

INDEPENDENCE GROUP NL

Macquarie Western Australia Forum 2018

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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 for which Competent Person’s consents were obtained, which is available on the IGO website. The Competent Person’s 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place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.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 presentation that relates to Exploration Results is extracted from the ASX announcements released 26 July 2018 entitled “Lake Mackay JV – Exploration Update” and 3 August 2018 entitled “Tropicana Site Visit” and for which Competent Person’s consents were obtained. The Competent Person’s 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place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.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 Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcements released on 26 July 2018 and 3 August 2018 and, in the case of estimates or Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the original ASX 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 ASX announcement.
- 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, gain on sale of subsidiary, redundancy and restructuring costs, depreciation and amortisation, and once-off transaction costs.
- 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.

Key messages:

- Solid FY18 with record revenue and underlying EBITDA
- Increased production and lower costs expected for Nova and Tropicana in FY19
- Tropicana underground and Nova downstream processing studies underway to further enhance value
- Exploration to unlock discovery potential portfolio of belt scale projects with Fraser Range focus
- Strategic focus on minerals critical to energy storage





Introduction

We focus on high quality, long life assets that deliver great financial returns

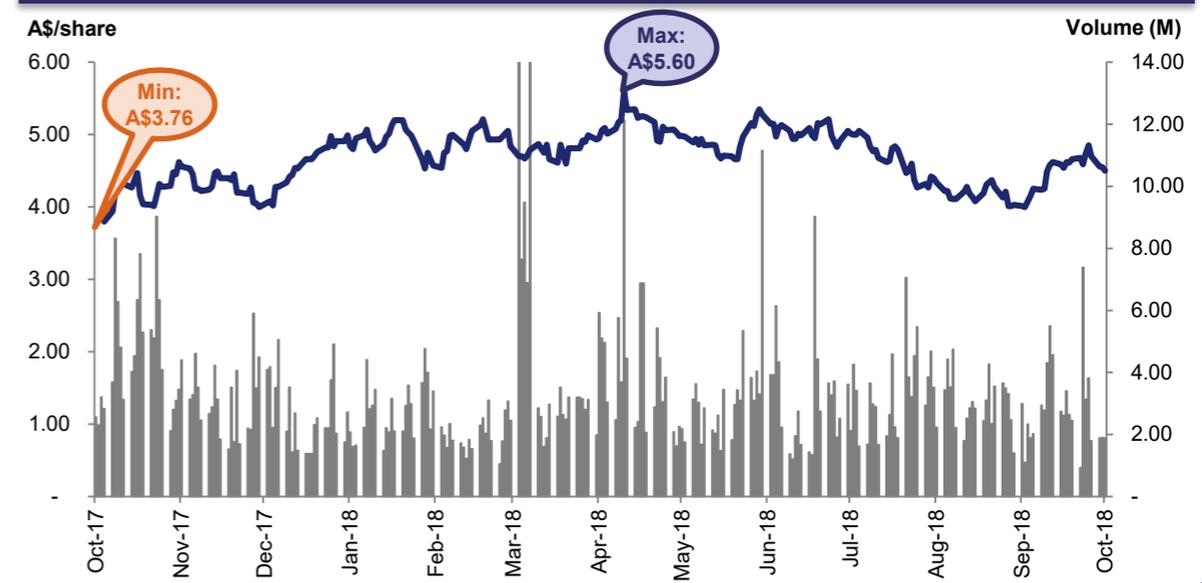
ASX	IGO
Base	Perth, WA
Market Cap⁽¹⁾	A\$2.6 billion
Cash⁽²⁾	A\$139M
Debt⁽²⁾	A\$143M
Dividend Policy	>30% NPAT

1) As at market close 10 Oct 2018
 2) As at 30 Jun 2018
 3) As at 30 Aug 2018

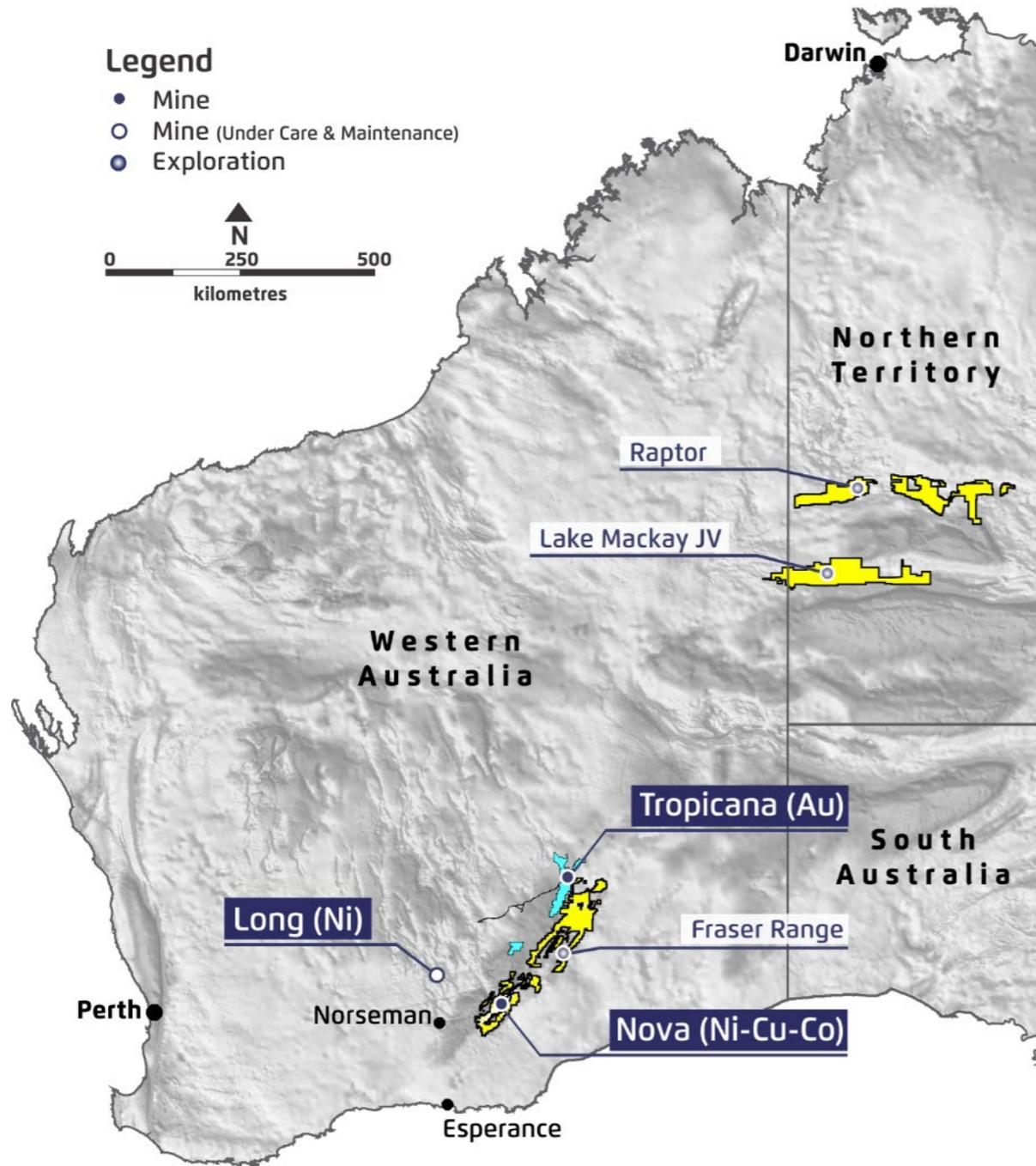
Share Ownership

Substantial Holders ⁽¹⁾		Institutional Ownership ⁽³⁾	
Mark Creasy	16%	Australia	69%
FIL	9%	USA	23%
T Rowe Price	8%	UK & Europe	5%
CBA	6%	ROW	3%
Ausbil	5%		

