



## EUROZ CONFERENCE PRESENTATION

Attached is a presentation to be given today, by Peter Bradford, Managing Director and CEO at the Euroz Securities 2017 Institutional Conference.

The presentation provides:

- An overview of the Company;
- A summary of the Company's strong 1H17 operating and financial performance;
- An update of each of the key assets in the Company's diversified portfolio of gold and base metals mines along with a summary of the work being done to optimise and maximise value by unlocking operational improvements and opportunities to extend mine life; and
- A summary of the Company's belt scale greenfields exploration projects on the Fraser Range in Western Australia and at Lake MacKay in the Northern Territory.

The Euroz Securities Institutional Conference gives the Company an opportunity to engage with an audience comprised of some of Australia's leading institutional investors and this follows a site visit yesterday, with a number of these institutional investors, to the Company's Nova mine which is ramping up to full production in CY17.

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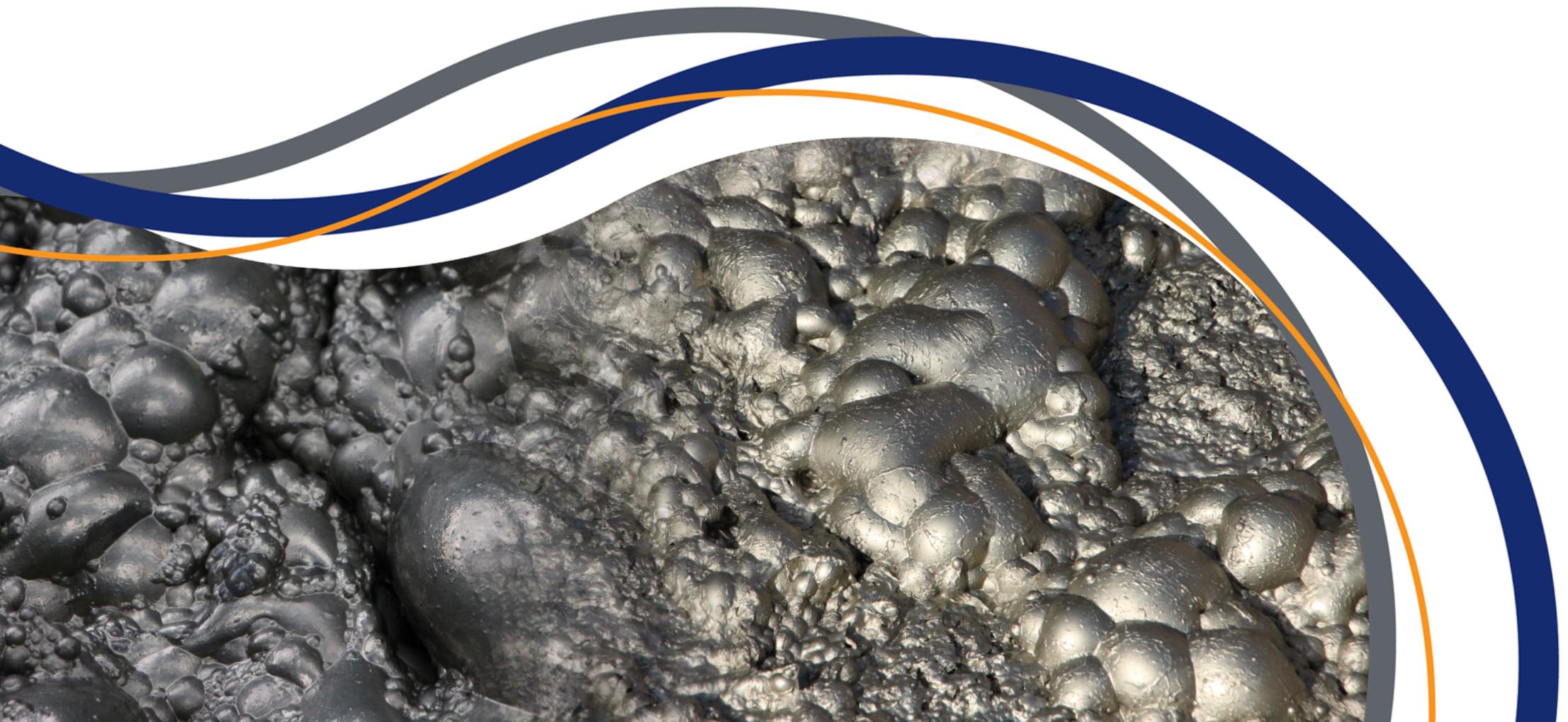
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# INDEPENDENCE GROUP NL

## EUROZ CONFERENCE

Peter Bradford, Managing Director and CEO

14 March 2017



# Cautionary Statements & Disclaimer



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- This presentation includes forward looking information regarding future events, conditions, circumstances and the future financial performance of IGO. Often, but not always, forward looking statements can be identified by the use of forward looking words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “anticipate”, “continue” and “guidance”, or other similar words and may include statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. Such forecasts, projections and information are not a guarantee of future performance and involve unknown risks and uncertainties, many of which are beyond IGO’s control, which may cause actual results and developments to differ materially from those expressed or implied. Further details of these risks are set out below. All references to future production and production guidance made in relation to IGO are subject to the completion of all necessary feasibility studies, permit applications and approvals, construction, financing arrangements and access to the necessary infrastructure. Where such a reference is made, it should be read subject to this paragraph and in conjunction with further information about the Mineral Resources and Ore Reserves, as well as any Competent Persons’ Statements included in periodic and continuous disclosure announcements lodged with the ASX. Forward looking statements in this presentation only apply at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information IGO does not undertake any obligation to publically update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.
- 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, except the Tropicana Mineral Resource and Ore Reserve should be read in conjunction with IGO’s 2016 Mineral Resource and Ore Reserve announcement dated 14 October 2016 and lodged with the ASX, which are available on the IGO website.
- References to Mineral Resource and Ore Reserve estimates at Tropicana should be read in conjunction with IGO’s Tropicana Gold Mine Value Enhancement Update, dated 15 December 2016 and lodged with the ASX, and is available on 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 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, 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.

# Key Messages

Diversified mining company delivering cash flow and growth



**Solid operational and financial performance in 1H17**

**Tropicana and Long delivering at better than guidance**

**Long and Jaguar delivering strong cash flow**

**Nova ramping up to name plate in 2017**

**Value enhancements initiatives at Tropicana and Jaguar**

**Balance sheet remains strong with cash flow strengthening**

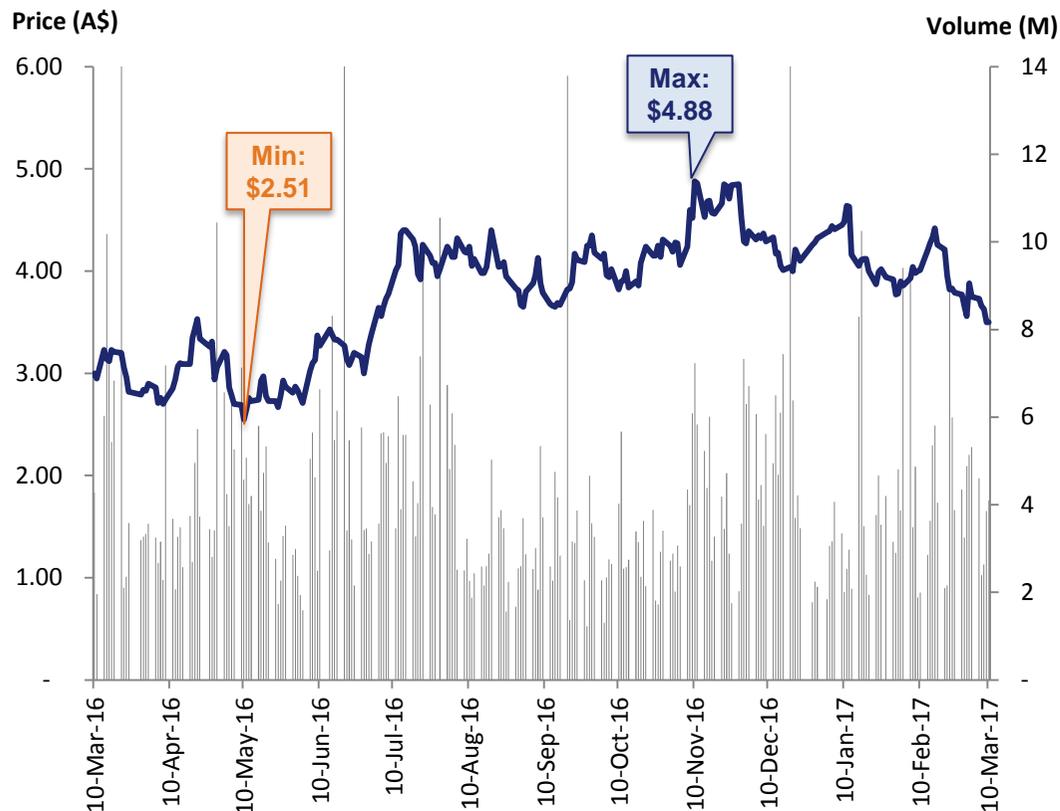
# Market Profile and Share Ownership



## Strong domestic institutional and retail support

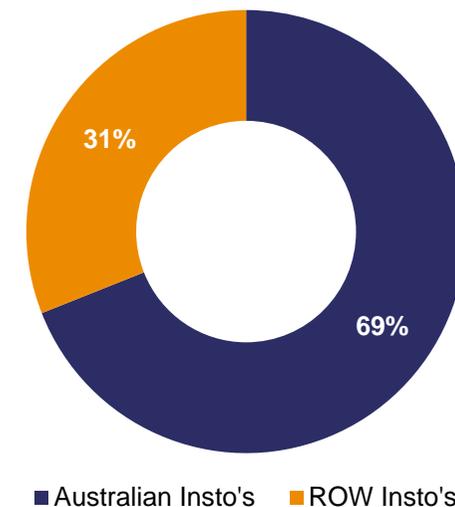
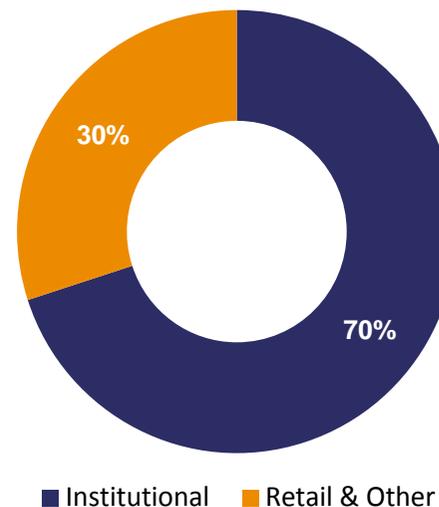
### Market Profile and LTM Share Price Performance<sup>(1)</sup>

- A\$2.1 billion market capitalisation
- 17% share price growth LTM
- 3-month average daily trading volume of 5.4M



### Share Ownership<sup>(1)</sup>

Substantial Holders		Institutional Ownership	
Mark Creasy	16.5%	Australia	69%
FIL	9.9%	USA	21%
Van Eck	5.9%	UK & Europe	5%
Ausbil	5.3%	ROW	5%
CBA	5.2%		

