

INDEPENDENCE GROUP NL

Peter Bradford, Managing Director and CEO

Half Year Financial Results Presentation

17 February 2016



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- Any references to IGO Mineral Resource and Ore Reserve estimates, except the Nova Ore Reserve should be read in conjunction with IGO’s 2015 Mineral Resource and Ore Reserve announcement dated 28 October 2015 and lodged with the ASX, which are available on the IGO website. The Nova Ore Reserve was updated during the optimisation study dated 14 December 2015 and lodged with the ASX, which is available in the IGO website.
- All currency amounts in **Australian Dollars** unless otherwise noted.
- Cash Costs are reported inclusive of Royalties and after by-product credits on per unit of payable metal basis, unless otherwise stated
- IGO reports All-in Sustaining Costs (AISC) per ounce of gold for its 30% interest in the Tropicana Gold Mine using the World Gold Council guidelines for AISC. The World Gold Council guidelines publication was released via press release on 27th June 2013 and is available from the World Gold Council’s website.
- Underlying EBITDA is a non-IFRS measure and comprises net profit or loss after tax, adjusted to exclude tax expense, finance costs, interest income, asset impairments, depreciation and amortisation, and once-off transaction costs.
- Underlying NPAT comprises net profit (loss) after tax adjusted for; post tax effect of acquisition and integration costs, and impairments.

H1 FY2016 Highlights



Leading Australian diversified mining company

Financial and Corporate

- Underlying EBITDA of \$70M and net operating cash flow of \$49M (after expenditure of \$9M on exploration)
- Loss after tax of \$78M following \$36M impairment of exploration assets and \$67M acquisition costs
- Cash and bullion of \$60M and debt of \$200M
- Completed acquisition and integration of Sirius Resources

Tropicana delivered operationally and on growth projects

- 75,584oz (IGO share) at a cash cost of \$625/oz and AISC of \$801/oz
- Increased processing rates on track to reach in excess of 7.0Mtpa

Nova construction on schedule and on budget

- Project was 68% complete at 31 January 2016 with first concentrate production forecast for December 2016
- \$260M capital spend remaining to complete project as at 31 December 2015
- Optimisation study delivered 36% increase in project NPV

Long performance well inside guidance range

- 4,508t contained Ni at a C1 cash cost of \$3.97/lb of payable Ni

Jaguar productivity continuing to improve

- 20,721t Zn and 2,876t Cu at a C1 cash cost of \$0.67/lb of payable Zn
- Record quarterly mining and processing rate (annualised 530,000tpa)