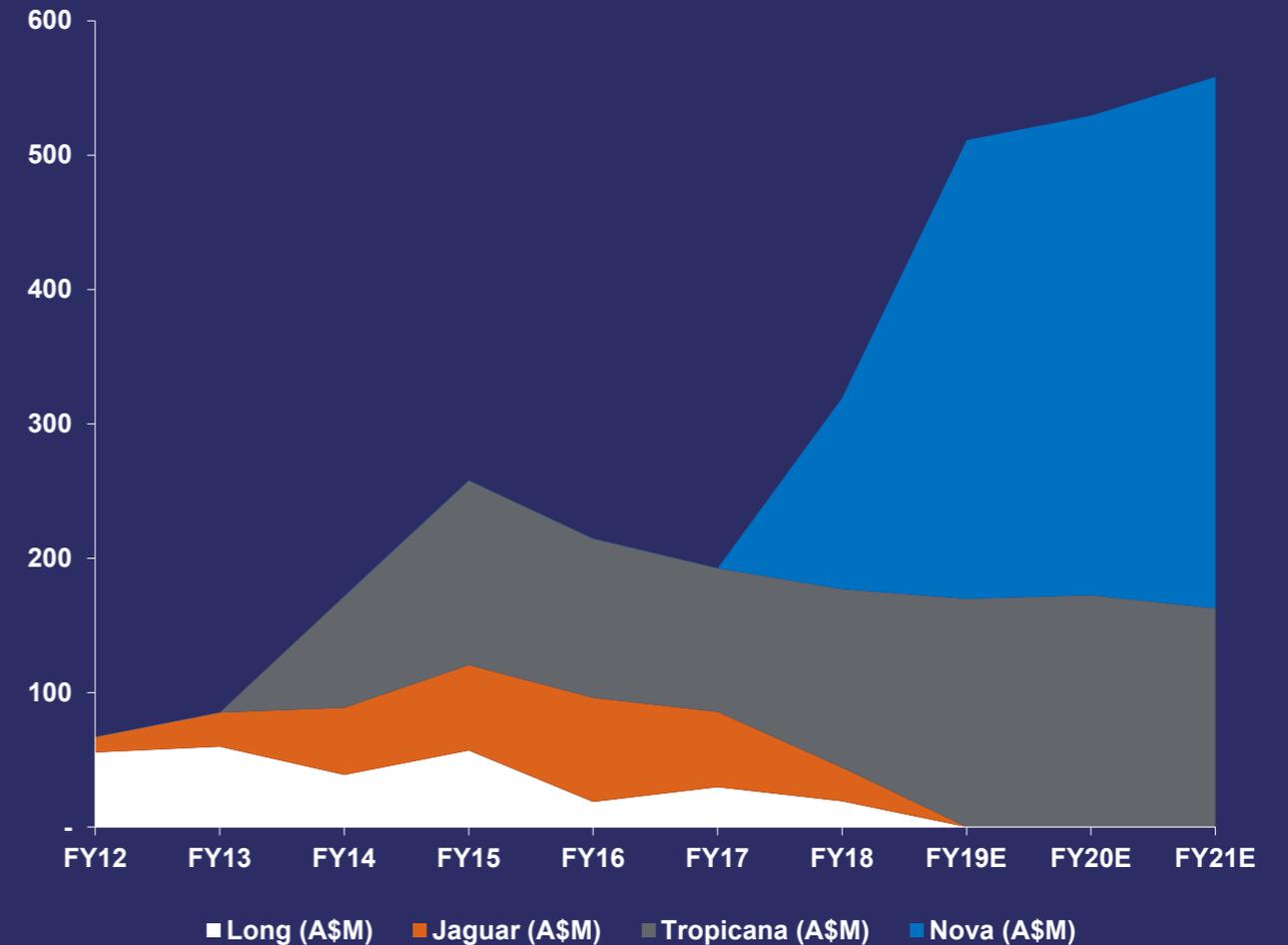
Share Price Performance⁽¹⁾



Strategic focus on minerals critical to energy storage and electric vehicles



IGO EBITDA Profile (A\$M)⁽¹⁾

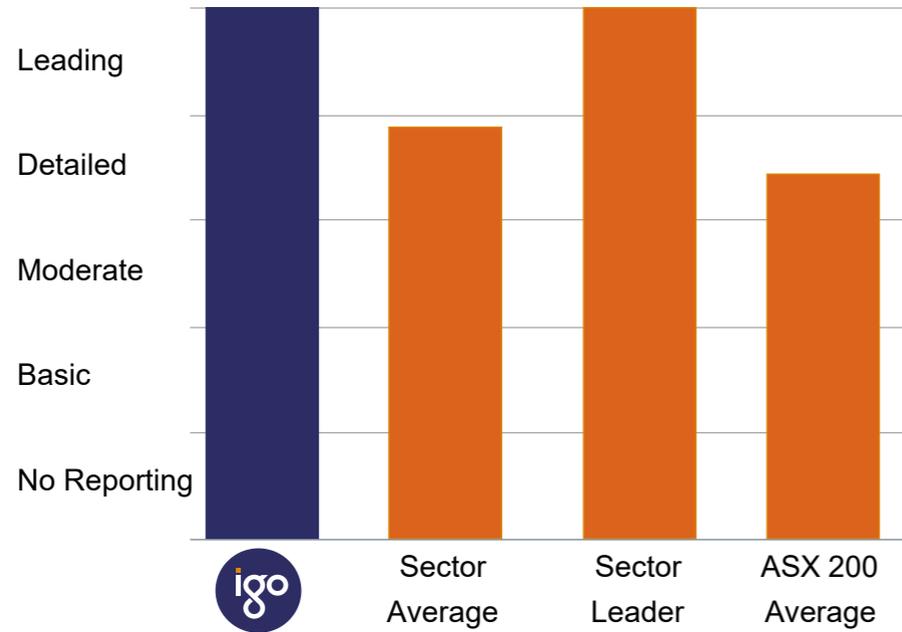


1) Macquarie Research – 29 Aug 2018

Safety & Sustainability



2018 ACSI Rating of ASX200 Sustainability Reporting⁽⁵⁾



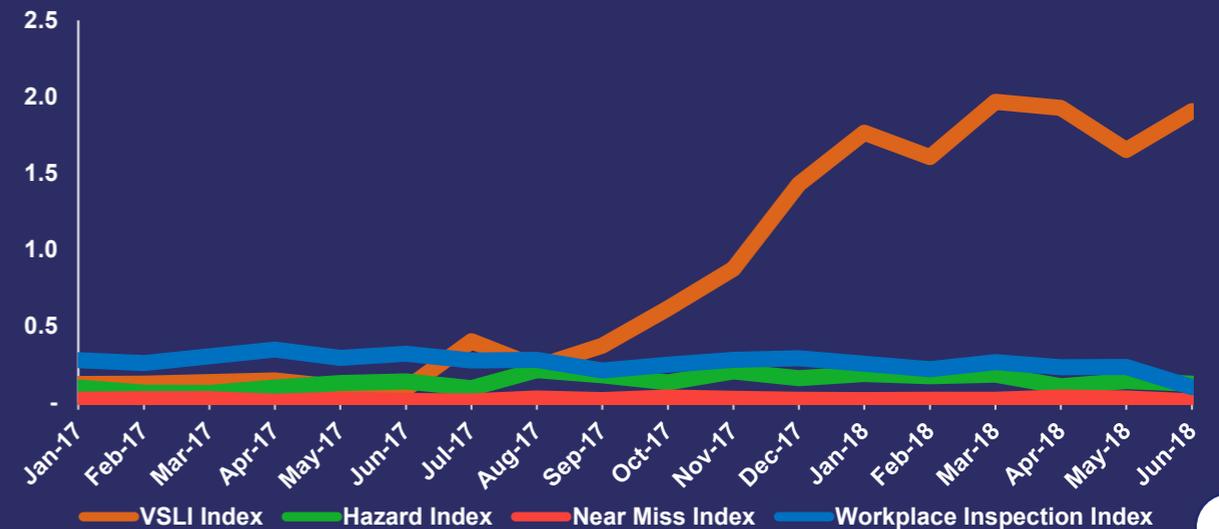
“Leading” rating each of the last three years

- 1) 12 month moving average MTIFR – Medically Treated Injury Frequency Rate: calculated as the number of medically treated injuries x 1,000,000 divided by the total number of hours worked
- 2) 12 month moving average LTIFR – Lost Time Injury Frequency Rate: calculated as the number of Lost Time injuries x 1,000,000 divided by the total number of hours worked
- 3) VSLI: Visual Safety Leadership Interaction
- 4) Jun-18 LTIFR rate has increased from 1.96 to 2.39 as a result of the reclassification of a single injury from the June 2018 Quarter
- 5) Australian Council of Superannuation Investors (ACSI)

Key Lag Safety Metrics^(1,2,4)



Key Lead Safety Metrics⁽³⁾





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



FY18 & FY19



FY18 Highlights



Nova and Tropicana drive record FY18 results

- Record revenue and underlying EBITDA
- Completed first full year of commercial production at Nova
- Tropicana and Long production better than mid-point of guidance
- Long transitioned into care and maintenance in June 2018
- Stockman and Jaguar divestments successfully completed
- Exploration portfolio strengthened with further consolidation on the Fraser Range and the addition of two new belt scale projects
- Net debt reduced from A\$164M to A\$4M during FY18
- Final fully franked dividend of 2c/share declared for FY18 for total FY18 dividends of 3c/share

Record Financial Results



Revenue and Underlying EBITDA up 85% and 125% respectively

	Units	FY17	FY18	YoY
Revenue and Other Income	A\$M	421.9	780.6	85%
Underlying EBITDA ⁽¹⁾	A\$M	150.5	338.6	125%
Net Profit After Tax	A\$M	17.0	52.7	210%
Net Cash from Operating Activities	A\$M	77.7	277.8	256%
Underlying Free Cash Flow ⁽²⁾	A\$M	(113.2)	138.3	n.a.
Cash	A\$M	35.8	138.7	287%
Debt	A\$M	200.0	142.9	(29%)

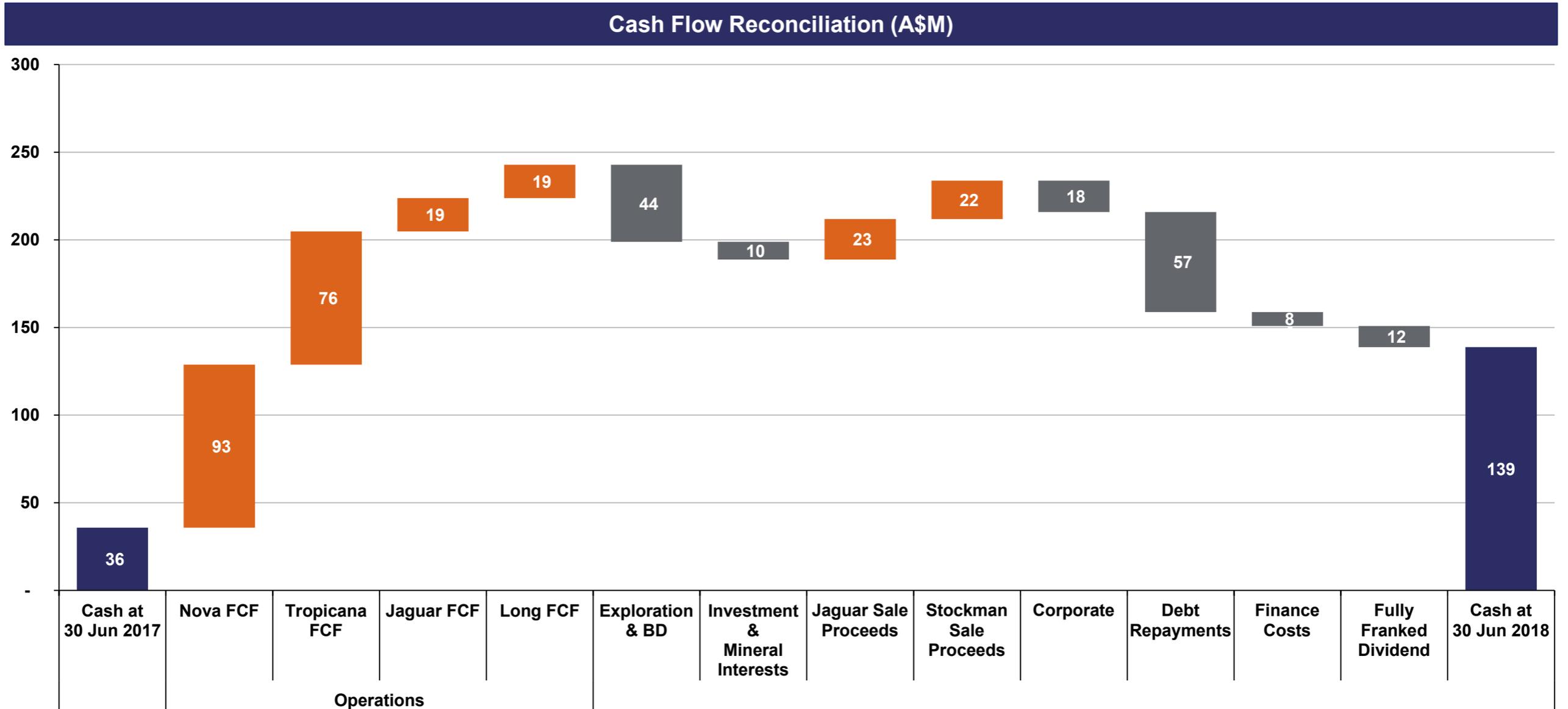
Net cash flow from operating activities increased by 256%, driven by the first full year of commercial production at Nova and a strong year for Tropicana

1) Underlying EBITDA is a non-IFRS measure (refer to Disclaimer page)

2) Free Cash Flow comprises Net Cash Flow from Operating Activities and Net cash Flow from Investing Activities. Refer to disclaimer page for "Underlying" adjustments

FY18 Cash Flow Reconciliation

Cash increased by A\$103M to A\$139M



FY19 Guidance⁽¹⁾

Stronger year at Nova and Tropicana in FY19



Nova guidance de-risked by grade control drilling and first year of commercial production in FY18

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) ⁽²⁾	A\$/lb Ni	1.65 – 2.00
Sustaining/Improvement Capex	A\$M	21 – 24
Development capex	A\$M	25 – 28

