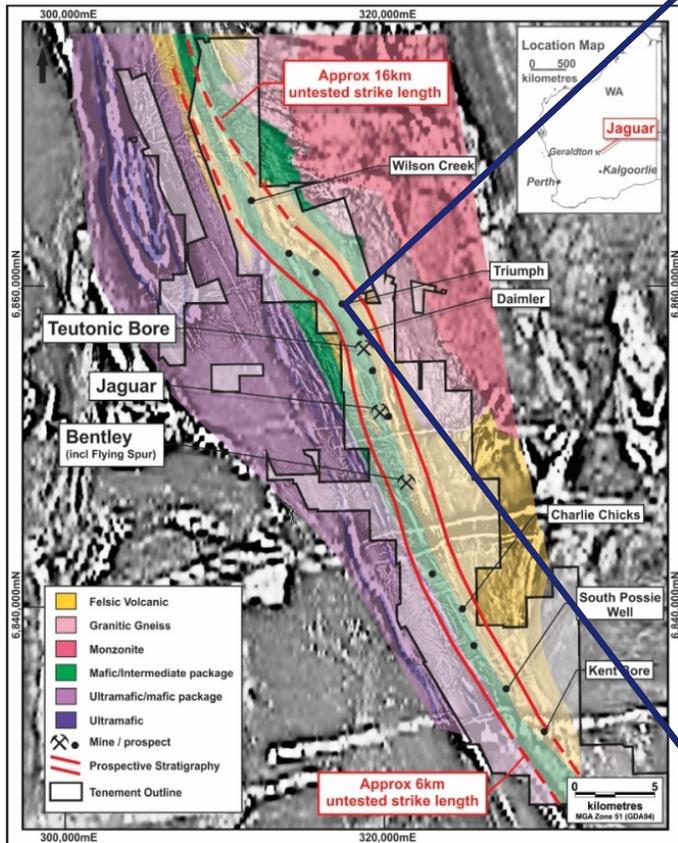
# Jaguar: FY15 scorecard

Annual zinc & copper production and cash costs better than or within original guidance





# Triumph: taking shape – only 6km from Jaguar mill



## **FY15 Scorecard and FY16 Guidance**



## Scorecard: core metrics

Metric	Target <sup>(1)</sup>	Achieved	Score
<b>Tropicana</b>			
Gold production (oz)	141 to 147,000	148,923	✓
Cash Cost (\$/oz)	590 to 630	568	✓
<b>Long</b>			
Nickel production (t)	9,000 to 10,000	10,198	✓
Cash Cost (\$/lb)	4.30 to 4.70	4.01	✓
<b>Jaguar</b>			
Zinc Production (t)	40,000 to 43,000	44,999	✓
Copper Production (t)	5,800 to 6,500	7,380	✓
Cash Cost (\$/lb)	0.40 to 0.60	0.43	✓

(1) From 2014 Diggers and Dealers Presentation

## Scorecard: strategic metrics

Objective	Achieved	Score
\$26M Brownfields exploration	\$25.7M	✓
\$27M Sustaining Capex	\$24.4M	✓
\$11M Development Capex	\$11.4M	● (1)
\$11M Greenfields exploration	\$11.5M	● (2)
\$3M Stockman development	\$0.8M	✓
Supplement exploration portfolio with mature projects	WIP	● (3)
Advance Stockman through permitting to decision	WIP	● (4)
Consider project acquisition or JV	Sirius	✓

- (1) Committed to additional work to accelerate vertical development and develop drill drive at Jaguar
- (2) Committed to additional work at Beachcomber JV and Salt Creek JV
- (3) Reduced long list of prospective areas to short list, now doing detailed assessments
- (4) Key approval from Minister for Planning obtained, now doing detailed permitting and licencing

WIP – Work in Progress

## FY16 guidance

Metric	FY16 Guidance	Change <sup>(1)</sup>
<b>Tropicana</b>		
Gold production (oz)	129 to 141,000	↓ 9%
Cash Cost (\$/oz)	640 to 710	↑ 11%
<b>Long</b>		
Nickel production (t)	9,000 to 10,000	Same
Cash Cost (\$/lb)	4.00 to 4.50	↓ 6%
<b>Jaguar</b>		
Zinc Production (t)	35,000 to 40,000	↓ 10%
Copper Production (t)	7,500 to 8,500	↑ 30%
Cash Cost (\$/lb)	0.40 to 0.60	Same

- ▶ **\$40M brownfields exploration**
  - ▶ Up 50% year on year
  - ▶ Mostly Long and Tropicana
- ▶ **\$13M development capex**
  - ▶ Up 20% year on year
- ▶ **\$19M Sustaining capex**
  - ▶ Down 20% year on year
- ▶ **\$11M greenfields exploration**
  - ▶ Unchanged

(1) From 2014 Diggers and Dealers Presentation

**Transformation**



# Criteria for targeting opportunities

## Five Primary Targeting Criteria



### High Margin

- Bottom third cost curve (minimum all in sustaining cash margin of 25% and above)



### Scale

- Equivalent, or bigger, in scale to our 30% interest in Tropicana
- Circa 150,000oz/year Au, 15,000tpa Ni, or 30,000tpa Cu



### Long Mine-Life

- Reserve life of minimum seven years for group
- Significant opportunity for exploration potential



