INDEPENDENCE GROUP NL

Diggers and Dealers Nova Project Site Visit

3 August 2016

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- 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.

Nova site visit

World class Ni-Cu-Co project in construction

Overview

- IGO 100% owned magmatic Ni–Cu-Co project
- 1.5Mtpa underground mine
- Construction 93% complete
- On time and on budget for first concentrate production in December 2016
- Large scale, low cost production

Key developments and potential

- IGO has delivered 50% improvement in NPV since acquisition (1)
- Acceleration of Bollinger development
- A number of other value enhancement opportunities include increasing mining and processing rates

LOM Mining Inventory

		Tonnes (Mt)	Grade Ni (%)	Grade Cu (%)	Grade Co (%)	Contained Ni (kt)	Contained Cu (kt)	Contained Co (kt)
Mineral Resource	Indicated	13.2	2.1	1.0	0.08	275	112	9
Additional Resources	Inferred	1.4	1.0	0.6	0.05	14	6	1
Total Mining Inventory		14.6	2.0	0.8	0.1	289	119	10

1) For further information see ASX release 21 July 2016 Accelerated Bollinger Decline at Nova Project

Note: For further information see ASX release 14 December 2015 Nova Project Optimisation Study

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Construction is on time and on budget

- Preliminary operating guidance for Nova provided through to FY19
- Additional opportunities exist to improve mining production and processing rates
- These further enhancements will be pursued following commissioning and ramp up

	Units	FY17 (1)	FY18	FY19
Nickel Production	tonnes	9,000 to 10,000	27,000 to 30,000	27,000 to 30,000
Copper Production	tonnes	3,900 to 4,400	12,000 to 13,000	12,000 to 13,000
Cobalt Production	tonnes	280 to 320	900 to 1,000	900 to 1,000
Cash costs (real) (2)	A$/lb Ni	4.00 to 4.50	1.50 to 2.00	1.50 to 2.00
Remaining Initial Capital Cost (3)	A$M	140 to 150	0	0
Sustaining Capex	A$M	3 to 5	25 to 30(4)	5 to 7(4)
Development Capex	A$M	22 to 25		
Exploration expenditure	A$M	3.5 to 4.5		

1) FY17 excludes production achieved during commissioning
2) Cash costs includes C1 cash costs + royalty per pound of payable nickel (after by-product credits)
3) Remaining Initial Capital Costs includes the key capital activities (outstanding from the $443M Project Capital Costs) outlined in the company's 28 June 2016 release titled "First Ore Mine in Development at Nova" including but not limited to capital on, the power station, plant piping/ electronical, past plant and decline development. The amount also includes capital required for the Bollinger Decline as outlined in this ASX release
4) Sustaining capex includes Development capex

Note: for further information on Nova production guidance see ASX release 21 July 2016 Accelerated Bollinger Decline at Nova Project and also refer to Important notices and disclaimer

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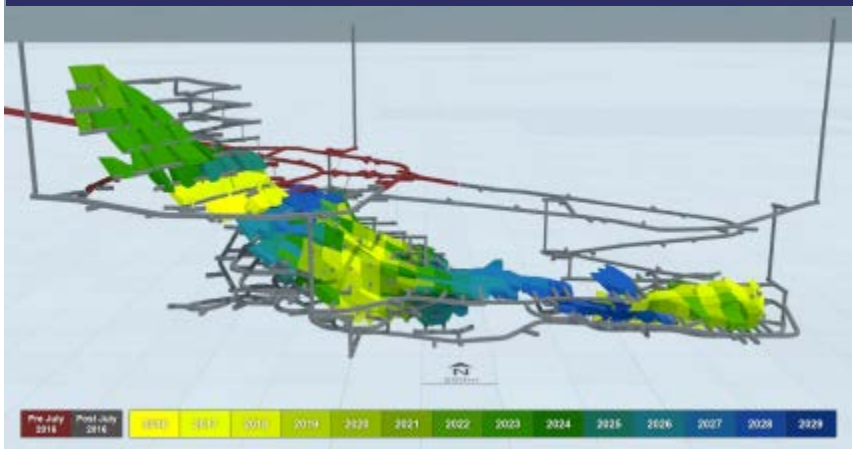
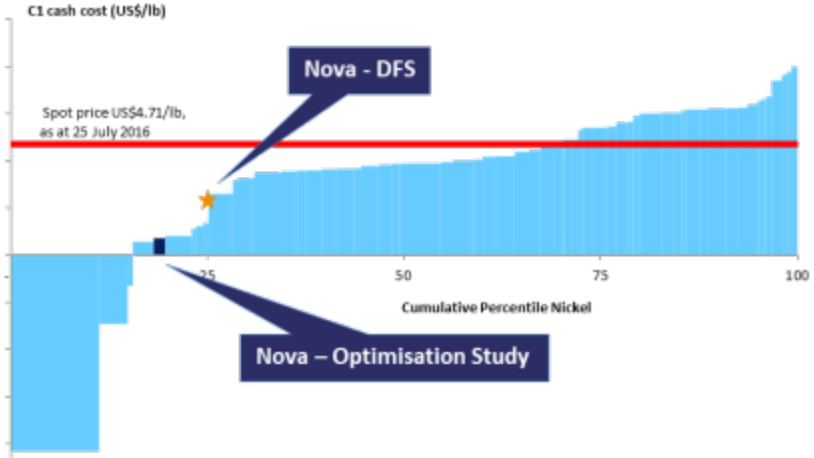
Improved mining schedule delivers significant benefits

