



## RECORD QUARTERLY METAL PRODUCTION FROM NOVA AND TROPICANA

### KEY POINTS

- Nova delivered record metal production for the Quarter at cash costs in line with guidance at A\$1.94/lb (payable), which was a 30% improvement on the previous quarter.
- Tropicana delivered record quarterly gold production at cash costs and All-In Sustaining Costs (AISC) in line with guidance at A\$645/oz and A\$848/oz respectively.
- Nova and Tropicana both remain on track to achieve FY19 production and cost guidance.
- Second Ball Mill at Tropicana successfully commissioned resulting in higher throughput and improved gold recoveries.
- Boston Shaker Underground Pre-Feasibility Study at Tropicana confirmed that underground mining is technically and financially viable, with a feasibility study now underway.
- Underlying EBITDA for the Quarter of A\$68M and underlying free cash flow of A\$29M.
- Cash balance increased from A\$176M at the start of the Quarter to A\$208M, resulting in a net cash position of A\$94M.

Peter Bradford, IGO's Managing Director & CEO said:

*"We are pleased to report a strong December quarter, with record metal production from both Nova and Tropicana. Cash costs and AISC improved quarter on quarter and were within or better than guidance.*

*"At Nova, our team achieved a step change in copper recovery through process optimisation. Going forward, we envisage further opportunity to unlock improved productivity, cost and safety outcomes through continuing optimisation, including leveraging investments made in technology in the process plant and underground. At Tropicana, significant progress was made on two key value enhancement projects with successful commissioning of the second ball mill and the completion of the pre-feasibility study for the Boston Shaker underground project. In the first full month of operation, the new ball mill has delivered on expectation with a step change in throughput and gold recovery.*

*"We have further expanded our exploration portfolio of belt scale nickel and copper opportunities through joint ventures with Buxton and Encounter, which have significant landholdings in the King Leopold Orogen and Paterson province of Western Australia, respectively. IGO remains committed to greenfields exploration to unlock the mines of the future".*

### PRODUCTION SUMMARY

	Units	1Q19	2Q19	1H19	Guidance <sup>3</sup>
Nova nickel	t	6,854	<b>7,574</b>	14,428	13,500 to 15,000
Nova copper	t	3,019	<b>3,482</b>	6,501	5,500 to 6,250
Nova Cash Costs <sup>1</sup>	A\$/lb Ni	2.78	<b>1.94</b>	2.34	1.65 to 2.00
Tropicana gold <sup>2</sup>	oz	125,100	<b>136,891</b>	261,991	250,000 to 275,000
Tropicana AISC	A\$/oz	1,040	<b>848</b>	934	890 to 980

1. Cash Costs reported as per pound of payable metal inclusive of royalties and net of by-product credits.
2. 100% attributable Tropicana production.
3. Implied YTD guidance (FY19 guidance divided by two where applicable).

## EXECUTIVE SUMMARY

Independence Group NL (ASX: IGO) (IGO or the Company) has delivered a strong December 2018 quarter (Quarter) with record metal produced from both the Nova and Tropicana Operations. Nova produced 7,574t of nickel and 3,482t of copper, at 30% lower cash costs compared to the previous quarter. Gold production at Tropicana for the Quarter (on a 100% basis) was 136,891oz, while gold sold (IGO 30% share) improved 22% to 42,980oz. Cash costs and AISC at Tropicana were also lower quarter on quarter (QoQ).

Total revenue for the Quarter was A\$22M higher than 1Q19 due to the higher gold sales, offset by lower nickel prices. Underlying EBITDA was slightly higher at A\$68M.

Operating Cash Flow and Free Cash Flow was lower due to movements in working capital including proceeds from Nova sales due for payment in 3Q19 as well as timing of supplier payments, whereas 1Q19 benefited from 4Q18 and 1Q19 sales proceeds, as well as A\$12M for the sale of a royalty.

Significant progress was made on multiple value enhancement and exploration projects during the Quarter, including:

- At Tropicana, the second ball mill was successfully commissioned in late November 2018. This has resulted in improved recoveries and higher overall throughput during the month of December 2018.
- Also at Tropicana, the Pre-Feasibility Study (PFS) for the Boston Shaker Underground confirmed the potential for an underground mine. Feasibility work, which includes additional drilling to increase the Mineral Resource confidence, has commenced and is expected to be finalised in 2H19.
- The PFS for downstream nickel sulphate processing was progressed along with feasibility study continuous pilot metallurgical testwork.
- Transactions were completed with Buxton Resources Limited and Encounter Resources Limited to enhance IGO's portfolio of belt scale exploration projects and further position IGO to deliver organic discovery success.
- Regional exploration activities continued across the Fraser Range and at Lake Mackay.

Key financial metrics for the Company are improved overall compared to the previous quarter and are summarised in the table below:

	Units	1Q19	2Q19	QoQ	1H19
<b>Financials (unaudited)</b>					
Revenue and Other Income	A\$M	167.4	<b>189.0</b>	13%	356.4
Underlying EBITDA	A\$M	62.9	<b>67.6</b>	7%	130.5
Profit After Tax	A\$M	0.2	<b>0.7</b>	283%	0.9
Net Cash from Operating Activities	A\$M	108.1	<b>54.8</b>	(49%)	163.0
Underlying Free Cash Flow	A\$M	82.3	<b>29.1</b>	(65%)	111.4
Cash	A\$M	176.0	<b>208.1</b>	18%	208.1
Debt	A\$M	114.3	<b>114.3</b>	-	114.3
Net cash	A\$M	61.7	<b>93.8</b>	52%	93.8

## SUSTAINABILITY

### Safety

The 12-month rolling lost time injury frequency per million hours worked (LTIF) to 31 December 2018 was 1.65 (2.52 at 30 September 2018) and other lead and lag metrics, including the serious potential incident frequency, continued to improve. There were no Lost Time Injuries in the Quarter.

## Environment

IGO's fourth annual Sustainability Report (for FY18) was released to the market on 26 October 2018 and is available on our website at [www.igo.com.au](http://www.igo.com.au). There were no material environmental incidents across IGO's managed activities during the Quarter.

## Community

During the Quarter, IGO partnered with OzHarvest to make a real difference to the lives of disadvantaged children, youth and adults in the Perth community. OzHarvest is a for-impact organisation with a mission to 'Nourish Our Country.' It began with a concept to rescue good food that would otherwise go to waste and deliver it to charities who support vulnerable people in our community. Since its inception in Western Australia in late 2014, OzHarvest WA has redistributed 2.5 million kilograms of food. Our partnership with OzHarvest during the Quarter included:

- More than 40 IGO volunteers assisted OzHarvest van operators for a day to pick-up and drop-off over 111,000 kilograms of surplus produce which was then delivered to 80 charitable agencies across Perth and the greater metropolitan area.
- IGO employees donated food to make up 51 hampers that OzHarvest then distributed to vendors at The Big Issue, a not-for-profit that supports those experiencing homelessness and those that are disadvantaged.
- A further 22 IGO employees participated in OzHarvest's Cooking for a Cause event. Together they cooked 150 meals for those in need. The meals were donated to Emmaus, a homeless service provider for those with mental illness, providing the residents with a delicious and hearty meal.