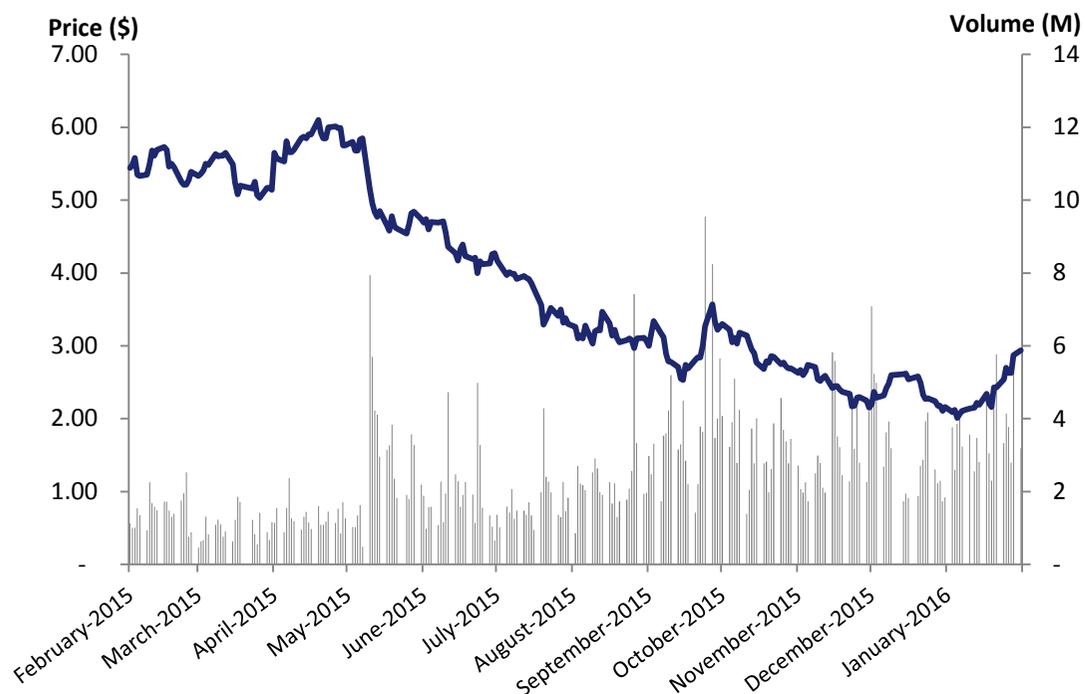
Market Profile and Share Ownership



Strong domestic institutional and retail register composition

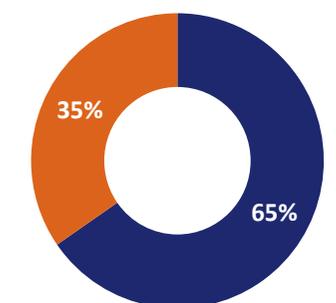
Market Profile

- \$1.5 billion market capitalisation at \$2.95/share ⁽¹⁾
- Share price 52 Week Range
 - Low \$1.98 20/1/2016
 - High \$6.21 5/5/2015

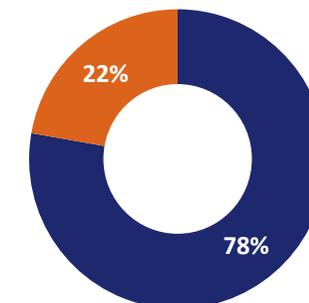


Share Ownership

- Substantial Holders ⁽²⁾
 - Mark Creasy 18.88%
 - FIL Limited 5.12%
- Institutional Ownership ⁽²⁾
 - Australia 78%
 - USA & Canada 12%
 - UK & Europe 7%
 - Rest 3%



■ Instos ■ Retail & Other



■ Domestic Instos ■ International Instos

1) As at market close 16th February 2016

2) As at 16th February 2016

Financials

H1 FY16 financial results



Highlights (\$'million)	H1 FY16	H1 FY15
Revenue	220.2	274.3
Underlying EBITDA ⁽¹⁾	69.6	121.4
Underlying NPAT ⁽¹⁾	13.5	51.0
Net (Loss) Profit After Tax	(78.0)	49.5
Net Cash Flow From Operating Activities	48.9	113.9
Free Cash Flow ⁽²⁾	(42.6)	75.3
Cash (at end of period)	58.9	93.3
Marketable Securities (at end of period)	13.7	15.6
Refined bullion (at end of period)	0.7	1.0
Debt (at end of period)	200.1	1.8

- Reported net loss after tax includes impairment of exploration assets by \$35.5M plus acquisition and integration costs of \$66.9M