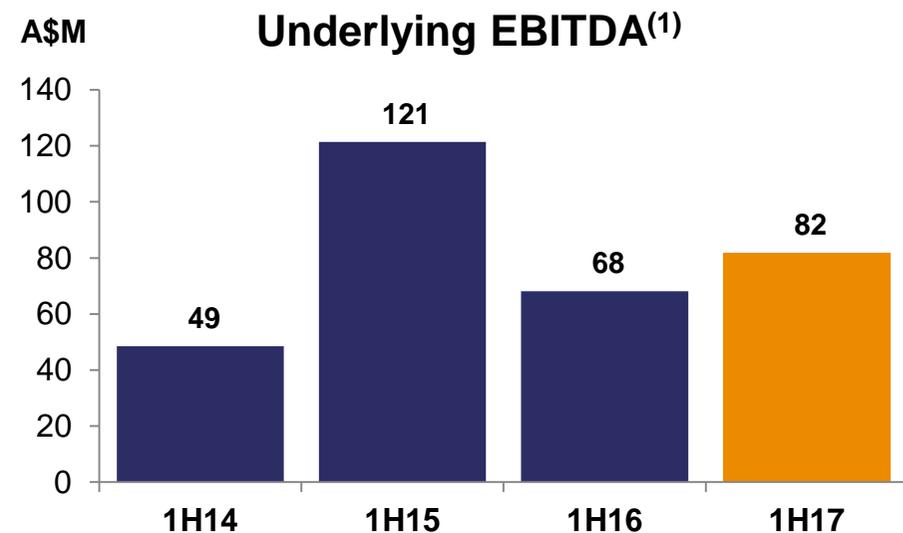
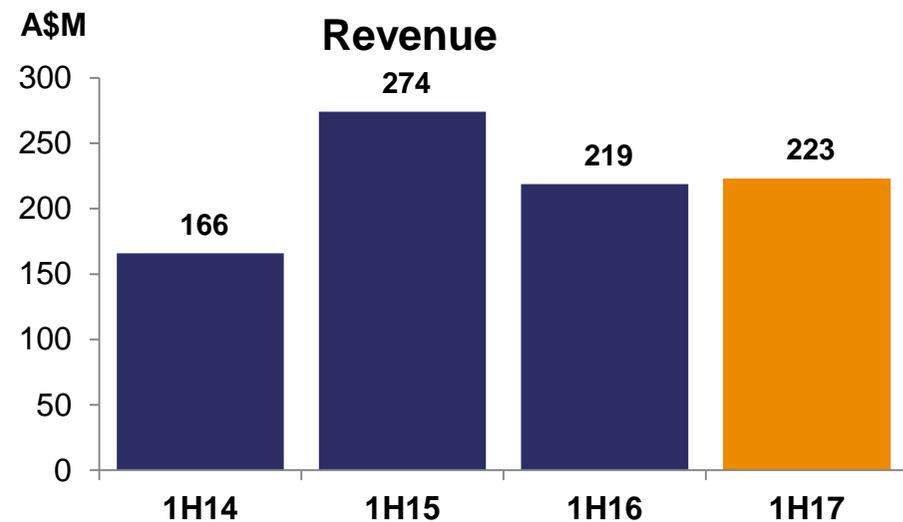
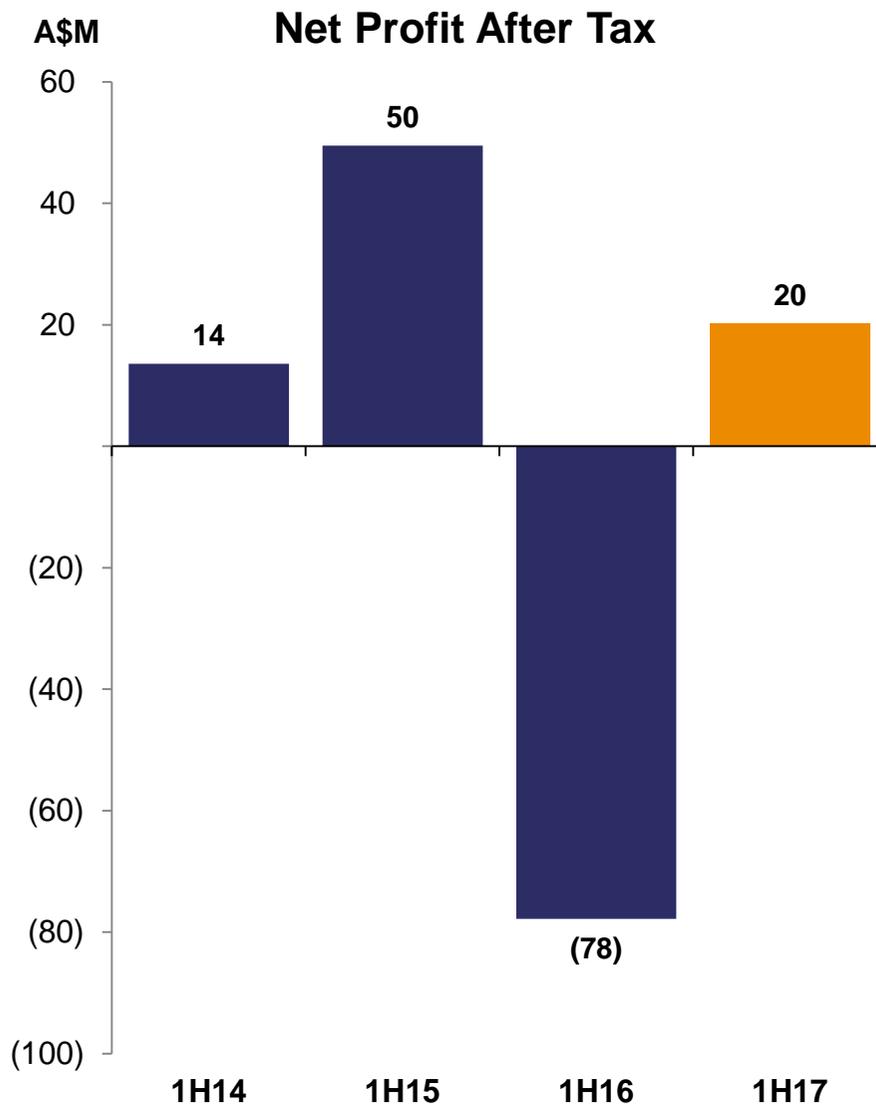


1) As at market close 10 March 2017

# 1H17 Earnings Summary



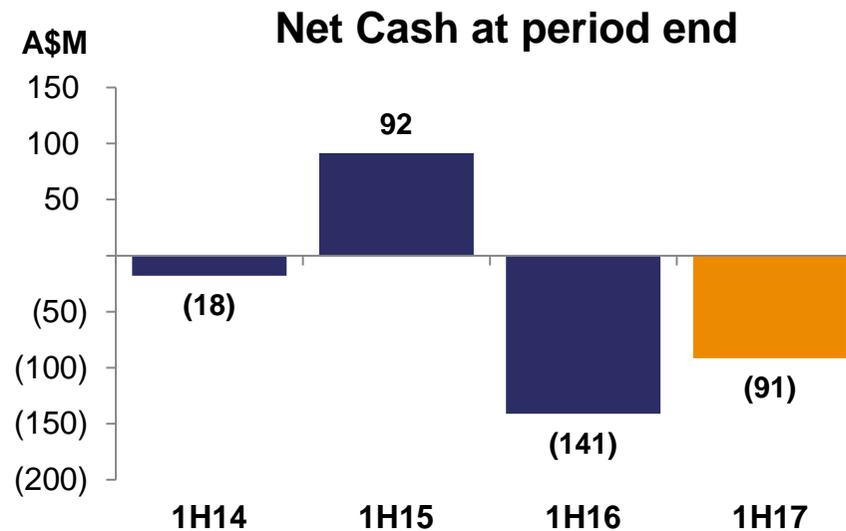
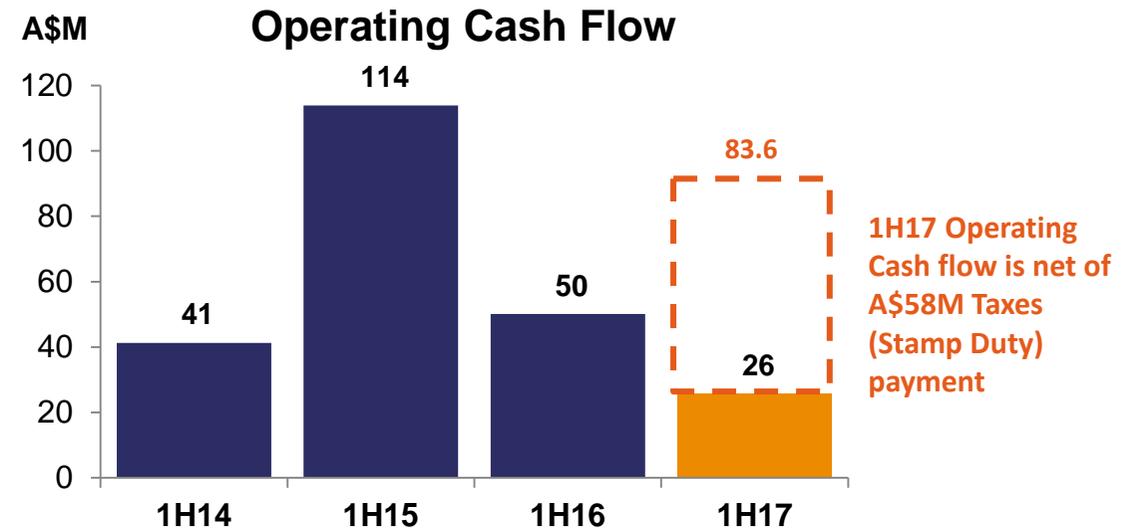
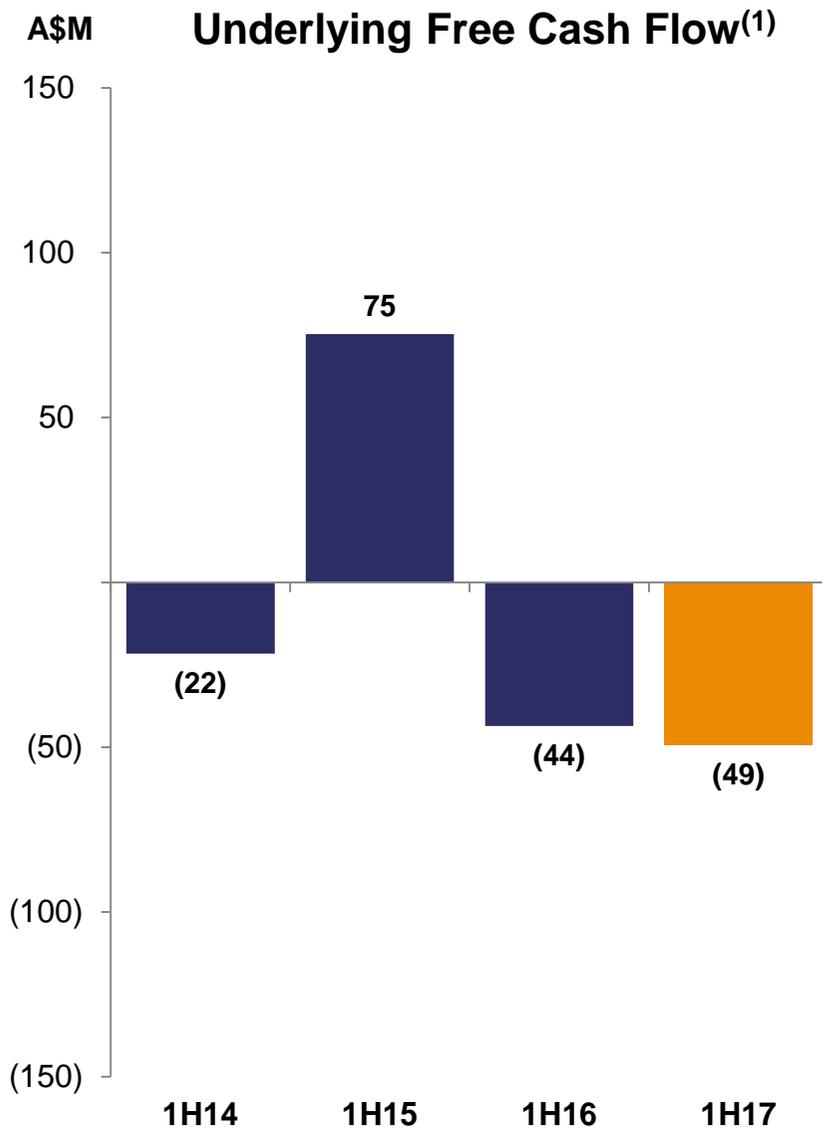
Higher overall metal prices deliver improved earnings