- IGO has delivered significant enhancement in project value compared to the DFS
- Optimisation Study completed in December 2015 moved Nova down the cost curve
- Optimisation Study delivered 36% improvement in NPV(1)
- FY17 LOM realised an additional 14% improvement in NPV by accelerating Bollinger development(2)
- Optimisation study generated increases of 41%, 108% and 83% of free cash flow in CY17, CY18 and CY19 when compared to the DFS (1)
- FY17 LOM increased FY18 cash flow by an additional A$134M(2)

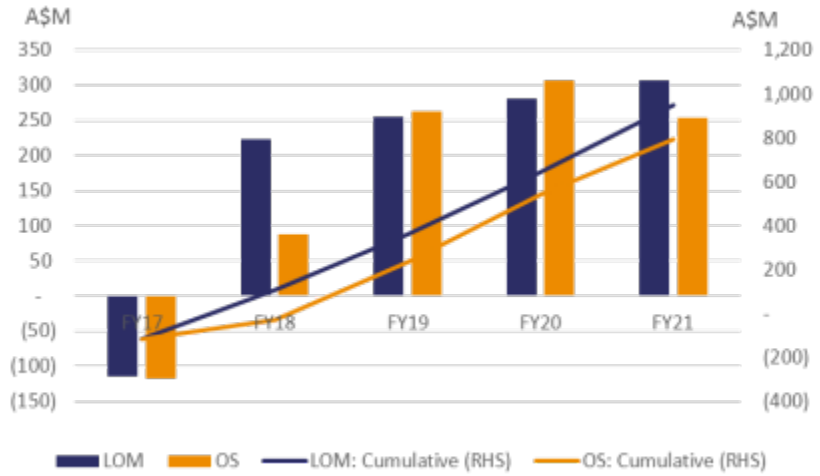
Nova Mining Schedule



Nickel Cost Curve



FY17 LOM free cash flow relative to Optimisation Study(2)