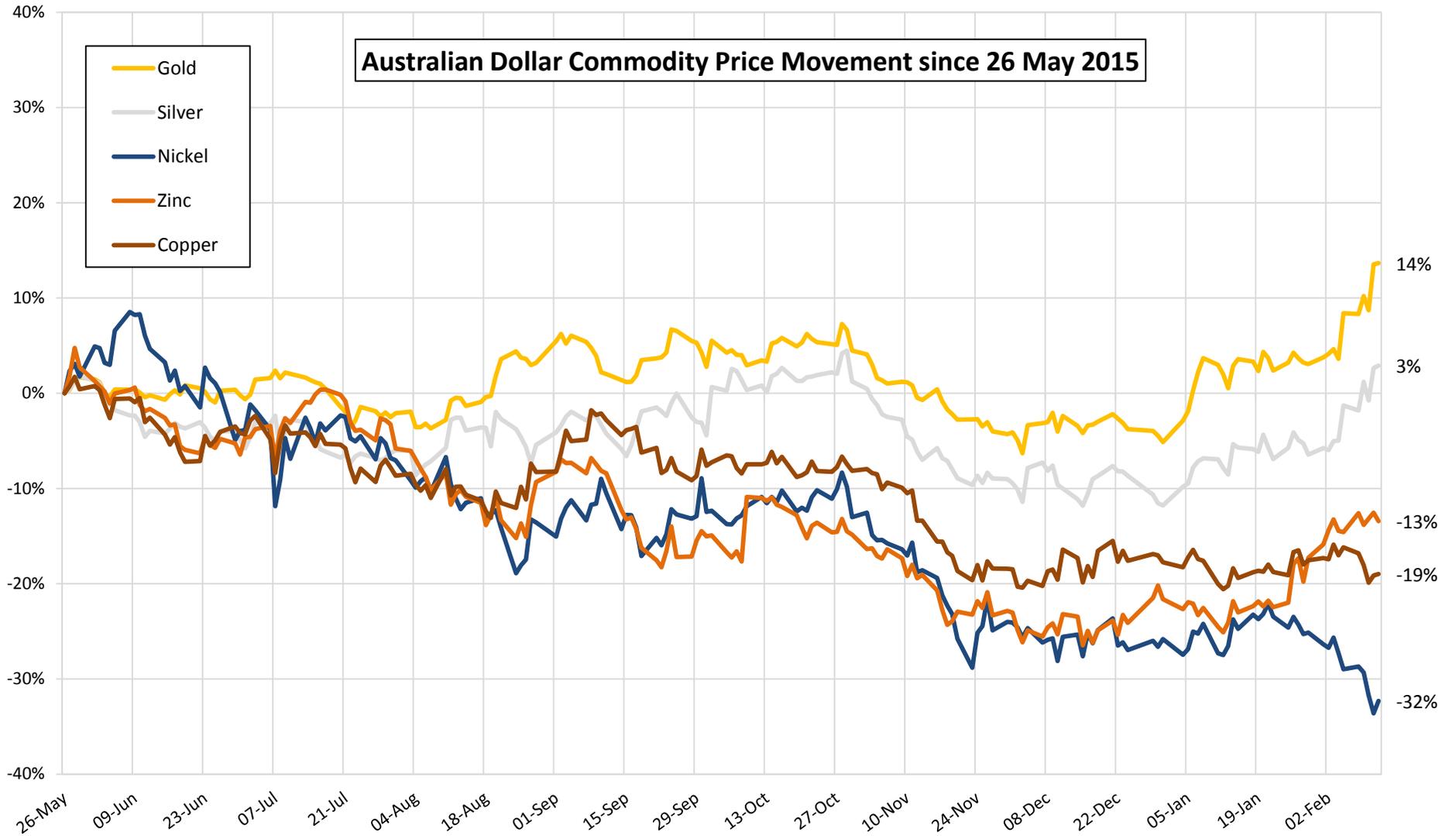
1) Underlying EBITDA and underlying NPAT are non-IFRS measures (refer to Disclaimer page).

2) Free Cash Flow comprises Net Cash Flow from Operating Activities and Net cash Flow from Investing Activities.

Commodity Prices



Divergence between base and precious A\$ metal price performance



Financials

H1 FY16 financial results



Underlying EBITDA (\$'million)	H1 FY16	H1 FY15
Tropicana	69.9	66.8
Long	8.5	28.5
Jaguar	13.7	48.3
Exploration	(13.5)	(13.4)
Corporate	(8.1)	(5.9)
Hedging	1.3	(1.5)
Marketable Securities revaluation	(1.9)	0.2
Employee Share Scheme	(0.3)	(1.4)
Total	69.6	121.4