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

# 1H17 Cash Flow Summary

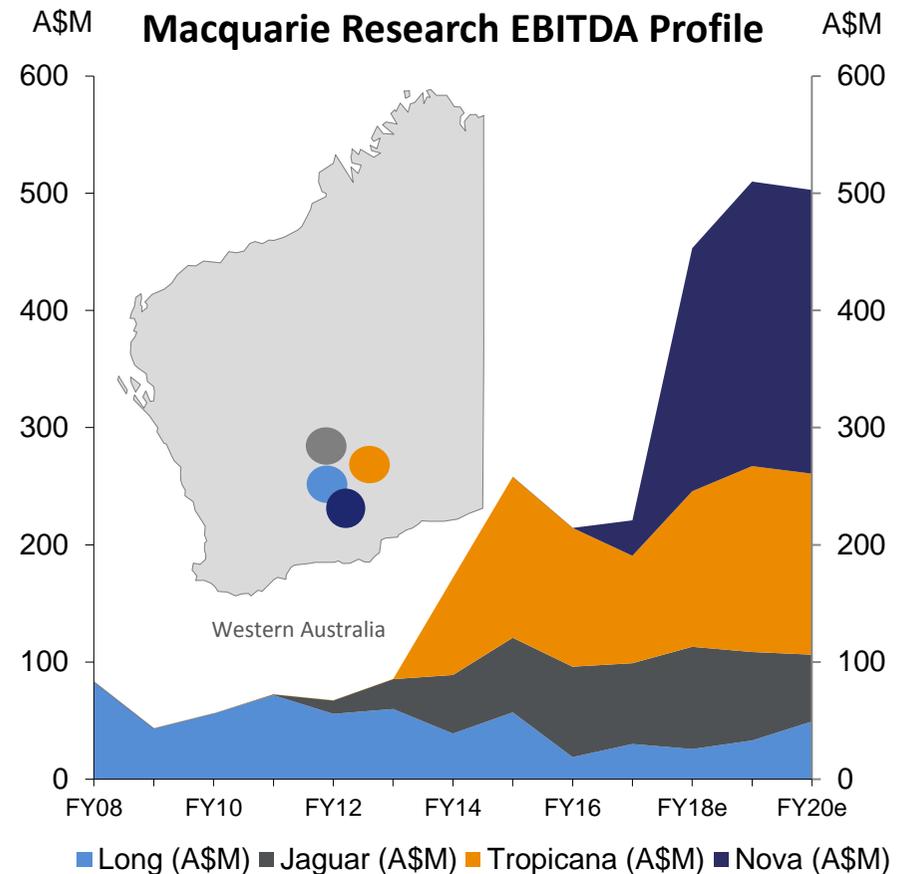
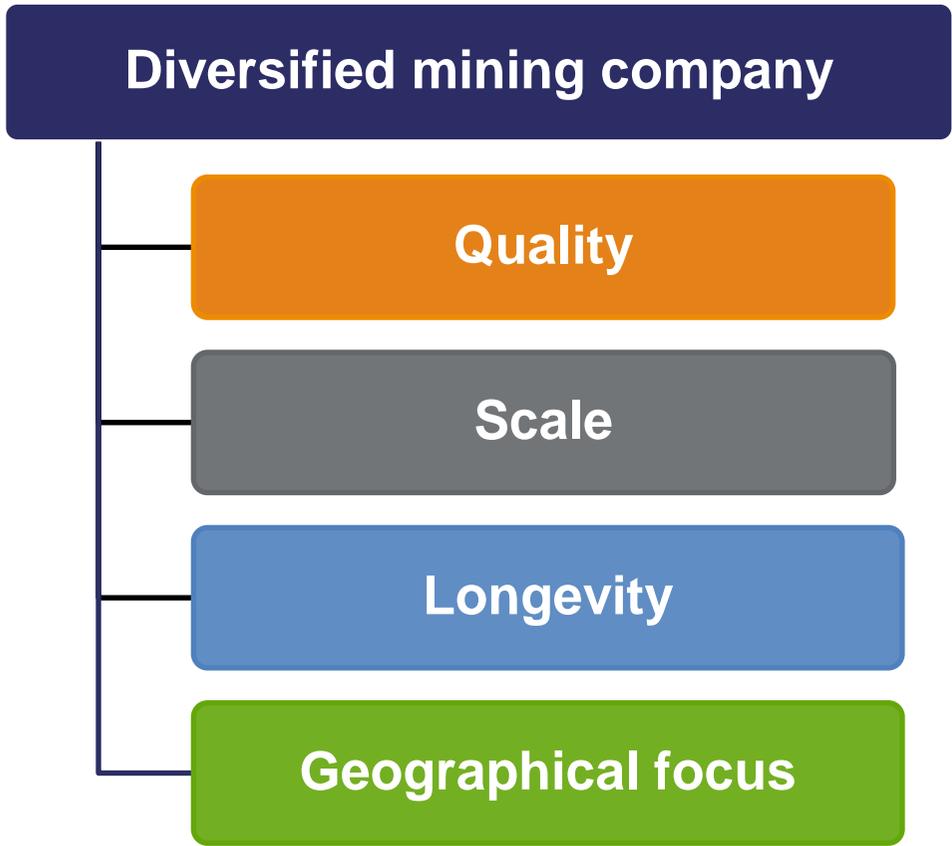
Strong balance sheet with net debt of A\$91M



- Free Cash Flow comprises Net Cash Flow from Operating Activities and Net Cash Flow from Investing Activities. Underlying adjustments exclude proceeds from investment sales and payments for investments. They also exclude net payment for the acquisition of Sirius Resources NL and transaction costs
- Funds raised through completion of institutional placement and share purchase plan, net of costs totalled A\$274.3M see ASX releases dated 28 July 2016 and 26 August 2016

# Independence Group Overview

Value focused strategy and transformational growth of EBITDA



**Our purpose is to create long-term shareholder value through discovery, acquisition, development and operation of high-margin, long-life mining projects diversified by commodity and geography.**

# Tropicana Overview

## Making a great asset better through value enhancement

### Large scale open pit gold mine

- 30% IGO and 70% AngloGold Ashanti
- Located 370km East NE of Kalgoorlie

### Achievements

- 1H17 production and costs better than guidance range
- Processing plant rate increased to 7.5Mtpa
- Long Island Study progressed
- Reserve and Resource increased in 2016<sup>(1)</sup>

### 1H17 performance

- 66,370oz gold produced<sup>(2)</sup>
- Cash cost of A\$821/oz and AISC of A\$1,070/oz<sup>(2)</sup>

### Opportunities

- Finalisation of Long Island Study
- Further plant expansion
- Regional exploration accelerating

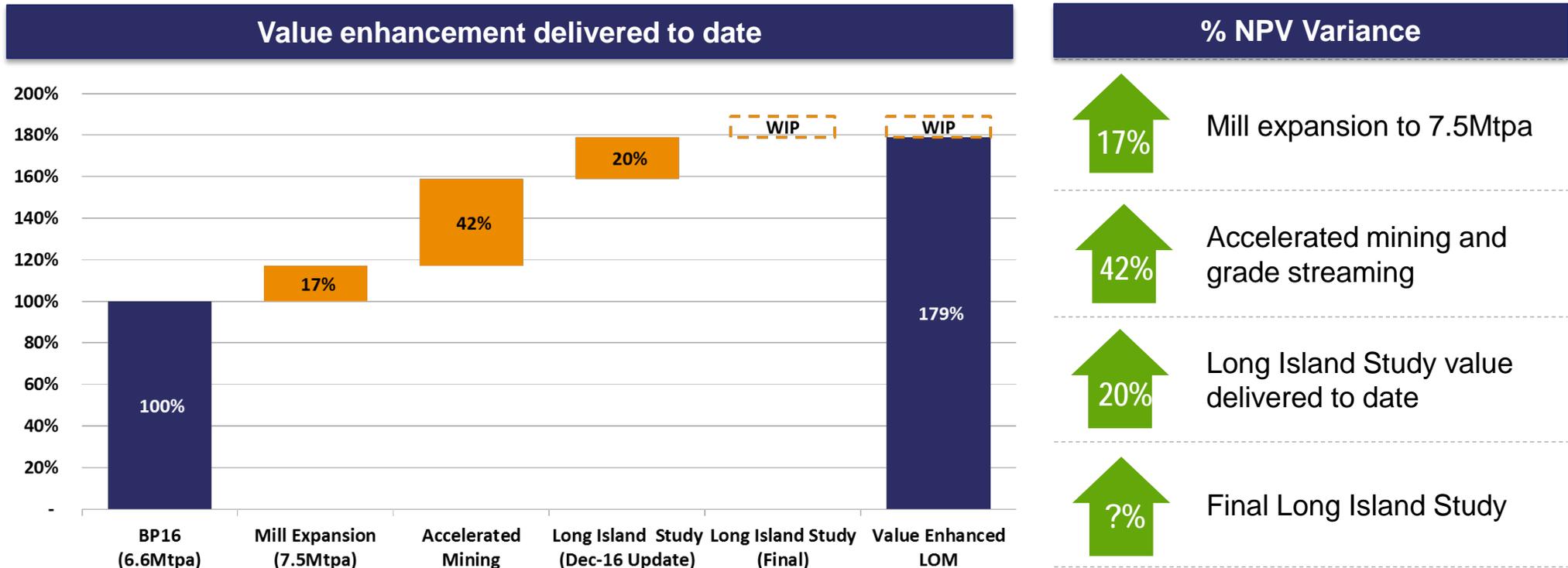
1) As per Tropicana Gold Mine Value Enhancement Update on 15 Dec 2016

2) IGO share



# Tropicana

## Value enhancement delivers 79% increase in value



## Further value enhancement to be unlocked in 2017

- Additional mine life increase
- Incremental plant expansion
- Acceleration of regional exploration

1) BP16 refers to CY16 Business Plan prepared by AngloGold Ashanti

# Tropicana

## Processing plant optimisation and expansion



**7.5Mtpa** expansion successfully completed

**29%** increase in throughput compared to nameplate

**200 - 400ktpa** further expansion targeted in CY17

**A\$6.9M** improvement capital estimated in CY17 (100% basis)

# Tropicana

## Mining fleet and grade streaming

600 tonne class face shovel added to fleet

Increased mining rates in CY17 to ~80Mtpa

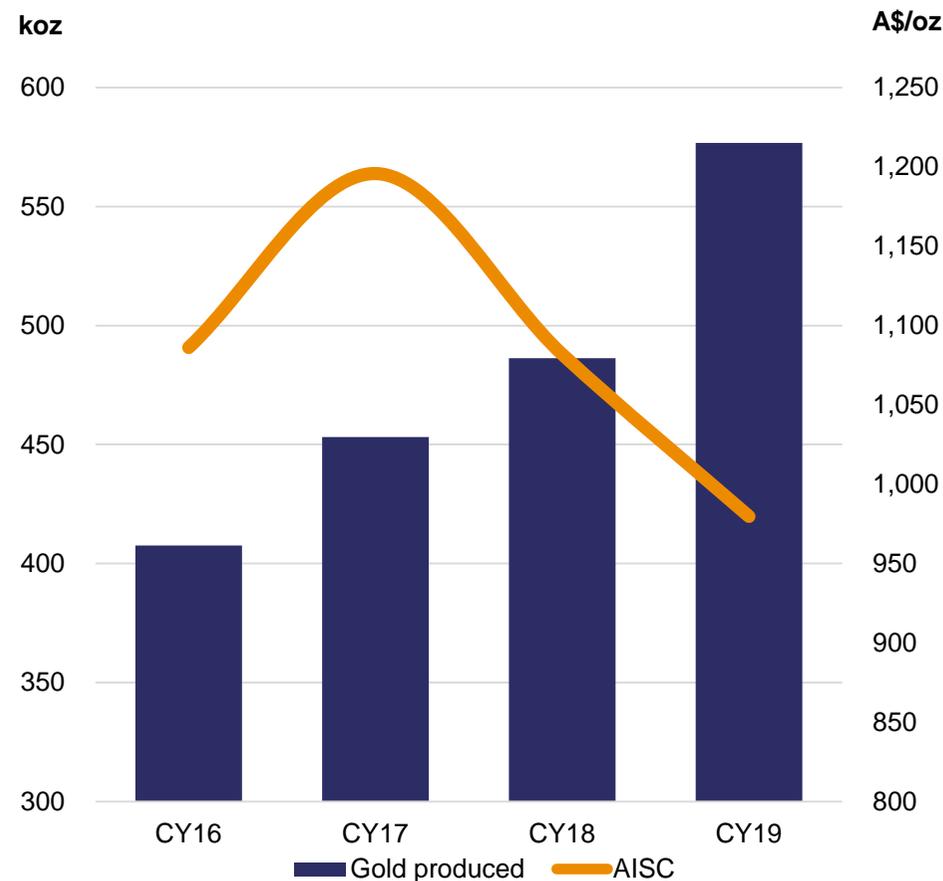
Results in higher AISC in CY17



Unlocks 2<sup>nd</sup> phase of Grade Streaming

Higher planned processed head-grade from  
for 2017-2019<sup>(1)</sup>

### Directional Production and AISC<sup>(1)</sup>



1) Grade streaming and elevated mill head-grades delivered through an accelerated mining rate and stockpiling strategy. This is scheduled for approximately three years.

