

INDEPENDENCE GROUP NL

Tropicana – Value Enhancement Update

15 December 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 2016 Mineral Resource and Ore Reserve announcement dated 14 October 2016 and Tropicana Value Enhancement Update dated 15 December 2016 that have been lodged with the ASX, which are 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 27th June 2013 and is available from the World Gold Council’s website.

Optimising and Maximising Tropicana Gold Mine

Optimising Tropicana Life of Mine (Long Island Study)

- ❑ Ore Reserve increased by 1.4Moz, or 58% over past 6 months, net of depletion, to 3.8Moz of contained gold
- ❑ Over 500koz added to the Mineral Resource over past 6 months, net of depletion, to 8.0Moz of contained gold
- ❑ Potential 7 year extension to LoM
- ❑ Further Ore Reserve growth with Boston Shaker and Havana South

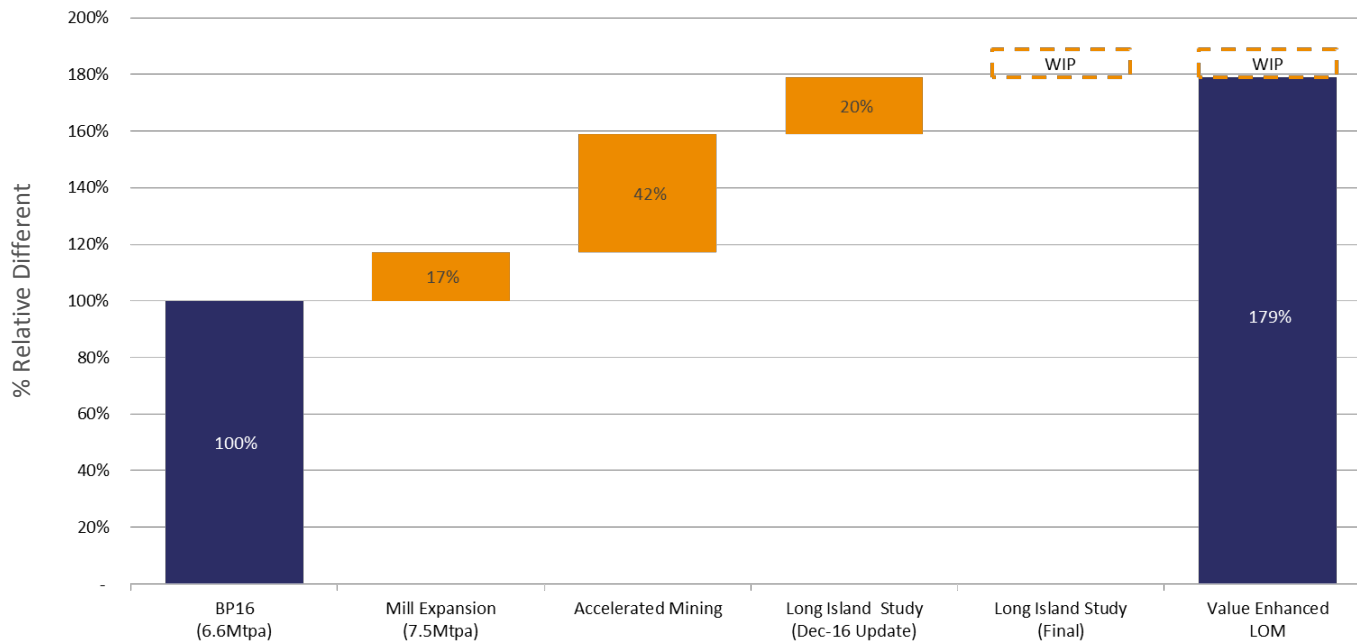
Current Operational Value Enhancement

- ❑ Successful completion of plant expansion to 7.5Mtpa with plan to reach 7.7 - 7.9Mtpa over next 12 months
- ❑ Resumption of accelerated mining and grade streaming

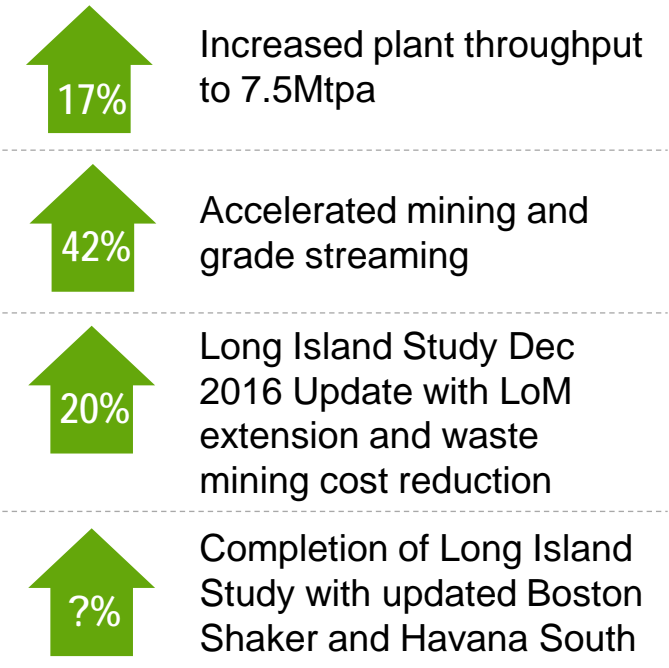
Value Enhancement



Relative NPV % Difference between 2016 Business Plan and current Value Enhanced LoM