### Low-Risk Jurisdictions

- Low risk jurisdiction
- Proximity of assets providing business simplicity



### Commodity Agnostic

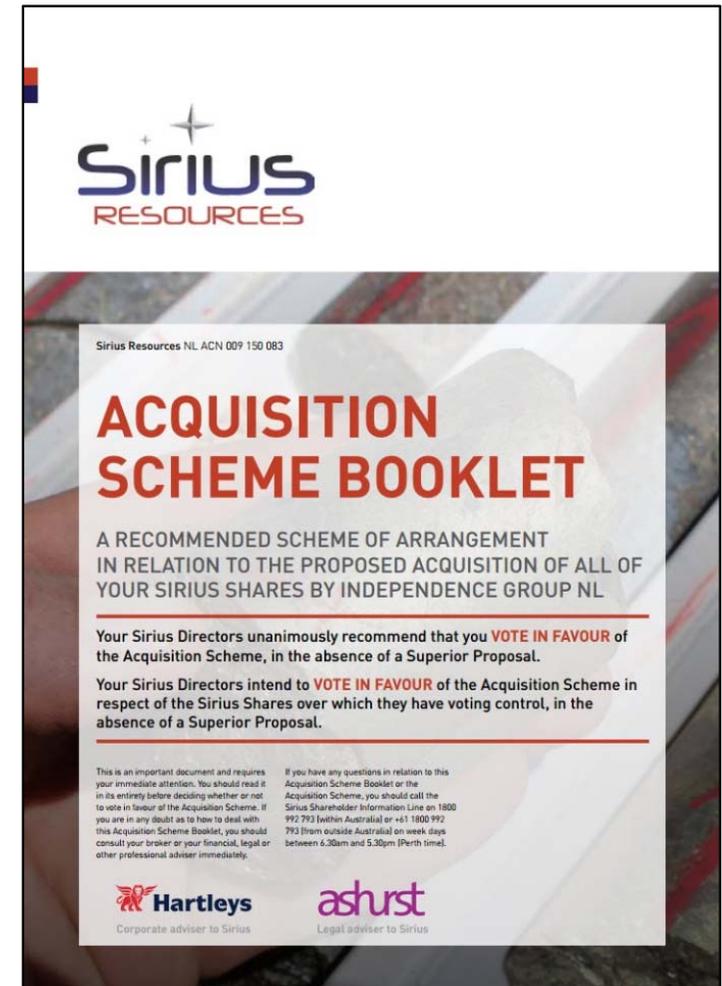
- Base metals and precious metals
- Focus on money mines = long life and high margin

## Sirius transaction<sup>(1)</sup> highlights

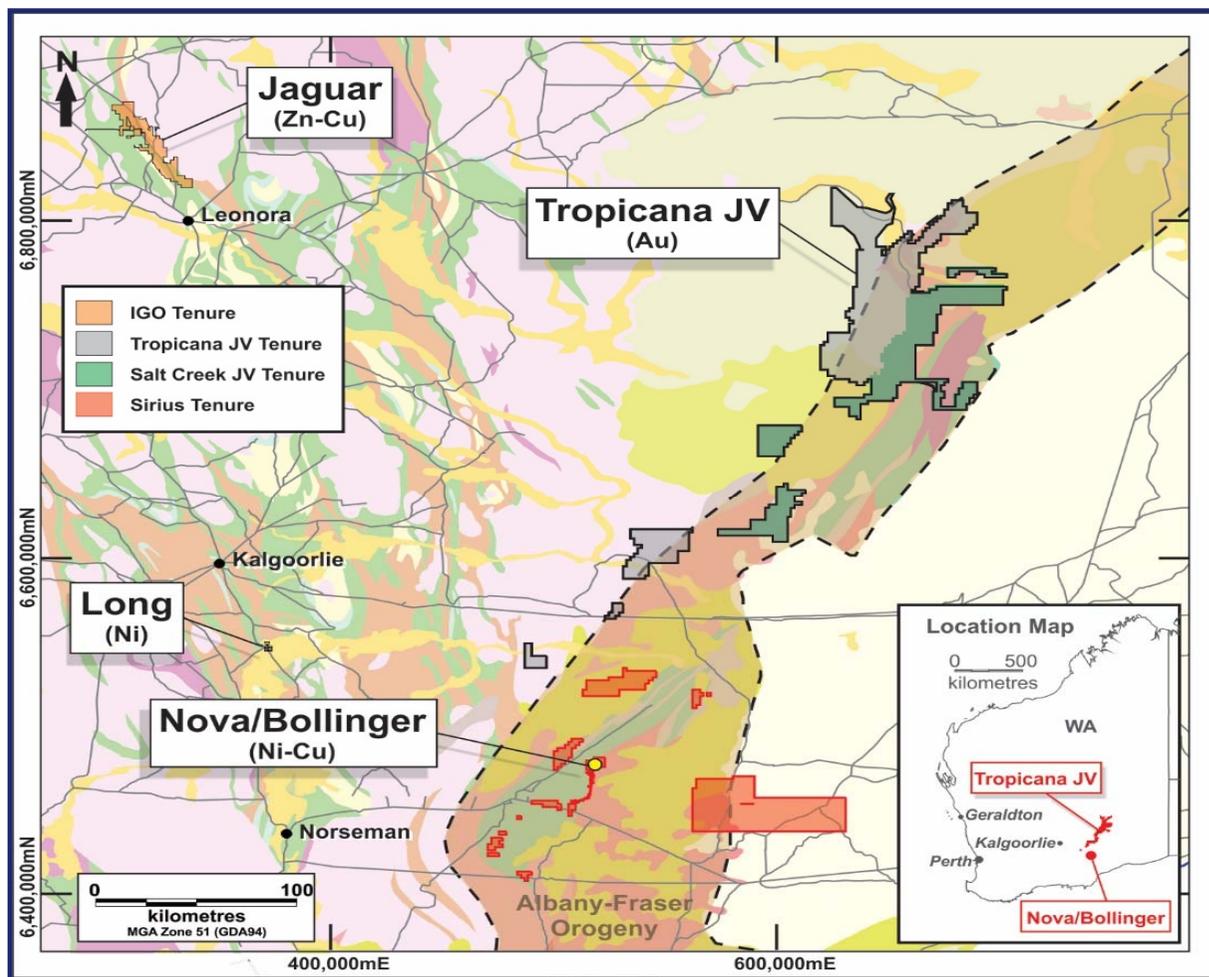
- ▶ **Creating a leading Australian diversified mining company**
- ▶ **Clear strategic rationale for transaction**
  - ▶ Acquisition of Sirius is consistent with IGO's clearly defined growth strategy
  - ▶ Delivers shareholders of both companies exposure to Tropicana and Nova
  - ▶ Combines Sirius' near term development asset with IGO's strong current cash flows
- ▶ **Portfolio of high quality assets (margin, mine life, jurisdiction and relevancy)**
- ▶ **Transaction unanimously recommended by SIR Board<sup>(2)</sup> and supported by 35% shareholder, Mark Creasy**
- ▶ **Scheme meeting to be held 3 September 2015**