# Tropicana Exploration

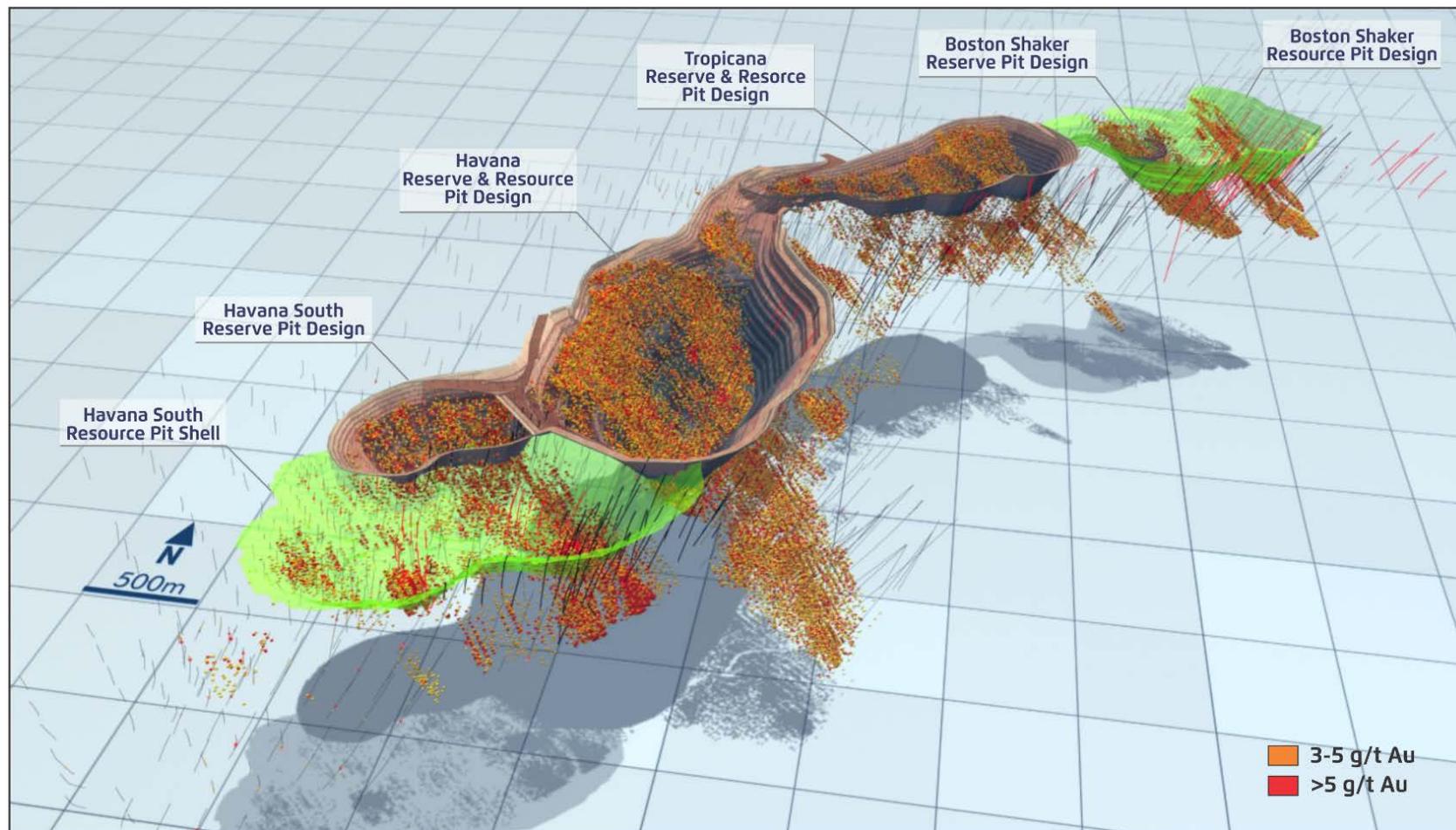
## Framework and resource extension drilling

Strip mining concept

160,000m of drilling

Structural change to costs

Ore reserve growth



# Tropicana

## Long Island Study – What is it?

### Based on strip mining strategy

- Possible due to tabular geometry and strike extent
- Unlocks additional down plunge resource

### Strip mining delivers lower mining costs

- Shorter hauls due to in-pit dumping of waste
- Transition to face shovels
- Mining of bigger benches to reduce drill and blast costs

### Tropicana LoM pit to be starter pit

- Backfill with waste from Boston Shaker to the north and Havana to the south

**25-30% potential reduction in unit mining costs per tonne through Long Island strategy**



# Long Overview



## History of consistent production and reserve replacement

### High grade underground nickel

- Located in Kambalda, 60km south of Kalgoorlie
- +35 year operating history at average 3.9% Ni
- Owner operated underground mining

### Achievements

- Consistent low cost performer
- 1H17 production and costs better than guidance

### 1H17 performance

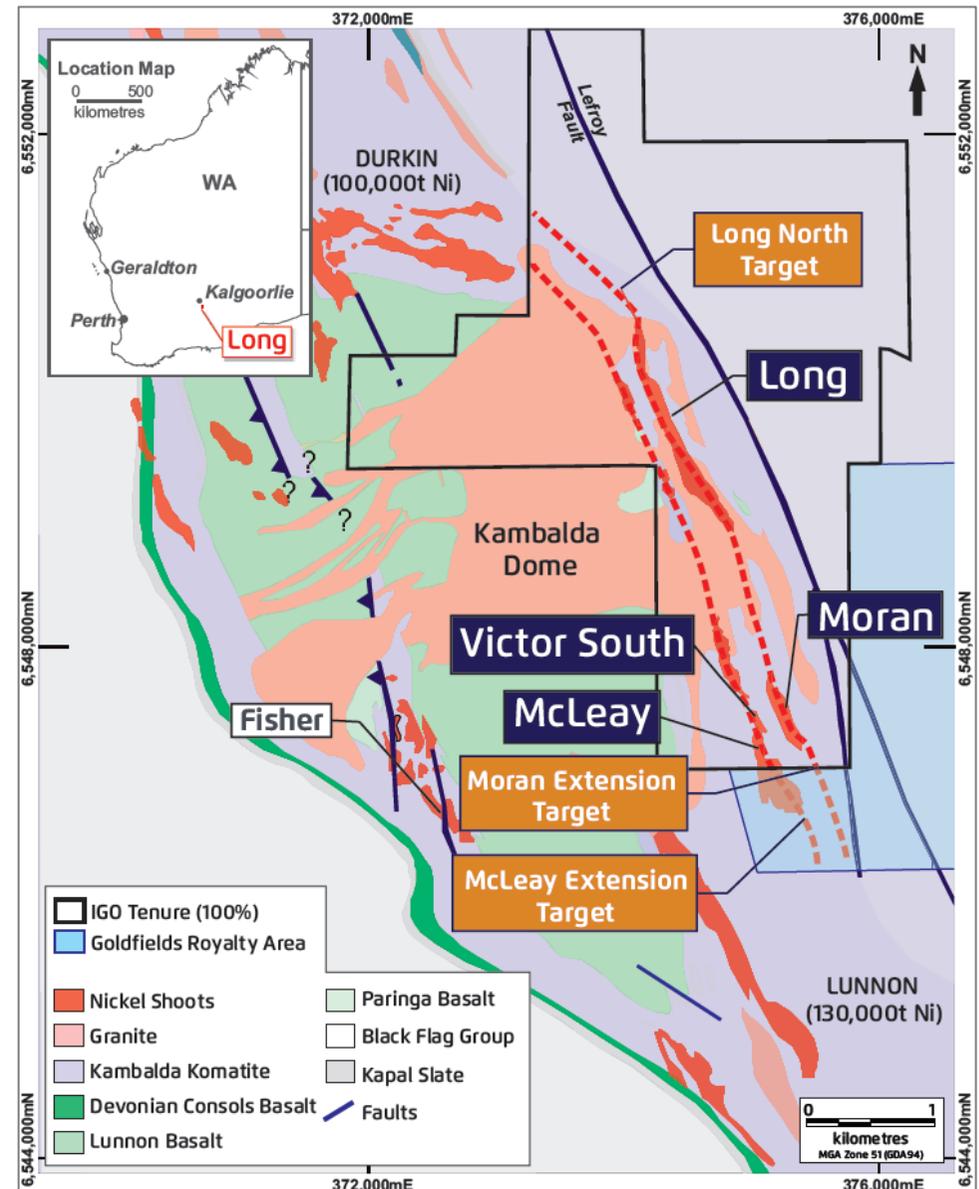
- 4,229t nickel at A\$3.21/lb<sup>(1)</sup>

### Concerns to manage

- Current reserve life to February 2018

### Opportunities

- Near infrastructure resource extension
- Moran South and McLeay South



1) Cash costs are inclusive of royalties and net of by-product credits per unit of payable metal

# Jaguar Overview

## High grade Zn-Cu VMS camp

### High grade underground Zn-Cu-Ag-Au VMS deposit

- Located 300km north of Kalgoorlie via sealed road
- Fly in – fly out from Perth
- Owner operated underground mining & onsite concentrator

### Achievements

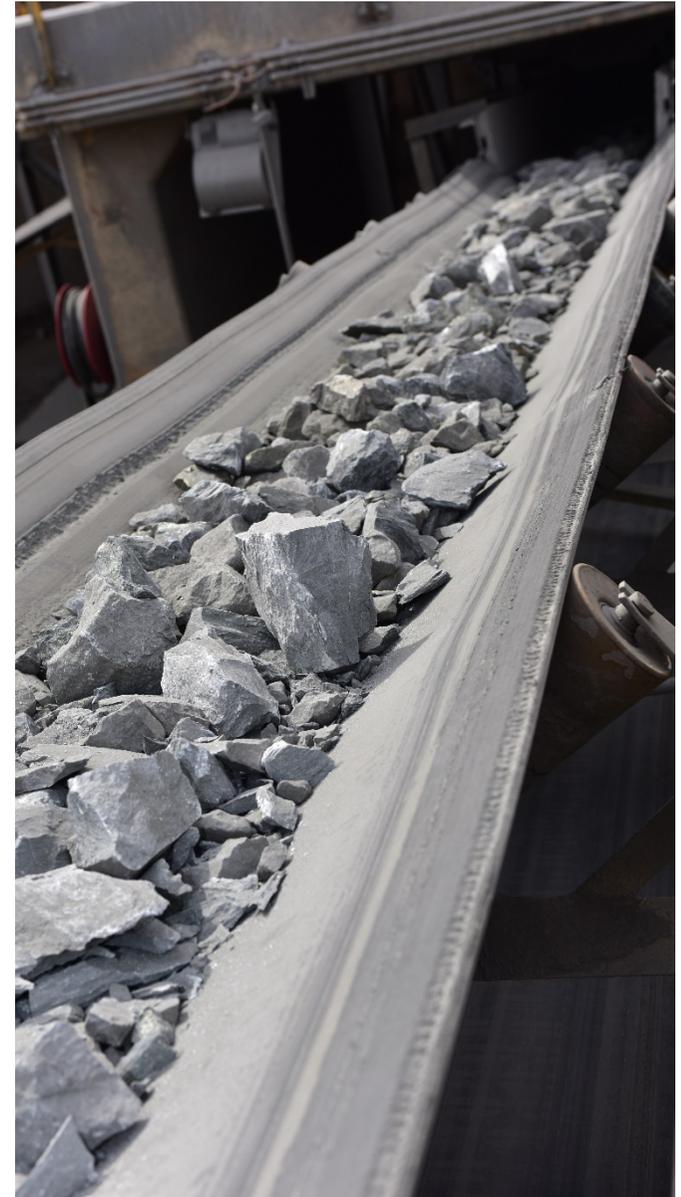
- Improved operational consistency over last few years
- Reserve increase in 2016
- Triumph discovery and resource drilling

### 1H17 performance

- 18,641t Zn & 2,746t Cu at A\$0.77/lb Zn<sup>(1)</sup>

### Opportunities

- Process plant currently mine constrained
- Triumph prospect Maiden Resource estimate and PFS underway
- Further resource extension at Bentley
- Regional exploration potential for gold and base



1) Cash costs are inclusive of royalties and net of by-product credits per unit of payable metal

# Jaguar



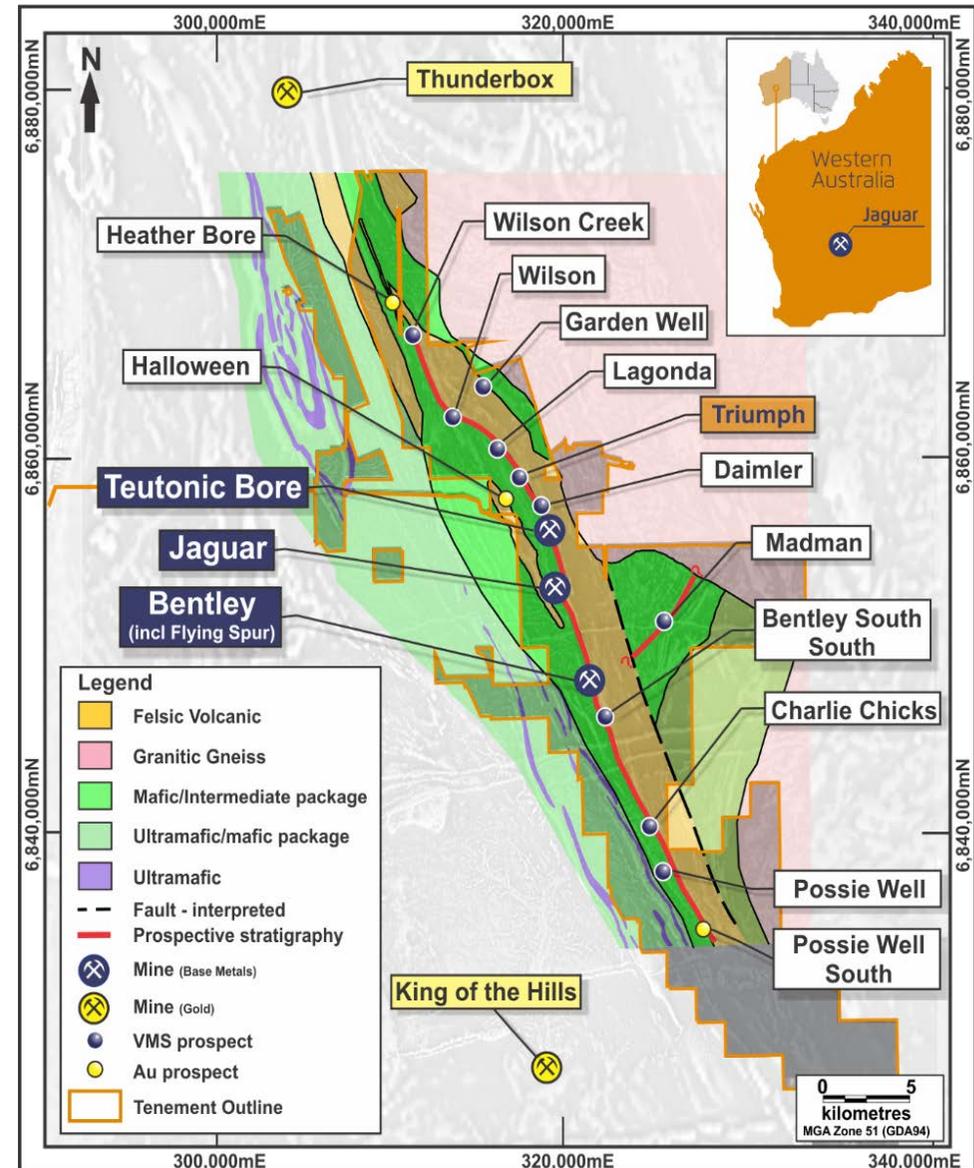
## Four areas of exploration focus at Jaguar