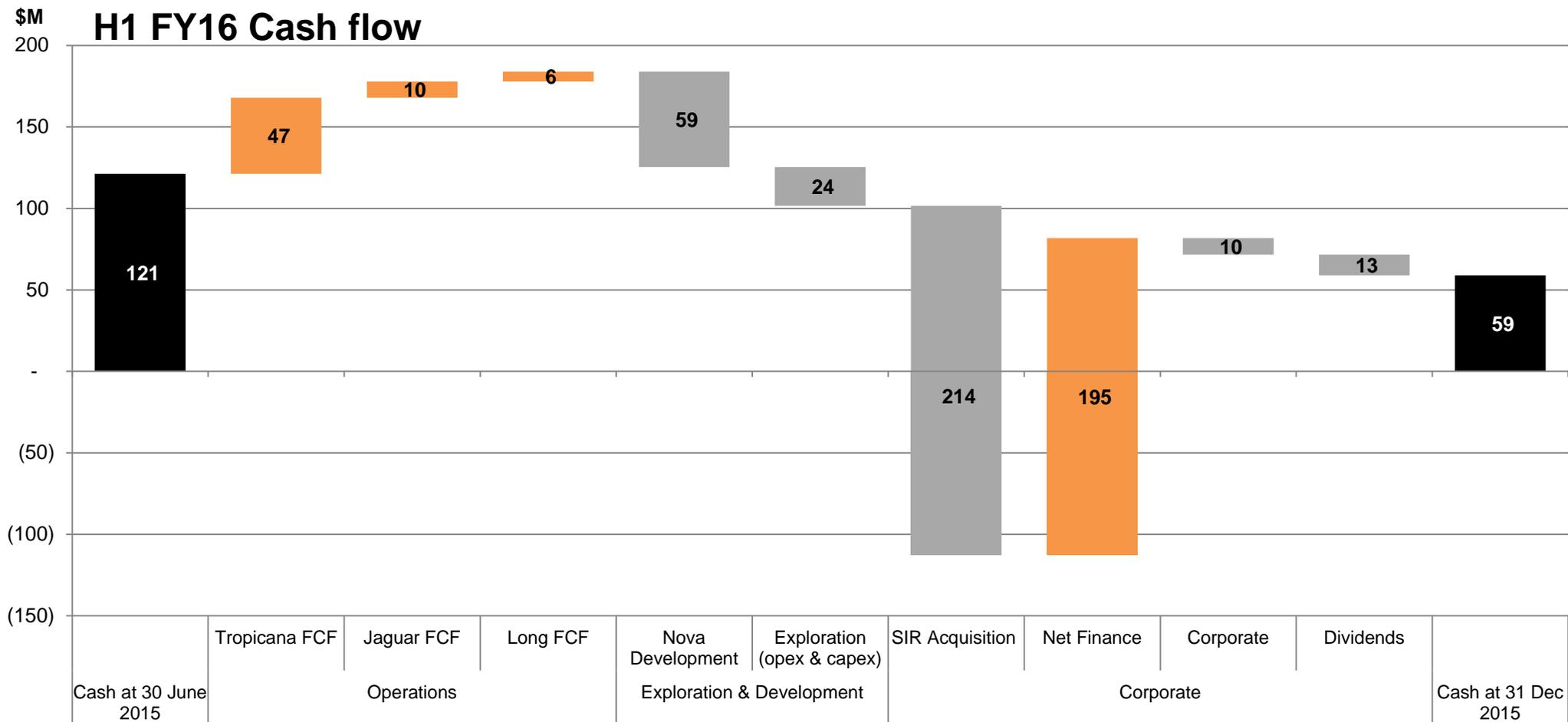
- Underlying EBITDA was negatively impacted by lower realised metal prices and reduced base metal sales

1) Underlying EBITDA and underlying NPAT are non-IFRS measures (refer to Disclaimer page).

H1 FY16 Cash Flow

Continued discipline and focus on cash management

- Nova Development attained 68% completion at 31 January 2016
- \$260M capital remaining to complete project at 31 December 2015
- \$350M term loan undrawn at 31 December 2015
- Exploration spend reduced by \$20M over next 12 months



Tropicana H1 FY2016

Strong operational performance and delivery on growth

Gold production and costs

- 75,584oz gold produced and 76,055oz sold (IGO share)
- Cash costs of \$625/oz produced and AISC of \$801/oz sold
- Realised gold price \$1,547/oz during the reporting period

Mining

- 11.7M BCM mined and hauled ex-pit

Processing

- 3.18Mt processed at average grade of 2.76g/t and 89.7% recovery
- 6.5Mtpa processing rate achieved in the December quarter at an average utilisation of 96%

Capital projects

- Gas pipeline completed - commissioning of the first gas engines underway
- Process plant debottlenecking to increase production to in excess of 7Mtpa continues and expected to be completed later in 2016

Near mine exploration

- Drilling continues to extend the known gold resource below and along strike of the existing five kilometre strike of open pits



Long H1 FY2016



Operating discipline delivering gains in difficult price environment

Production and costs

- 4,508t contained nickel produced
- Cash costs of \$3.97/lb payable Ni net of by-product credits and royalties
- Realised nickel price \$5.49/lb during the reporting period

Underground mining

- 123,682t mined at an average grade of 3.64% Ni
- Updated mining plan implemented in December 2015 quarter

Near mine exploration suspended

- In response to low nickel prices, exploration activities at Long were suspended in January 2016
- Restructuring to focus on Moran orebody
- As a result costs are expected to move lower in H2 FY16



Jaguar H1 FY2016

On track to meet guidance despite lower copper production YTD



Production and costs

- 20,721t Zn and 2,876t Cu produced in concentrates
- Cash cost of \$0.67/lb payable zinc net of by-product credits and royalties
- Realised zinc price \$1.05/lb and copper price \$3.15/lb during the period