Tropicana grade streaming to deliver higher production and lower cash costs

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

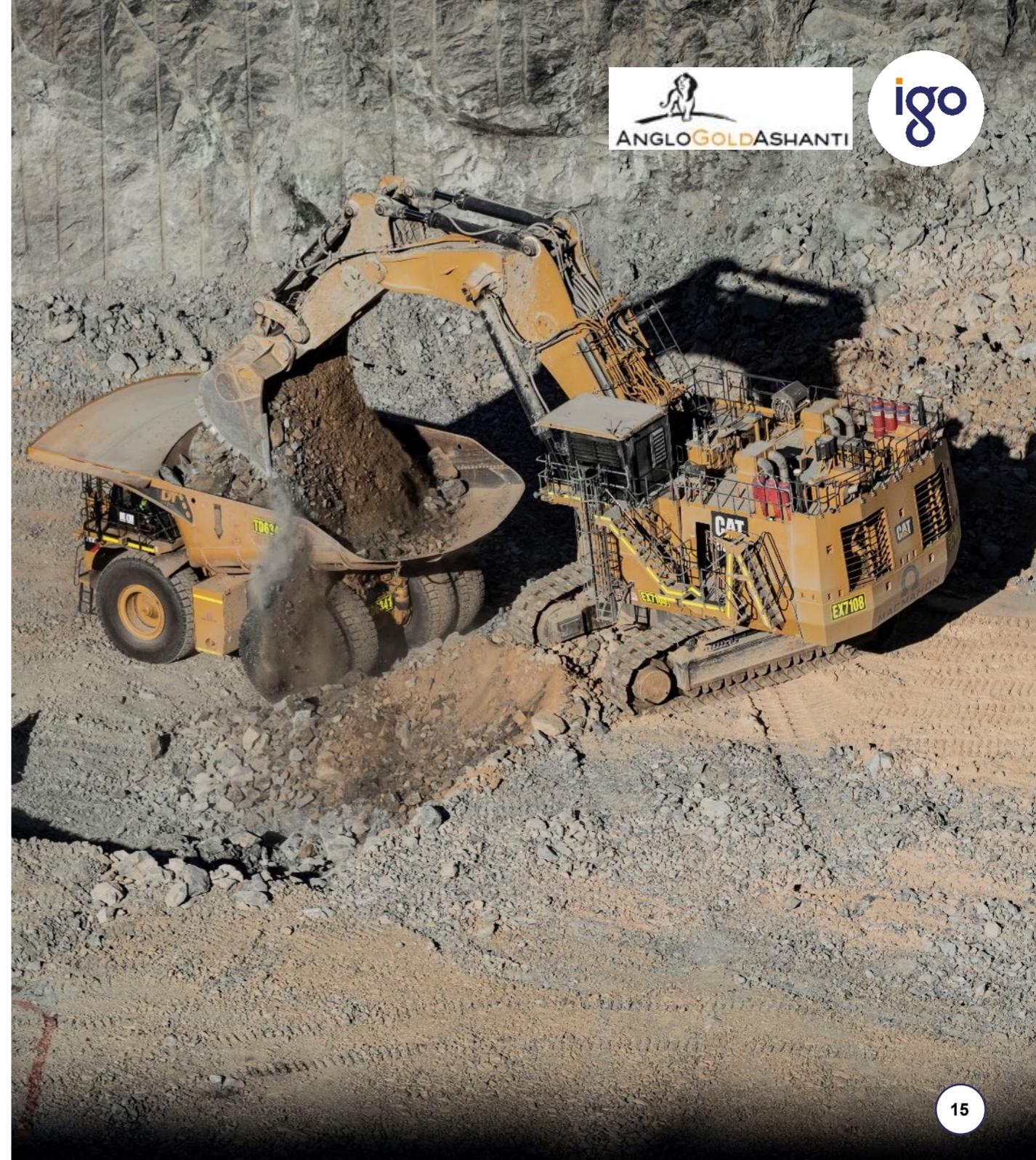
2) Commodity price assumption for by-product credits of A\$4.08/lb for copper and A\$50/lb for cobalt



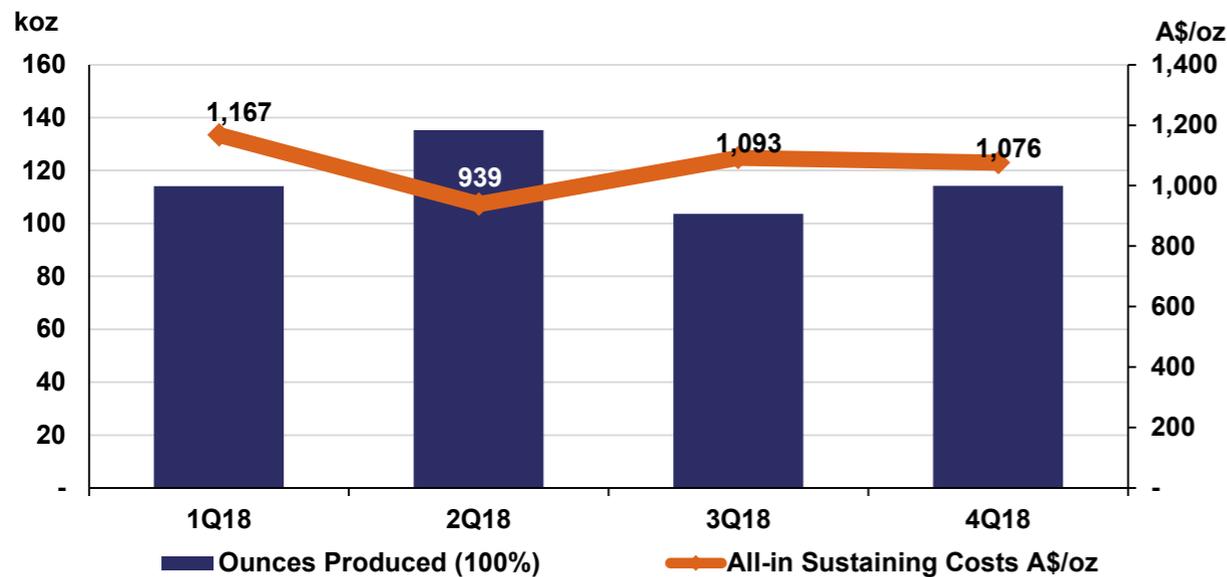
Tropicana

Tropicana

- 330km NE of Kalgoorlie
- 525,000oz gold production (100%) at A\$935/oz AISC⁽¹⁾
- ~10 year mine life remaining
- Underground studies and exploration to deliver upside potential