### Ore Reserves

- ~150% increase in Ore Reserves in FY16 from Mineral Resource conversion drilling program<sup>(1)</sup>

### Four areas of exploration focus in CY17

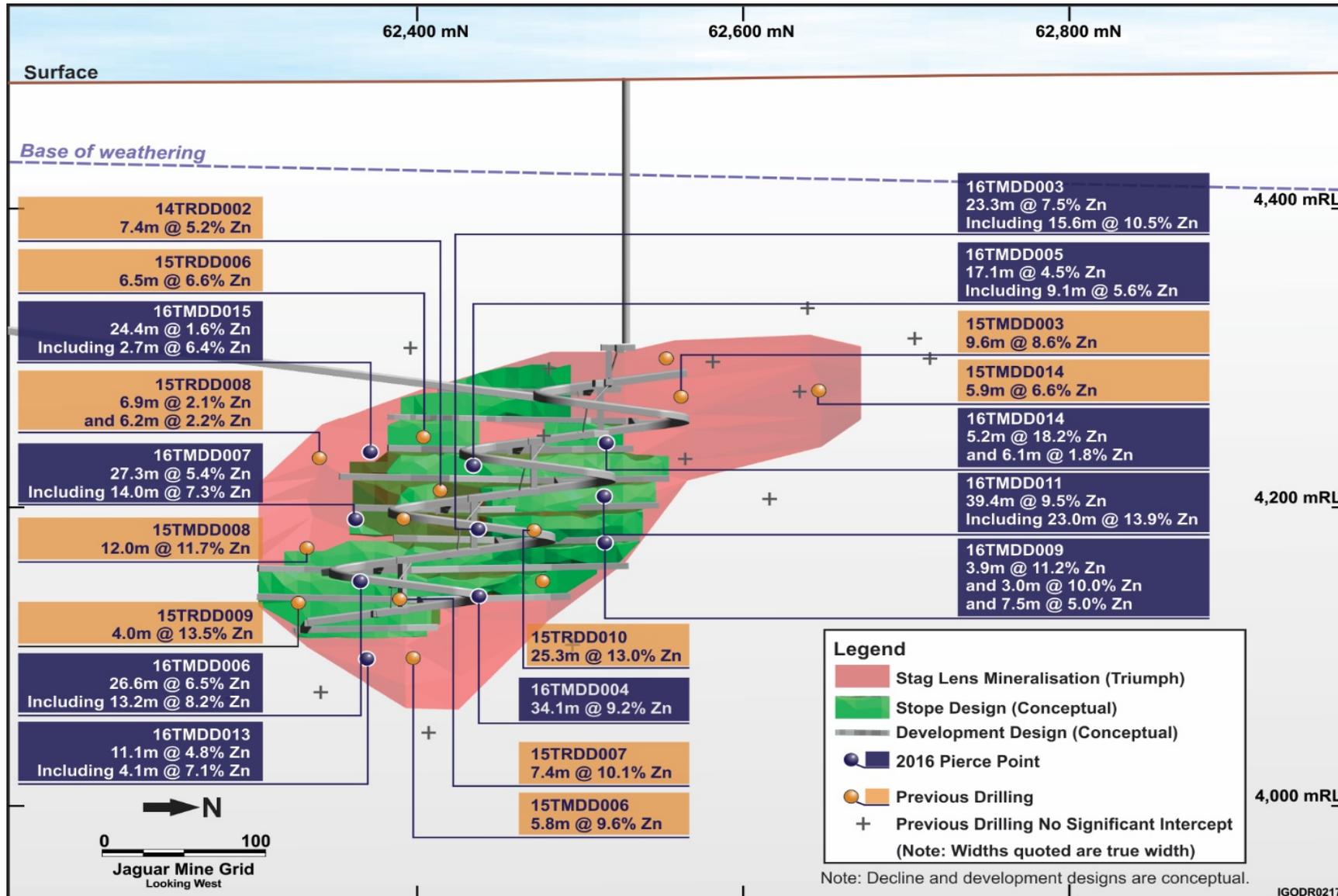
- Triumph: Definition drilling completed. Now progressing maiden resource estimate and PFS
- Bentley: Now drilling down plunge extension of mineralisation on Arnage and Flying Spur lenses below resource wire frame
- Base metals regional exploration at Wilson Creek, Garden Well and Madman
- Gold regional exploration at Heather Bore, Halloween and South Possie Well



1) For further information on Mineral Resources and Ore Reserves refer to ASX release dated 14 October 2016

# Jaguar

## Triumph Prospect

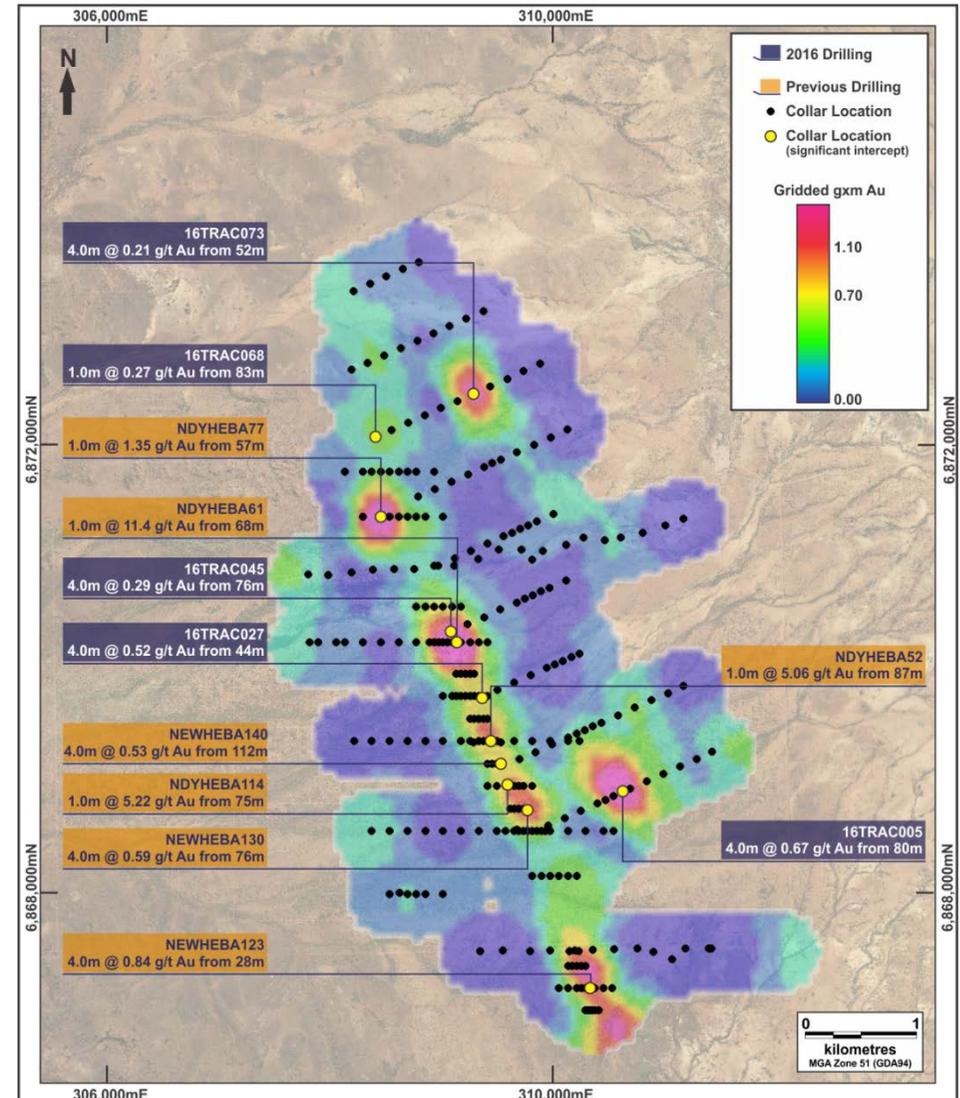
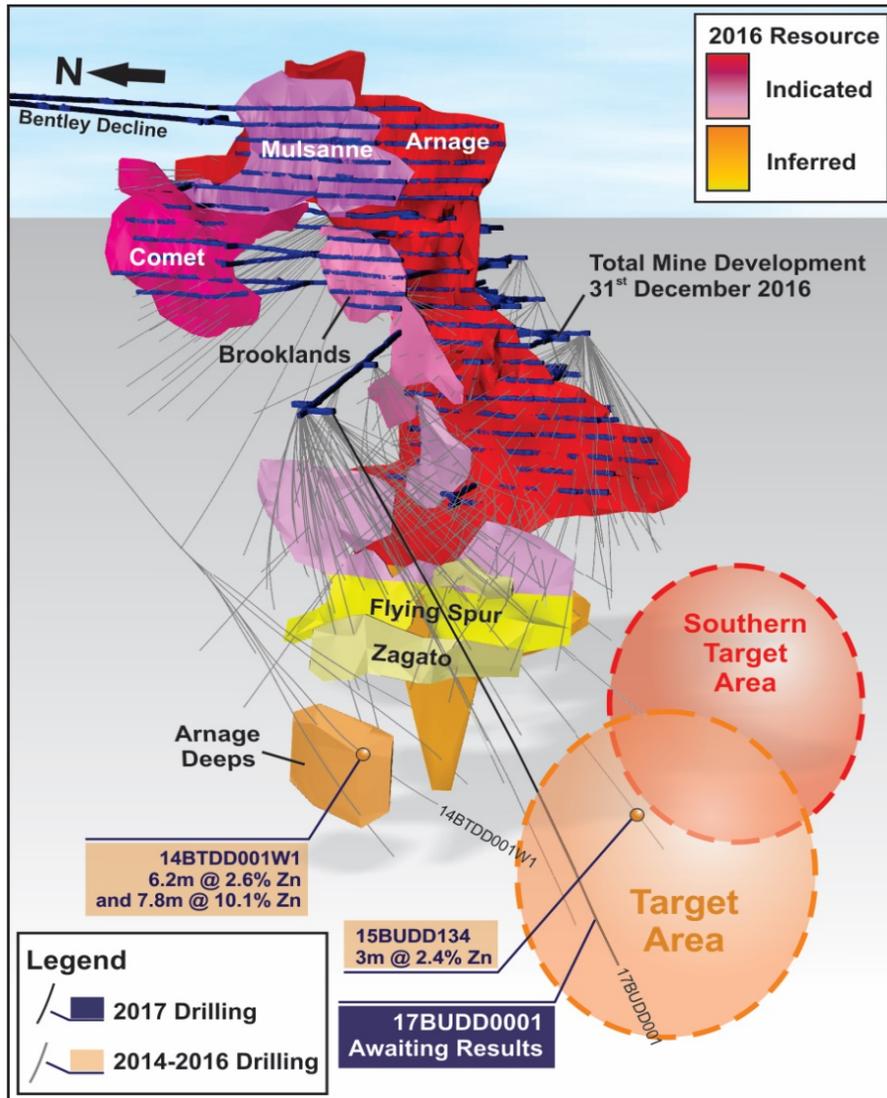


1) Refer to ASX Release dated 16 February 2017 – Jaguar Operation – Exploration Update

# Jaguar



## Bentley depth extensions and Heather Bore gold prospect



# Nova Overview



## World class, low cost magmatic nickel-copper project

### Underground nickel-copper project in ramp up

- Located in highly prospective Fraser Range
- 350km SE of Kalgoorlie and 350km from port of Esperance in WA
- World class project