Underground mining

- Ore mined 253,709t

Processing

- 256,160t milled at average grade of 9.14% Zn and 1.35% Cu

Near mine exploration

- Drilling designed to upgrade the Flying Spur mineral resource from inferred to indicated and extend understanding of Arnage lens at depth continued
- Positive drilling results at depth beneath existing Arnage resource envelope
- Mineral Resource and Ore reserve updates to be completed in the coming quarters

Nova H1 FY2016



Fully financed, in construction, on schedule and on budget

Overall

- Continued significant progress made with the project now 68% complete at 31 January 2016
- Project remains on track for commissioning in late 2016 and for production of first concentrates in December 2016
- Integration of Sirius and optimisation study completed in December 2015

Infrastructure

- Permanent access road completed in the quarter
- First power generation units have been shipped and are expected to be operational in the June quarter. 11kv overhead powerline is +80% complete

Underground development

- Mine development ahead of schedule with 2,441m development to date and the decline reaching the 1,425m mark at quarter-end

Process plant construction

- Construction of the process plant and associated infrastructure is ahead of schedule and 31% complete
- Current focus is delivery and installation of structural steel and manufacture and delivery of equipment

Nova Project Progress

Project currently on time and on budget



Access road



Crushing section



Power building and switch room



Heavy vehicle refuelling facility

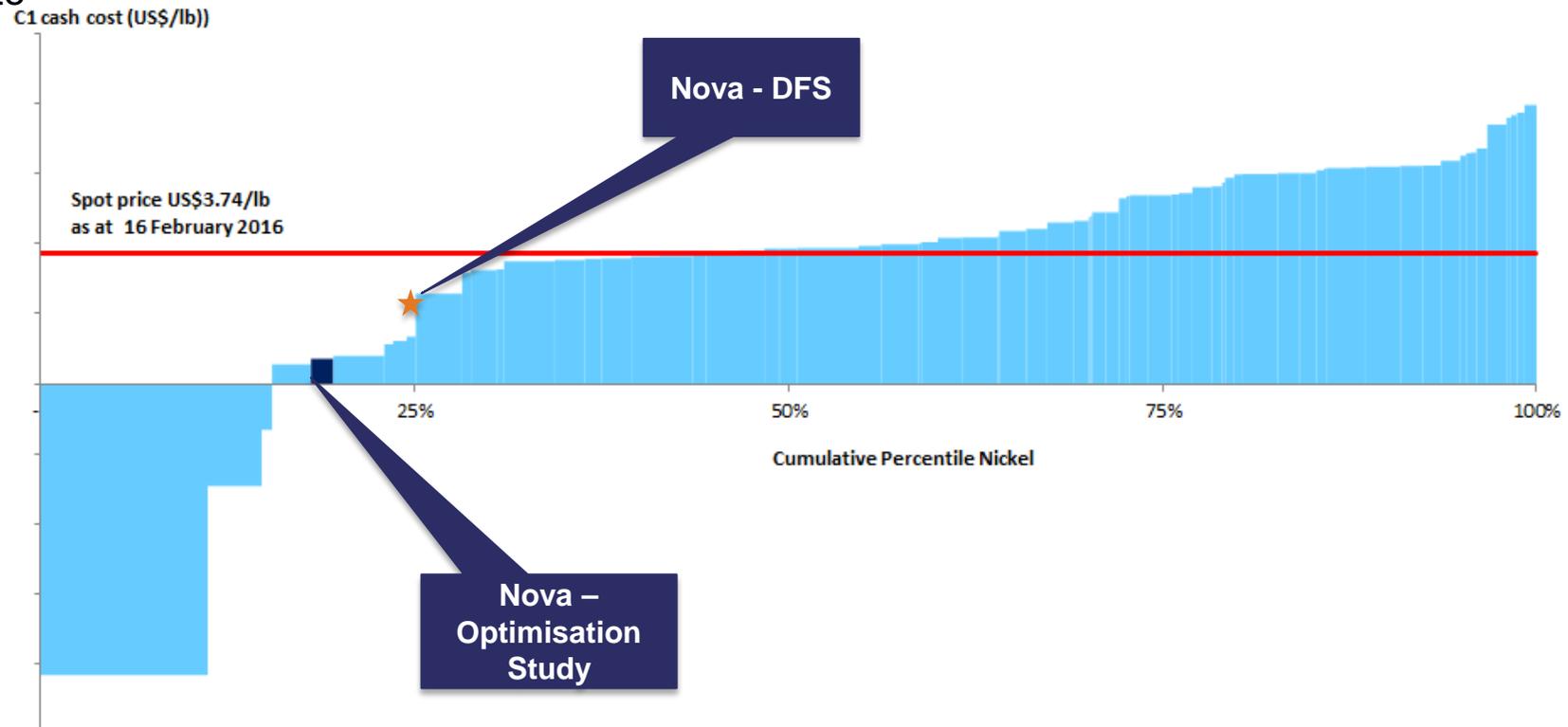
Nova Optimisation Study

Added value - reduced risk - future growth



Study outcomes

- 36% improvement on the Project NPV
- 27% reduction in expected C1 cash costs (after by-product credits) in concentrate to \$1.21/lb from \$1.66/lb nickel
- 21% decrease in all-in sustaining cash costs (after by-product credits) in concentrate to \$1.83/lb from \$2.32/lb nickel
- Capital unchanged, however significantly more development to be completed within January 2015 estimate



1) See Nova Optimisation Study ASX release dated 14 December 2015

Exploration Rationalisation

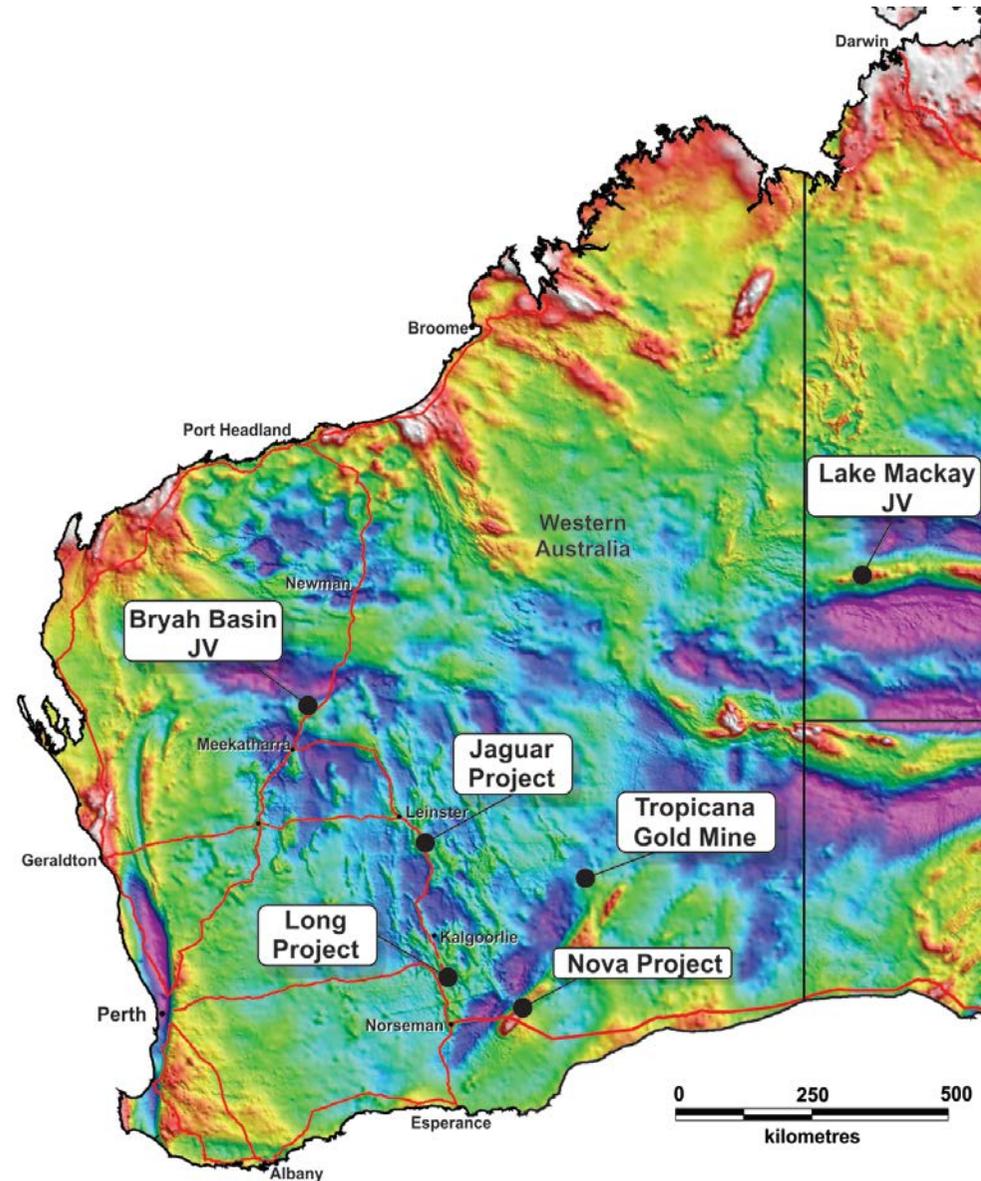
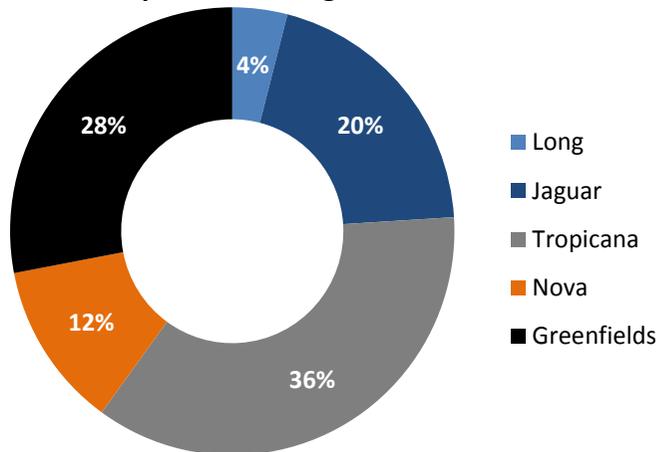