There were no material community complaints nor incidents across IGO's managed activities during the Quarter.

## NOVA OPERATION

*Underground nickel, copper, cobalt mine located on the Fraser Range, WA: IGO 100%.*

Nova	Units	1Q19	2Q19	1H19	Guidance <sup>1</sup>
Nickel in concentrate	t	6,854	7,574	14,428	13,500 to 15,000
Copper in concentrate	t	3,019	3,482	6,501	5,500 to 6,250
Cobalt in concentrate	t	245	274	519	425 to 475
Cash cost (payable)	A\$/lb Ni	2.78	1.94	2.34	1.65 to 2.00

1. Implied YTD guidance (FY19 divided by two where applicable).

## Mining & Development

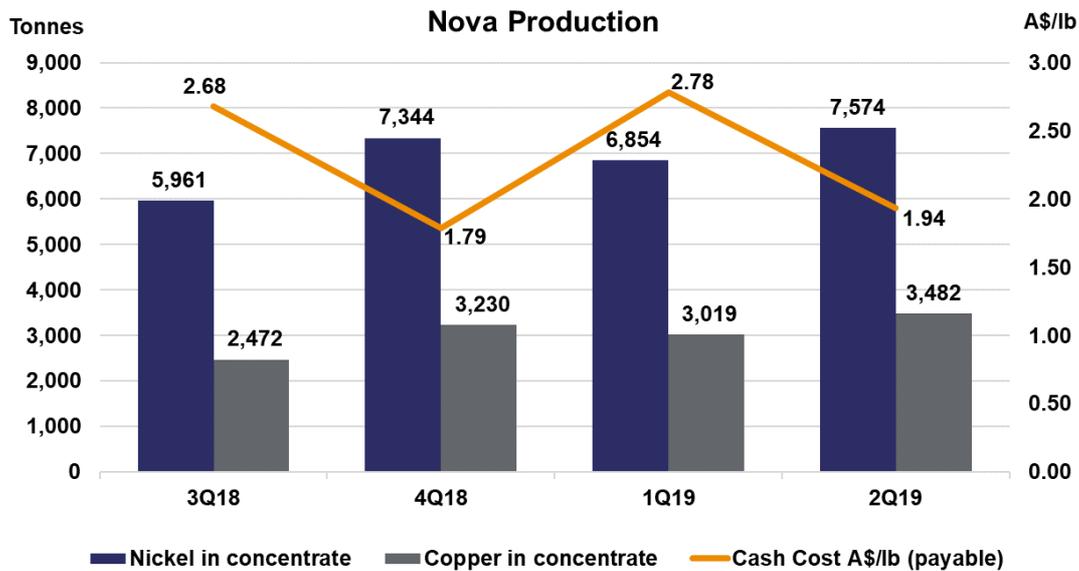
Underground operating and capital development advance was 1,373m for the Quarter using two development crews.

A total of 374kt of ore was mined at an average grade of 2.5% nickel. The annualised mining rate for the Quarter was 1.5Mtpa. Continuing improvements and engineering modifications were made to the paste plant resulting in improved performance with continuing improvements planned for 2H19.

## Processing & Production

The Nova process plant milled 396kt of ore at an average nickel grade of 2.2% for the Quarter. An above nameplate throughput rate of 1.6Mtpa was maintained throughout the Quarter by supplementing higher grade underground ore with lower grade stockpiles to reduce overall surface stocks. This resulted in the milled grade being lower than mined grade.

Metallurgical recoveries generally performed in-line with modelled recoveries, with average nickel recovery slightly lower than expectation at 86.8% and average copper recovery significantly improved relative to the prior quarter at 87.1% (81.3% in 1Q19). The learnings gained from delivery of improved copper recoveries are currently being studied for potential application to the nickel circuit.



## Financial

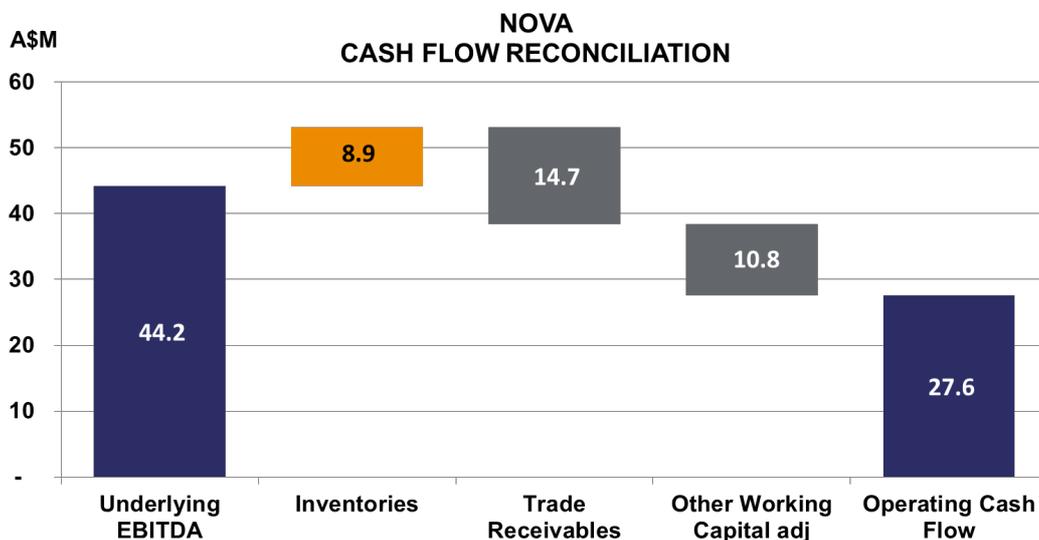
Nova's revenue and other income for the Quarter was A\$108.9M, compared to A\$107.2M in 1Q19. Nickel tonnes sold were in line with the prior quarter, while an increase in copper tonnes were sold in the Quarter.

Sales to BHP Billiton Nickel West were higher QoQ at 32.1kt of nickel concentrate, while sales to Glencore totalled 20.4kt of nickel concentrate. Copper concentrate shipments for the Quarter were 10.1kt of copper concentrate.

Operating cash flow was A\$27.6M for the Quarter and this was due to lower receipts (Nova benefited in 1Q19 from 4Q18 receipts) and timing of supplier payments.

Nova cash costs at A\$1.94 per payable pound were lower QoQ and within FY19 full year guidance range of A\$1.65 - A\$2.00 per payable pound, despite actual by-product credit pricing for the Quarter being significantly lower than assumed when determining the guidance range. FY19 guidance assumed full year copper and cobalt by-product pricing of A\$4.08/lb and A\$50/lb respectively, whereas actual prices during 2Q19 were A\$3.90/lb and A\$35/lb. The cash costs achieved during the Quarter were a marked improvement on the 1Q19 result of A\$2.78 per payable pound, and positions Nova to achieve FY19 guidance range. The improved QoQ result was due to higher metal production QoQ and lower overall costs, partially offset by lower by-product metal prices.