% NPV variance

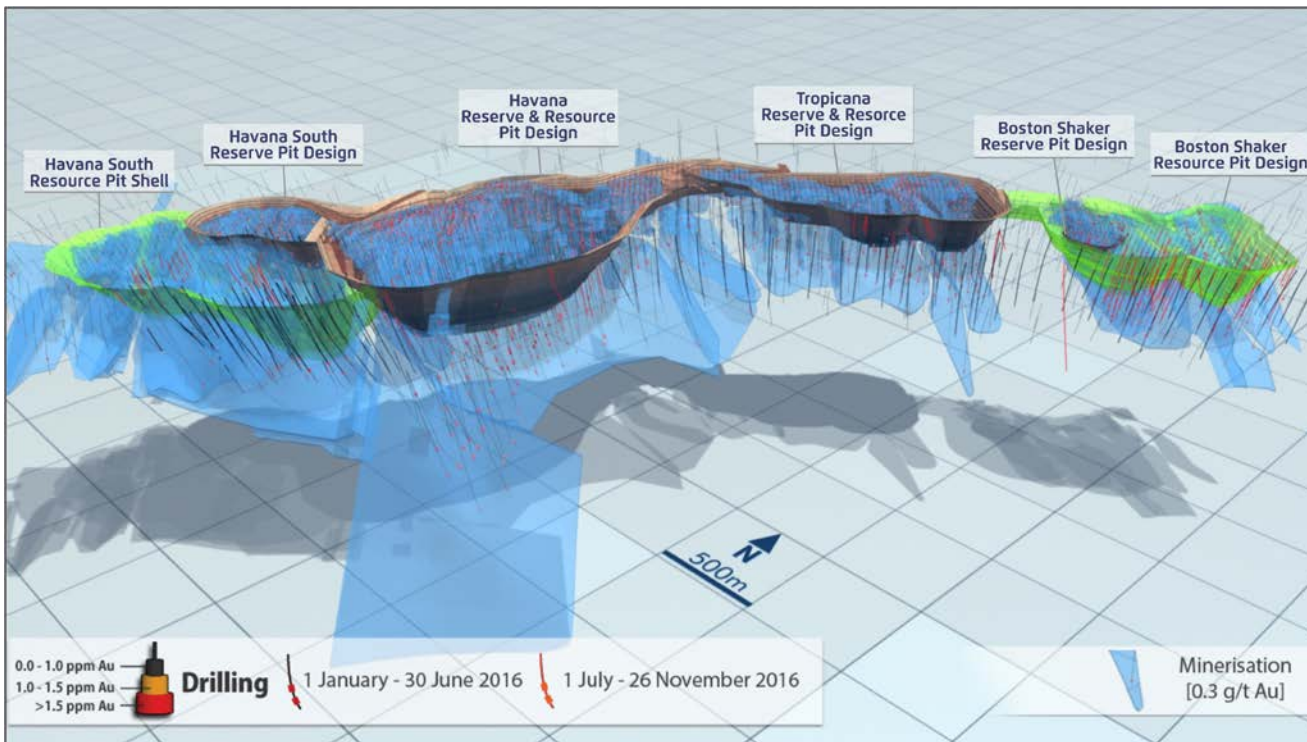


Unlocking an additional 79% value on a like for like basis

1) BP16 refers to CY16 Business Plan prepared by AGA

Exploration

Framework and Resource Extension Drilling



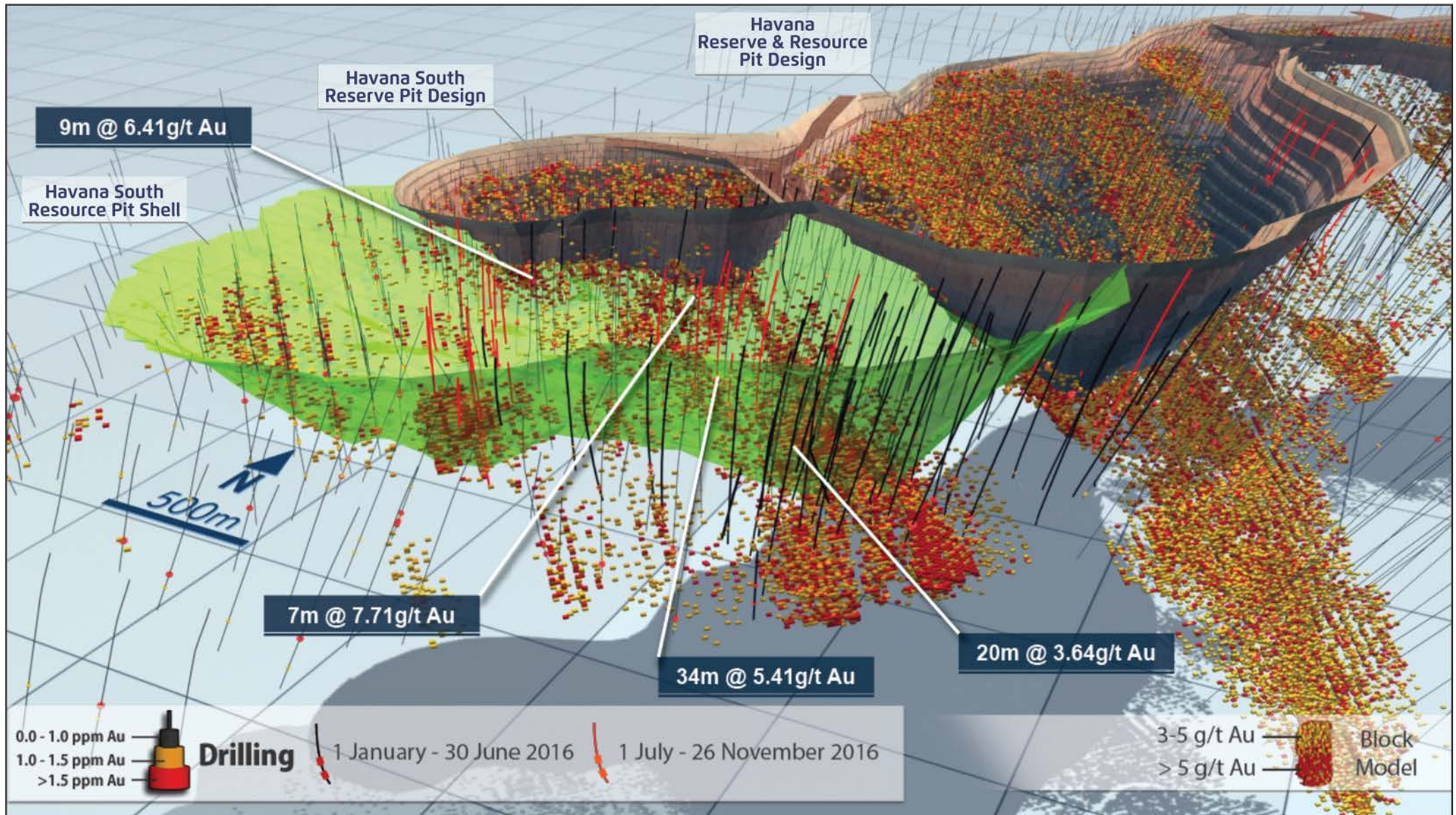
160,000m of drilling completed as part of Long Island Study