Long term commitment to delivering organic growth

CY16 Exploration spend reduced by \$20M

- In response to continued weak base metal prices greenfields exploration prioritised on core growth projects:
 - Nova – Tropicana Belt
 - Lake Mackay JV
 - Bryah Basin JV
- Brownfields programs at Nova, Tropicana and Bentley remain a priority
- CY16 Exploration budgeted at \$25M⁽¹⁾

CY16 Exploration budget



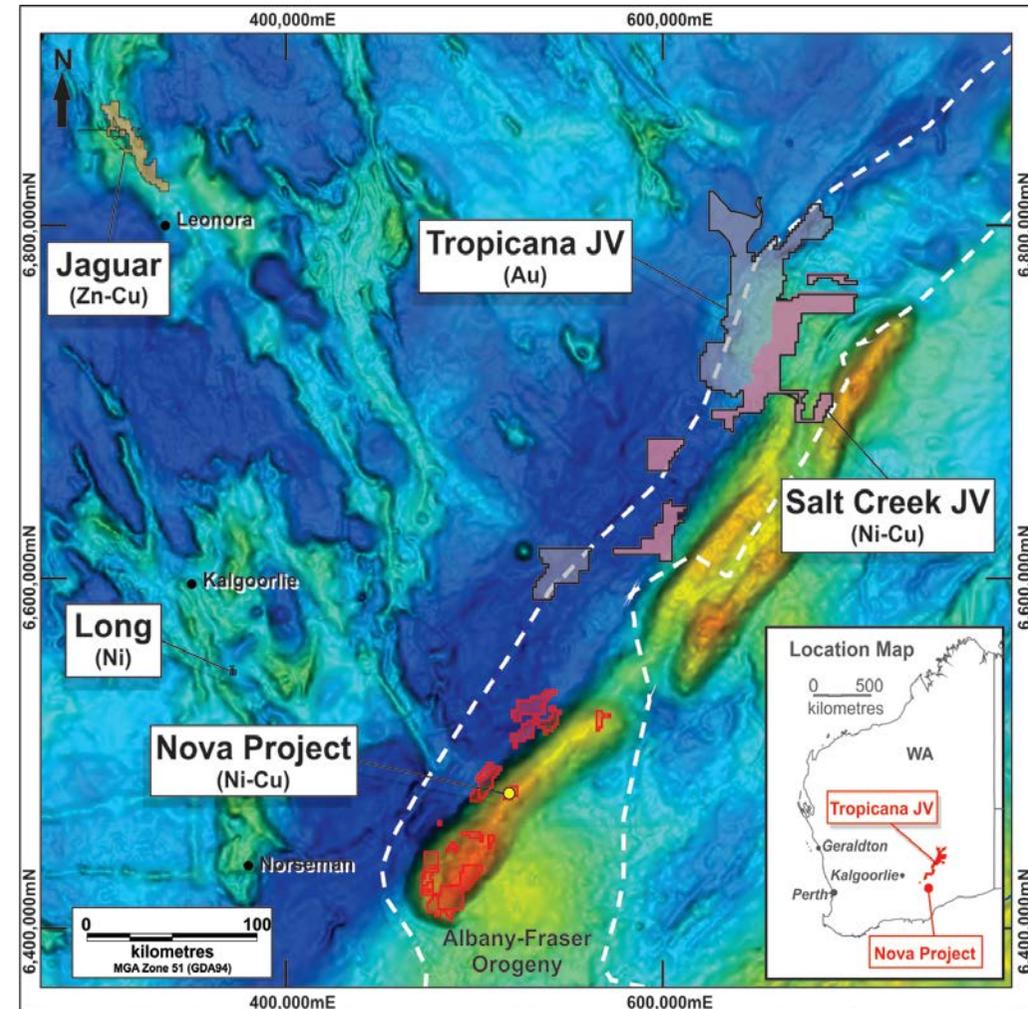
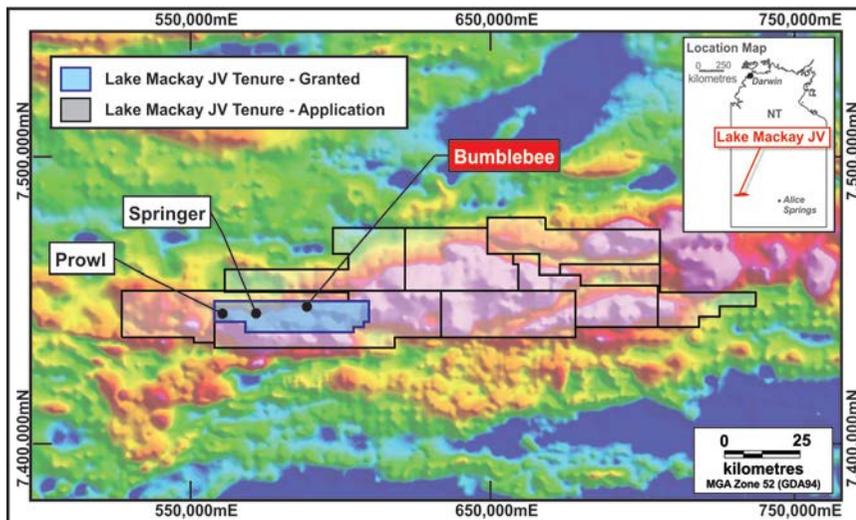
1) Midpoint of CY16 guidance