A breakdown of production and financials are provided in Table 3 in Appendix 2.



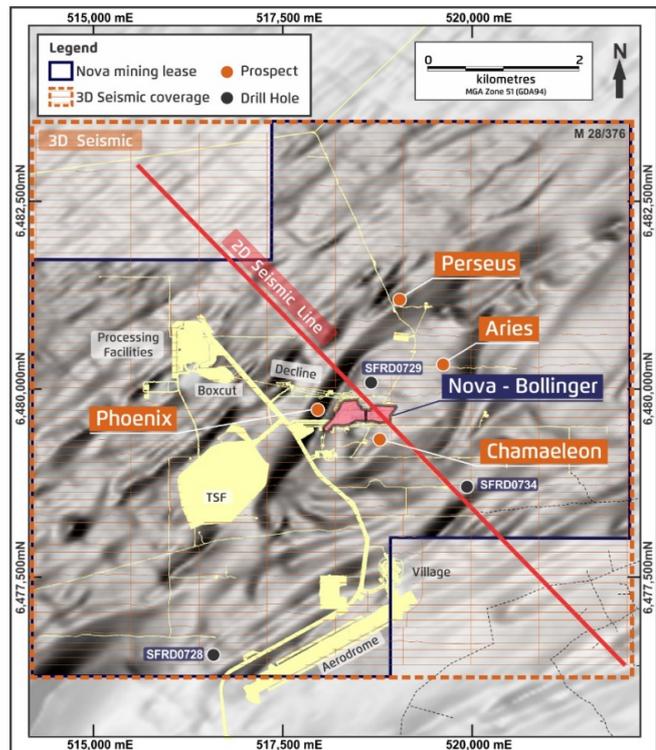
## Nova Mining Lease Exploration

The >20,000m FY19 exploration diamond drilling program continued around Nova testing historical targets and new targets generated from the high-resolution 3D seismic survey.

During the Quarter, ten surface drill holes (7,565m) and three underground drill holes (917m) were completed on the Mining Lease, with a second surface drill rig mobilised to site in October 2018. The drill holes targeted historically intersected ultramafic intrusions located outside of the Nova “eye” at the Perseus and Phoenix prospects, as well as electromagnetic (EM) conductors proximal to Nova. Two of the drill holes tested the first of the targets identified from the 3D seismic survey.

Disseminated and locally blebby three-phase magmatic Fe-Cu-Ni sulphides were observed in mafic and ultramafic intrusions that were intersected in most holes drilled on the Mining Lease. Assays are pending.

A geological and structural relogging program consisting of ~33,500m of historical drill cores has been completed to better understand the geology hosting the Nova-Bollinger deposits and surrounds, and to create a geological/structural model of the Nova Mining Lease that incorporates the deeper seismic data. The combined geological model was completed in late-December 2018 and the drill testing of conceptual drill targets identified from the work has commenced.



## Nova Downstream Processing

Work progressed on the Nova Downstream Processing PFS to produce nickel sulphate directly from nickel concentrate during the Quarter. Key activities included:

- Continuation of trade-off studies, including waste disposals, water, site selection, power supply, transport routes etc.
- Sourcing of indicative operating and capital costing.
- Pre-feasibility engineering.
- Advancing PFS and feasibility study metallurgical testwork including the completion of a five-day continuous pilot testwork on the leaching technology.

## TROPICANA JOINT VENTURE (TJV)

Open pit gold, north-east of Kalgoorlie, WA: IGO 30%, AngloGold Ashanti 70% (Manager).

Tropicana	Units	1Q19	2Q19	1H19	Guidance <sup>1</sup>
Gold production (100% basis)	oz	125,100	<b>136,891</b>	261,991	250,000 to 275,000
Cash Cost	A\$/oz	673	<b>645</b>	658	635 to 705
All in Sustaining Costs	A\$/oz	1,040	<b>848</b>	934	890 to 980

1. Implied YTD guidance (FY19 guidance divided by two).

## Mining

Total material mined during the Quarter was 8.0 million bank cubic metres, comprising of 4.3Mt of ore and 16.9Mt of waste.

Material mined for the Quarter was sourced from the Havana (54%) and Tropicana (46%) pits at an average grade of 1.62g/t Au for the Quarter and 1.67g/t Au for the year to date.

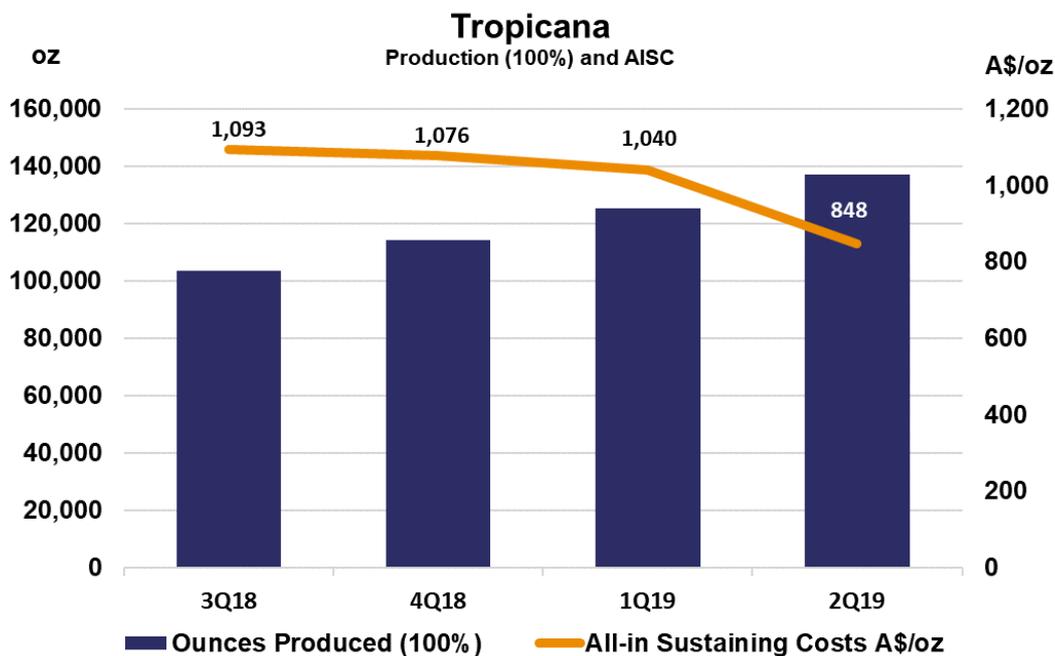
## Processing & Production

A total of 2.0Mt of ore was milled during the Quarter at an average grade of 2.42g/t Au. Average metallurgical gold recovery was 89.3% for the Quarter, up marginally on the prior quarter as a result of the successful commissioning of the second ball mill in late November 2018.