(1) Announced 25 May 2015

(2) The Board of Sirius has unanimously recommended that all Sirius shareholders vote in favour of the Transaction Resolutions, in the absence of a superior proposal (Refer to the 25 May 2015 ASX announcement for further details).



## Exploration: consolidation of Fraser Range and Tropicana belts



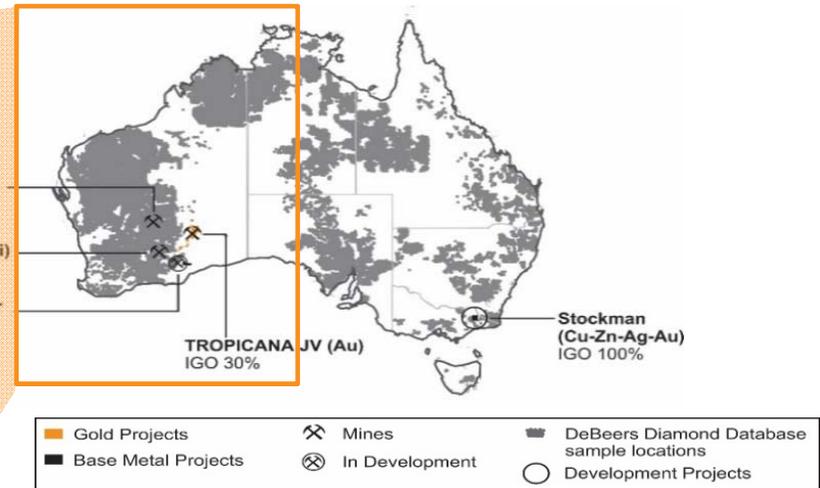
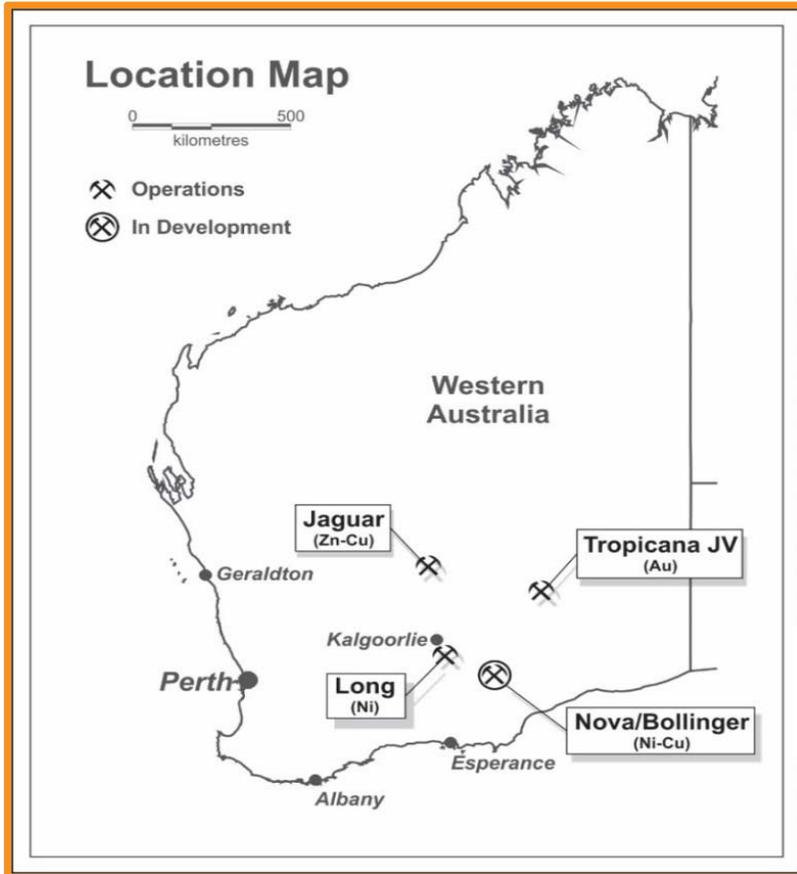
- ▶ Dominant land position
- ▶ Allows a focused and efficient exploration effort
- ▶ Both provinces under-explored