Tropicana Production (100%) & AISC

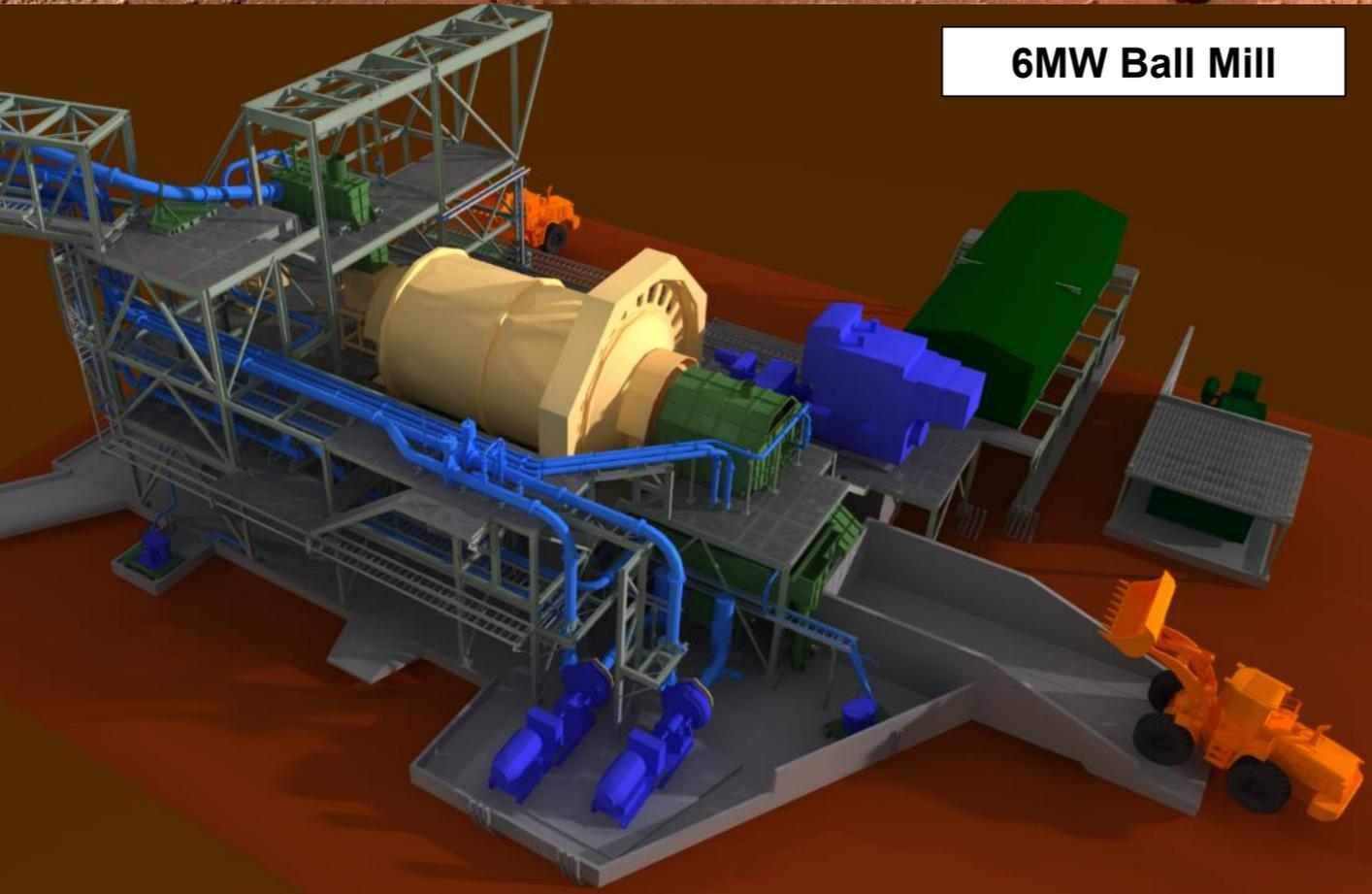


1) Refer to ASX release dated 27 Jul 2018: IGO June 2018 Quarterly Report

Backfilling



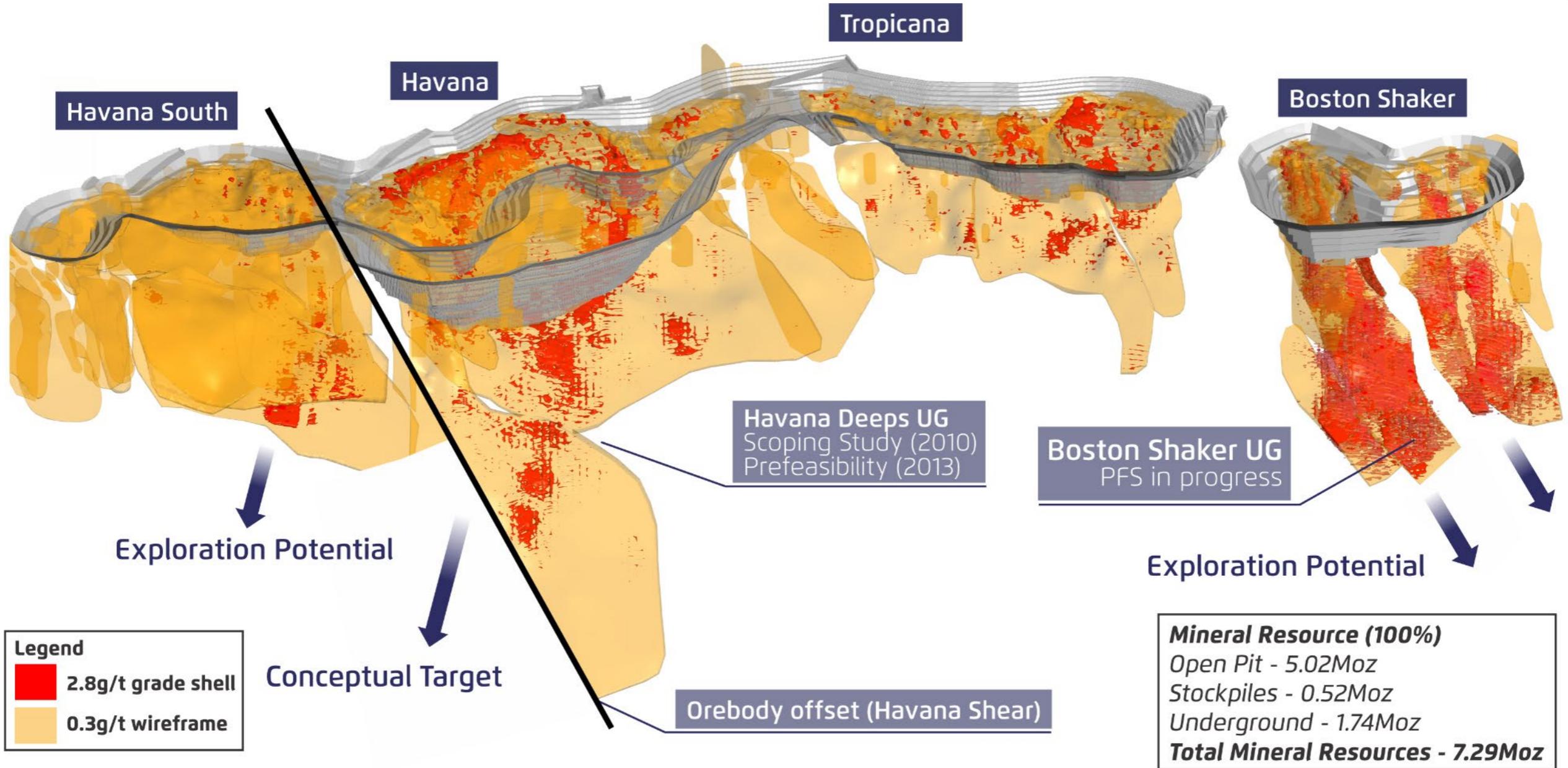
6MW Ball Mill



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

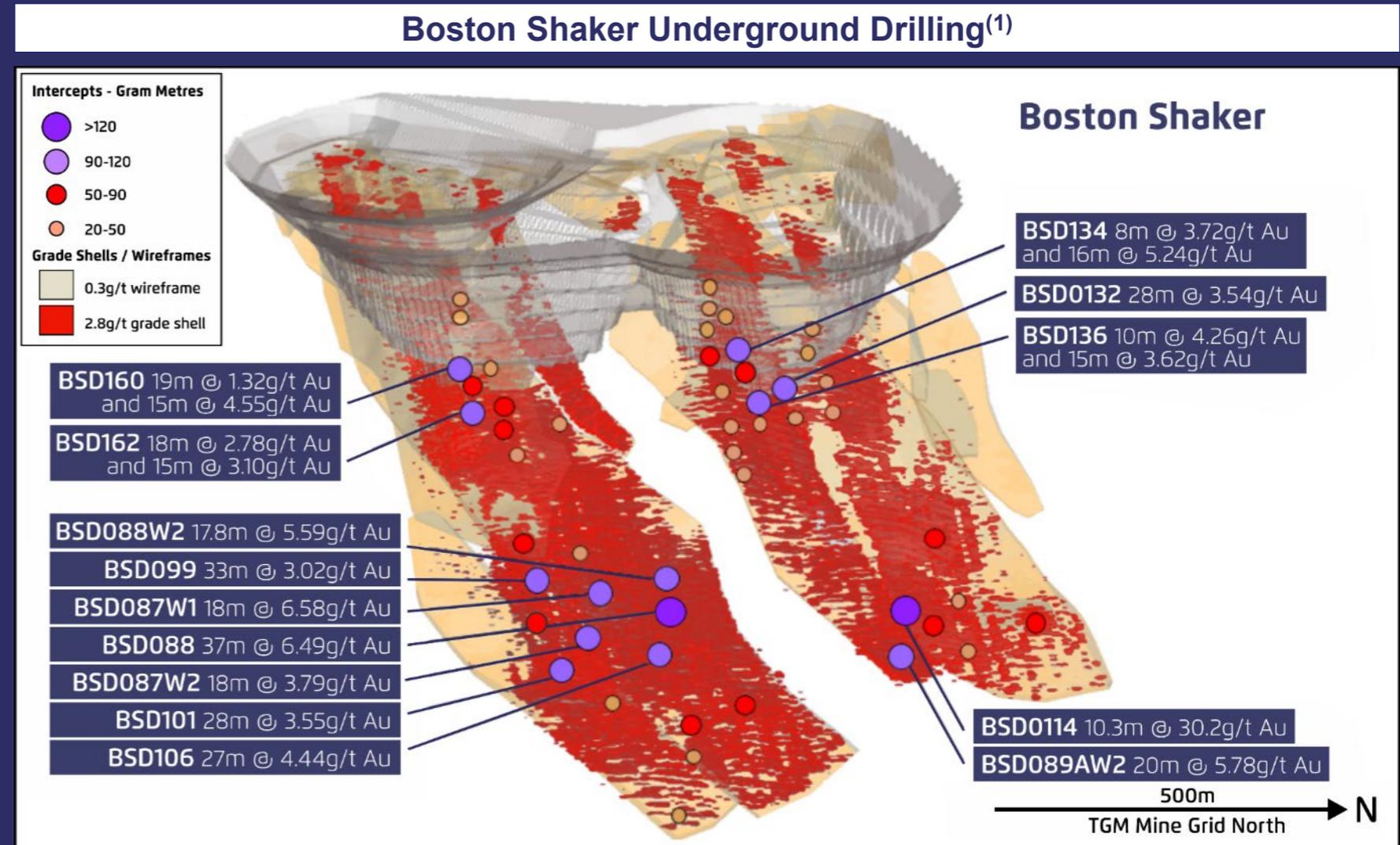
Tropicana – 5km strike of mineralisation



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

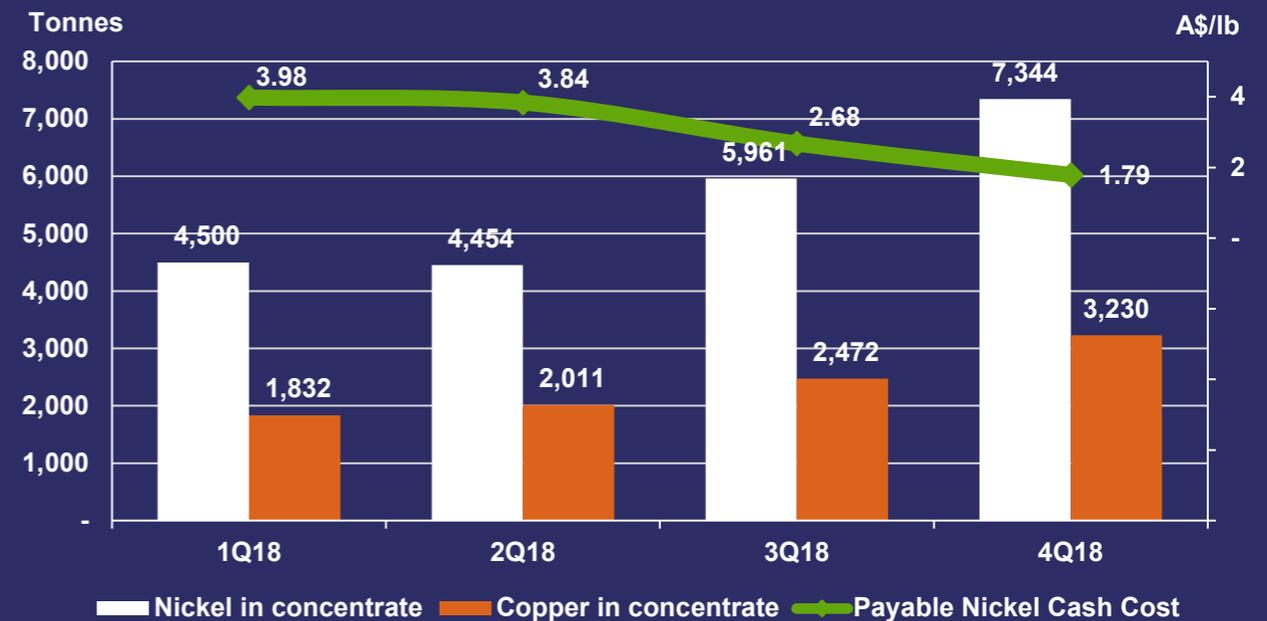




Nova

- Delivers scale, low cost, long mine life and exploration upside
- Successful first year of commercial production delivered in FY18

Nova Production & Payable Cash Cost

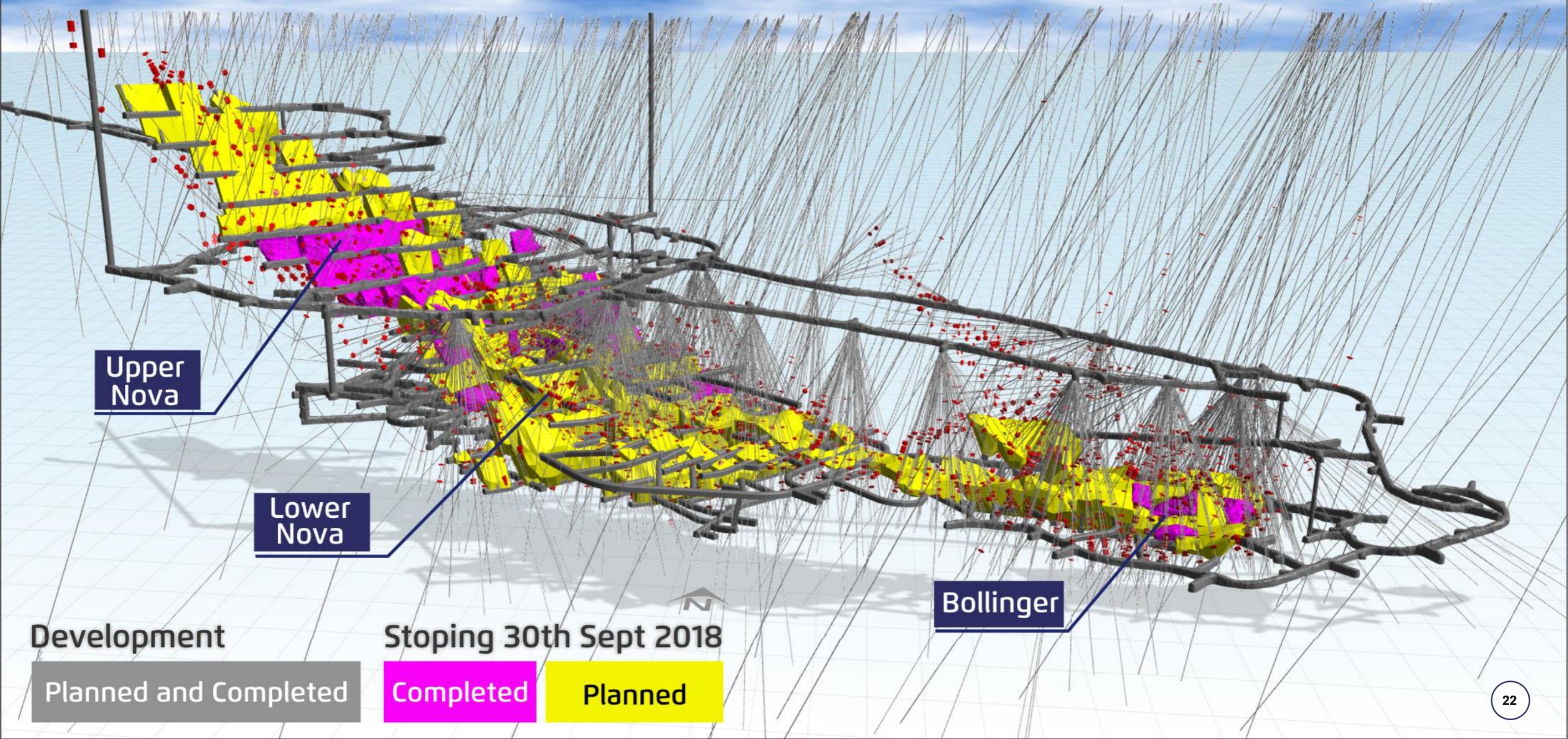


Successful first year of commercial production

- **Delivered nameplate capacity of 1.5Mtpa**
 - **Demonstrated sprint rate of 1.8Mtpa for mining and processing**
- **Transitioned to smaller number of larger stopes at Nova and Bollinger**
- **Resource model performing**
- **Nickel recoveries in line with or better than design recoveries**
- **Potential to improve cost profile in FY19**