### Achievements

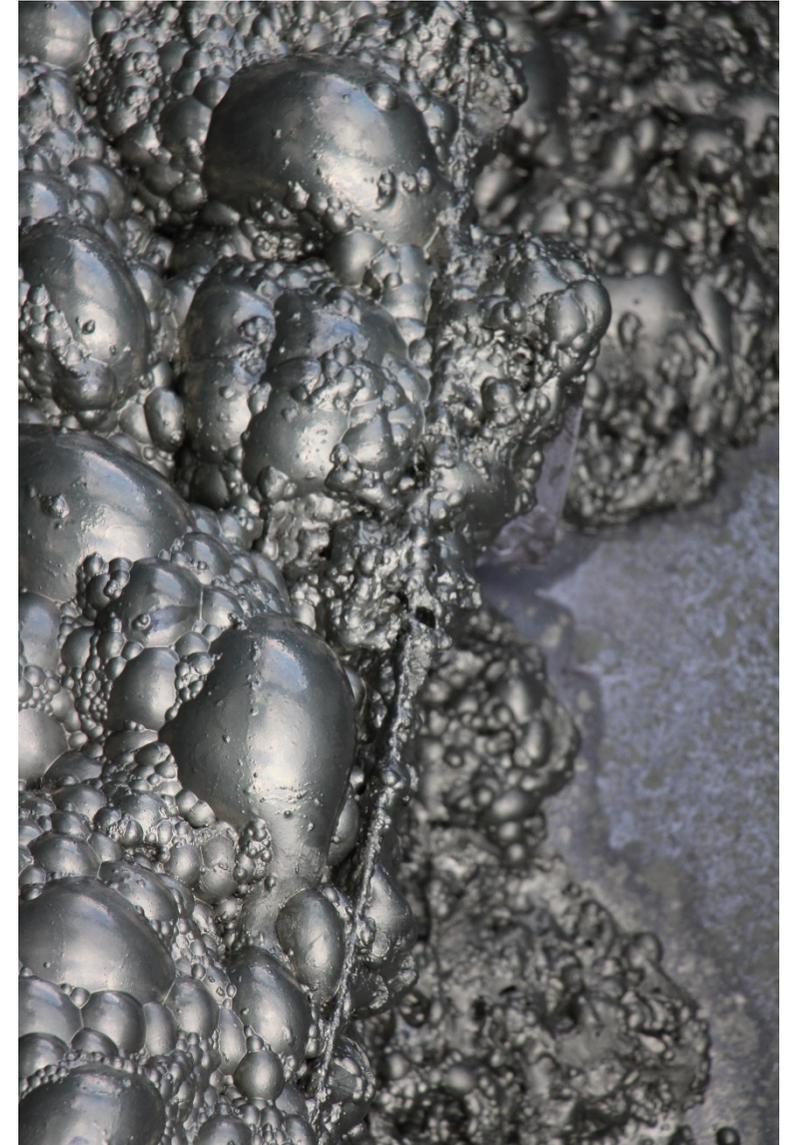
- Discovery to first production in 4<sup>1</sup>/<sub>4</sub> years
- First production delivered 6 weeks ahead of schedule
- Expect to reach name plate capacity one year earlier than DFS

### Concerns

- Development advance behind schedule

### Opportunities

- Optimise and maximise once name plate achieved
- Resource extension
- Mining lease and Fraser Range under-explored



# Nova Project



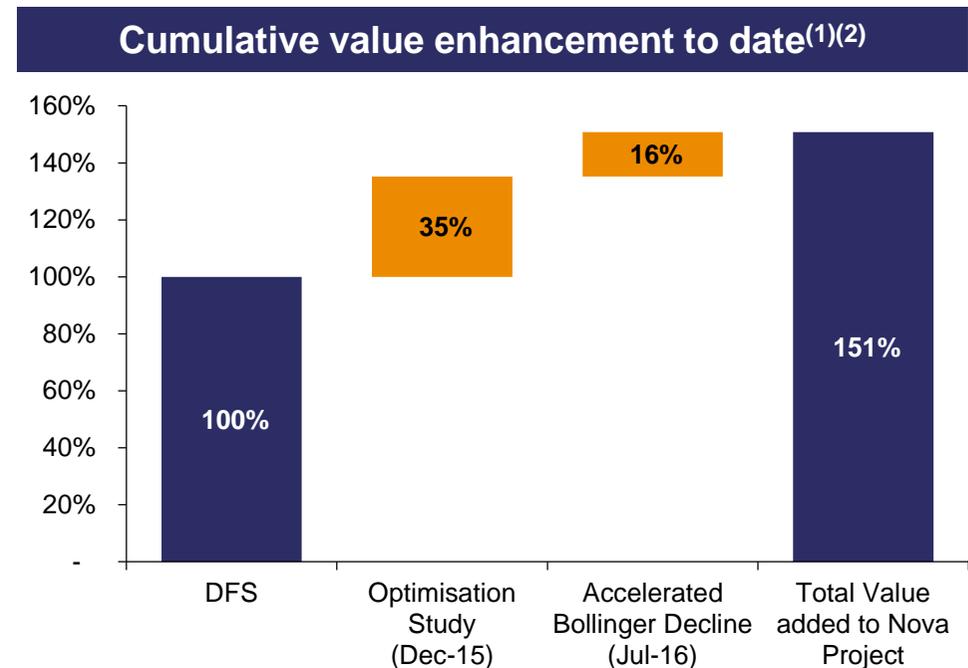
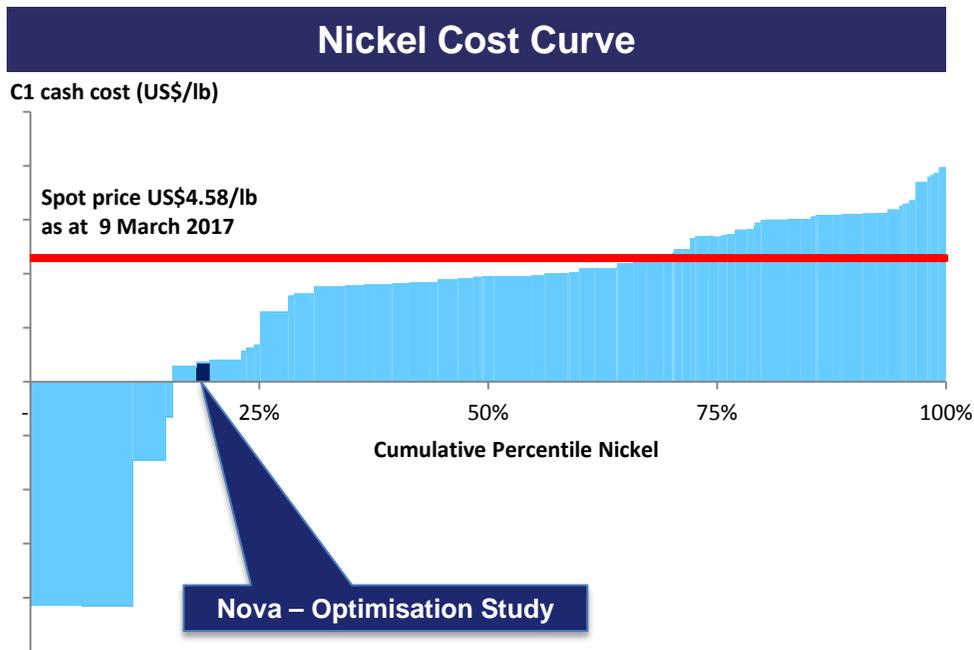
## Significant value unlocked through optimisation

### Optimisation study in December 2015

- Improved mining schedule and sequencing to prioritise higher-value ore early in the mine life
- Accelerated ramp up to fill the processing plant earlier
- Captured current contracted rates and forecast operating cost structure

### Early development of Bollinger

- Delivers greater operational flexibility



1) For further information see ASX release 14 December 2015, Nova Project Optimisation Study  
2) For further information see ASX release 21 July 2016, Accelerated Bollinger Decline at Nova Project

# Nova Project

## Project significantly de-risked

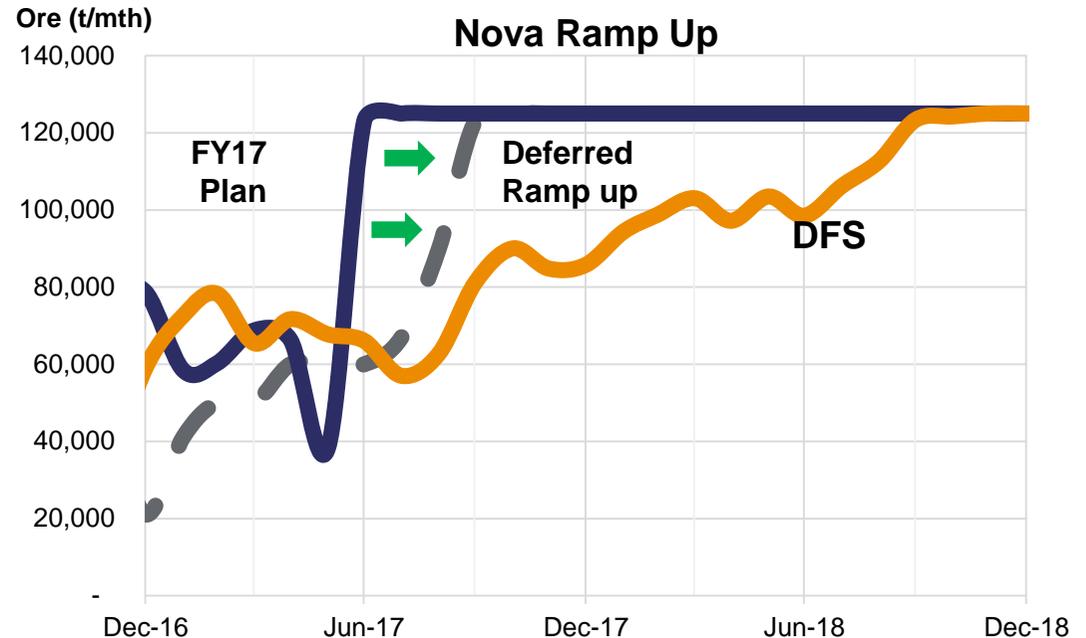


### Far better progress than envisaged in Feasibility Study

- ✓ Process plant construction completed 4 weeks ahead of schedule
- ✓ First nickel and copper concentrates announced 6 weeks ahead of schedule
- ✓ First nickel concentrate delivered to BHP Nickel West in early December 2016
- ✓ All surface infrastructure completed and operational except commissioning of paste plant in April 2017
- ? Underground development currently behind plan resulting in potential delay to ore production ramp up