*“The shareholders of the merged entity will be exposed to the unrealised exploration potential of both the Fraser Range and the Tropicana belts.”*

**Mark Creasy, 25 May 2015**



# A portfolio focused on Western Australia



*“This transaction brings together the producing assets of Independence and the near production asset of Sirius.”* **Mark Creasy, 25 May 2015**



**Strengthening the business**



# Sustainability and community



## Strengthening exploration portfolio



### ▼ Why?

- ▶ Exploration is our future

### ▼ Why now?

- ▶ Unique opportunity currently to accumulate belt scale land positions which was not possible 3-4 years ago
- ▶ Can now target the ground we want

### ▼ How?

- ▶ Back to the drawing board
- ▶ Focusing on major belt scale opportunities with the prospectivity to deliver a number of projects
- ▶ Dedicated internal team assisted by industry leaders
- ▶ In FY15 use science to reduce long list of possible target areas to develop a short list of priority target areas
- ▶ Now doing detailed evaluation of priority target areas

## Investing in innovation

- ▼ **Project generation targeting**
- ▼ **In-house geophysical capability and R&D development**
  - ▶ Potential to deploy this capability to Sirius' Fraser Range portfolio
- ▼ **University R&D programs to:**
  - ▶ Improve dynamic ground support capability
  - ▶ Better determine probability of seismic events
  - ▶ Reduce diesel particulate matter underground
- ▼ **At Tropicana:**
  - ▶ 3D seismic study to better understand and target gold bearing structures



## Investing in people

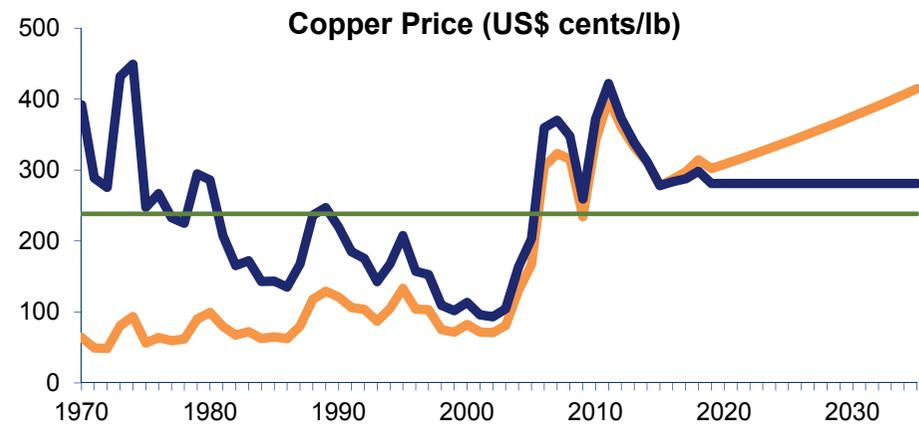
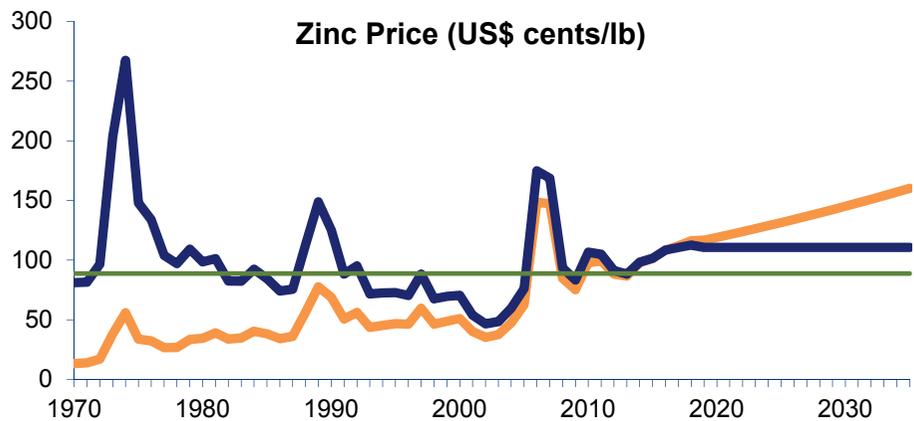
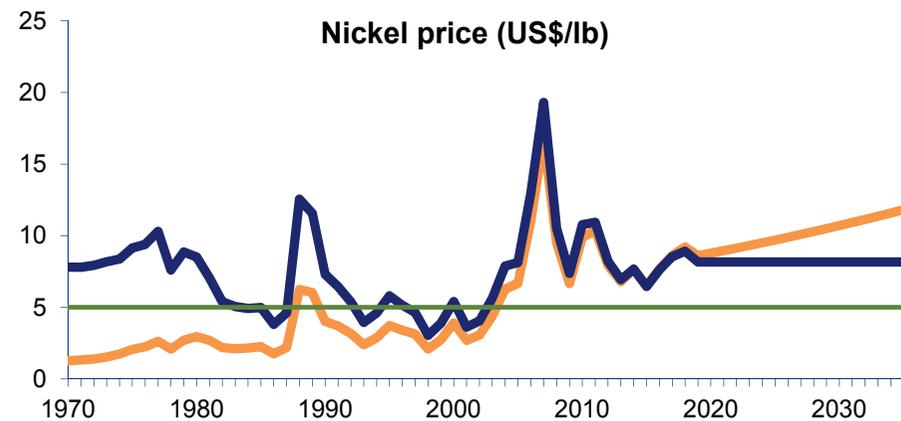
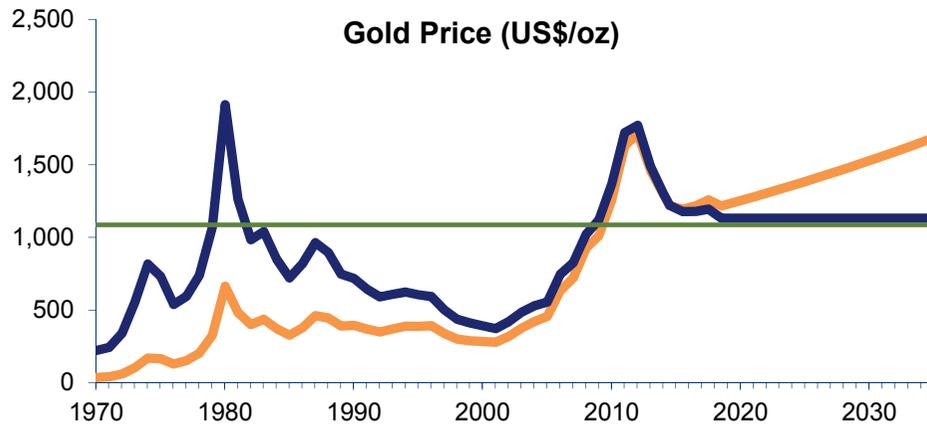
- ▶ **Need consistent investment in people to develop industry leaders of the future**
- ▶ **IGO is investing in people:**
  - ▶ Currently sponsor geology undergraduate scholarship through WA Mining Club
  - ▶ Currently sponsor Masters/PhD thesis work
  - ▶ Provide opportunities for undergraduates to do vacation work
  - ▶ Have a structured two year graduate program with a regular intake where we expose the graduates to all facets of the business relevant to their discipline
  - ▶ Long standing and active apprentice program
  - ▶ Encourage and facilitate Certificate level courses for operators and front line supervisors