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

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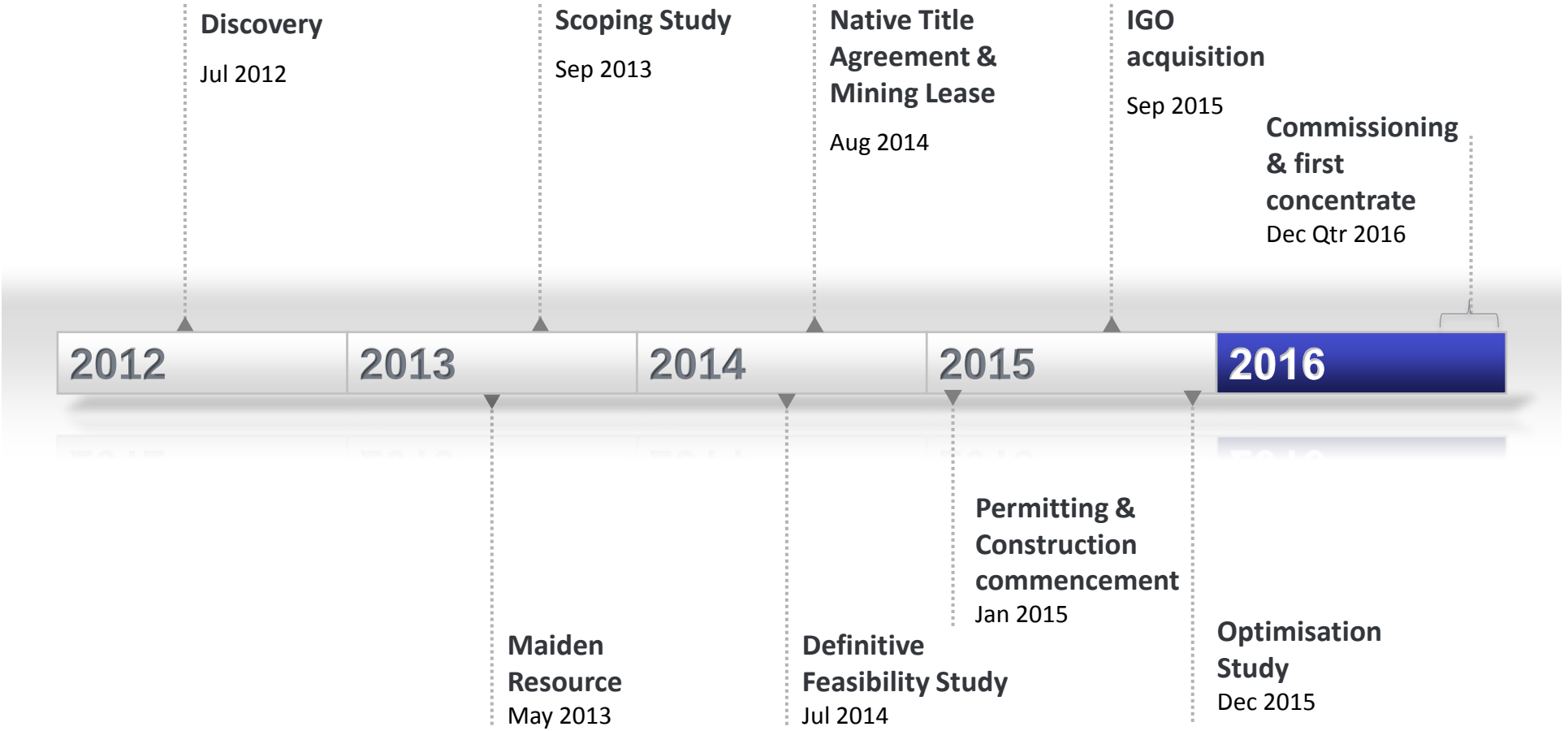
Key milestone



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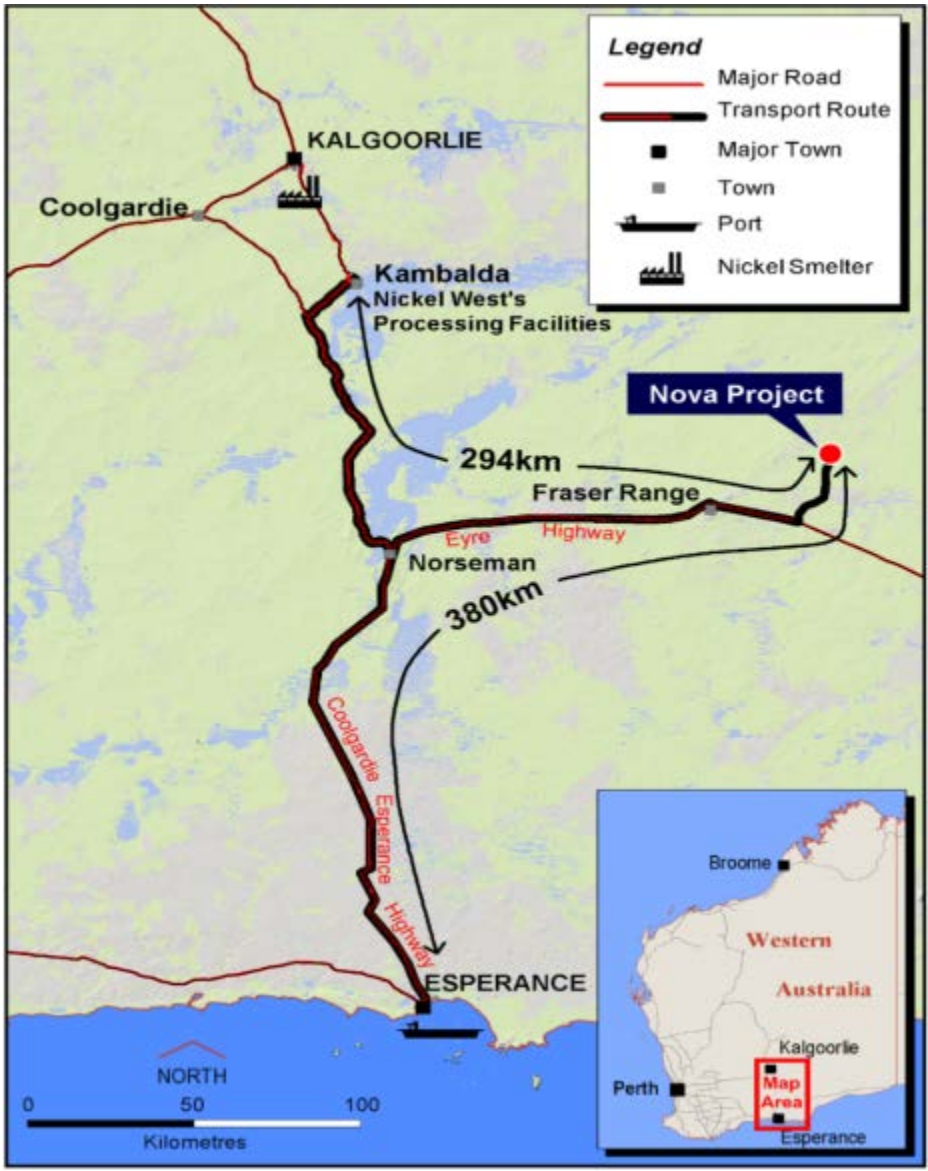
Location map

