

INDEPENDENCE GROUP NL

Third Quarter 2018 Results Presentation

Strong free cash flow significantly reduces net debt



ASX:IGO / ADR:IIDY

30 April 2018

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- Any references to IGO Mineral Resource and Ore Reserve estimates should be read in conjunction with IGO’s 2017 Mineral Resource and Ore Reserve announcement dated 23 October 2017 and lodged with the ASX, which is available on the IGO website.
- All currency amounts in Australian Dollars unless otherwise noted.
- Net Debt is outstanding debt less cash balances.
- 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, redundancy and restructuring costs, 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.
- Free Cash Flow comprises Net Cash Flow from Operating Activities and Net Cash Flow from Investing Activities. Underlying adjustments exclude acquisition costs, proceeds from investment sales and payments for investments.



3Q18 Highlights



Strong free cash flow significantly reduces net debt to A\$73M

- Nova delivers nameplate 1.5Mtpa mining rate for 3Q18 and an increase in nickel grade to 1.85%
 - Production from three stopes at Bollinger
- Tropicana and Long metal production in line with expectations
- Tropicana achieved its two millionth ounce of gold produced in January 2018
- Substantial preparatory work completed at Jaguar to access higher volumes of ore at higher grades for mining in 4Q18
- Significant progress was made with the 3D seismic survey at Nova and the airborne EM survey on the Fraser Range
- Underlying free cash flow of A\$57M from higher commodity prices and timing of receipts
- Scheduled debt payment of A\$29M, interim dividend payment of A\$6M and the revolver facility of A\$200M remains undrawn

Sustainability

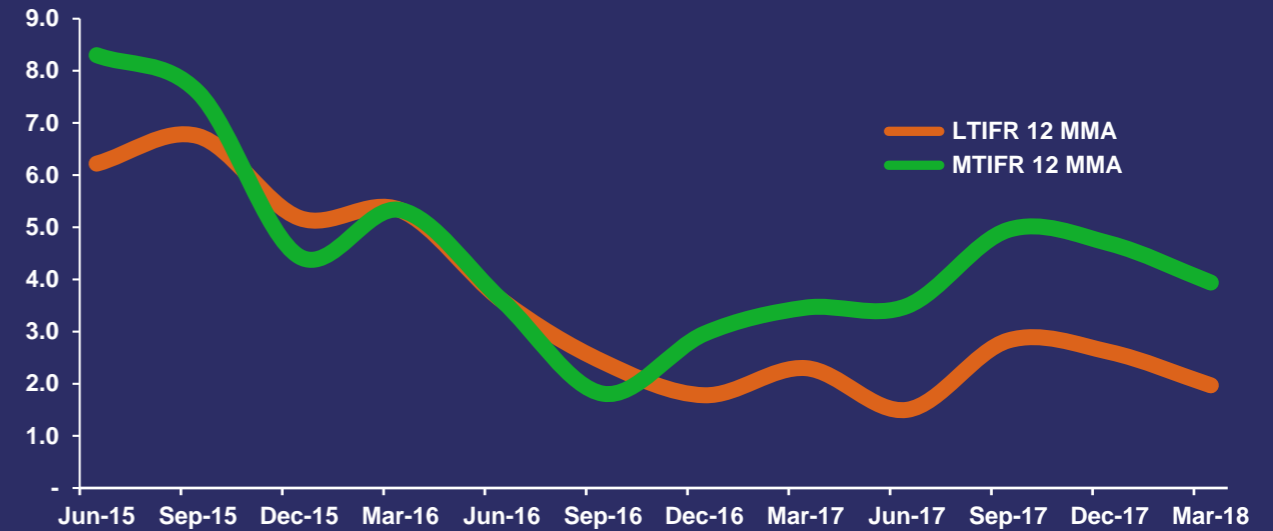
Focused on better outcomes for our people

- **Lost time injury reduced from 2.61⁽⁴⁾ to 1.97 with one lost time injury recorded for 3Q18**
- **No material environmental incidents**
- **Active engagement in all communities around mines**
- **Positive outcomes from negotiations on trust arrangements with Ngadju Native Title Aboriginal Corporation (first royalty payment made April 2018)**