# Commodity Prices



# Commodity prices



Source: Broker Consensus (Updated 29 June 2015)

— Current Day \$ — 2015 \$ — Spot Price

# Conclusion



**Strong balance sheet**

**High-margin quality cash flow generating assets delivering consistent performance**

**History of consistent dividends**

**Bullish outlook for gold and base metals**

**Sirius acquisition delivers scale, growth and future cash flow accretion**

**Creates a leading Australian diversified mining company**

## ▼ **FY15 Full Year (Unaudited)**

- ▶ Achieved or bettered guidance on production and cash costs at all mines
- ▶ Achieved record revenue and operating cash flow

## ▼ **Outlook**

- ▶ Sirius scheme meeting on 3 Sept 2015
- ▶ Maintain focus on existing operations:
- ▶ Safety of our employees
- ▶ Operational discipline and cost control
- ▶ Exploration dollars weighted brownfields opportunities to drive mine life
- ▶ Continue to target opportunities to sustain and grow the business in the long term
- ▶ Continue to strengthen balance sheet

Questions?



Independence Group NL ([www.igo.com.au](http://www.igo.com.au))  
Peter Bradford, Managing Director and CEO

3 August 2015



# Resources & Reserves

## Competent Persons Statements

### Exploration Results

The information in this report that relates to Exploration Results is a compilation of previously published data for which Competent Persons consents were obtained. Their consents remain in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent. The information in this report has been extracted from the IGO ASX Quarterly Activities Report dated 29 July 2015 and is available on the IGO website [www.igo.com.au](http://www.igo.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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# Resources & Reserves: Tropicana JV (IGO 30%)

Mineral Resource 30 June 2014 100% Project				
	Classification	Tonnes Mt	Au g/t	Contained Au Moz
OPEN PIT	Measured	22.8	2.11	1.56
	Indicated	73.7	1.89	4.47
	Inferred	5.8	2.57	0.48
	<b>Sub Total</b>	<b>102.4</b>	<b>1.97</b>	<b>6.50</b>
UNDERGROUND	Measured	-	-	-
	Indicated	2.4	3.58	0.27
	Inferred	6.1	3.07	0.60
	<b>Sub Total</b>	<b>8.5</b>	<b>3.21</b>	<b>0.87</b>
STOCKPILES	Measured	4.9	1.04	0.16
TOTAL TROPICANA	Measured	27.7	1.92	1.72
	Indicated	76.1	1.94	4.74
	Inferred	11.9	2.83	1.08
<b>GRAND TOTAL</b>		<b>115.7</b>	<b>2.03</b>	<b>7.54</b>

**Notes:**

1. For the Open Pit Mineral Resource estimate, mineralisation in the Havana, Havana South, Tropicana and Boston Shaker areas was calculated within a US\$1,550/oz pit optimisation at an AUD:USD exchange rate of 1.03 (A\$1,500/oz).
2. The Open Pit Mineral Resources have been estimated using the geostatistical technique of Uniform Conditioning, using cut-off grades of 0.3g/t Au for Transported and Saprolite material, 0.4g/t Au for Transitional and Fresh material.
3. The Havana Deeps Underground Mineral Resource estimate has been reported outside the US\$1,550/oz pit optimisation at a cut-off grade of 1.73g/t Au, which was calculated using a gold price of US\$2,000/oz (AUD:USD 1.05) (A\$1,896/oz).
4. The Havana Deeps Underground Mineral Resource was estimated using the geostatistical technique of Ordinary Kriging using average drill hole intercepts.
6. Mining depletion as at 30 June 2014 has been removed from the 2014 resource estimate.
7. Resources are inclusive of Reserves.
8. The Competent Persons statement is incorporated in the JORC Code (2012) Competent Persons Statements section of the ASX Release dated 28 August 2014.
9. JORC (2012) Table 1 Parameters are in Appendix A of the ASX Release dated 28 August 2014.