- Nova is located 130km East of Norseman on the Eyre Highway.
- A sealed, purpose built road links site to the Eyre Highway
- Concentrates to be hauled to both Kambalda and Esperance



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Underground access

Nova Decline

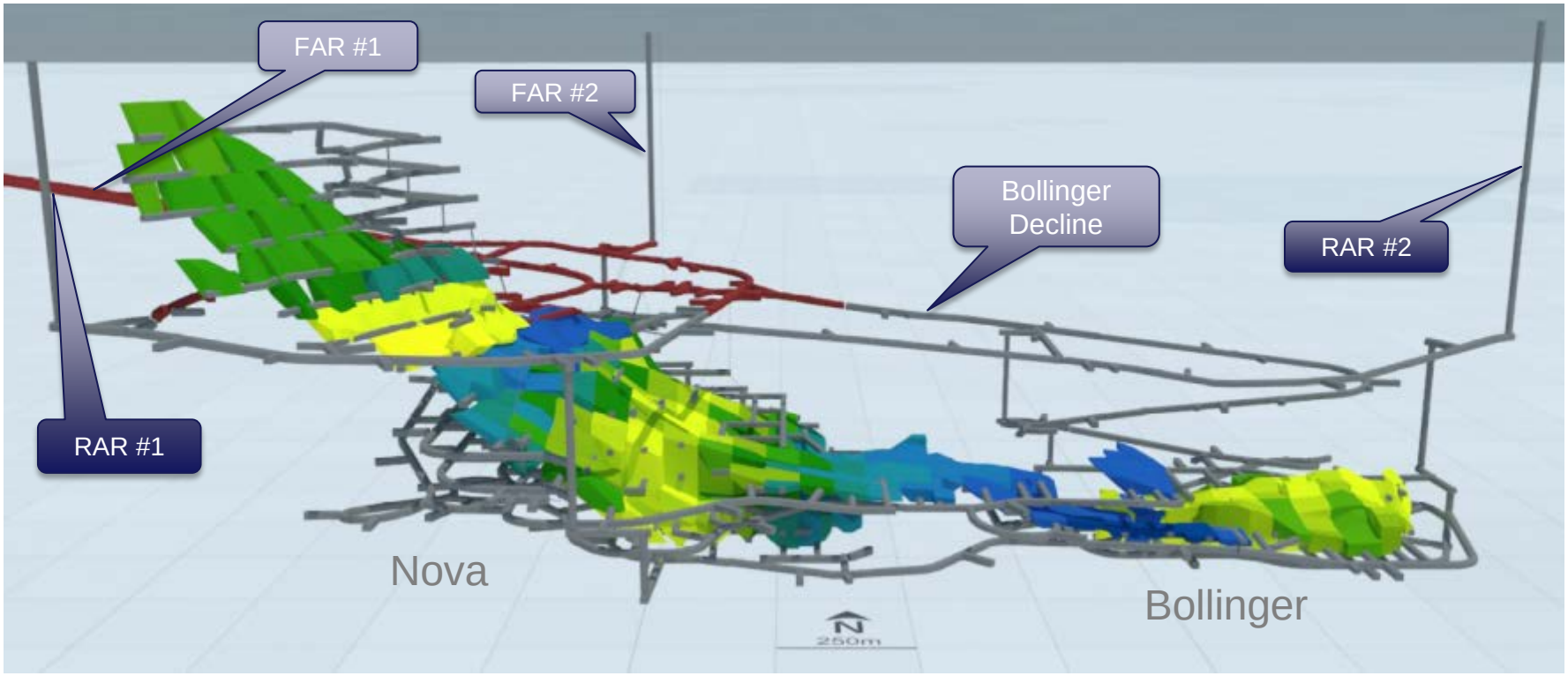
- Total underground development PTD 6.3km
- Developed 5.1km in FY16