~40,000m at Boston Shaker and Havana South still to be captured in resource model updates

Significant results continued to be returned from Havana South and Boston Shaker

Exploration

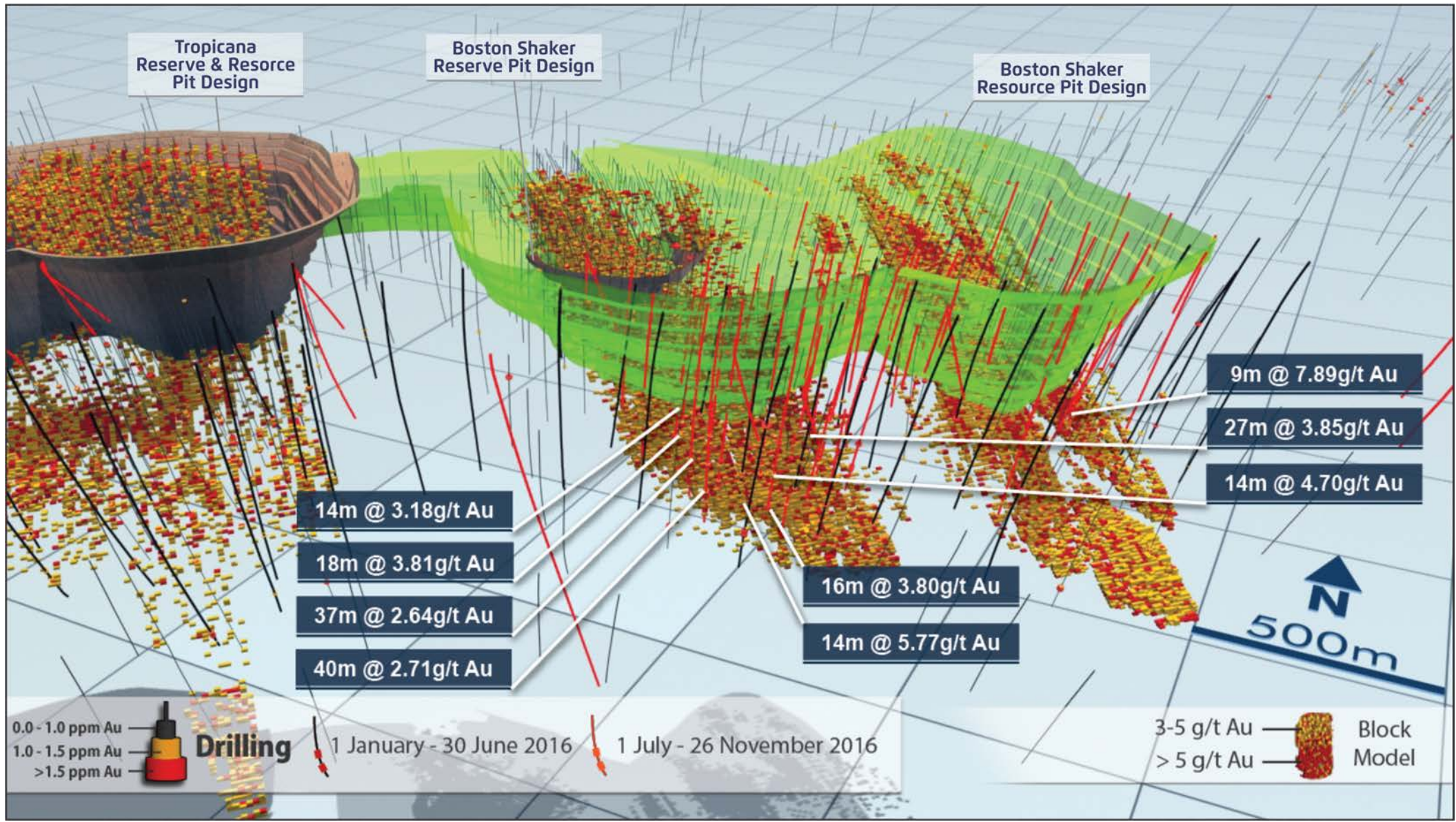
Significant Drilling Results Havana South