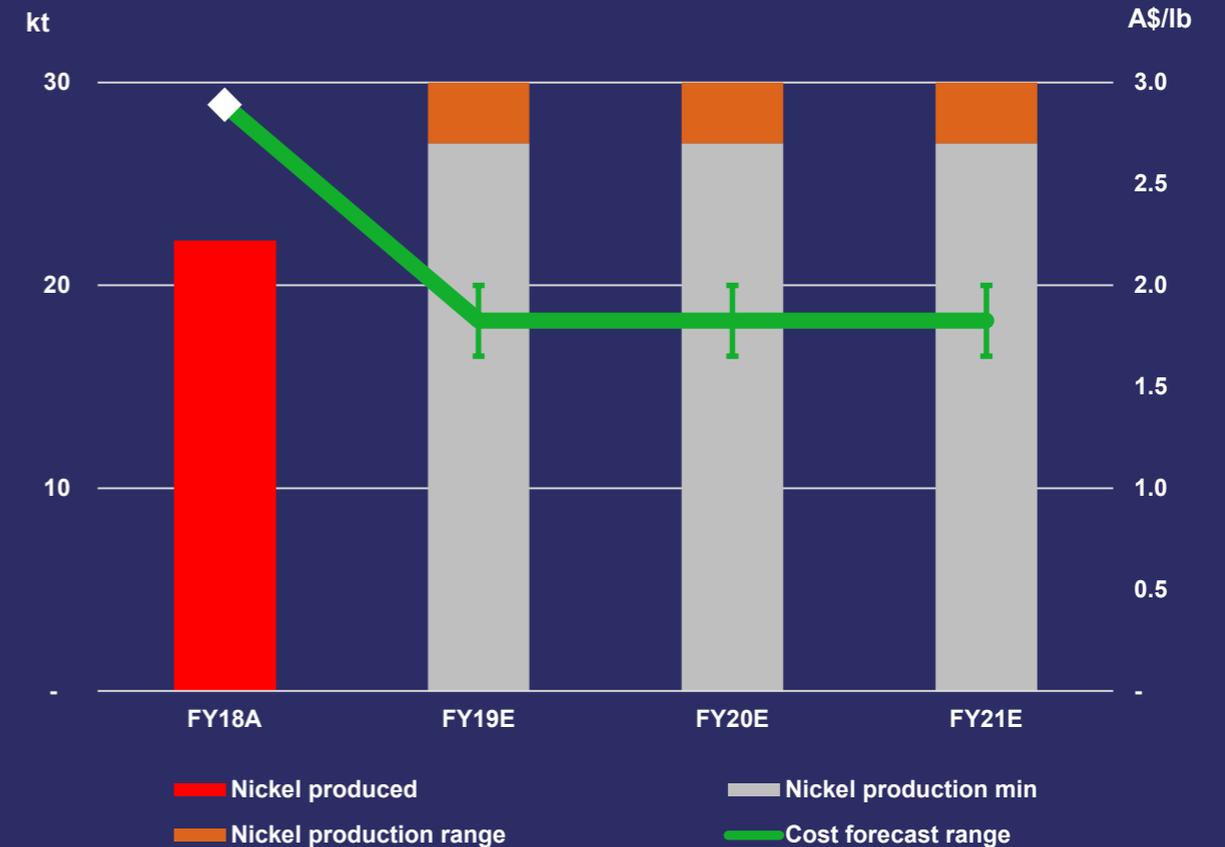
Nova Underground Mine Design & Drilling

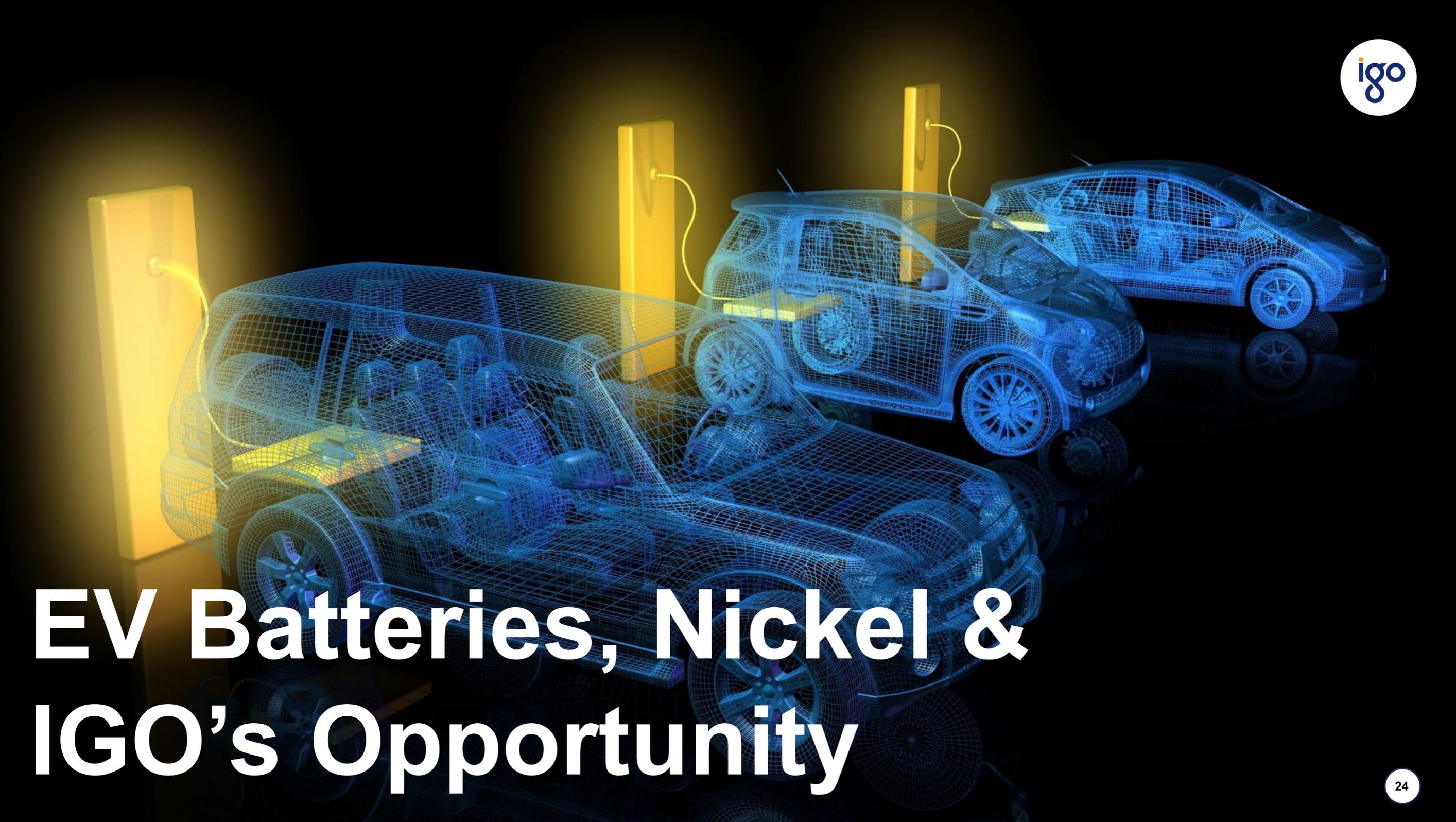


Strong outlook for Nova

- 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
 - Commodity price for by-product credits of A\$4.08/lb for copper and A\$50/lb for cobalt

Directional Production and Cash Costs

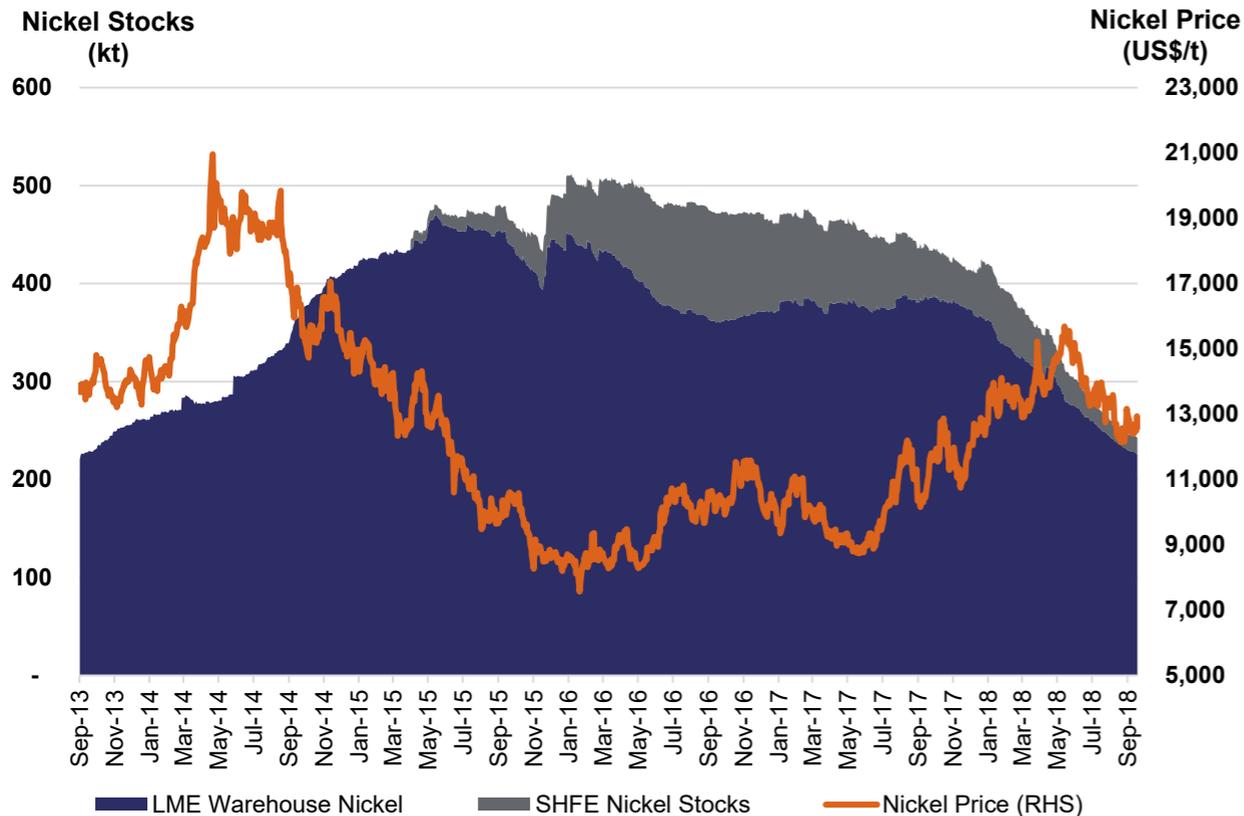


The background of the slide features a futuristic scene with three electric vehicles (EVs) rendered as blue wireframe models. They are parked at three yellow charging stations. The scene is lit with a cool blue light, and the vehicles and stations are reflected on the dark ground. The overall aesthetic is high-tech and digital.