Bollinger Decline

- Commenced in July 2016
- Independent access will deliver value to the project by:
  - Accelerated ramp-up to nameplate in FY17 and FY18
  - Enables consistent production
  - Deliver high NSR valued ore from Bollinger earlier
  - Two independent haulage routes which will increase haulage efficiencies
  - Increase flexibility of stoping, with two discrete mining areas

Nova site visit

Underground layout



Ore Reserves (ASX Release 14 December 2015)

- Nova has total of 10.9Mt @ 2.0%Ni, 0.8%Cu & 0.06%Co
- Bollinger has total of 2.7Mt @ 2.2%Ni, 0.9%Cu & 0.09%Co

1) Note for further information on Mineral Resources and Ore Reserves refer to ASX Release 14 December 2015 – Nova Project Optimisation Study

Nova site visit

Underground infrastructure

Primary ventilation network

- FAR(Fresh Air Rise) # 1, 5.5m diameter rise completed.
- RAR(Return Air Rise) #1, pilot hole drilled to depth, mining around to place 5.5m head for back reaming.
- FAR #2, winzing (shaft sinking) from the surface down solid rock prior to raise boring.
- Primary fans – on order.

Dewatering

- 2030 pumping chamber developed, rising main drilled, now installing rising main pipework.
- Staged approach with additional pumping stations required in Nova and Bollinger.

High Voltage Electrical network

- Two HV droppers to setup ring main.
- Two underground high voltage substations have been installed.

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Non-processing infrastructure

Sealed Access Road

Centralised workshop

Paste plant

Sealed airstrip

Raisebore site for RAR1

- Access to site is either from 33km sealed, all weather, road from Eyre Highway or 2km sealed airstrip.
- Centralised workshop consisting of 4 bay heavy vehicle, boilermaker, electrical and light vehicle work areas.
- Raise bore insitu ready to raise a 5.5m rise to form RAR 1.
- Paste plant is rated at 168 wet tonnes of paste per hour.

Nova site visit

Underground grade control

Diamond Drilling

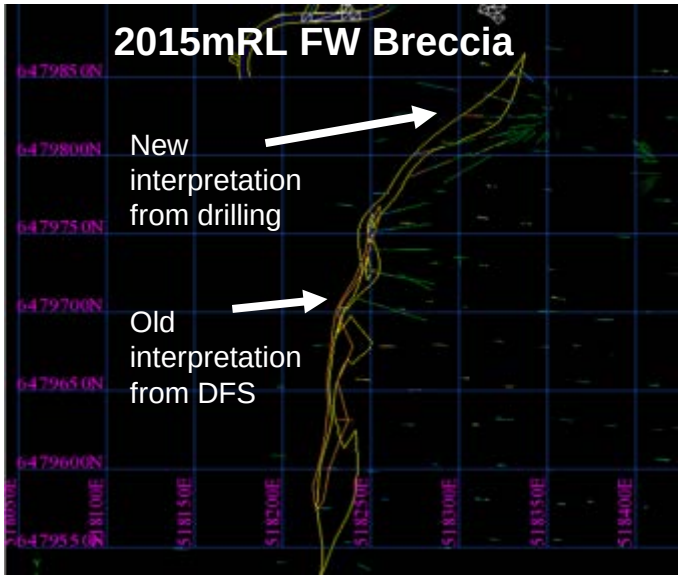
- Drilling started in late May 2016
- 3 x Swick diamond drills on site
- Prioritising Infill drilling to increase knowledge
- Drilled a total 16.6km to date