The Quarter included a rebuild of the High-Pressure Grinding Rolls (HPGR) (new rolls and bearing changes), which resulted in a period of reduced throughput. Despite this, Tropicana managed to achieve a record high milling rate of 715kt (annualised rate of 8.4Mtpa) for the month of December 2018 and record gold production for the Quarter. Processing costs per tonne increased during the Quarter to A\$22/t due to the expected additional costs to operate the newly commissioned second ball mill as well as higher maintenance costs for shut downs and the grinding rolls change out.

The second ball mill was successfully commissioned in late November 2018 and, in December 2018, the first full month of production, delivered an improvement in grind size from 90 to 66 micron, resulting in an improvement in average gold recovery from 88.1% to 90.3%. Additionally, average combined mill throughput in December 2018 increased by approximately 39tph to 964tph.

A full breakdown of production statistics is provided in Table 4 in Appendix 3.

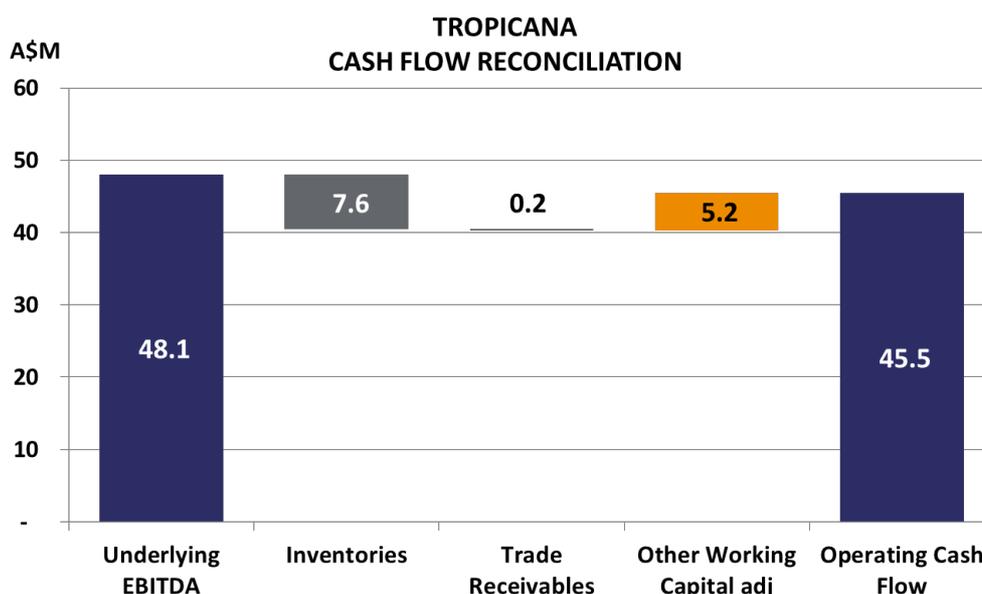


## Financial

Gold sales revenue to IGO's account was A\$75.7M from 42,980oz sold at an average gold price for the Quarter of A\$1,762/oz. Tropicana achieved 22% higher gold sold for the Quarter, while the A\$ gold price remained steady when compared with the prior quarter.

Underlying EBITDA was A\$48.1M for the Quarter representing an EBITDA margin of 63%. Depreciation and amortisation charges for the Quarter were A\$9.3M or 56% higher QoQ due to higher overall ounces in ore mined being sourced from the Havana pits which carry a higher capitalised cost of deferred stripping than the Tropicana pits.

Cash from Operating Activities was A\$45.5M and underlying free cash flow was A\$29.0M, a 61% improvement on the prior quarter. Cash costs and All in Sustaining Costs (AISC) were within guidance for the Quarter at A\$645/oz and A\$848/oz respectively.



## Tropicana Exploration

A total of 16,098m of drilling was completed during the Quarter at Boston Shaker. The drilling on a nominal 50m x 25m was designed to increase the Mineral Resource confidence through the conversion of Inferred Mineral Resource to Indicated Mineral Resource. An updated Mineral Resource model for the Boston Shaker Feasibility Study is in progress.

## Boston Shaker Underground Development

On 20 December 2018, IGO announced that a PFS into the development of an underground mine beneath the Boston Shaker pits at Tropicana had confirmed that underground mining is technically and financially viable. The PFS is based on the scheduling of underground Mineral Resources with robust economics, fully integrated with the open pit mining plan.

Some of the highlights include:

- The PFS has confirmed that the development of an underground mine at Boston Shaker is technically and financially viable within a nominal PFS level of accuracy (+/- 25%).
- The study confirmed the technical feasibility and potential viability of an underground mine delivering approximately 1Mtpa of resources to produce in the order of 100,000 ounces per annum over a life-of-mine of approximately seven years based on mine scheduling of the Boston Shaker underground Indicated and Inferred Mineral Resource only.
- The project would require an estimated capital investment of A\$95M, with operating costs of A\$102/t of ore (inclusive of ongoing underground capital development post first gold production).

- The joint venture partners, IGO and AngloGold Ashanti, are now progressing a feasibility study, which is expected to be completed in 2H19.
- The underground operation will be aligned with the open pit design and schedule, capitalising on process plant improvements delivered through the successful commissioning of the second ball mill.

For further details, please refer to the release at [www.igo.com.au](http://www.igo.com.au).

## GREENFIELDS EXPLORATION

### Fraser Range

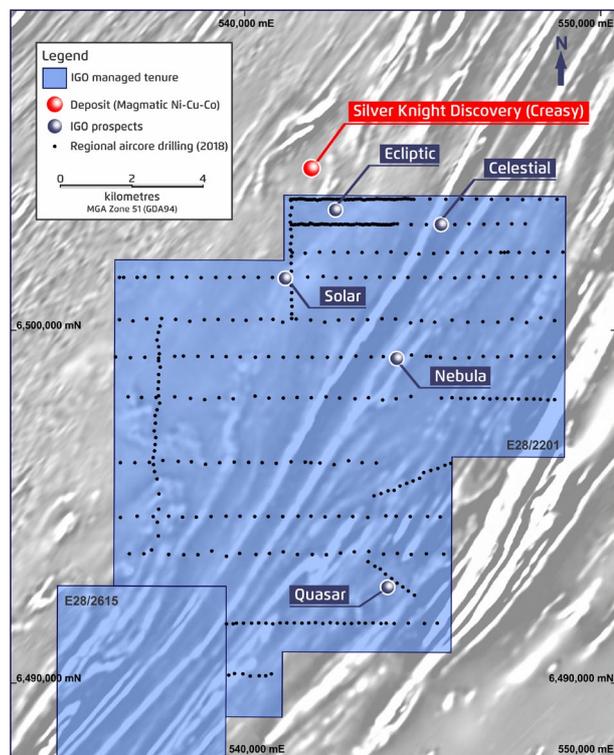
Regional exploration activities continued across the Fraser Range during the Quarter, summarised as follows:

#### Widowmaker

Aircore results, diamond drilling and ground EM surveying on the Widowmaker tenement has upgraded the prospectivity of this area, which is immediately south of, and adjacent to, the recent Silver Knight discovery by Creasy Group.