**Reference:** ASX Release dated 28 August 2014 for Resources and Reserves.

Ore Reserve 30 June 2014 100% Project				
	Classification	Tonnes Mt	Au g/t	Contained Au Moz
OPEN PIT	Proved	20.2	2.29	1.49
	Probable	29.7	2.02	1.94
Stockpiles		3.3	1.27	0.13
	<b>GRAND TOTAL</b>	<b>53.3</b>	<b>2.08</b>	<b>3.56</b>

**Notes:**

1. The Proved and Probable Ore Reserve (30 June 2014) is reported above economic break-even gold cut-off grades of 0.4 g/t for Transported/Upper Saprolite material, 0.5 g/t for Lower Saprolite material, 0.6g/t for Sap-Rock (Transitional) material and 0.7g/t for Fresh material at nominated gold price US\$1,100/oz and exchange rate 0.88 AUD:USD (equivalent to A\$1,249/oz Au).
2. The 30 June 2014 Reserve estimate is updated using the end of June 2014 surveyed surface topography and end of June 2014 stockpile balances. The final pit designs, cut-off grades and the Resource model used are unchanged from the December 2013 estimate.
3. Resources are inclusive of Reserves.
4. The Competent Persons statement is incorporated in the JORC Code (2012) Competent Persons Statements section in the ASX Release dated 28 August 2014.
5. JORC (2012) Table 1 Parameters are in Appendix A of the ASX Release dated 28 August 2014.

**Reference:** ASX Release dated 28 August 2014 for Resources and Reserves.

# Resources & Reserves: Long Operation

Mineral Resource 30 June 2014					Ore Reserve 30 June 2014					
	Classification	Tonnes	Ni%	Ni Tonnes		Classification	Tonnes	Ni%	Ni Tonnes	
LONG	Measured	70,000	5.5	3,900	LONG	Proved	50,000	3.8	1,900	
	Indicated	270,000	5.5	15,000		Probable	56,000	3.1	1,700	
	Inferred	138,000	5.4	7,400						
	<b>Sub Total</b>	<b>478,000</b>	<b>5.5</b>	<b>26,300</b>		<b>Sub Total</b>	<b>106,000</b>	<b>3.4</b>	<b>3,600</b>	
VICTOR SOUTH	Measured	-	-	-	VICTOR SOUTH	Proved	5,000	3.7	200	
	Indicated	188,000	2.0	3,700		Probable	8,000	3.2	200	
	Inferred	28,000	1.6	400						
	<b>Sub Total</b>	<b>216,000</b>	<b>1.9</b>	<b>4,100</b>		<b>Sub Total</b>	<b>13,000</b>	<b>3.4</b>	<b>400</b>	
McLEAY	Measured	74,000	6.7	4,900	McLEAY	Proved	49,000	4.1	1,900	
	Indicated	85,000	4.8	4,100		Probable	3,000	3.3	100	
	Inferred	75,000	4.6	3,400						
	<b>Sub Total</b>	<b>234,000</b>	<b>5.3</b>	<b>12,400</b>		<b>Sub Total</b>	<b>52,000</b>	<b>3.9</b>	<b>2,000</b>	
MORAN	Measured	285,000	7.3	20,800	MORAN	Proved	449,000	4.5	20,200	
	Indicated	90,000	6.9	6,300		Probable	120,000	3.1	3,600	
	Inferred	86,000	4.0	3,500						
	<b>Sub Total</b>	<b>461,000</b>	<b>6.6</b>	<b>30,600</b>		<b>Total</b>	<b>569,000</b>	<b>4.2</b>	<b>23,800</b>	
STOCKPILES	Measured	3,000	3.3	100	STOCKPILES		3,000	3.3	100	
<b>TOTAL</b>		<b>1,392,000</b>	<b>5.3</b>	<b>73,400</b>	<b>TOTAL</b>		<b>743,000</b>	<b>4.0</b>	<b>29,900</b>	

**Notes:**

1. Mineral Resources are reported using a 1% Ni Cut-off grade except for the Victor South disseminated Mineral Resource which is reported using a cut-off grade of 0.6% Ni.
2. Mining depletion as at 30 June 2014 has been removed from the 2014 resource estimate.
3. Resources are inclusive of Reserves.
4. Ore tonnes have been rounded to the nearest thousand tonnes and nickel tonnes have been rounded to the nearest hundred tonnes. This may result in slight rounding differences in the total values in the table above.
5. The Competent Persons statement is incorporated in the JORC Code (2012) Competent Persons Statements section of the ASX Release dated 28 August 2014.
6. JORC (2012) Table 1 Parameters are in Appendix B of the ASX Release dated 28 August 2014.