Exploration Focus



Unlocking belt scale opportunities for gold and base metal discoveries

- IGO is focussed on exploration of belt scale projects that have the potential to deliver Tier 1 assets such as Tropicana and Nova
- Combination of 100% owned projects and joint ventures
- During CY16, work programs at the Lake Mackay JV are designed to progress the early success at the Bumblebee discovery



FY16 Guidance

Updated exploration expenditure guidance



Tropicana (IGO share)

- 129,000 to 141,000oz at average cash cost of \$640 to \$710/oz Au
- AISC of \$820 to \$910/oz Au sold
- Sustaining and improvement capex of \$14 to \$16M, stripping capex of \$18 to \$20M and exploration of \$9 to \$11M

Jaguar

- 35,000 to 40,000t Zn and 7,500 to 8,500t Cu in conc. at average cash cost of \$0.40 to \$0.60/lb Zn
- Sustaining capex of \$4 to \$5M, development of \$12 to \$14M and exploration of \$9 to \$11M down from \$10 to \$12M

Long

- 8,500 to 9,000t contained Ni at average cash cost of \$3.50 to \$4.00/lb Ni
- Sustaining capex of \$2 to \$3M and exploration of \$8 to \$9M (up to suspension of exploration activities)

Nova

- Total development cost of \$443M of which approximately \$180M spent to 31 December 2015

Greenfields Exploration

- \$6 to \$8M down from \$10 to \$12M on greenfields and generative exploration

Concluding Comments

Diversified mining company delivering cash flow and growth



Strong focus on cash management

- Market prices for base metals negatively impacted project revenue during the period
- Tropicana delivered operationally and on growth projects
- Nova remains on schedule and on budget
- The \$350M term loan in place to fund Nova was undrawn at 31 December 2015

Nova optimisation study and integration completed

- Nova optimisation study delivered a significant improvement to project economics
- Project start up has been de-risked and additional options to add value recognised

Outlook and catalysts for value recognition

- Switch to gas power generation at Tropicana
- Continued progress at Tropicana to ramp up processing capacity to +7Mtpa
- Nova development milestones including mining of first ore in June quarter, commissioning late-2016 and production of first concentrate in December 2016
- Mineral Resource updates at Tropicana and Bentley



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