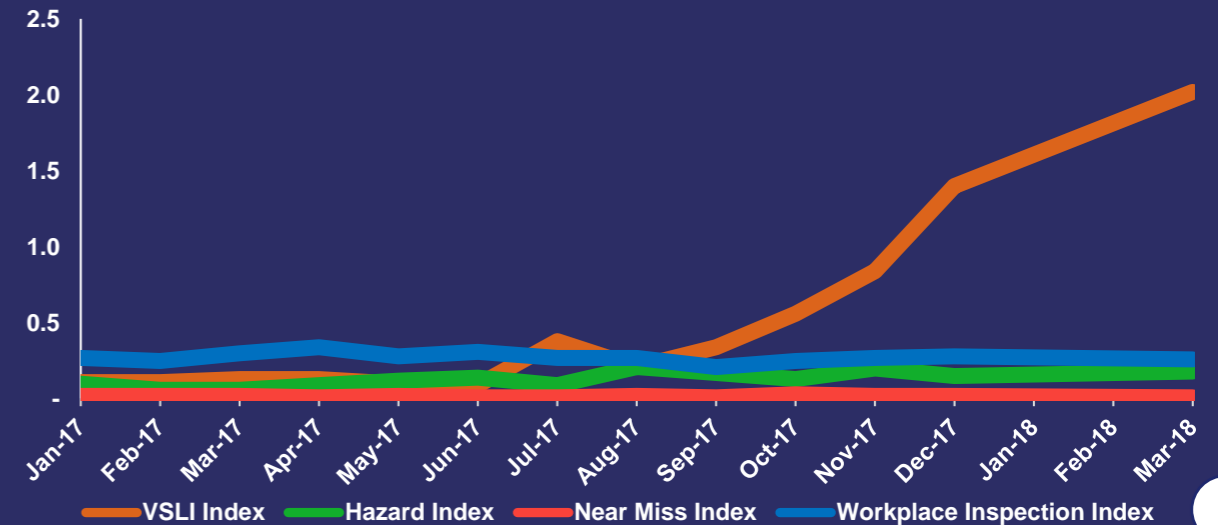
1) 12 month moving average MTIFR – Medically Treated Injury Frequency Rate: calculated as the number of medically treated injuries x 1,000,000 divided by the total number of hours worked
 2) 12 month moving average LTIFR – Lost Time Injury Frequency Rate: calculated as the number of Lost Time injuries x 1,000,000 divided by the total number of hours worked
 3) Sep-17 LTIFR rate has increased from 2.75 to 2.83 as a result of the reclassification of a single injury from 29 Jul 2017
 4) In the December 2017 Quarterly Report, a LTIFR of 2.09 was reported for that period. This was subsequently revised to 2.61 as a result of reclassification of injuries
 5) VSLI: Visual Safety Leadership Interaction



Key Lag Safety Metrics^(1,2,3)



Key Lead Safety Metrics⁽⁵⁾



Strengthening Financial Results



EBITDA up 14%, strong free cash flow of A\$57M and net debt reduced to A\$73M

	Units	2Q18	3Q18	YTD	QoQ
Revenue and Other Income	A\$M	207.3	182.7	537.5	(12%)
Underlying EBITDA ⁽¹⁾	A\$M	64.5	73.7	207.1	14%
Profit (Loss) After Tax	A\$M	(1.5)	9.2	12.4	n.a
Net Cash from Operating Activities	A\$M	50.8	92.3	203.7	82%
Underlying Free Cash Flow ⁽²⁾	A\$M	11.6	56.5	97.1	387%
Cash	A\$M	51.3	70.3	70.3	37%
Debt	A\$M	171.4	142.9	142.9	(17%)

Stronger free cash flow driven by higher commodity prices and timing of sales receipt