1) Refer to ASX Release dated 15 December 2016 – Tropicana Value Enhancement Update

Exploration

Significant Drilling Results Boston Shaker



1) Refer to ASX Release dated 15 December 2016 – Tropicana Value Enhancement Update

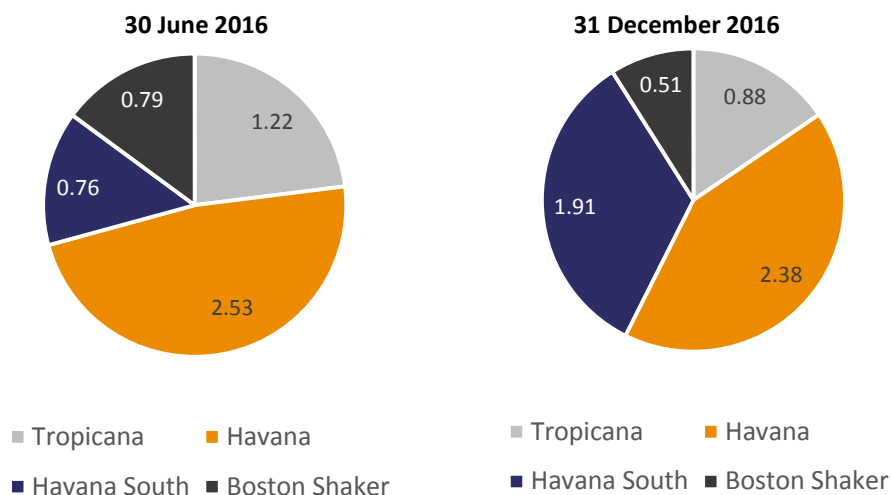
Mineral Resource



Tropicana Gold Mine 100% basis (IGO 30%) 31 December 2016 Mineral Resource (and 30 June 2016 comparison)

	Mineral Resources - 30 June 2016			Mineral Resources - 31 December 2016		
	Tonnes (Mt)	Au Grade (g/t)	Contained Gold (Moz)	Tonnes (Mt)	Au Grade (g/t)	Contained Gold (Moz)
Open Pit	93.7	1.76	5.30	112.3	1.57	5.68
Underground	17.6	3.20	1.81	18.6	3.23	1.94
Stockpiles	13.6	0.85	0.37	17.2	0.73	0.40
GRAND TOTAL	124.8	1.86	7.48	148.1	1.68	8.02

Mineral Resource Contained Gold (Moz) by Open Pit



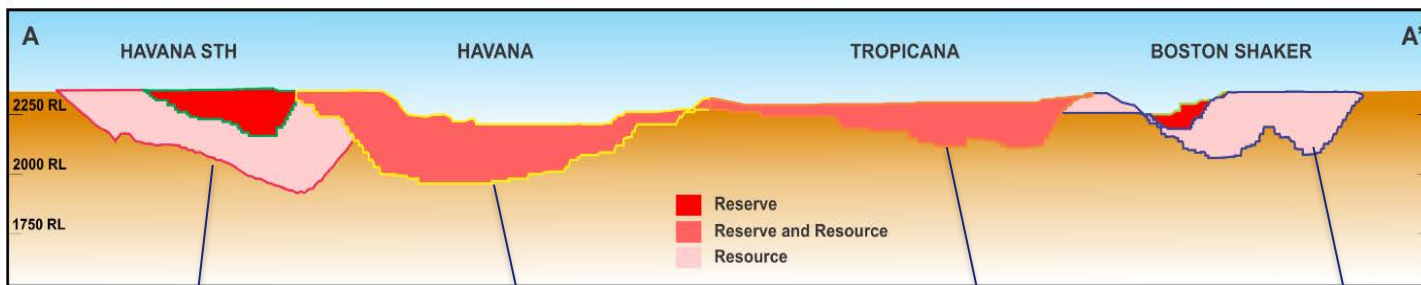
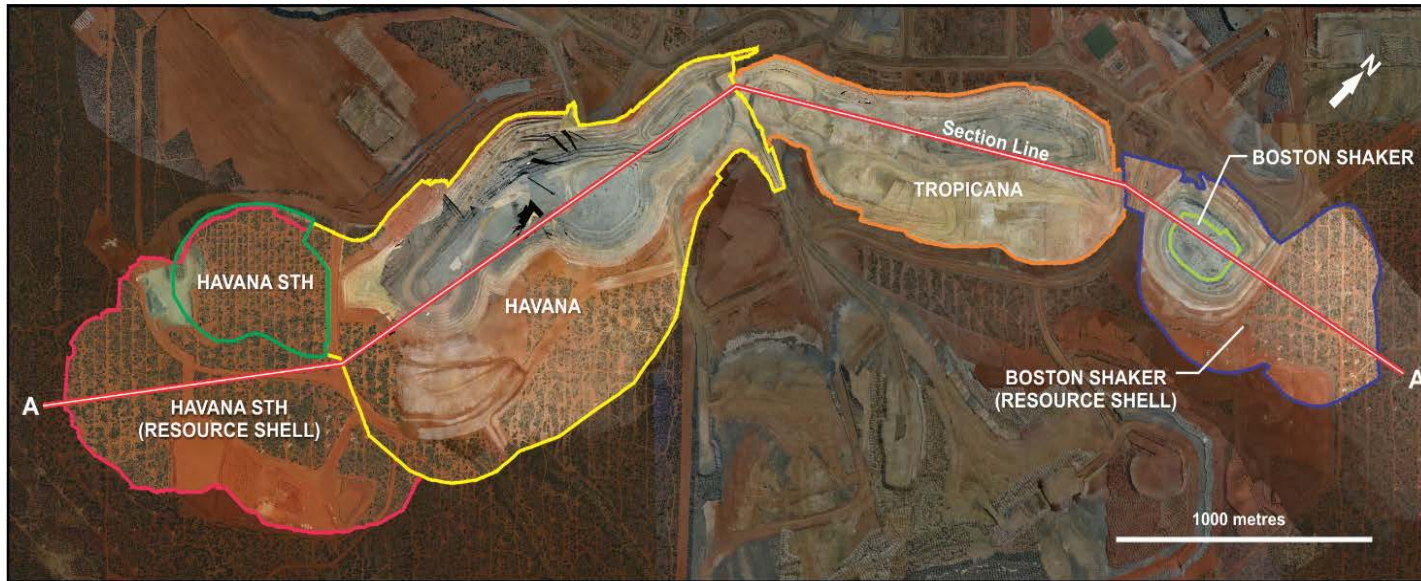
8Moz of contained gold in Mineral Resource