Five priority targets have so far been identified for reverse circulation and diamond drill testing in 2019.

- Quasar is defined by a magnetic “eye feature” with a central coincident and discrete gravity high, anomalous surface soil geochemistry indicating the presence of ultramafic lithologies, and aircore geochemistry results anomalous in Ni, Cu and Cr.
- Nebula is characterised by soil samples with coincident Cu, Co and Cr anomalism and aircore drilling results including mafic lithologies with strongly anomalous Co, Cu and Ni.
- Celestial is characterised by a discrete magnetic anomaly coinciding with ultramafic and exhalative lithologies anomalous in Ni, Cu, Co, Au, Zn and Pb.
- Solar is a deep, large, strongly conductive low-temperature SQUID EM target located along strike from the Silver Knight Ni-Cu prospect. Infill EM lines are required to define the limits and orientation of this target prior to drilling.
- Ecliptic is a large area prospective for Ni-Cu sulphide mineralisation adjacent to Silver Knight. Multiple aircore holes have intersected mafic and ultramafic rocks hosting disseminated polyphase sulphides, including chalcopyrite, pentlandite and pyrrhotite.



#### Regional Work Programs

The regional aircore drilling program completed 48,722m of drilling during the Quarter. New mafic/ultramafic intrusions continued to be identified across the entire Fraser Range project area and all require infill drilling and ground geophysical follow-up in 2019. In addition, several new first-order geochemical anomalies comprising anomalous concentrations of Cu-Ni-Co ± PGE and Cu-Zn ± Au were identified during the Quarter and all require follow-up exploration with ground EM surveys and infill aircore drilling.

Moving Loop EM surveys were completed at several prospects previously identified by airborne EM surveys and aircore drilling north of Nova, and several drill targets have been confirmed. A +30,000m reverse circulation and diamond drilling program will commence in the Fraser Range to test these anomalies in 3Q19.

A large manganese-rich Cu-Co-Zn 'gossan' was discovered on the Southern Hills tenements. The 'gossan' is associated with an interpreted meta-exhalate sedimentary sequence, is several hundred metres long, and coincides with a SpectremAir airborne EM anomaly of moderate to strong conductance. Follow-up field work is underway.

Heritage and other surveys were completed across the project during the Quarter, paving the way for diamond core, reverse circulation and aircore drilling in 2019.

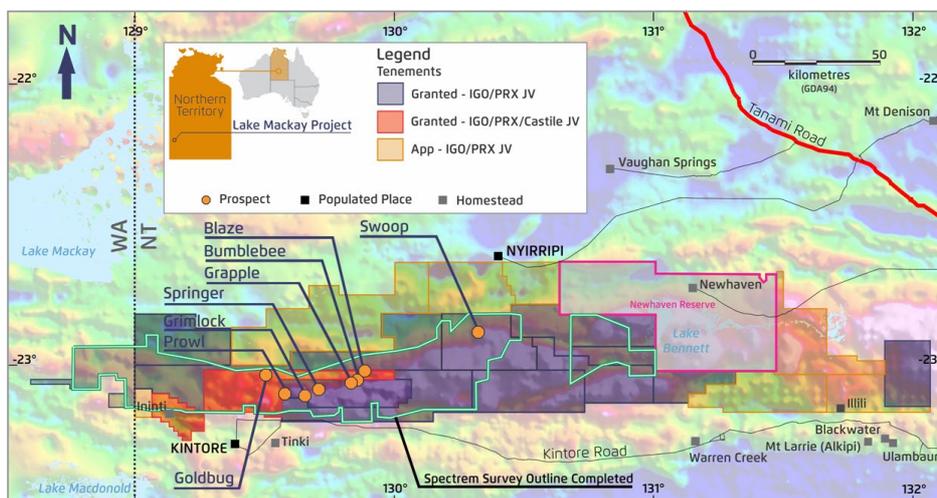
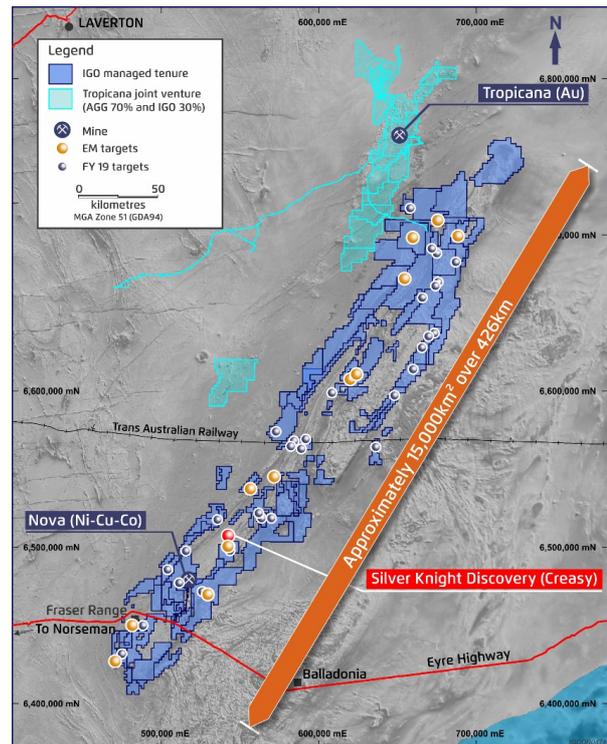
## Lake Mackay

IGO met the earn-in component for the Lake Mackay JV agreement in the Quarter and now holds a 70% interest in the Lake Mackay tenements. Joint Venture funding for the project is now shared 70% IGO and 30% Prodigy Gold NL, with IGO the manager and operator of the JV.

Castile Resources Pty Ltd was also notified that the earn-in was completed on the two Castile tenements, EL29747 and EL31794, with a 51% interest now shared by the farminees (70% IGO, 30% Prodigy Gold) and 49% Castile. These tenements are now in a JV sole-funding period that can increase the farminee's interest to 76.9%. If the proposed sole-funded JV program expenditure is met in the required timeframe, the ownership of the two tenements will be approximately 53.8% IGO, 23.1% Prodigy Gold and 23.1% Castile.

The SpectremAir airborne EM survey was completed on 11 January 2019 with a total of 14,951 line-km flown, 6,407 line-km within the Quarter. This included an area that was co-funded by the Northern Territory Government under the Geophysics & Drilling Collaboration Program. The interpretation of the survey data is ongoing.

Seven SpectremAir anomalies had follow-up ground Moving-Loop EM surveys completed in the Quarter. Interpretation of the eleven EM anomalies that were ground surveyed in the 2018 field season has resulted in eight responses that could be associated with conductive massive sulphide mineralisation. These will be drill tested in 2019, along with the Grimlock Ni-Co-Mn prospect, initially using RC drilling.