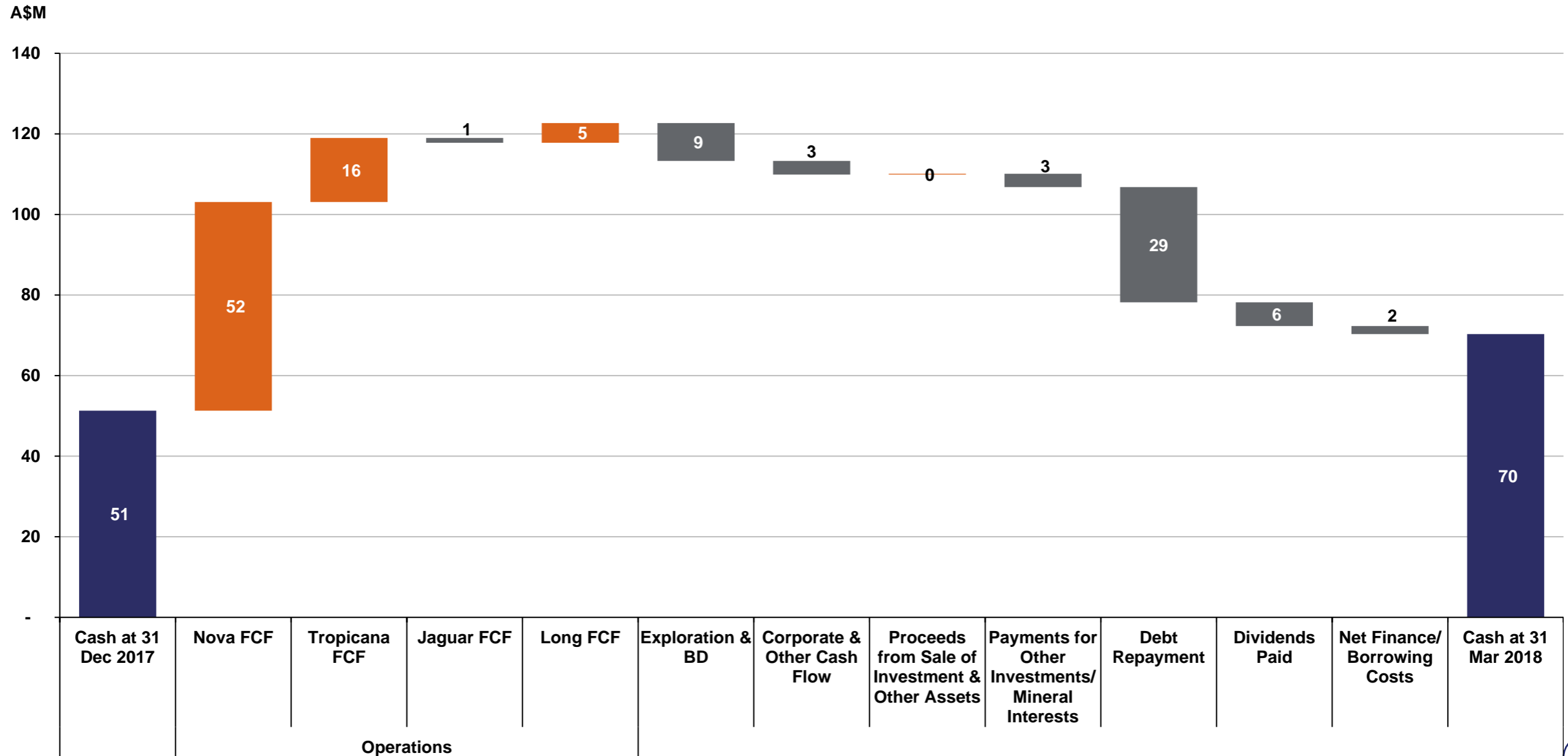
1) Underlying EBITDA is a non-IFRS measure (refer to Disclaimer page)

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

3Q18 Cash Flow Reconciliation



Total free cash flow from Operations was A\$71M



Mining for 3Q18 was in line with the 1.5Mtpa nameplate production rate

Metric	Units	2Q18	3Q18	YTD	Guidance ⁽¹⁾
Nickel in concentrate	t	4,454	5,961	14,914	17,250 – 20,250
Copper in concentrate	t	2,011	2,472	6,315	7,500 – 9,000
Cobalt in concentrate	t	146	199	490	600 – 750
Cash cost (payable)	A\$/lb Ni	3.84	2.68	3.42	1.90 – 2.50
Development Capex	A\$M	13.3	11.2	41.4	30 – 33
Build Capex ⁽²⁾	A\$M	(2.9)	0.0	(1.2)	0 – 2 ⁽³⁾
Sustaining Capex	A\$M	2.4	1.6	4.1	6.8 – 9.8
Exploration expenditure	A\$M	1.5	2.5	5.6	6.0 – 7.5