500koz of gold added, net of depletion, over the past 6 months

1.1Moz of Open Pit Resource addition to Havana South

- 1) See Appendix for details on the Mineral Resource Statement
- 2) Mineral Resources and Ore Reserves are reported on a 100% basis (IGO 30%)

Mineral Resource



Havana South Mineral Resource – Optimised shell at A\$1,817/oz

Havana Mineral Resource – Designed shell at A\$1,370/oz

Tropicana Mineral Resource – Current LoM at A\$1,130/oz

Boston Shaker Mineral Resource – Designed shell at A\$1,350/oz

- Mineral Resource extremely robust
- Mineral Resources at Havana, Tropicana and Boston Shaker constrained to pit designs at Reserve gold price
- Based on the Long Island mining strategy with in-pit dumping of waste
- Havana South contained in Optimised shell at Resource gold price

Ore Reserve

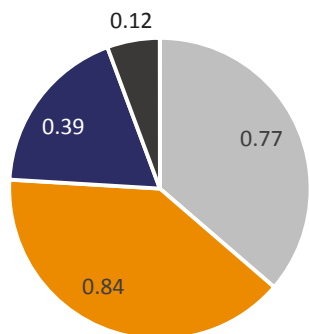


Tropicana Gold Mine 100% basis (IGO 30%) 31 December 2016 Ore Reserve (and 30 June 2016 comparison)

Classification	Ore Reserves - 30 June 2016			Ore Reserves - 31 December 2016			
	Tonnes	Au Grade	Contained Gold	Tonnes	Grade	Contained Gold	
	(Mt)	(g/t)	(Moz)	(Mt)	(g/t)	(Moz)	
Open Pit	Proven	7.6	2.33	0.57	6.5	2.26	0.47
	Probable	24.2	2.01	1.56	44.4	2.14	3.05
	Sub-Total	31.8	2.07	2.12	50.91	2.15	3.53
Stockpiles	Proved	9.2	0.98	0.29	1.19	0.92	0.27
GRAND TOTAL		41.0	1.83	2.41	60.1	1.97	3.80

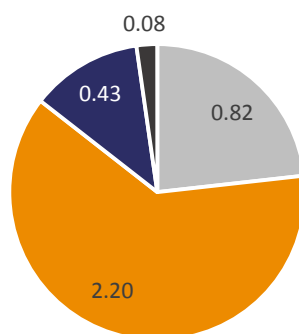
Ore Reserve Contained Gold (Moz) by Open Pit

30 June 2016



■ Tropicana ■ Havana
■ Havana South ■ Boston Shaker

31 December 2016



■ Tropicana ■ Havana
■ Havana South ■ Boston Shaker

3.8Moz of contained gold in Ore Reserve

58% increase from June 2016

1.4Moz of additional contained gold, net of depletion in six months

- 1) See Appendix for details on the Ore Reserve Statement
- 2) Mineral Resources and Ore Reserves are reported on an 100% basis (IGO 30%)

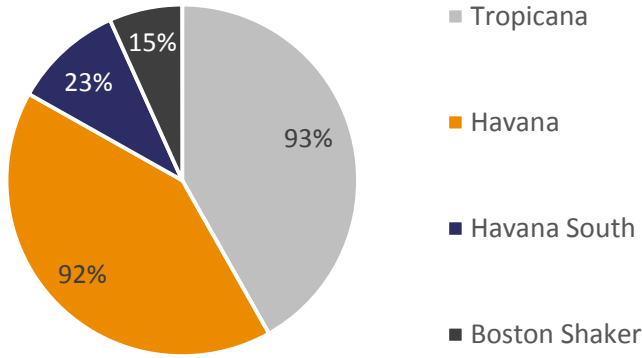
Resource to Reserve Conversion



Open Pit Resource and Reserve Comparison

Open Pit	Mineral Resource (Moz)	Ore Reserve (Moz)
Tropicana	0.88	0.82
Havana	2.38	2.20
Havana South	1.91	0.43
Boston Shaker	0.51	0.08
Total	5.68	3.52