First-pass reconnaissance fine-fraction soil geochemical sampling was completed during the Quarter. Infill sampling completed to-date has identified several targets anomalous in gold and base metals, and these will require further exploration. Ni-Co-Mn anomalism, similar to that previously identified at the Grimlock Prospect, has also been detected at the new Swoop Prospect, 70km NE of Grimlock.

Cultural heritage clearance surveys covering some of the airborne EM and soil anomalies were completed during the Quarter in readiness for the commencement of drilling in the 2019 field season, expected to commence in March/April 2019.

## Raptor

A 41,899 line-km aeromagnetic and radiometric survey flown at a 100m flight line spacing was undertaken in the Quarter. This survey was co-funded by the Northern Territory Government under the Geophysics & Drilling Collaboration Program. Final data is pending, with data interpretations to follow.

## West Kimberley Ni-Cu JV

A share placement (including an option to enter into an earn-in JV) and an additional earn-in/JV agreement were completed with Buxton Resources Limited (Buxton) (refer ASX Announcement by Buxton dated 29 November 2018), to jointly explore the emerging West Kimberley Ni-Cu sulphide belt. IGO subscribed for approximately A\$4.1M worth of Buxton shares to become a major shareholder in Buxton (15%). Buxton will use the bulk of these funds to drill key targets at the Merlin Ni-Cu sulphide discovery, with IGO holding a two-year option for an earn-in/ JV at Merlin. IGO will manage all exploration outside of the Merlin tenements.

## Paterson Cu share placement and JV option

A share placement (including an option to enter into an earn-in JV) was completed with Encounter Resources Limited (Encounter) (refer ASX Announcement by Encounter dated 12 November 2018). IGO subscribed for approximately A\$1.8M worth of Encounter shares to become a major shareholder of Encounter (9%). The subscription funds shall be used primarily to advance 3D copper target definition and testing at the Yeneena Copper-Cobalt Project in the Paterson Province of Western Australia (Yeneena). Following completion of the exploration program, IGO can elect to enter into an earn-in agreement and earn a 70% interest in the Yeneena project by spending A\$15M over 7 years.

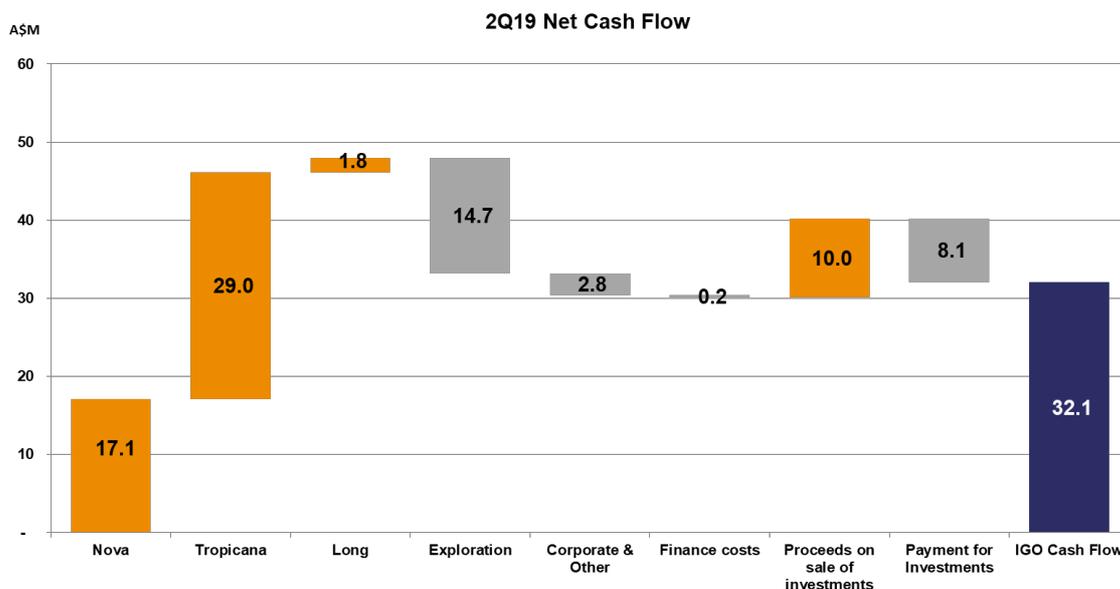
## FINANCIAL AND CORPORATE

### Financials

Total revenue for the Quarter was A\$189.0M, with Nova and Tropicana contributing A\$108.9M and A\$75.7M respectively.

- Revenue from Nova was slightly higher relative to the previous quarter due to 70% more payable copper sold in 2Q19, while payable nickel sold remained in line with the previous quarter.
- Revenue from Tropicana increased 25% as a result of 22% higher ounces sold. Higher gold prices compared to the previous quarter resulted in a 2% higher realised gold price of A\$1,762 per ounce.

Underlying EBITDA was improved at A\$67.6M (1Q19: A\$62.9M) as a result of the improved revenue. Net profit after tax for the Quarter was A\$0.7M (1Q19: A\$0.2M) and was impacted by higher QoQ depreciation/amortisation charges in relation to Tropicana capitalised stripping costs.



Net IGO cash inflow for the Quarter, as illustrated in the chart above, was A\$32.1M as a result of strong free cash flow from Tropicana. Net cash flow for the Group incorporated the following:

- A\$10.0M final deferred proceeds for the sale of the Stockman Project to CopperChem Limited (Refer ASX release dated 8 December 2017).
- A\$8.1M of payments for investments, which include IGO's investment in Buxton Resources Limited and the partnership with Encounter Resources Limited to advance the Paterson Copper-Cobalt exploration project.

Cash Flow	2Q19 (A\$M)	1Q19 (A\$M)
<b>Cash at beginning of Quarter</b>	<b>176.0</b>	<b>138.7</b>
Nova Operations Free Cash Flow	17.1	71.3
Tropicana Operations Free Cash Flow	29.0	18.1
Long Operations Free Cash Flow	1.8	1.9
Exploration (greenfields & brownfields)	(14.7)	(13.7)
Payments for Other Investments/Mineral Interests	(8.1)	(5.3)
Sale of Royalty Interest	-	11.5
Corporate and Other Cash Flows	(2.8)	(5.9)
Proceeds from Sale of Investments and Other Assets	10.0	-
Proceeds on Sale of Subsidiary	-	0.7
Net Finance/Borrowing Costs	(0.2)	(0.9)
Repayment of Debt	-	(28.6)
Dividends Paid	-	(11.8)
<b>Cash at end of Quarter</b>	<b>208.1</b>	<b>176.0</b>

## Hedging

At 31 December 2018, the Company had hedge positions with a total out-of-the-money mark-to-market value of A\$3.9M.