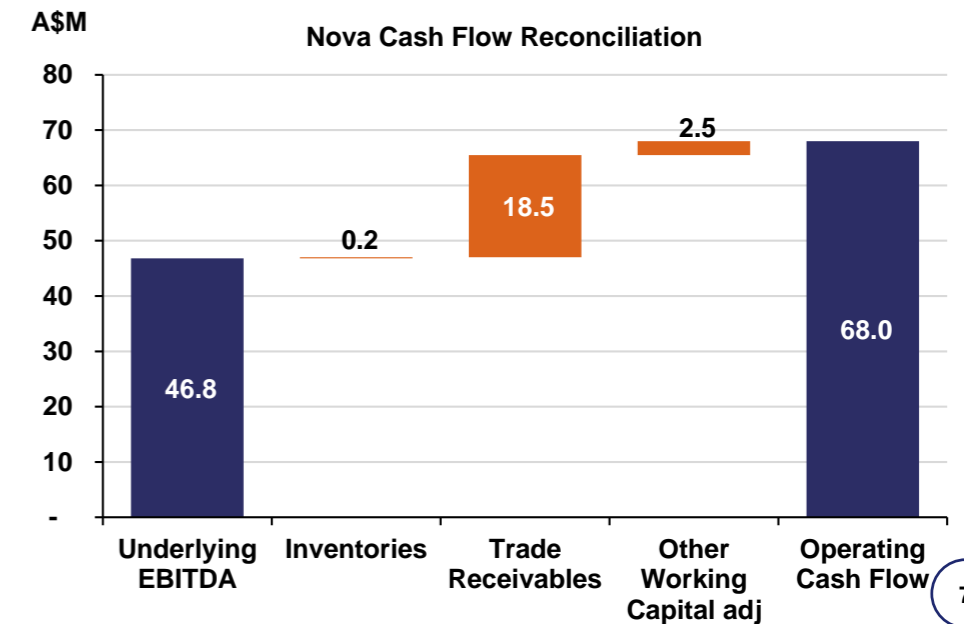
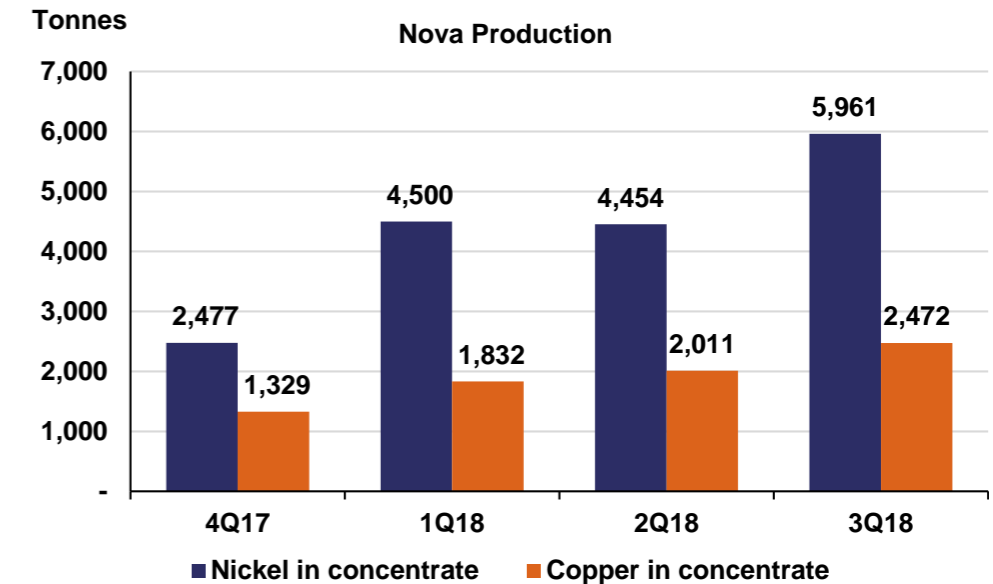
3Q18 Drivers & Outlook