Open Pit Resource to Reserve Conversion



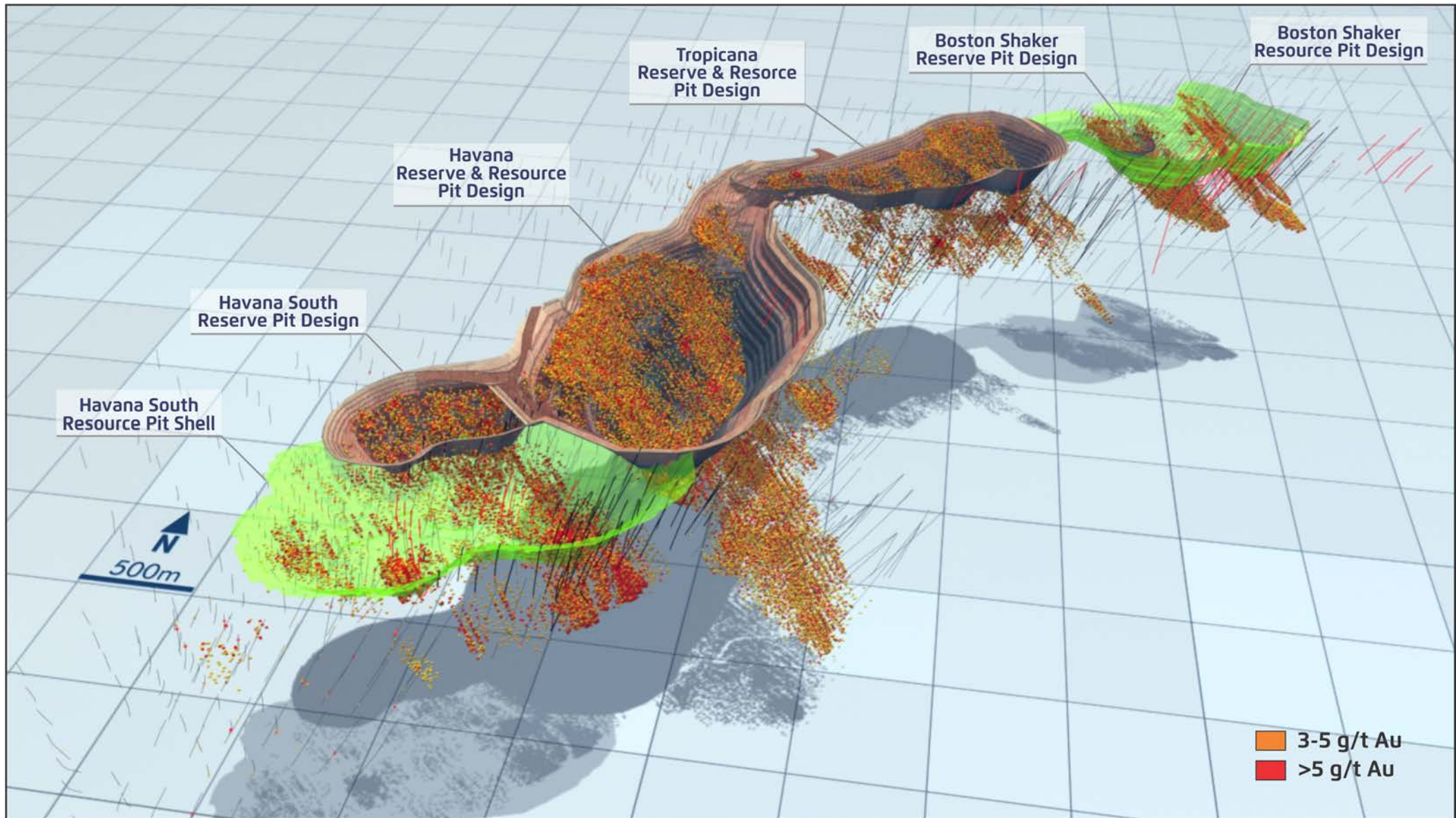
62% Open Pit Resource to Reserve conversion

17% improvement in the conversion rate over the past 6 months

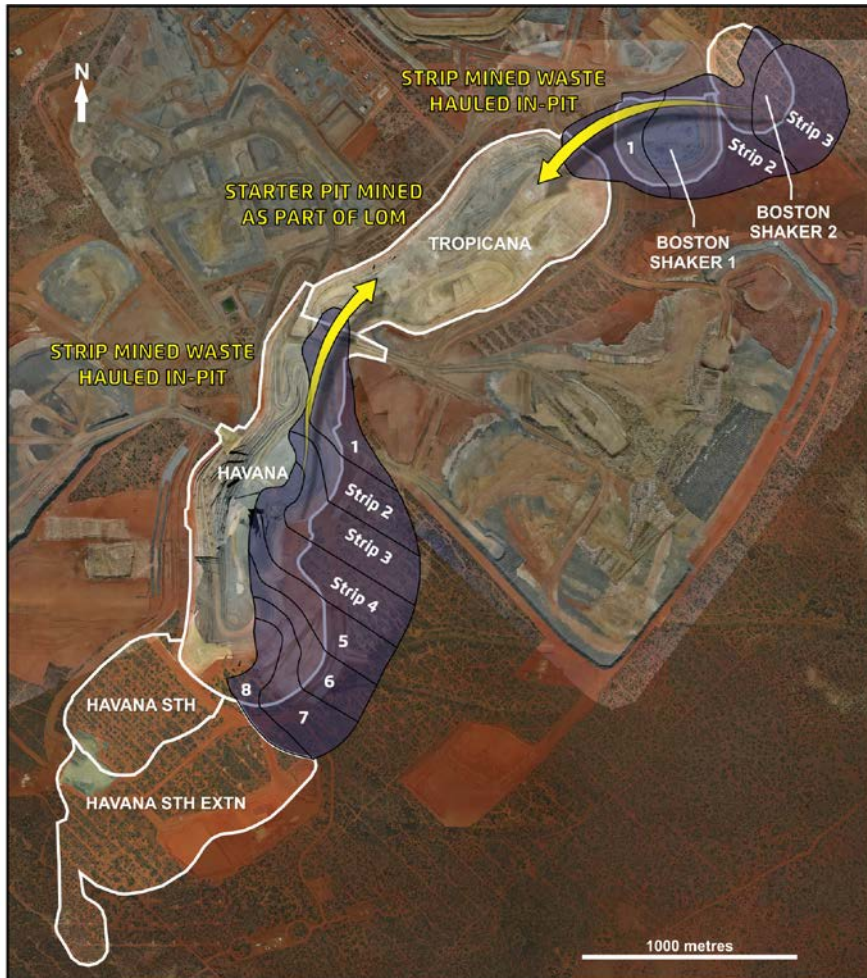
- Significant improvement in the Resource to Reserve conversion as a result of Long Island Study
- The study to date has focused on Tropicana and Havana
- Further work will include the potential resource additions of Havana South and Boston Shaker