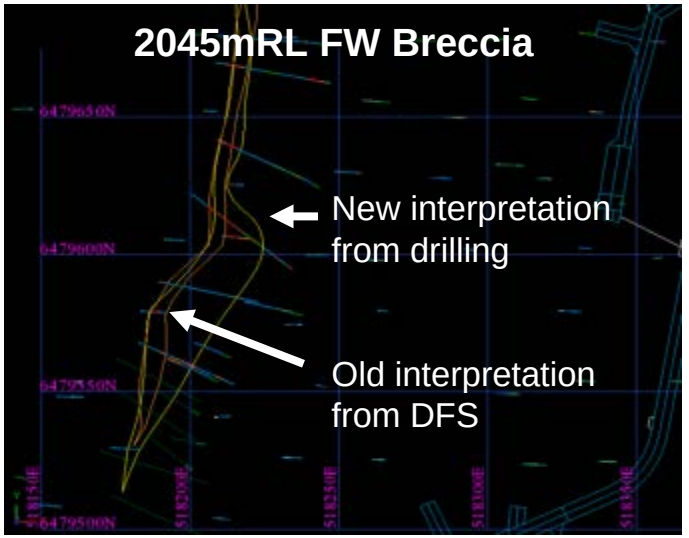
Ore Development

- Developing ore drives on the 2030mRL, 2055mRL and 2080mRL

Grade control

- Grade control drilling to-date indicates positive ore volumes, when compared to 2015mRL and 2045mRL block model strings. Grades awaiting assaying to reconcile metal.





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2030 level

9 July 2016: Brecciated sulphides on Sediment – Gabbro Contact

29 June 2016: Massive and Stringer sulphide in Gabbro

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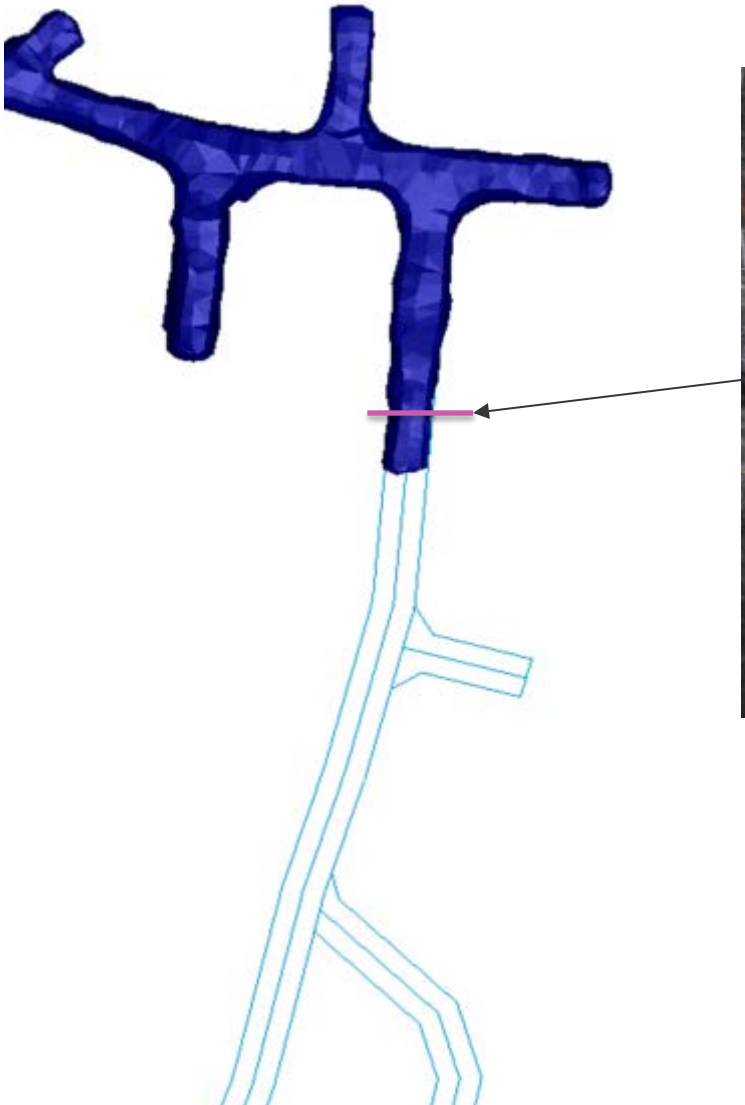
2055 level