During the Quarter, IGO entered into additional FY21 gold forward contracts and additional diesel swaps, which have been included in the table below:

Hedging as at date of this Report	Units	FY19	FY20	FY21	TOTAL
<b>Gold</b>					
<b>Par Forwards</b>	<b>oz</b>	<b>23,994</b>	<b>57,600</b>	<b>41,400</b>	<b>122,994</b>
Price	A\$/oz	1,859	1,795	1,797	<b>1,808</b>
<b>Diesel</b>					
<b>Swaps</b>	<b>L (000's)</b>	<b>8,748</b>	<b>14,052</b>		<b>22,800</b>
Price	A\$/L	0.62	0.67	-	<b>0.65</b>

\* Price per litre is for Singapore Gas Oil 0.05% Sulphur

Further information relating to the performance of the operations of IGO can be found in the Appendices of this report. In addition, the Company has uploaded onto its website a Supplementary Information Excel spreadsheet, under Financial Reports, outlining summaries in Appendices 1, 2 and 3.

## FORWARD-LOOKING STATEMENTS

*This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Independence Group NL's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should", and similar expressions are forward-looking statements. Although Independence Group NL believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.*

## INVESTOR CALL AND WEBCAST

An investor call and webcast has been scheduled for 8.00am Perth time, Thursday 31 January 2019. Dial-in details for the call and the webcast link can be found below.

Meeting title: Independence Group Conference Call

Date: 31 January 2019

Conference ID: 841524

Audio Access Dial in numbers:

Australia Toll Free 1 800 558 698

Alternate Australia Toll Free 1 800 809 971

Australia Local Number 61 2 9007 3187

China Wide	4001 200 659	New Zealand	0800 453 055
Belgium	0800 72 111	Norway	800 69 950
Canada	1855 8811 339	Philippines	1800 1110 1462
France	0800 913 848	Singapore	800 101 2785
Germany	0800 182 7617	South Korea	00 798 142 063 275
Hong Kong	800 966 806	Sweden	020 791 959
India	0008 0010 08443	South Africa	800999976
Indonesia	001 803 019 3275	Switzerland	800820030
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## APPENDICES

### Financial Summary

### Appendix 1

Table 1: Financial Summary

FINANCIAL SUMMARY	1Q19 (A\$M)	2Q19 (A\$M)	1H19 (A\$M)
<b>Financials</b>			
Revenue and Other Income	167.4	<b>189.0</b>	356.4
Underlying EBITDA	62.9	<b>67.6</b>	130.5
Net Profit After Tax	0.2	<b>0.7</b>	0.9
<b>Net Cash Flow from Operating Activities</b>	108.1	<b>54.8</b>	163.0
<i><b>Cash Flows included in the above:</b></i>			
Net interest expense	(0.9)	<b>(0.2)</b>	(1.2)
Exploration expenditure	(13.3)	<b>(13.7)</b>	(27.0)
Proceeds from Royalty sale	11.5	-	11.5
<b>Net Cash Flow from Investing Activities</b>	(30.5)	<b>(23.8)</b>	(54.3)
<i><b>Cash Flows included in the above:</b></i>			
Mine and infrastructure development	(23.2)	<b>(22.4)</b>	(45.6)
Proceeds from sale of Stockman	-	<b>10.0</b>	10.0
Proceeds from sale of property, plant & equipment	-	<b>3.3</b>	3.3
Payments for investments/mineral interests	(5.3)	<b>(8.1)</b>	(13.4)
Exploration expenditure capitalised	(0.3)	<b>(1.0)</b>	(1.3)
Plant and equipment	(2.4)	<b>(5.6)</b>	(8.0)
Net proceeds on sale of subsidiary	0.7	-	0.7
<b>Underlying Free Cash Flow</b>	82.3	<b>29.1</b>	111.4
<b>Net Cash Flow from Financing Activities</b>	(40.4)	-	(40.4)
<i><b>Cash Flows included in the above:</b></i>			
Repayment of borrowings	(28.6)	-	(28.6)
Dividends paid	(11.8)	-	(11.8)
<b>Balance Sheet Items</b>			
<b>Total Assets</b>	2,146.4	<b>2,147.7</b>	2,147.7
<b>Cash</b>	176.0	<b>208.1</b>	208.1
<b>Refined Bullion</b>	-	<b>1.1</b>	1.1
<b>Marketable Securities</b>	20.9	<b>22.2</b>	22.2
<b>Total Debt</b>	114.3	<b>114.3</b>	114.3
<b>Total Liabilities</b>	363.2	<b>364.7</b>	364.7
<b>Shareholders' Equity</b>	1,783.2	<b>1,783.0</b>	1,783.0

**Table 2: Segment Summary for the December 2018 Quarter**

<b>FINANCIAL SUMMARY</b>	<b>1Q19 (A\$M)</b>	<b>2Q19 (A\$M)</b>	<b>1H19 (A\$M)</b>
<b>Nova</b>			
Revenue and other income	107.2	<b>108.9</b>	216.0
Underlying EBITDA	49.8	<b>44.2</b>	94.0
Cash Flow from Operating Activities	80.0	<b>27.6</b>	107.6
Underlying Free Cash Flow	71.3	<b>17.1</b>	88.4
<b>Tropicana</b>			
Revenue and other income	60.7	<b>75.7</b>	136.4
Underlying EBITDA	37.1	<b>48.1</b>	85.2
Cash Flow from Operating Activities	34.6	<b>45.5</b>	80.0
Underlying Free Cash Flow	18.1	<b>29.0</b>	47.1
<b>Long</b>			
Revenue and other income	(1.2)	<b>2.6</b>	1.5
Underlying EBITDA	(2.5)	<b>1.9</b>	(0.6)
Cash Flow from Operating Activities	1.8	<b>2.0</b>	3.9
Underlying Free Cash Flow	1.9	<b>1.8</b>	3.7
<b>Exploration</b>			
Underlying EBITDA	(12.4)	<b>(13.7)</b>	(26.0)
Cash Flow from Operating Activities	(13.3)	<b>(13.7)</b>	(27.0)
Underlying Free Cash Flow	(13.7)	<b>(14.7)</b>	(28.3)
<b>Corporate &amp; Other</b>			
Revenue and other income	0.7	<b>1.7</b>	2.4
Underlying EBITDA	(9.1)	<b>(12.9)</b>	(22.0)
Cash Flow from Operating Activities	5.0	<b>(6.5)</b>	(1.5)
Underlying Free Cash Flow	4.8	<b>(4.1)</b>	0.6