EV Batteries, Nickel & IGO's Opportunity

Decreasing stockpiles and stainless steel demand growth to move nickel prices higher

Official Nickel Exchange Stockpiles and Price⁽¹⁾



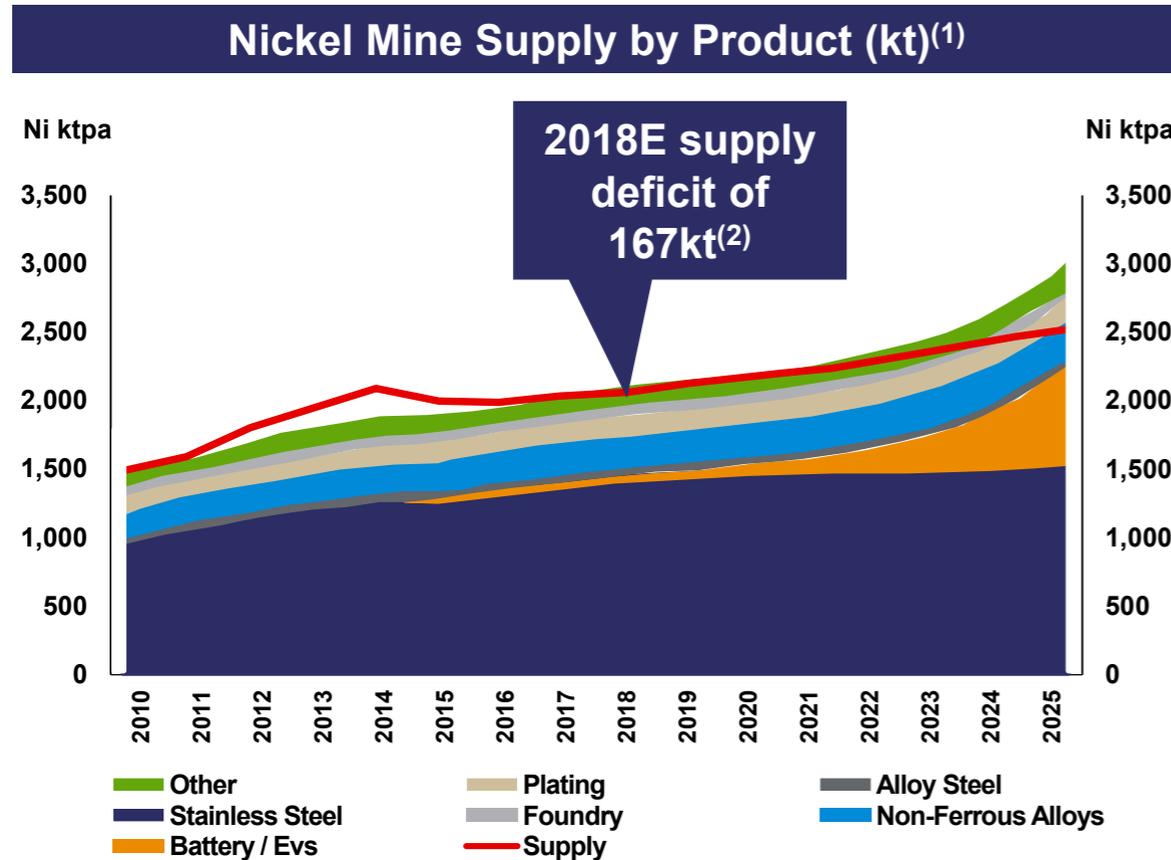
Nickel to be a big winner from EV battery demand disruption

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

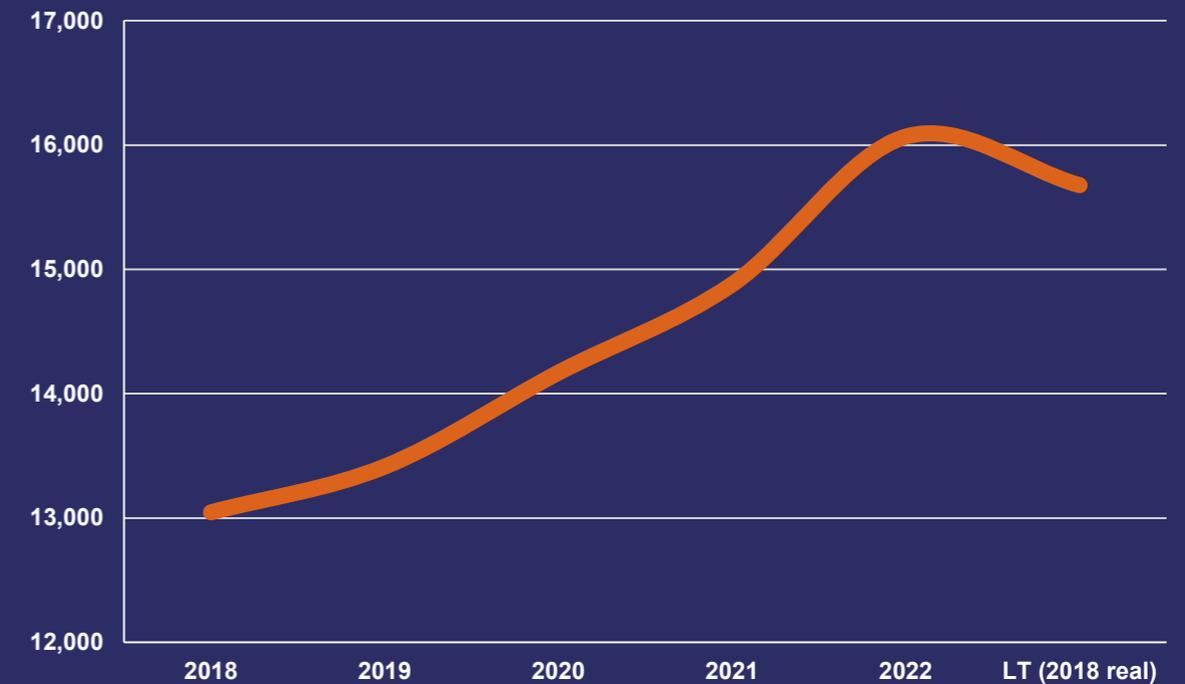
1) Source: Bloomberg

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 accelerates after 2020



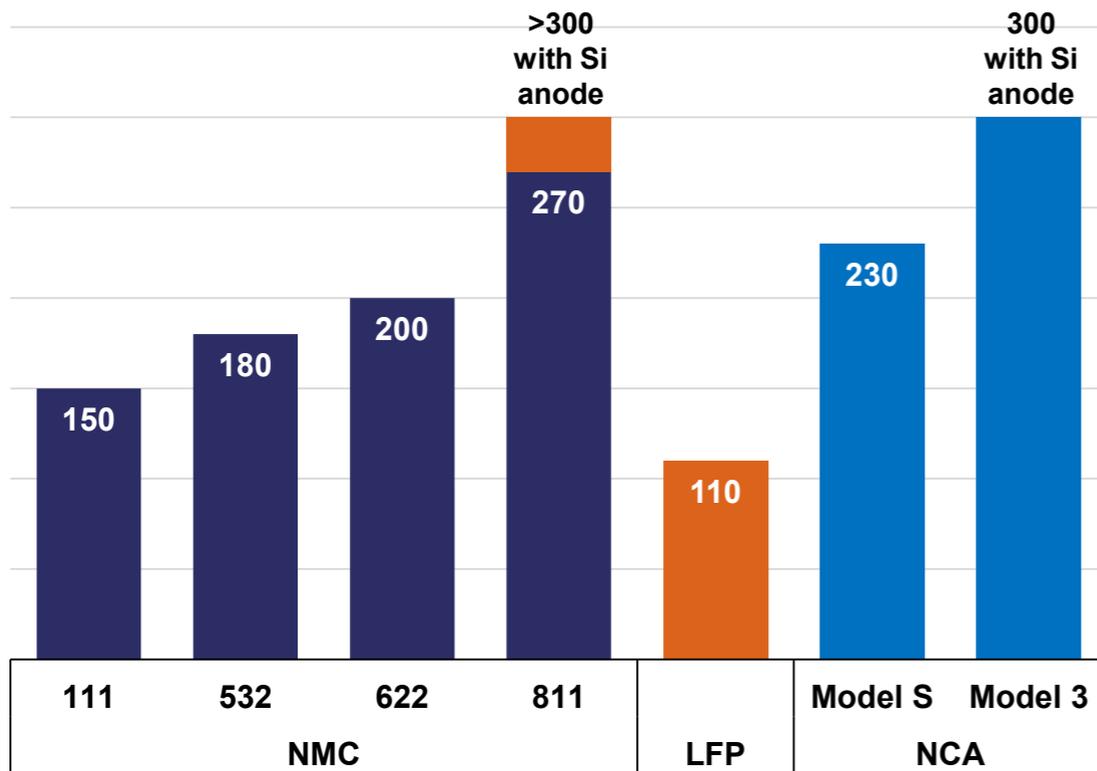
Forecast Nickel Price Consensus⁽³⁾ (US\$/t)



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

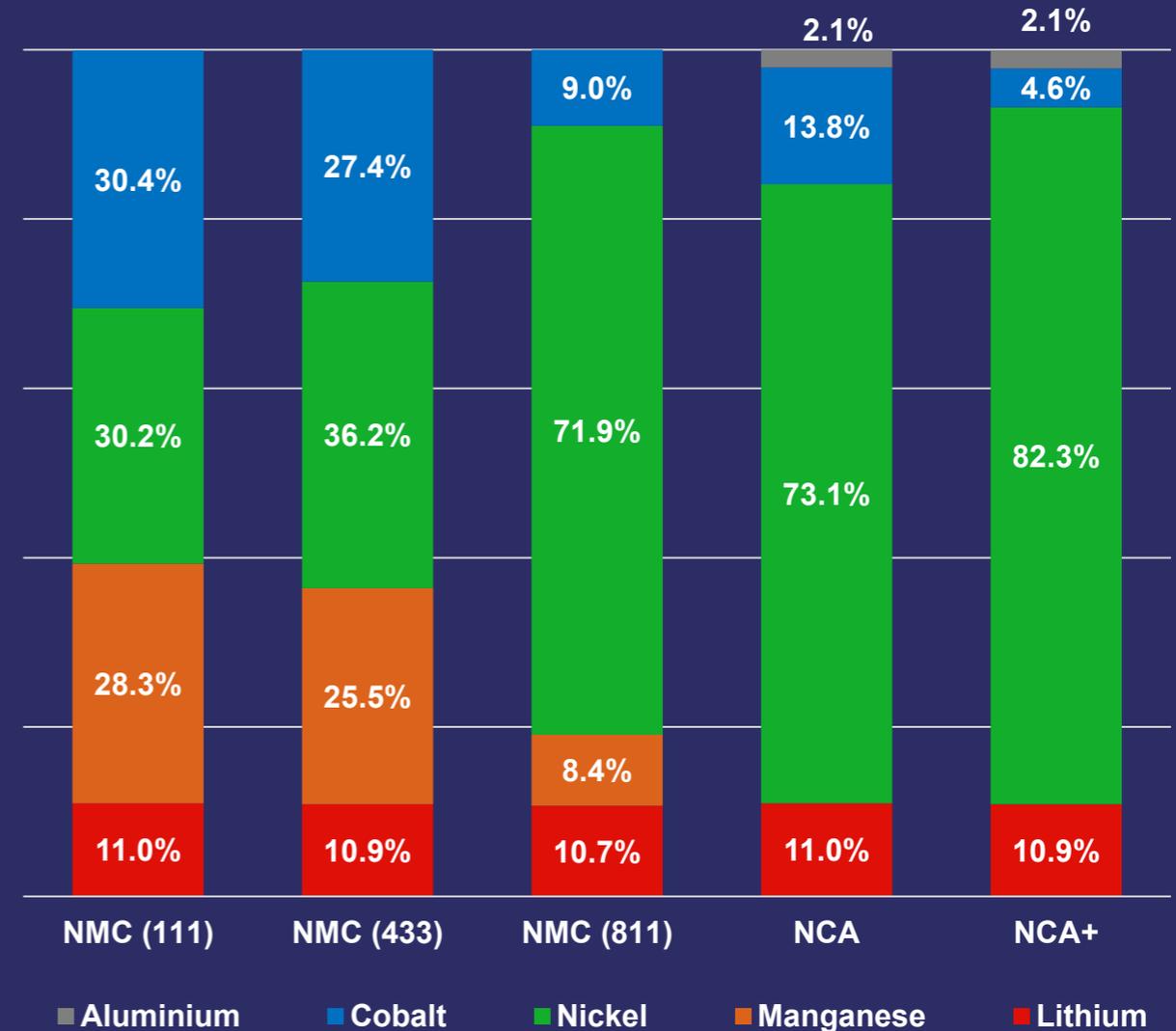
EV lithium ion battery cathodes with higher nickel content are key to enabling higher energy density