1) See Appendix for details on the Mineral Resource and Ore Reserve Statements
 2) Mineral Resources and Ore Reserves are reported on a 100% basis (IGO 30%)

Long Island Mining



Long Island Mining



Current strategy is to use the LoM Tropicana pit as a starter pit, or void, which will be backfilled with material from Boston Shaker to the north and Havana to the south

Long Island Study based on strip mining strategy designed to significantly reduce waste mining costs:

- Short, horizontal hauls to backfill void, instead of conventional longer hauls out of the pits to remote, elevated waste dumps
- Modification of the mining strategy possible given tabular geometry and strike extent

Tropicana LoM pit identified for use as the starter pit

25-30% potential reduction in unit mining costs per tonne with introduction of Long Island mining strategy

Mining Fleet and Grade Streaming



Caterpillar 6060 Hydraulic Shovel at Tropicana

Optimisation of Mining Fleet

Caterpillar 6060, 600 tonne class hydraulic shovel operational at Tropicana as of November 2016

Reduced waste mining costs and increased mining rates to approximately 80Mtpa

Resumption of Grade Streaming

~30% increase in planned processed head-grade from 1.8g/t to 2.3g/t for 2017-2019¹

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

Processing Plant



- Successful completion of the processing plant expansion to 7.5Mtpa achieved in the December 2016 quarter
- Further plant improvement planned for CY17 designed to increase throughput by additional 200 - 400ktpa beyond current 7.5Mtpa rate via
 - Crushing and milling throughput optimisation
 - Recovery enhancements
- Total CY17 improvement capital is estimated at \$6.9M (100% basis)

29% increase in throughput from as built nameplate capacity

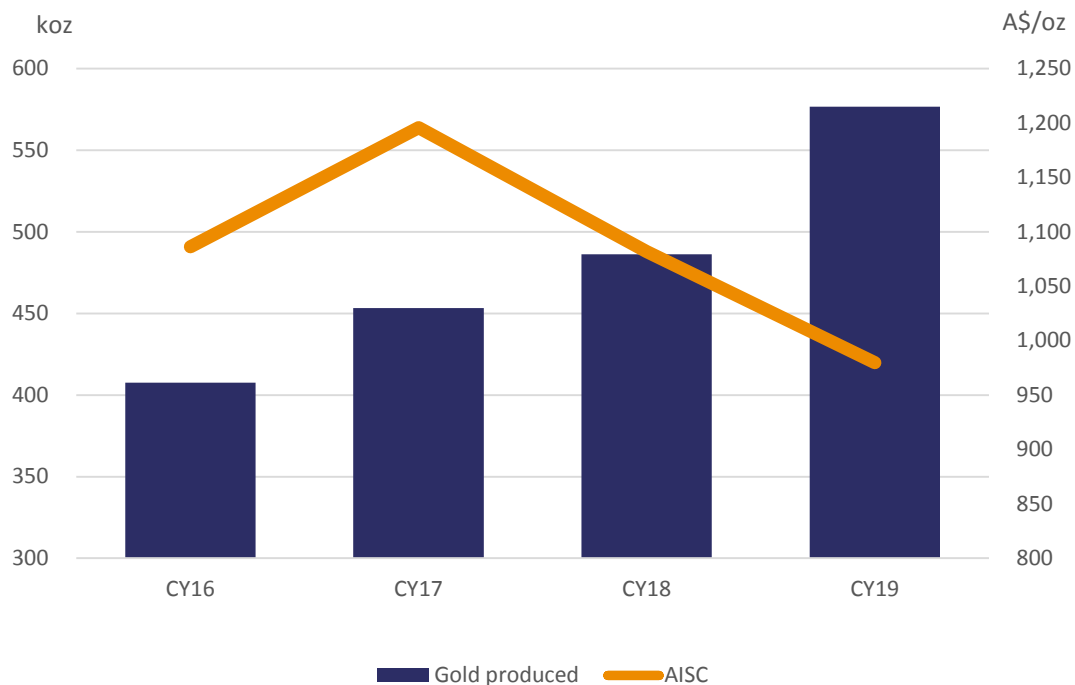
7.5Mtpa expansion successfully completed

200 - 400ktpa additional throughput targeted in CY17

Guidance and Direction



Directional Production and AISC ¹



FY17 Guidance (IGO 30%):

- Capitalised Waste Stripping increased from \$29M to \$36M to revised forecast of \$37M to \$43M due to accelerated mining rates and grade streaming
- Improvement Capital increase from \$2M to \$3M to a revised forecast of \$7M to \$8M to deliver an additional 200 - 400ktpa plant throughput by end of CY17
- No change in AISC although likely to be at the higher end of FY17 guidance of \$1,150/oz to \$1,250/oz