First nickel concentrate leaving

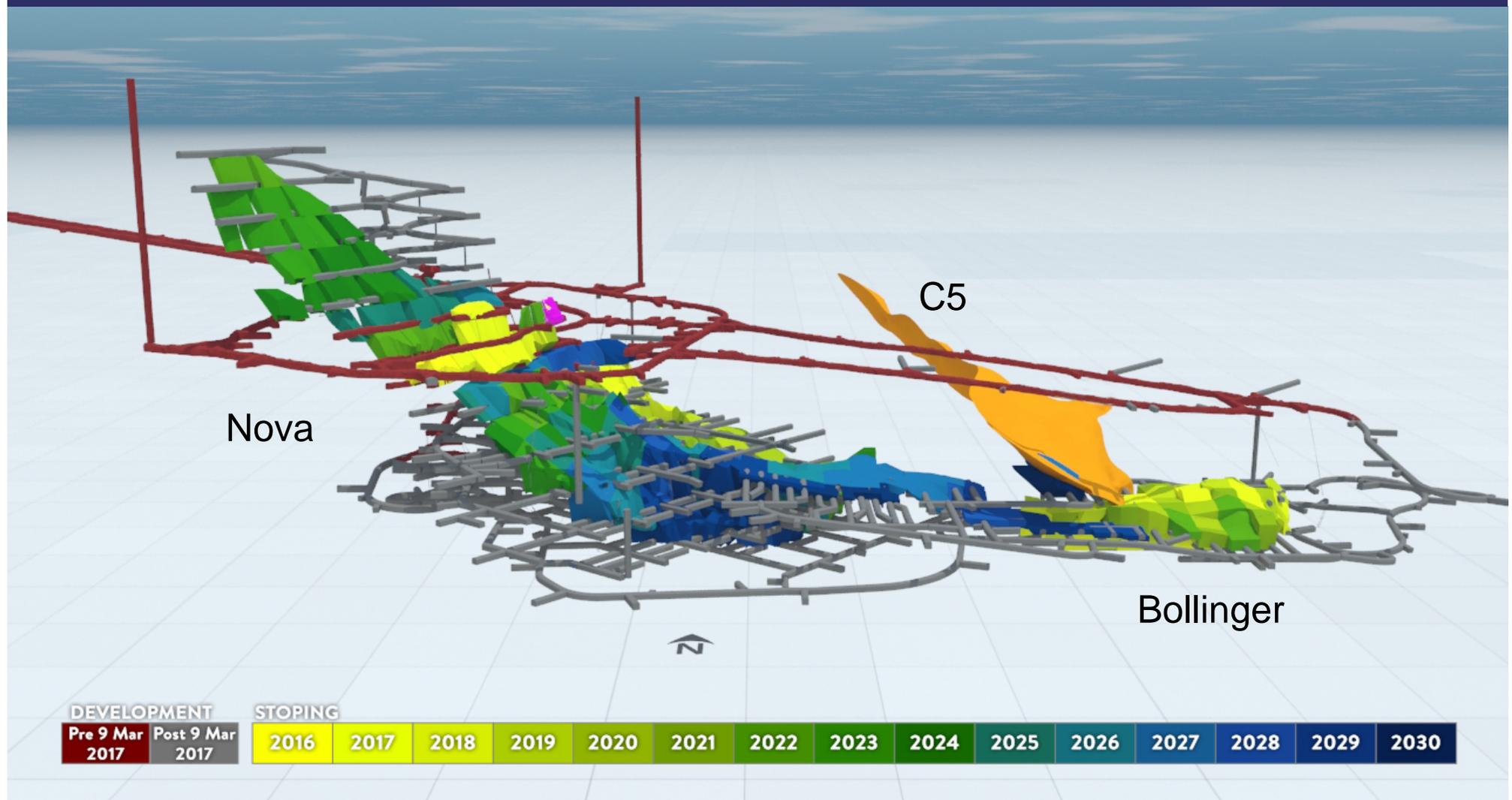


# Nova Project

12km of mine development completed project to date



## Nova Mining Schedule



# Nova Project



## Metallurgical commissioning and performance

### Smooth commissioning with no material issues

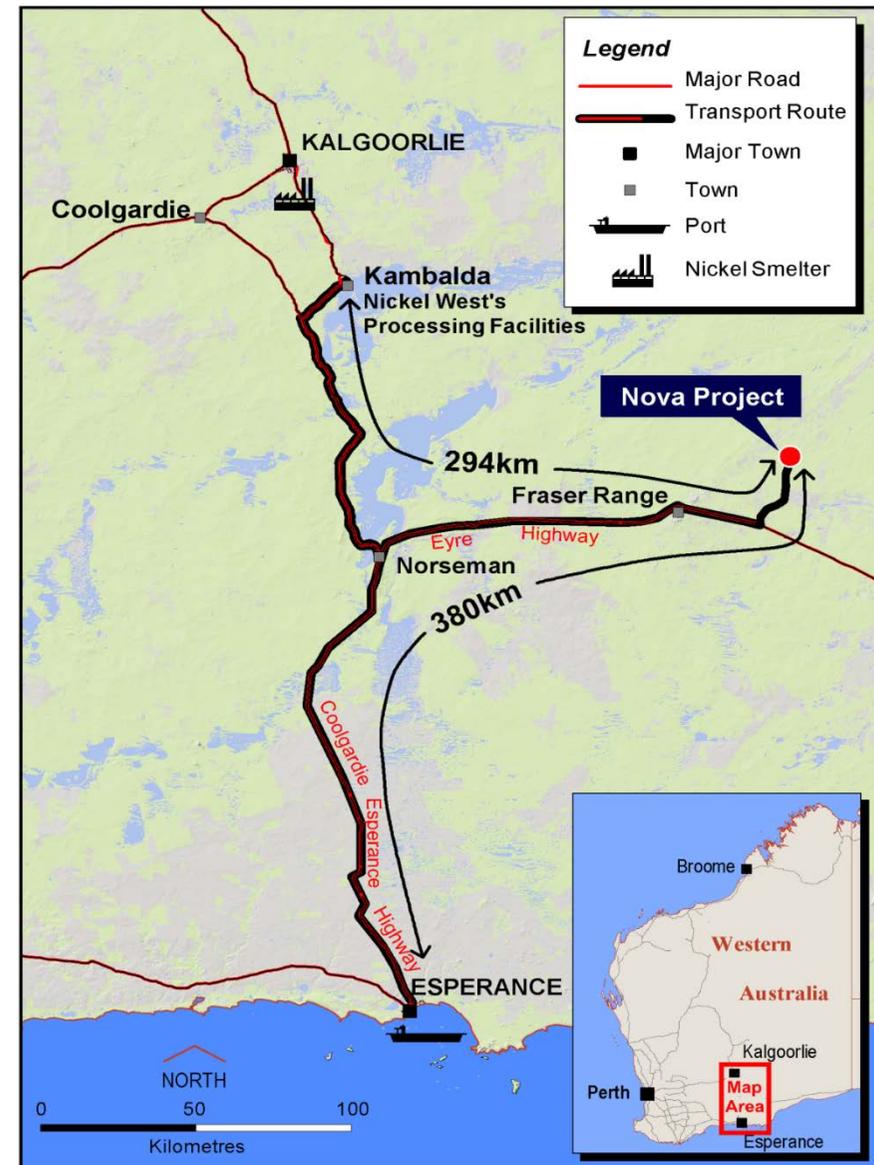
- Minor issues with TETA reagent control and some replacement of pumps and motors

### Expect to achieve design throughput, recoveries and concentrate grades when transition to ROM massive ore

- Commissioning hamstrung by lack of ore
- Low grade Upper Nova ore used for commissioning
- More difficult to achieve design recovery and concentrate grade when on low grade

### First concentrate shipped in December 2016

- Three year off take agreements for Ni and Cu concentrate
- Ni concentrate split 50/50 with Nickel West & Glencore
- Cu concentrate 100% contracted with Trafigura
- Shipments to Glencore & Trafigura will be via Esperance
- First offshore shipments expected in April/May 2017



# Nova Project



## Exploration around Nova to accelerate in CY17

### People

- Dedicated Exploration Manager appointed for IGO's Fraser Range interests
- Strengthened technical staff

### CY17 work programs

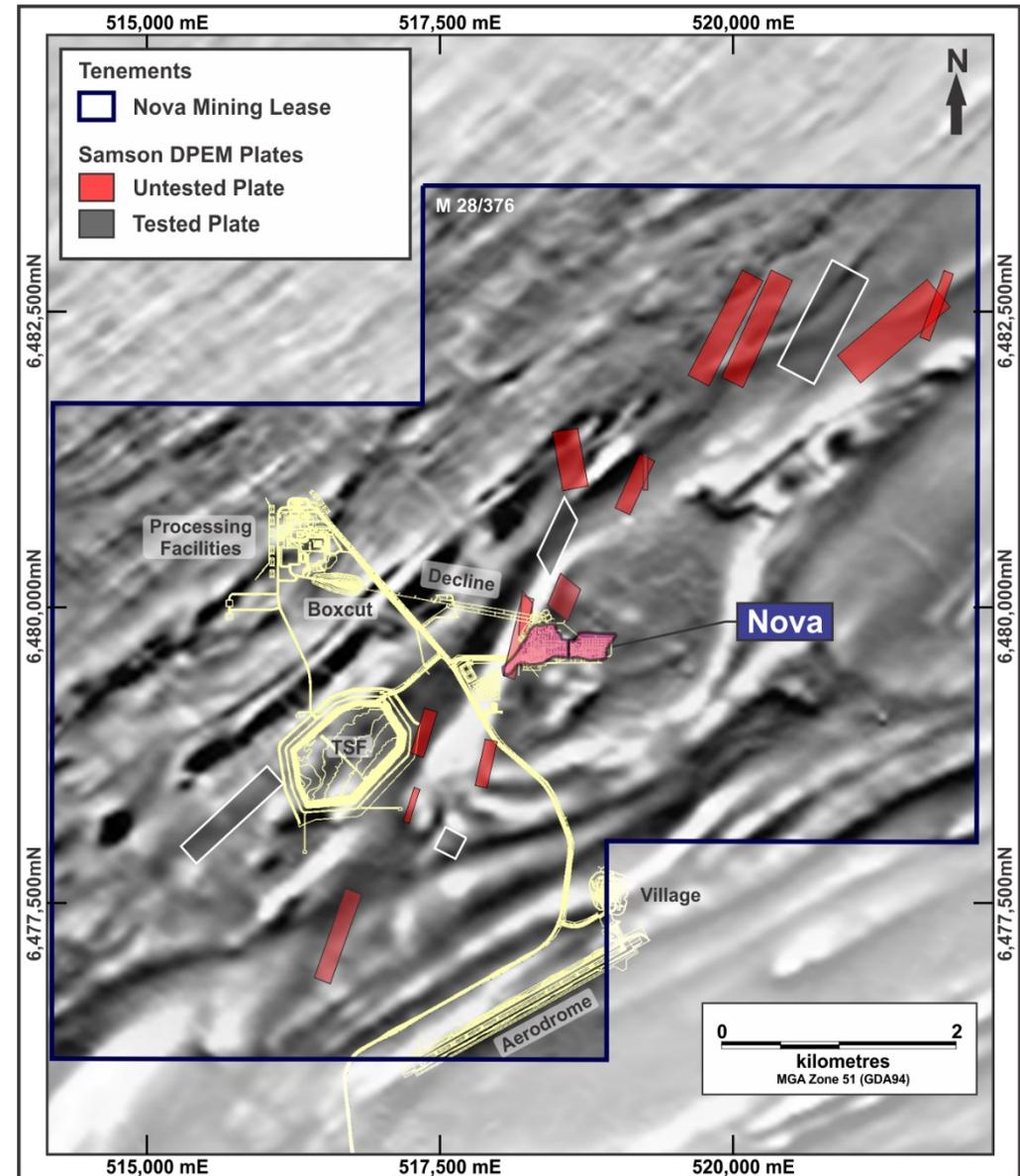
- Drill testing of potential resource extensions underway
- 2D seismic data collection underway on Nova mining lease
- Drill testing of EM conductors on mining lease planned
- Downhole EM beneath Nova- Bollinger using in-mine EM loop planned

### Consolidated tenements around Nova

- Downhole EM beneath Nova- Bollinger using in-mine EM loop planned

### R&D and innovation

- Using R&D and innovation to unlock discovery



# Exploration

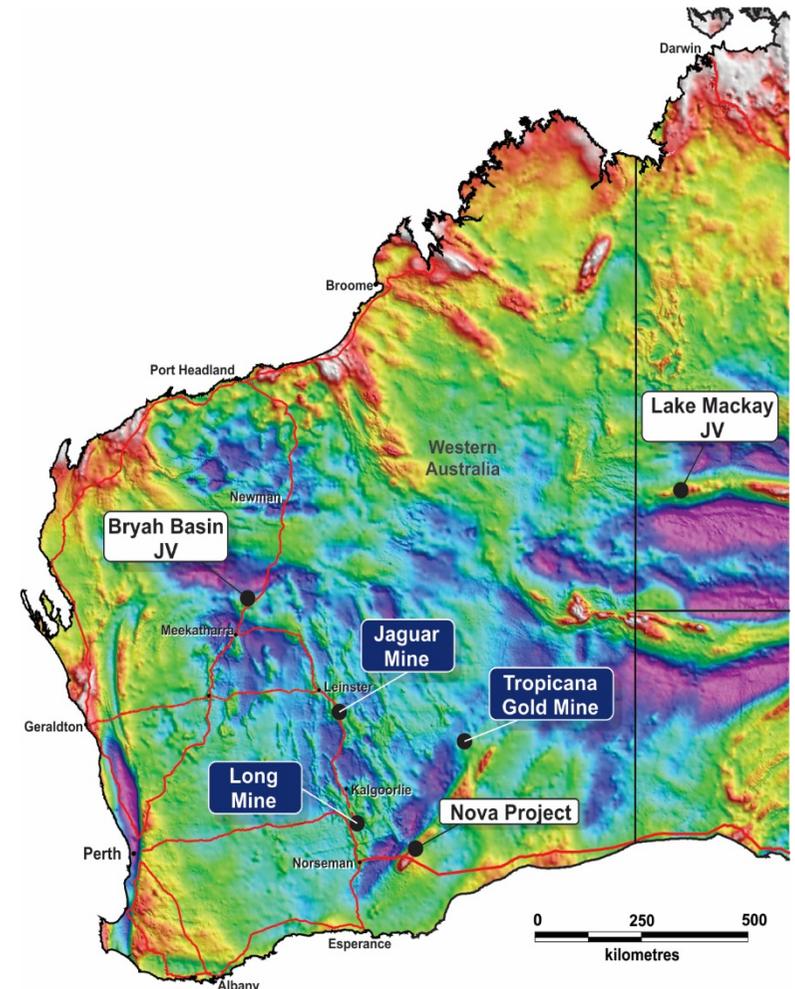
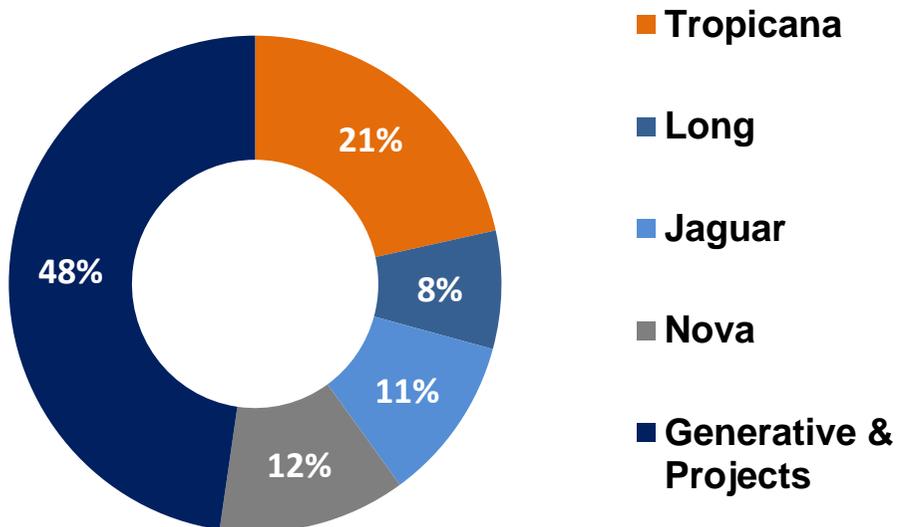