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

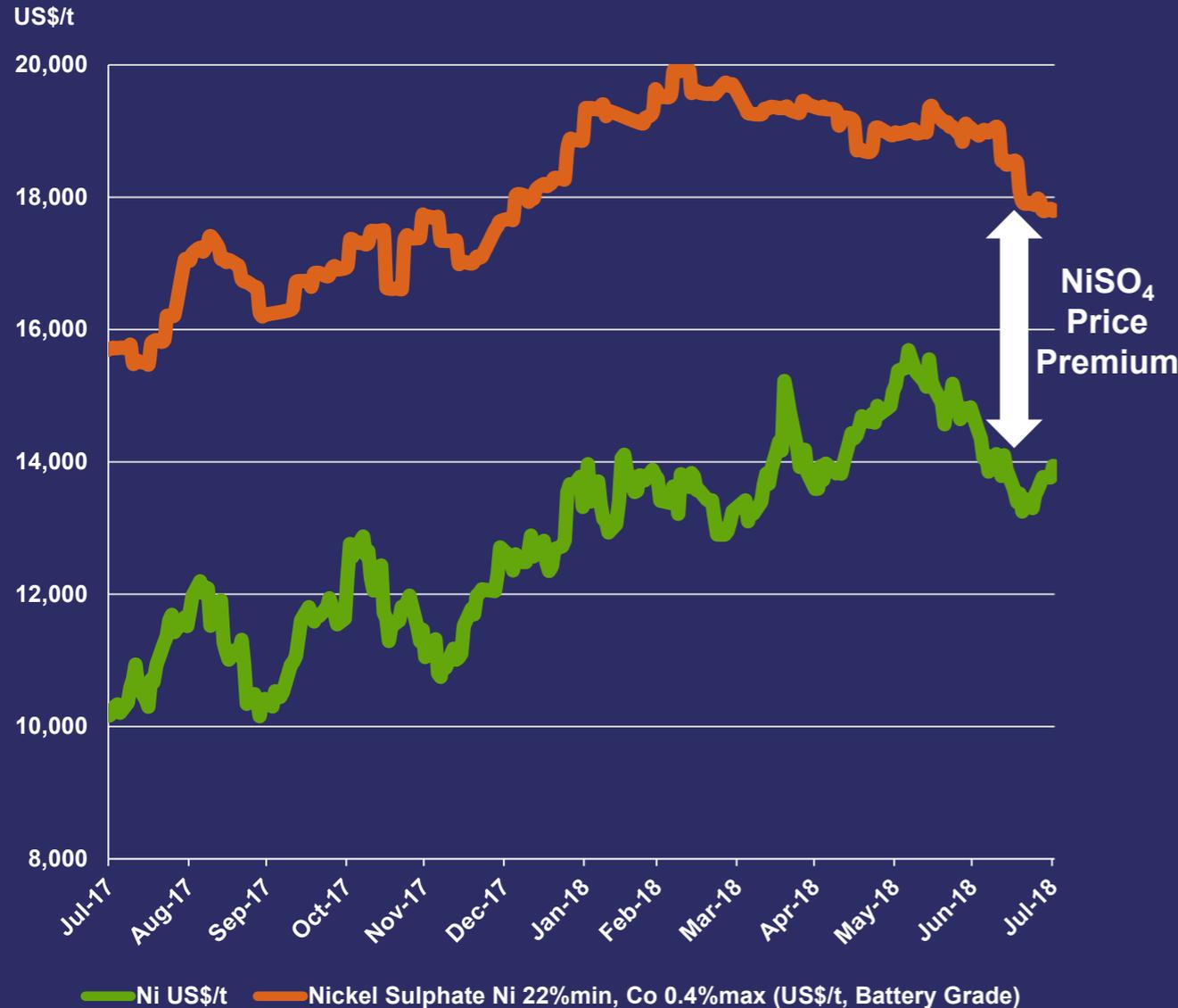


1) AB Bernstein: Electric Revolution: Investing in the car of the Future

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
- Broadens exposure to wider range of investors

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
- Testwork validated and improved upon previous metallurgical assumptions indicating potential for lower capex & opex
- Prefeasibility underway

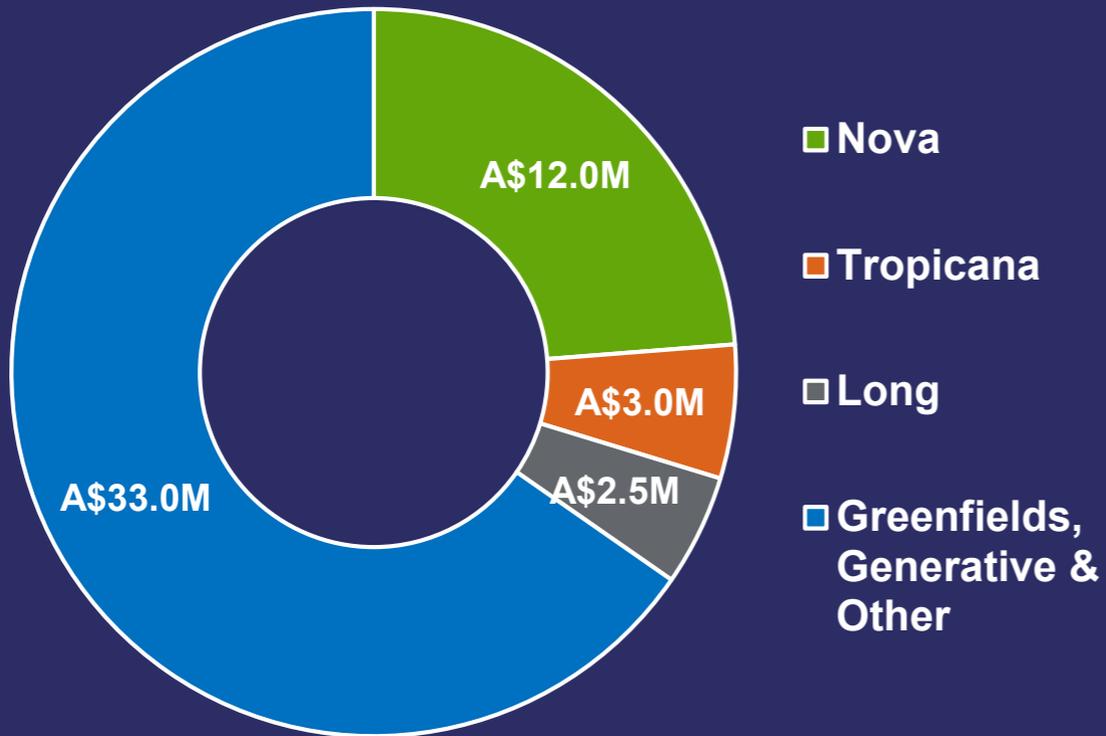


1) Photographs to the LHS are of the 1.6kg of nickel sulphate hexahydrate crystals produced in the metallurgical testwork. Photography by Karel Osten, Wood Plc