1) Directional production and AISC from Tropicana are indicative only and subject to change with finalisation of the Long Island Study during 2017. The only guidance provided is for FY17

Timetable of Events

Long Island



Q3-Q4 CY16 ✓

- Resource model update, optimization and scheduling
- Mineral Resource and Ore Reserve Update
- Long Island LoM captured for Havana and Tropicana

Q3 CY17

- Joint Venture business gating decisions with Long Island captured in the Tropicana Business Plan

CY19

- Initial Long Island cutback to commence in CY19 when the Tropicana pit has been mined to full depth

Long Island Study Status Update

Long Island Study Finalisation

Business planning and gating

Operational Readiness

Long Island Commences

Q1-Q2 CY17

- Resource model update with completion of Long Island drilling (CY16)
- Mineral Resource and Ore Reserve Update
- Long Island LoM captured for Havana South, Havana, Tropicana and Boston Shaker

CY18

- Operational readiness phase for Long Island mining

Concluding comments

Tropicana – Value Enhancement



Future Catalysts

- Potential for additional Resource and Reserve growth (mid CY17)
- Plant expansion up to 7.9Mtpa (end CY17)
- Completion of Long Island Study (mid-CY17)

58% increase in the Ore Reserve from June 2016

8 MOZ Mineral Resource – largest in the history of Tropicana

59% increase in Tropicana NPV by implementing accelerated mining and plant expansion (7.5Mtpa)



APPENDIX

Mineral Resource



Tropicana Gold Mine 100% basis (IGO 30%) 31 December 2016 Mineral Resource (and 30 June 2016 comparison)

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		Tonnes	Au Grade	Contained Gold	Tonnes	Au Grade	Contained Gold
	Classification	(Mt)	(g/t)	(Moz)	(Mt)	(g/t)	(Moz)
Open Pit	Measured	10.9	1.91	0.67	8.8	1.90	0.54
	Indicated	78.3	1.71	4.32	81.1	1.61	4.19
	Inferred	4.4	2.23	0.32	22.3	1.32	0.94
	Sub-Total	93.7	1.76	5.30	112.3	1.57	5.68
Underground	Measured	-	-	-	-	-	-
	Indicated	5.4	3.36	0.59	6.8	3.38	0.73
	Inferred	12.1	3.13	1.22	11.9	3.15	1.20
	Sub-Total	17.6	3.20	1.81	18.6	3.23	1.94
Stockpiles	Measured	13.6	0.85	0.37	17.2	0.73	0.40
Total Tropicana	Measured	24.5	1.32	1.04	26.1	1.13	0.94
	Indicated	83.8	1.82	4.9	87.9	1.74	4.93
	Inferred	16.6	2.89	1.54	34.2	1.95	2.15
GRAND TOTAL		124.8	1.86	7.48	148.1	1.68	8.02

Notes:

- The Open Pit Mineral Resource is reported above a marginal (break-even) cut-off grade of 0.3g/t Au cut-off for oxide, and a 0.4g/t Au cut-off for transitional and fresh material. Cut-off grades for Mineral Resources have been based on an A\$1,817/oz (US\$1,400/oz) gold price.
- The Open Pit Mineral Resource is reported within a combination of pit designs and optimisation shells, reflecting the current Long Island mining strategy including; a) Havana South is reported within a A\$1,817/oz (US\$1,400/oz) gold price optimised pit shell, at Long Island study costs; b) Havana is reported within a pit design, based on Long Island Study costs at an A\$1,370/oz (US\$1,055/oz) gold price optimised shell; c) Tropicana is reported within the current life of mine design, and; d) Boston Shaker is reported within a preliminary design based on an A\$1,350 (US\$1,040/oz) gold price and Long Island Study costs.
- The Underground Mineral Resource is reported outside the Open Pit design and optimisation shells and is based on underground mineable shapes at a cut-off grade of 2.0g/t Au based on a A\$1,817/oz (US\$1,400/oz) gold price.
- All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
- Mineral Resources are inclusive of Ore Reserves.
- All Mineral Resources are compiled in accordance with the 2012 JORC Code.
- Refer to ASX Release dated 15 December 2016 – Tropicana Value Enhancement Update.

Ore Reserve



Tropicana Gold Mine 100% basis (IGO 30%) 31 December 2016 Ore Reserve (and 30 June 2016 comparison)

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	Sub-Total	31.8	2.07	2.12	50.9	2.15	3.53
Stockpiles	Proved	9.2	0.98	0.29	1.2	0.92	0.27
GRAND TOTAL		41.0	1.83	2.41	60.1	1.97	3.80

Notes:

1. The Proven and Probable Ore Reserve are reported above economic break-even gold cut-off grades for each material type at a gold price of A\$1,500/oz (US\$1,100/oz).
2. The Ore Reserve estimate is based on depletion through to the 31 December 2016, using the Resource model from August 2016.
3. The cut-off grades reported were 0.6g/t Au for oxide material and 0.7g/t Au for transitional and fresh.
4. The Open Pit Ore Reserves are reported within Pit Designs, reflecting the current mine plan and the Long Island Study, including; a) Havana South is reported within a design based on the current life of mine plan; b) Havana is reported within a design based on the Long Island Study; c) Tropicana is reported within a design based on the current life of mine, and; d) Boston Shaker is reported within a design based on the current life of mine.
5. All figures are rounded to reflect appropriate levels of confidence. Apparent differences may occur due to rounding.
6. Mineral Resources are inclusive of Ore Reserves.
7. All Mineral Resources are compiled in accordance with the 2012 JORC Code.
8. Refer to ASX Release dated 15 December 2016 – Tropicana Value Enhancement Update.