**Reference:** ASX Release dated 28 August 2014 for Resources and Reserves.

**Notes:**

1. Ore Reserves are reported above an economic Ni Cut-off value as at 30 June.
2. A Net Smelter Return (NSR) value of \$214 per ore tonne has been used in the evaluation of the 2014 reserve.
3. Mining depletion as at 30 June 2014 has been removed from the 2014 reserve estimate.
4. Ore tonnes have been rounded to the nearest thousand tonnes and nickel tonnes have been rounded to the nearest hundred tonnes.
5. Revenue factor inputs (US\$): Ni \$14,508/T, Cu \$6,820/T. Exchange rate A\$1.00 : US\$0.90.
6. The Competent Persons statement is incorporated in the JORC Code (2012) Competent Persons Statements section of the ASX Release dated 28 August 2014.
7. JORC (2012) Table 1 Parameters are in Appendix B of the ASX Release dated 28 August 2014.

**Reference:** ASX Release dated 28 August 2014 for Resources and Reserves.

# Resources & Reserves: Jaguar Operation

Mineral Resource 30 June 2014						
	Classification	Tonnes	Cu%	Zn%	Ag g/t	Au g/t
BENTLEY	Measured	706,000	2.2	12.3	172	0.8
	Indicated	1,502,000	1.5	8.0	123	0.7
	Inferred	631,000	1.2	6.1	101	0.6
	Stockpiles	16,000	1.8	11.7	166	0.8
	<b>Sub Total</b>	<b>2,855,000</b>	<b>1.6</b>	<b>8.7</b>	<b>130</b>	<b>0.7</b>

Mineral Resources 2009						
	Classification	Tonnes	Cu%	Zn%	Ag g/t	Au g/t
TEUTONIC BORE	Measured	-	-	-	-	-
	Indicated	946,000	1.7	3.6	65	-
	Inferred	608,000	1.4	0.7	25	-
	<b>Sub Total</b>	<b>1,554,000</b>	<b>1.6</b>	<b>2.5</b>	<b>49</b>	<b>-</b>
<b>GRAND TOTAL</b>	<b>4,409,000</b>	<b>1.6</b>	<b>6.5</b>	<b>102</b>	<b>-</b>	

#### Notes:

1. Mineral Resources include massive sulphide and stringer sulphide mineralisation. Massive sulphide resources are geologically defined; stringer sulphide resources for 2014 are reported above cut-off grades of 0.6% Cu for Bentley and 0.7% Cu for Teutonic Bore.
2. Block modelling mainly used ordinary kriging grade interpolation methods within wireframes for all elements and density. The Flying Spur lens, part of the Bentley deposit, was estimated using the Inverse Distance Squared Weighting method (IDW2). The new Flying Spur Mineral Resource comprised 449,000t @ 12.6% Zn, 0.6% Cu, 209g/t Ag and 1.7g/t Au (Inferred).
3. Mining depletion as at 30 June 2014 has been removed from the 2014 resource estimate for Bentley. Historic mining has been removed from the 2009 resource estimate for Teutonic Bore.
4. Resources are inclusive of Reserves.
5. Mining of the Jaguar deposit was completed on 29 February 2014. Economic evaluation of remaining resources has shown that they are not economic at foreseeable metal prices within a reasonable timeframe and have been removed from the 2014 inventory.
6. The Teutonic Bore resource estimate is now reported in compliance with JORC Code 2012 reporting guidelines. The model is unchanged from the 2009 model.
7. The Competent Persons statement is incorporated in the JORC Code (2012) Competent Persons Statements section of the ASX Release dated 28 August 2014.
8. JORC (2012) Table 1 Parameters are in Appendices C and D of the ASX Release dated 28 August 2014.

Reference: ASX Release dated 28 August 2014 for Resources and Reserves.

Ore Reserve 30 June 2014						
	Classification	Tonnes	Cu%	Zn%	Ag g/t	Au g/t
BENTLEY	Proved	499,000	2.1	12.1	168	0.8
	Probable	771,000	1.6	8.8	144	0.8
	<b>Sub Total</b>	<b>1,270,000</b>	<b>1.8</b>	<b>10.1</b>	<b>154</b>	<b>0.8</b>
<b>STOCKPILES</b>		<b>16,000</b>	<b>1.8</b>	<b>11.7</b>	<b>166</b>	<b>0.8</b>
<b>GRAND TOTAL</b>		<b>1,286,000</b>	<b>1.8</b>	<b>10.1</b>	<b>154</b>	<b>0.8</b>

#### Notes:

1. Cut-off values were based on Net Smelter Return (NSR) values of \$180 per ore tonne for direct mill feed and \$100 per ore tonne for marginal feed.
2. Revenue factor inputs (US\$): Cu \$6,820/T, Zn \$2,070/T, Ag \$19.50/troy oz, Au \$1,248/troy oz. Exchange rate AU\$1.00 : US\$0.90.
3. Metallurgical recoveries – 82% Cu, 53% Ag, and 43% Au in Cu concentrate; 83% Zn and 22% Ag in Zn concentrate
4. Longitudinal sub-level long hole stoping is the primary method of mining used at Bentley.
5. All Measured Resource and associated dilution was classified as Proved Reserve. All Indicated Resource and associated dilution was classified as Probable Reserve. No Inferred Resource has been converted into Reserve
6. Mining of the Jaguar deposit was completed on 29 February 2014. All remaining *in situ* mineralisation was evaluated and deemed inappropriate for Reserve conversion. The Jaguar underground mine was subsequently closed.
7. Mining depletion as at 30 June 2014 has been removed from the 2014 reserve estimate.
8. The Competent Persons statement is incorporated in the JORC Code (2012) Competent Persons Statements section of the ASX Release dated 28 August 2014.
9. JORC (2012) Table 1 Parameters are in Appendix C of the ASX Release dated 28 August 2014.

Reference: ASX Release dated 28 August 2014 for Resources and Reserves.