IGO committed to delivering growth through exploration

## A\$33M exploration budgeted across portfolio

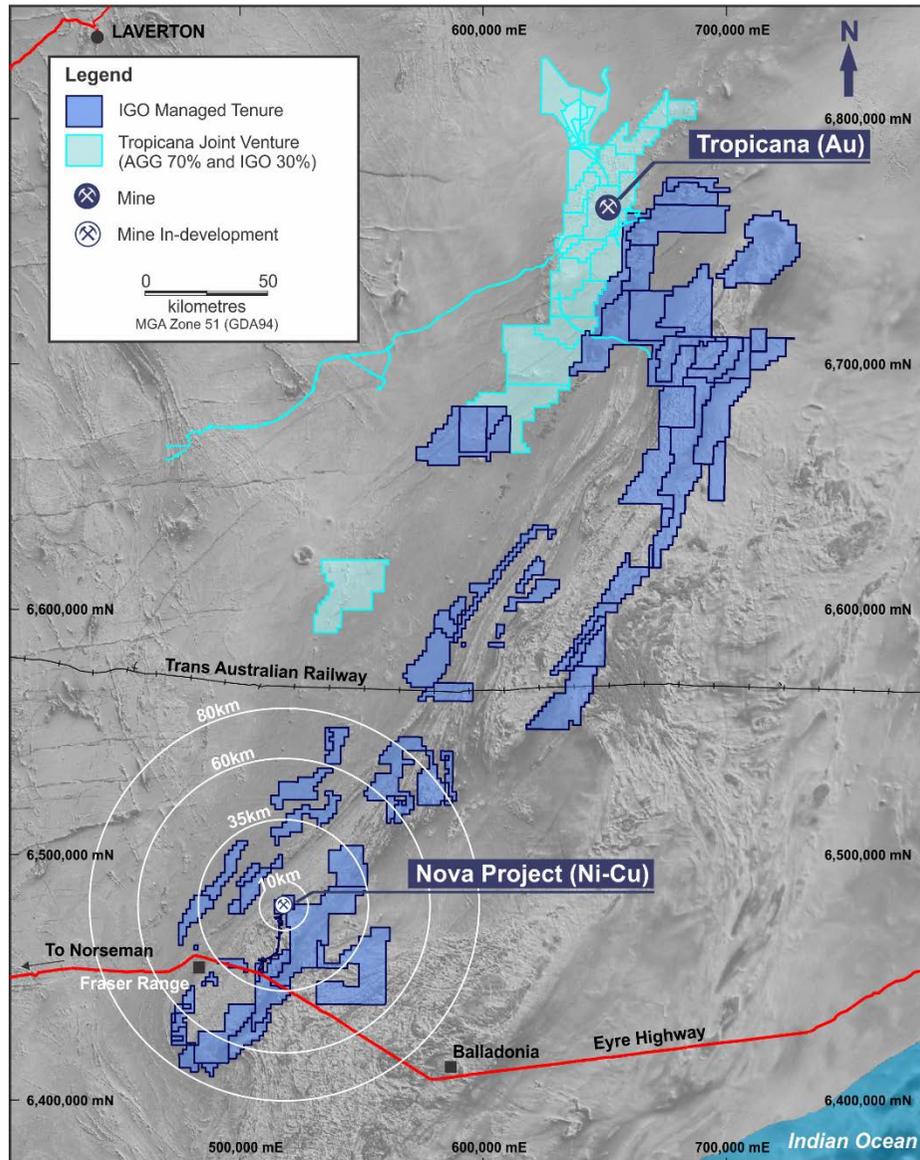
- Targeting provinces that can deliver multiple gold and base metals projects
- Increasing focus on generative and greenfields projects
- Expect to grow exploration spend to A\$50M in FY18

### FY17 Exploration Budget



# Greenfields Exploration

## Nova – Tropicana Belt



### Highly prospective belt

- Hosts two of Australia's best gold and base metals discoveries in last 12 years
- Underexplored

### Early consolidation by IGO

- Creation of belt scale exploration opportunity leveraged to Nova infrastructure and geological understanding
- IGO best placed to complete systematic exploration through a holistic belt scale understanding to unlock the next transformational discovery
- 12,000km<sup>2</sup> outside Tropicana JV
- 3,000km<sup>2</sup> within Tropicana JV

### Work programs

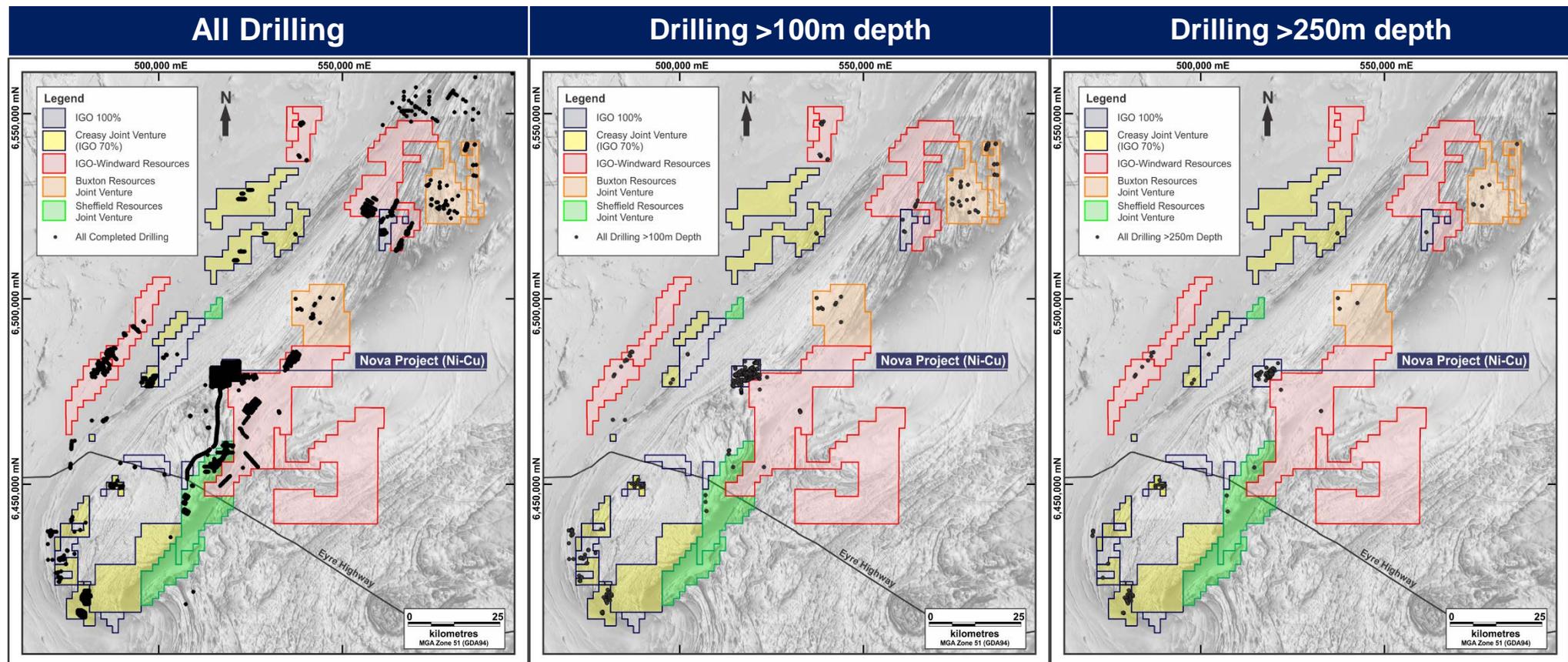
- Completed integration and levelling of acquired data
- Commence comprehensive aircore geochem and geophysical programs in 2017

# Fraser Range Exploration



## Regional drilling around Nova

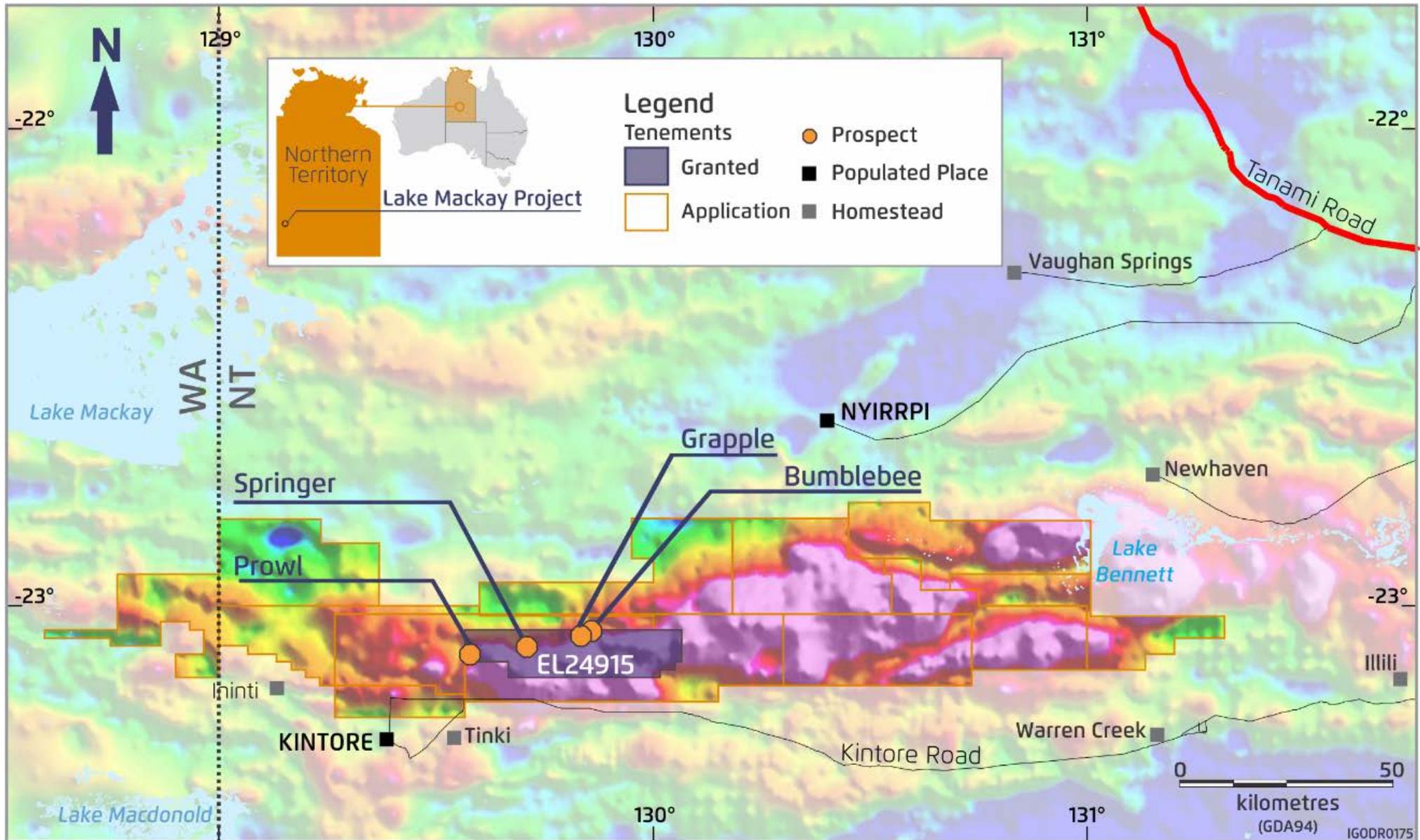
- New frontier with exploration focus only after Nova discovery in 2012
- Exploration has been limited given prospectivity of the belt, primarily as discontinuous land positions held by underfunded juniors at bottom of commodity price cycle
- IGO completing greenfields exploration in brownfields environment with significant opportunity for discovery



# Greenfields Exploration



## Lake Mackay – the next belt scale, new frontier



# Concluding comments

Diversified mining company delivering cash flow and growth



**Solid operational and financial performance in 1H17**

**Tropicana and Long delivering at better than guidance**

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**Value enhancements initiatives at Tropicana and Jaguar**

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