16 July 2016: Massive Sulphide on Sediment – Gabbro contact

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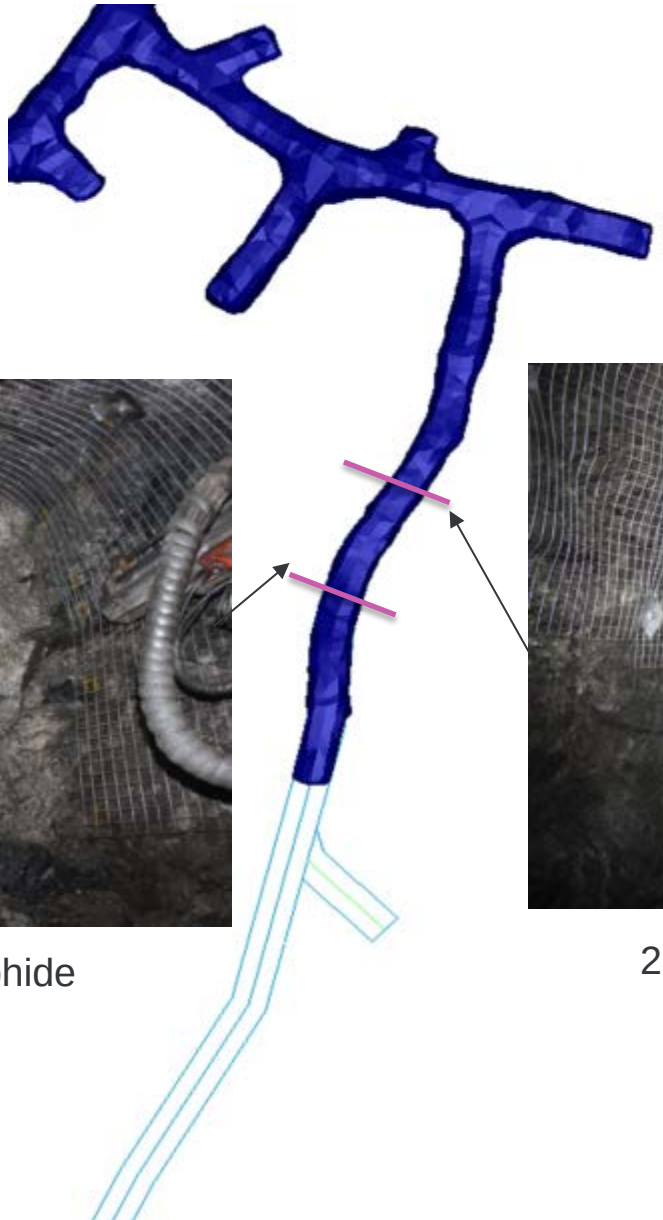
2080 level