# Resources & Reserves: Stockman Project

Mineral Resource 30 June 2014						
	Classification	Tonnes Mt	Cu%	Zn%	Ag g/t	Au g/t
CURRAWONG	Measured	-	-	-	-	-
	Indicated	9.58	2.0	4.2	42	1.2
	Inferred	0.78	1.4	2.2	23	0.5
	<b>Sub Total</b>	<b>10.33</b>	<b>2.0</b>	<b>4.0</b>	<b>40</b>	<b>1.1</b>
WILGA	Measured	-	-	-	-	-
	Indicated	2.99	2.0	4.8	31	0.5
	Inferred	0.67	3.7	5.5	34	0.4
	<b>Sub Total</b>	<b>3.66</b>	<b>2.3</b>	<b>4.9</b>	<b>32</b>	<b>0.5*</b>
<b>GRAND TOTAL</b>		<b>13.99</b>	<b>2.1</b>	<b>4.3</b>	<b>38</b>	<b>1.0*</b>

**Notes:**

1. All Mineral Resources tonnes have been rounded to the nearest one thousand tonnes and grade to the nearest 1/10th percentage/gram per tonne.
2. Mineral Resources include massive sulphide and stringer sulphide mineralisation. Massive sulphide Mineral Resources are geologically defined; stringer sulphide resources are reported above cut-off grades of 0.5% Cu.
- \*3. Gold (Au) grades for Wilga are all inferred due to paucity of Au grade data in historic drilling.
4. Block modelling used ordinary kriging grade interpolation methods within wireframes for all elements and density.
5. Mining depletion as at end of historic mine life (1996) has been removed from the Mineral Resource estimate for Wilga.
6. Mineral Resources are inclusive of Ore Reserves.
7. The Competent Persons statement is incorporated in the JORC Code (2012) Competent Persons Statements section of this report.
8. See IGO's ASX Release of 28 August 2014 for JORC Code (2012) Table 1 Parameters.

**Reference:** ASX Release dated 28 August 2014 for Resources and Reserves.

Ore Reserve 28 November 2014						
	Classification	Tonnes Mt	Cu%	Zn%	Ag g/t	Au g/t
CURRAWONG	Proved	-	-	-	-	-
	Probable	7.4	2.1	4.3	40	1.2
	<b>Sub-Total</b>	<b>7.4</b>	<b>2.1</b>	<b>4.3</b>	<b>40</b>	<b>1.2</b>
	WILGA	Proved	-	-	-	-
	Probable	1.6	2.1	5.6	31	0.5*
	<b>Sub Total</b>	<b>1.6</b>	<b>2.1</b>	<b>5.6</b>	<b>31</b>	<b>0.5*</b>
<b>GRAND TOTAL</b>		<b>9.0</b>	<b>2.1</b>	<b>4.5</b>	<b>39</b>	<b>1.1*</b>

**Notes:**

1. All Ore Reserves tonnes are rounded to the nearest one hundred thousand tonnes and grade to the nearest 1/10th percentage/gram per tonne.
2. Gold (Au) grades are Inferred at Wilga due to a paucity of gold assays in historic drilling. Revenue from Au in the Wilga ore was included in the estimation of the Ore Reserve. The contribution to Revenue of this Au was estimated to be \$8.65 per gram of Au in situ. This inclusion was not material to the value of the mining envelopes considered and did not warrant downgrading of any portion of the Ore Reserve attributable to Wilga. The contribution from Wilga represents 18% of the total Ore Reserve.
- \*3. Historic mining depletion for Wilga has been removed from the Ore Reserve estimate.
4. The Competent Persons statement is incorporated in the JORC Code (2012) Competent Persons Statements section of this report.
5. See IGO's ASX Release of 28 November 2014 for JORC Code (2012) Table 1 Parameters.

**Reference:** ASX Release dated 28 November 2014 for Resources and Reserves.

## FY16 Guidance

### Tropicana

- ▶ 129,000 to 141,000oz (IGO 30% share)
- ▶ Average cash cost of \$640 to \$710/oz Au
- ▶ AISC of \$820 to \$910/oz Au sold
- ▶ Sustaining capex (IGO 30%) of \$8 to \$10M
- ▶ Exploration (IGO 30%) of \$9 to \$11M

### Long

- ▶ 9,000 to 10,000t contained Ni
- ▶ Average cash cost of \$4.00 to \$4.50/lb Ni
- ▶ Sustaining capex of \$5 to 6M
- ▶ Exploration of \$18 to \$20M

### Jaguar

- ▶ 35,000 to 40,000t Zn in conc.
- ▶ 7,500 to 8,500t Cu in conc.
- ▶ Average cash cost of \$0.40 to 0.60/lb Zn
- ▶ Sustaining capex of \$4 to \$5M
- ▶ Development of \$12 to \$14M
- ▶ Exploration of \$10 to \$12M

### Exploration and Development

- ▶ \$10 to \$12M on greenfields and generative exploration
- ▶ \$2M on Stockman Project permitting and holding costs

## Hedging as at 30 June 2015

### Nickel

- ▶ Q1 FY16: 250 t/mth at avg. price of \$19,701/t

### Copper

- ▶ Q1 FY16: 550t at \$8,001/t in Sept 15

### Gold

- ▶ FY16: Average 3,208 oz/month zero cost collars (range \$1,342 to \$1,672/oz)
- ▶ FY17: 2,500 oz/month zero cost collars to November 2016 (range \$1,330 to \$1,593/oz)