## Nova Production Summary

## Appendix 2

**Table 3: Nova Production Summary for the December 2018 Quarter**

Nova Operation	Notes	Units	2Q19	1H19	2Q18
<b>Safety:</b>					
Lost Time Injuries (No.)			0	1	0
Lost Time Injury Frequency (LTIF)	1		1.76		0.97
<b>Production Details:</b>					
Ore Mined	2	t	373,706	773,167	344,833
Reserve Depletion	3	t	(373,706)	(773,167)	(344,833)
Ore Milled		t	395,951	805,447	328,784
Nickel Grade		%	2.20	2.06	0.02
Copper Grade		%	0.93	0.88	0.01
Cobalt grade		%	0.08	0.07	0.00
<b>Concentrate Production</b>					
Nickel concentrate		t	54,879	106,355	32,155
Copper concentrate		t	10,723	20,464	6,471
Nickel Recovery		%	86.8	86.9	85.6
Copper Recovery		%	87.1	84.3	85.3
<b>Metal in Concentrate:</b>					
	4				
Nickel		t	7,574	14,428	4,454
Copper		t	3,482	6,501	2,011
Cobalt		t	274	519	146
<b>Metal Payable in Concentrate:</b>					
	4				
Nickel		t	5,264	10,061	3,096
Copper		t	3,157	5,896	1,941
Cobalt		t	88	167	47
<b>Metal Payable in Concentrates Sold:</b>					
Nickel		t	5,339	10,703	3,457
Copper		t	2,846	4,525	1,456
Cobalt		t	85	177	54
<b>Revenue/Expense Summary:</b>					
Sales Revenue (incl. hedging TC's/ RC's)		A\$M	108.89	216.05	78.31
Cash Mining Costs		A\$M	(25.42)	(53.30)	(25.16)
Cash Processing Costs		A\$M	(13.53)	(27.84)	(9.86)
Other Site Costs		A\$M	(7.36)	(14.38)	(4.55)
Product inventory adjustments		A\$M	(8.92)	(7.78)	(4.83)
Trucking		A\$M	(2.11)	(5.08)	(0.81)
Shipping & Wharfage		A\$M	(1.82)	(3.34)	(1.13)
Royalties		A\$M	(5.45)	(10.07)	(3.93)
Exploration		A\$M	(2.82)	(4.90)	(1.51)
Mine Development		A\$M	(7.52)	(12.38)	(13.30)
Sustaining & Improvement Capex		A\$M	(2.83)	(4.49)	(2.45)
Depreciation/Amortisation		A\$M	(40.16)	(82.83)	(35.61)
<b>Notional Cost /lb Total Ni Metal Payable</b>					
Mining Costs		A\$/lb	2.19	2.40	3.69
Processing Costs		A\$/lb	1.17	1.26	1.44
Other Cash Costs	5	A\$/lb	1.52	1.57	1.70
Copper, Cobalt credits		A\$/lb	(2.94)	(2.89)	(2.99)
<b>Ni C1 Costs &amp; Royalties</b>					
	6	A\$/lb	1.94	2.34	3.84
Exploration, Development, P&E		A\$/lb	1.14	0.98	2.53
Depreciation/Amortisation		A\$/lb	3.46	3.73	5.22

Note 1: LTIF is a 12-month moving average and is quoted as injuries per million hours worked

Note 2: Total mined ore, from inside and outside of reserves.

Note 3: Payable metal is a function of recovery from concentrate, smelting and refinery, controlled by sales contracts.

Note 4: Other Cash Costs include, site administration, notional trucking, notional TCs & RCs, notional wharfage, shipping and notional royalty

Note 5: C1 Costs include credits for copper and cobalt notionally priced at US\$2.80/lb US\$25.28/lb for the Quarter respectively.

## Tropicana Production Summary

## Appendix 3

Table 4: Tropicana Production Summary for the December 2018 Quarter

TROPICANA JV OPERATION	Notes	Units	2Q19	1H19	2Q18
<b>Safety:</b>					
Lost Time Injuries (No.)	1		0	1	0
Lost Time Injury Frequency (LTIF)			1.38		0.00
<b>Production Details: 100% JV Operation</b>					
Waste mined		'000 t	16,282	35,406	18,479
Ore Mined (>0.4 and <0.6g/t Au)		'000 t	595	1,031	220
Ore Mined (>0.6g/t Au)		'000 t	4,316	7,494	3,344
Au Grade Mined (>0.6g/t Au)		g/t	1.62	1.67	1.97
Ore Milled		'000 t	1,962	3,953	1,970
Au Grade Milled		g/t	2.42	2.31	2.45
Average metallurgical recovery		%	89.3	89.1	89.1
Gold recovered		oz	136,235	261,000	138,302
Gold-in-circuit adjustment		oz	656	991	(3,078)
Gold produced		oz	136,891	261,991	135,224
<b>IGO 30% attributable share</b>					
Gold refined & sold	2	oz	42,980	78,122	41,438
<b>Revenue/Expense Summary: IGO 30% share</b>					
Gold Sales Revenue		A\$M	75.54	136.02	70.85
Cash Mining Costs		A\$M	(16.88)	(28.15)	(12.35)
Cash Processing Costs		A\$M	(12.95)	(23.29)	(12.03)
Gold production inventory adjustments		A\$M	8.59	10.02	3.96
Gold sales inventory adjustments		A\$M	(0.98)	0.91	(1.16)
Other Cash Costs	3	A\$M	(3.60)	(7.44)	(3.55)
State government royalties		A\$M	(1.88)	(3.31)	(1.75)
Silver credits		A\$M	0.20	0.42	0.26
Exploration & feasibility costs (non-sustaining)		A\$M	(0.44)	(1.07)	(1.32)
Exploration & feasibility costs (sustaining)		A\$M	(0.01)	(0.15)	(0.01)
Sustaining Capital		A\$M	(0.75)	(1.26)	(1.74)
Improvement Capital		A\$M	(6.41)	(10.75)	(4.30)
Capitalised stripping asset		A\$M	(7.74)	(19.85)	(9.96)
Rehabilitation – accretion & amortisation		A\$M	(0.45)	(0.88)	(0.59)
Depreciation/Amortisation		A\$M	(25.88)	(42.44)	(18.23)
<b>Unit Cash Costs Summary: IGO 30% share</b>					
Mining & Processing Costs		A\$/oz	726	655	601
Gold production inventory adjustments		A\$/oz	(209)	(127)	(98)
Other Cash Costs		A\$/oz	133	137	131
By-product credits		A\$/oz	(5)	(5)	(6)
<b>Cash costs</b>		<b>A\$/oz</b>	<b>645</b>	<b>658</b>	<b>628</b>
<b>Unit AISC Summary: IGO 30% share</b>					
Cash costs		A\$/oz	639	651	643
Sustaining Capital		A\$/oz	17	16	42
Capitalised sustaining stripping & other mine costs		A\$/oz	180	254	240
Exploration & feasibility costs (sustaining)		A\$/oz	0	2	0
Rehabilitation – accretion & amortisation		A\$/oz	11	11	14
<b>All-in Sustaining Costs</b>	4	<b>A\$/oz</b>	<b>848</b>	<b>934</b>	<b>939</b>
<p>Note 1: LTIF is a 12-month moving average per million hours worked.</p> <p>Note 2: Attributable share includes sales on a revenue basis, excludes gold-in-transit to refinery.</p> <p>Note 3: Other Cash Costs include costs relating to site management, administration and support services, environmental &amp; sustainability costs.</p> <p>Note 4: The World Gold Council encourages gold mining companies to report an All-in Sustaining Costs metric. The publication was released via press release on 27 June 2013 and is available from the Council's website.</p>					