2 July 2016: Brecciated Sulphide with clasts of Gabbro



28 June 2016: Brecciated Sulphide in Sed-Sed contact

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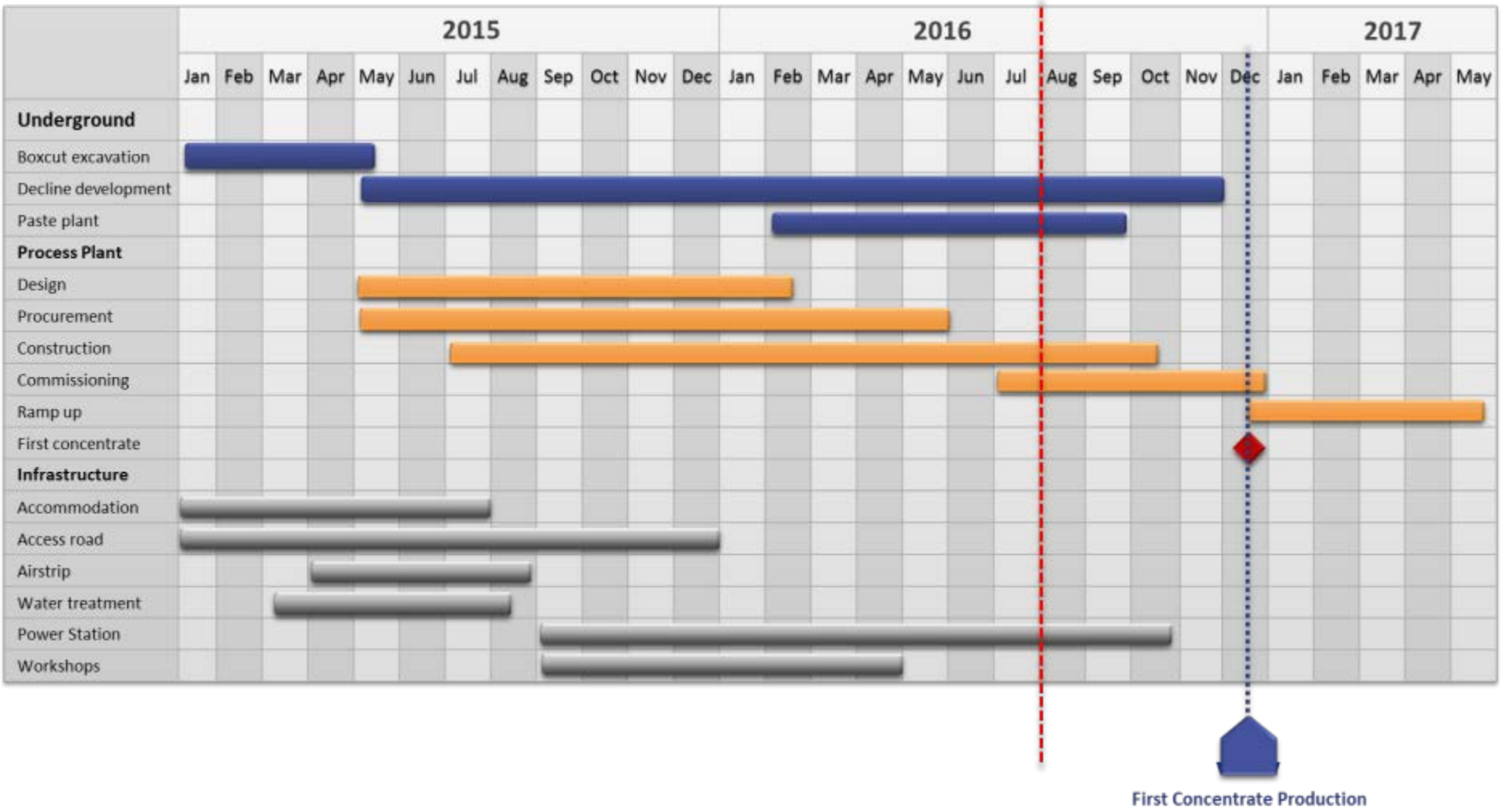
Processing timeline: currently 93% complete



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Processing infrastructure

Crushing & Grinding

- Conventional flotation concentrator processing plant, with nameplate capacity of 1.5Mtpa.
- Primary crusher is a Metso C120 single jaw crusher, rated at 250t/hr. Typical jaw setting will be around 120-130mm.
- Feed from primary crusher flows into grinding circuit, which consists of a 1.6MW SAG & 2.2MW ball mills. The SAG mill is in open circuit and ball mill in closed circuit producing a 106 micro passing P80 product.
- Cyclone overflow feed reports to the flotation circuit.

Nova site visit

Processing infrastructure

Filtration circuit

Flotation circuits

Flotation & Thickening Areas

- From the grinding circuit material flows into the copper conditioner, then copper flotation circuit. The high copper concentrate is thickened and pumped into the copper filter. The copper tailings stream flows into the nickel flotation circuit from where the nickel concentrate is thickened and pumped to the nickel filter. Both circuits have a regrind capacity.
- The concentrate storage shed has been designed specifically to ensure separation of the copper and nickel concentrates. The shed also accommodates the weight bridge which also serves to separate the copper and nickel products.
- The copper and nickel filter presses are located in this shed and during the filtration cycles the concentrate is washed with fresh water prior to being squeezed under pressure to dewater, leaving the concentrate product with a targeted 7-9% moisture level.

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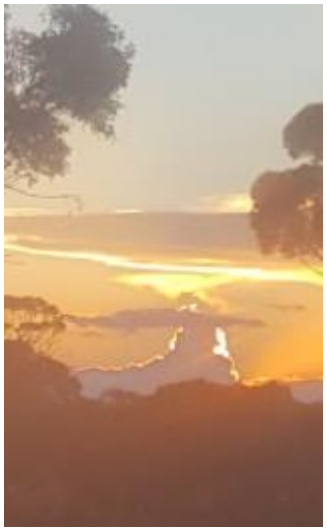
Sustainability: a core IGO value

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