Discovery

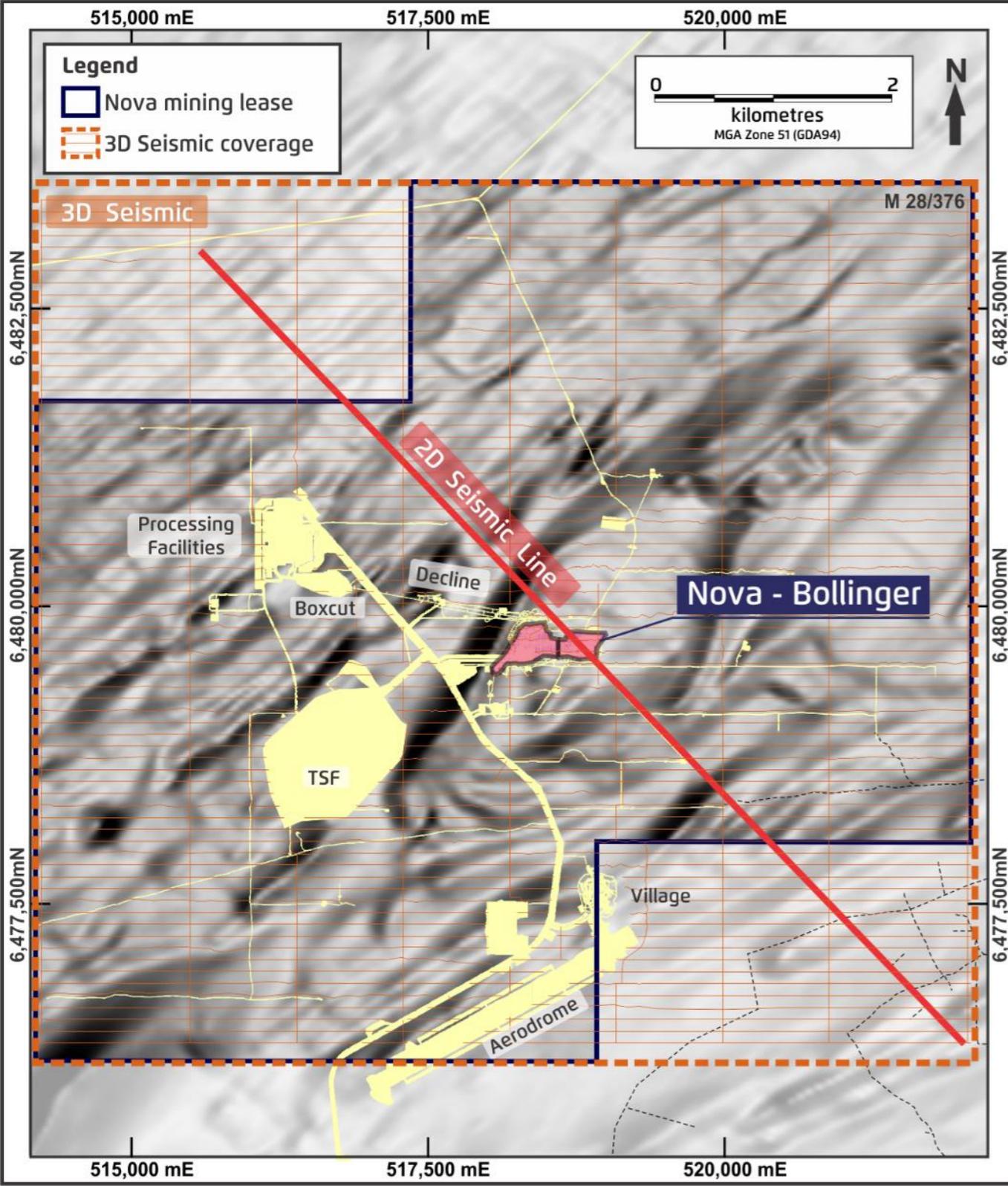


A\$51M committed to discovery in FY19



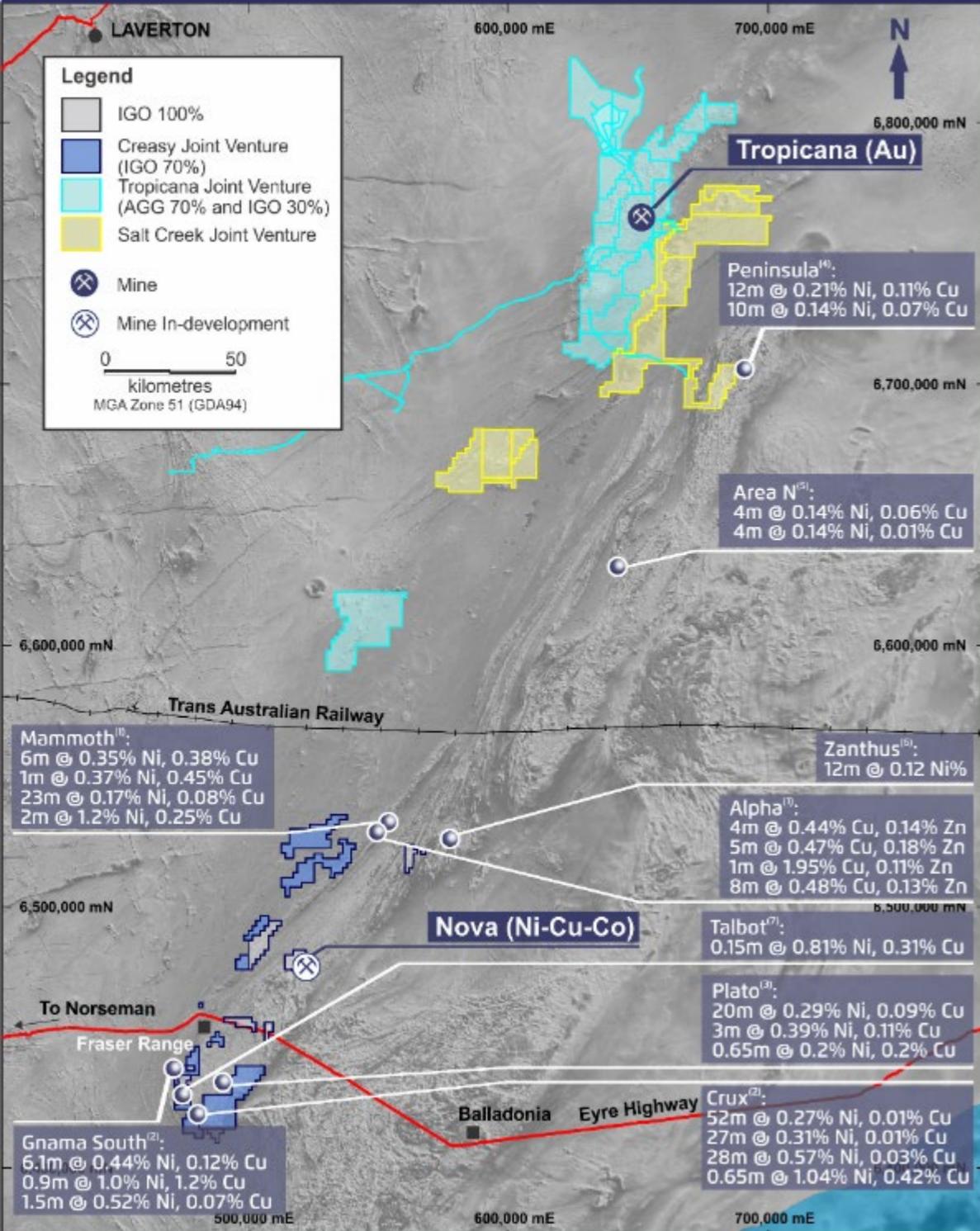
Best in Class exploration and discovery capability





Leveraged science in FY18 to deliver drill targets for FY19

- 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
- FY19 drill program underway with 20,000m planned and drilling at Phoenix and Chameleon during 1Q19

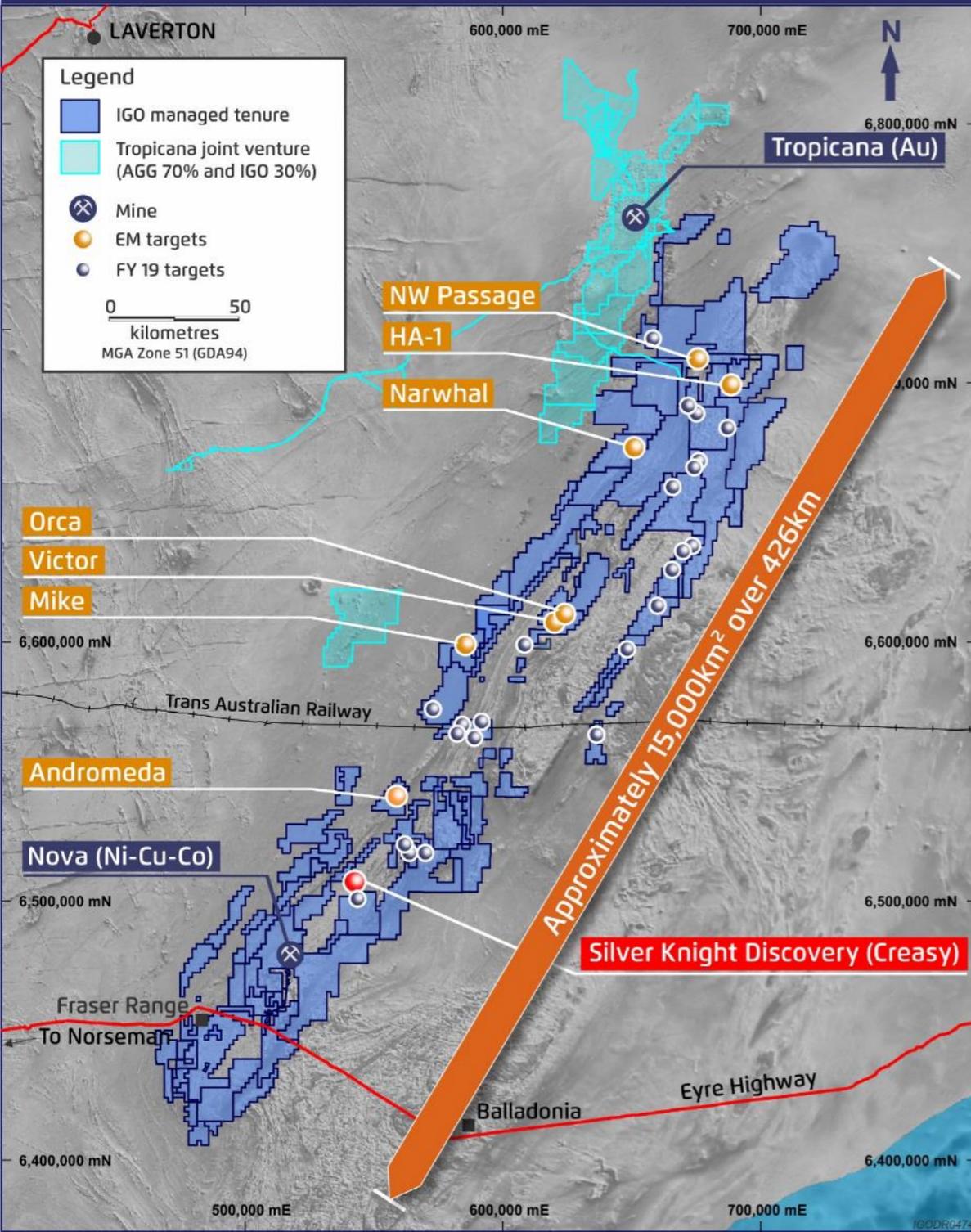


Why explore the Fraser Range?

- 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

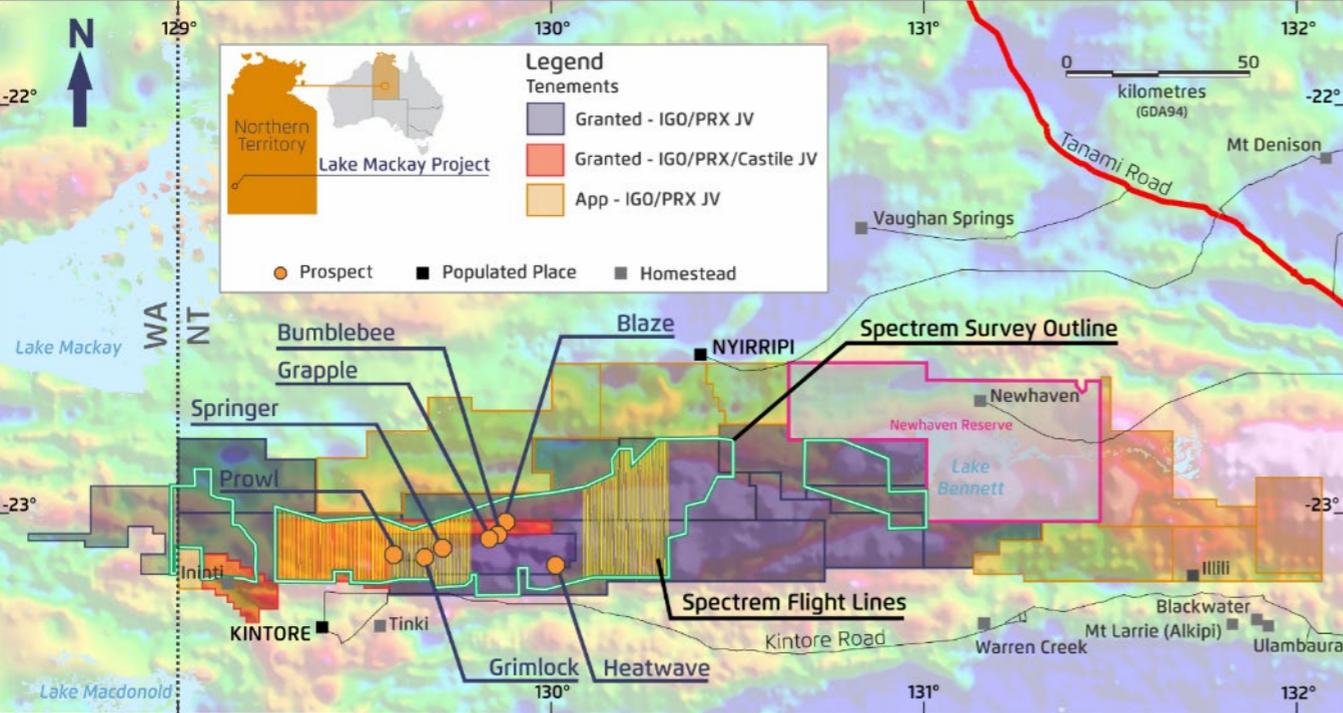


Systematic exploration over ~15,000km² of consolidated tenure

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

Creasy Silver Knight¹ discovery demonstrates potential of belt

1) www.dmirs.wa.gov.au Online Catalogue



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

Summary Comments

- Great people and 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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AS WE GO FROM
STRENGTH TO STRENGTH**

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