



CHAIRMAN'S ADDRESS – 2018 ANNUAL GENERAL MEETING

Dear fellow shareholders,

Independence Group, or IGO as we like to call ourselves, has undergone a transformational journey over the last few years.

We are a leading, ASX listed, mining and exploration company with an evolving strategy to align the business to the rapidly emerging global structural shift to energy storage, as evidenced by the growing and compelling move towards the use of electric vehicles.

Consequently, our winning aspiration is to be a globally relevant, premium supplier of energy storage and distribution materials that are critical for clean energy, with a focus on high quality, long life assets that deliver great financial outcomes, such as our Nova operation.

Nickel, copper and cobalt are the metals that we are primarily interested in, but we will also consider other metals and minerals important to the energy storage and electric vehicle industry. In addition, we will investigate downstream processing opportunities to add greater value for our products and further our alignment with the battery manufacturing industry.

IGO is Company with a proven track record in all aspects of the mining life cycle from exploration to development and production. Exploration, especially, has been a core activity of IGO's business since listing on the ASX in 2002. We are now investing more in exploration than at any other time in our history, with a focus on belt scale opportunities with the potential to host tier one assets.

Highlights during the last financial year include:

- record revenue and underlying EBITDA of \$781M and \$339M respectively and net cash flow from operating activities of \$278M which was a 256% increase on the previous year;
- cash at bank improved from \$36M at the start of the year to \$139M at year end after making debt repayments of \$57M resulting in a net debt of \$4M;
- continuation of our policy to pay dividends amounting to 30% of our underlying NPAT;
- completion of the first full year of production from Nova delivering \$93M in free cash flow, and downstream processing test work underway;
- Tropicana reached two million ounces of gold production in early January and generated \$76M in free cash flow during the year;
- portfolio rationalisation with divestment of the Jaguar and Stockman projects and Long placed on care and maintenance, and
- substantially increased focus on exploration with a budget of \$51M with the objective of finding the next "Nova".

IGO now has a simplified portfolio of high quality, strong cash generating assets and a renewed purpose and strategy aligned with the emerging renewable and clean energy market.



The ongoing evolution and strengthening of IGO is only made possible by the many skilled, experienced and dedicated people in our business. The foundation of every great company is a committed, motivated, engaged and diverse workforce. 2018 was a year of considerable achievement for our people as we continue to implement initiatives to support these ideals, including:

- involvement of a wide cross section of our people in the creation of our shared purpose to drive our culture and achieve “buy-in”;
- taking a personalised approach to learning and development programs, recognition, internal career opportunities, flexible working arrangements and rosters, pay parity, purchase of IGO shares through salary sacrificing, the introduction of a paid parental leave scheme and well-being programs, graduate and vacation programs and WA Mining Club scholarships;
- being mindful of our progress on diversity, including aboriginal employment, together with the introduction of proactive initiatives to ensure that we make real progress on this fundamental part of our business;
- growing our corporate giving programs and increasing the already significant involvement of our employees in this area.

We know that a strong culture underpins successful strategies and companies. We also know that more than ever before, demonstrating how we deliver shared value is important for all mining companies. Without a sense of purpose and ensuring we protect our social license to operate, we will not achieve long term success.

We recently published our fourth Sustainability Report, which provides a comprehensive review of the significant non-financial aspects of our business to enable our stakeholders to more broadly assess IGO’s performance during the past year and I commend the report to all.

In closing and on behalf of the Board, I wish to acknowledge and thank our shareholders for your ongoing support. I would also like to pay credit to all IGO employees, business partners, contractors and suppliers for their outstanding contribution and support.

We look forward to the coming year with enthusiasm and confidence as we strive to “Make a Difference”.

Thank you.

Peter Bilbe
Chairman