- Ore stoping continued at Bollinger with production from three stopes
- Metallurgical recoveries continued to perform generally in line with, or better than modelled recoveries
- Production tonnes and grades in 4Q18 are expected to increase relative to 3Q18, with FY18 nickel metal production expected to be at the lower end of the full year guidance range
- Downstream processing Scoping study complete with Pre-feasibility metallurgical testwork commenced during 3Q18, which is expected to be completed in 4Q18

1) Implied YTD guidance (FY18 guidance apportioned for three Quarters)

2) Build capex represents the net balance, on a cash basis, paid to suppliers and received from customers for pre-30 Jun 2017 Capital Expenditure activities

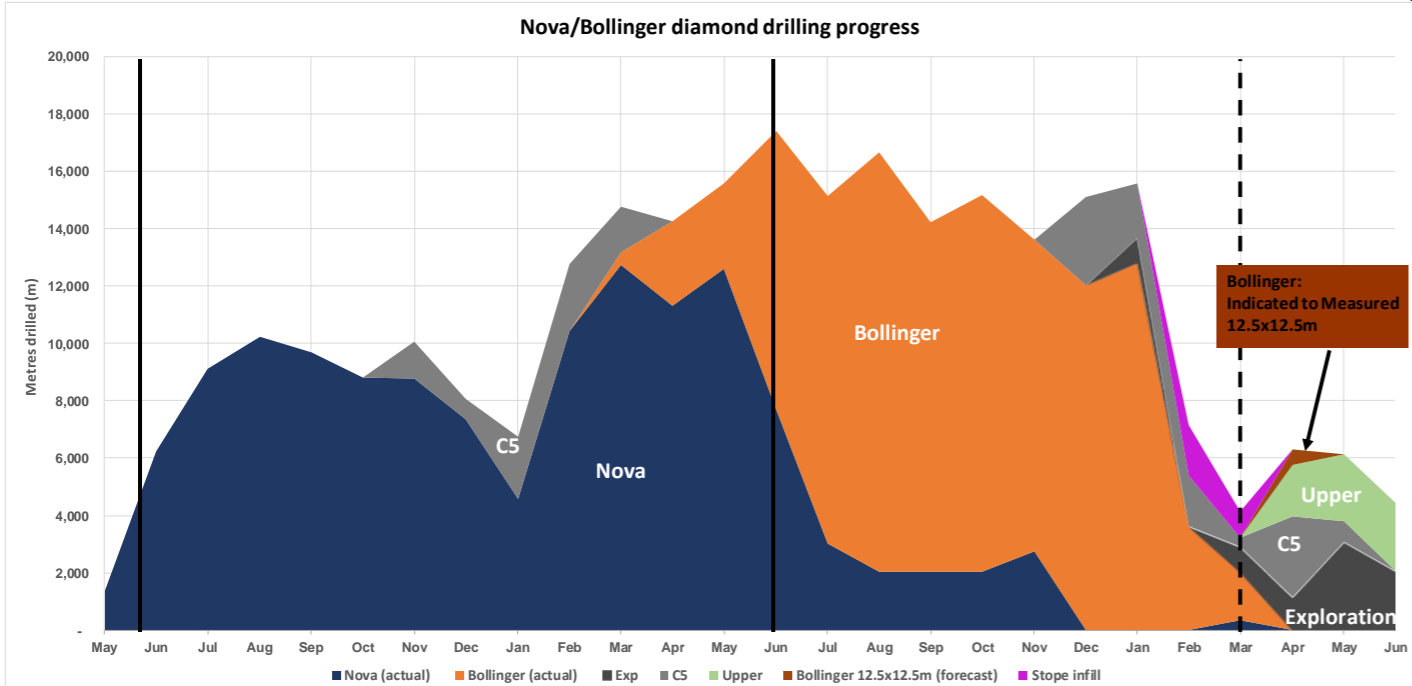
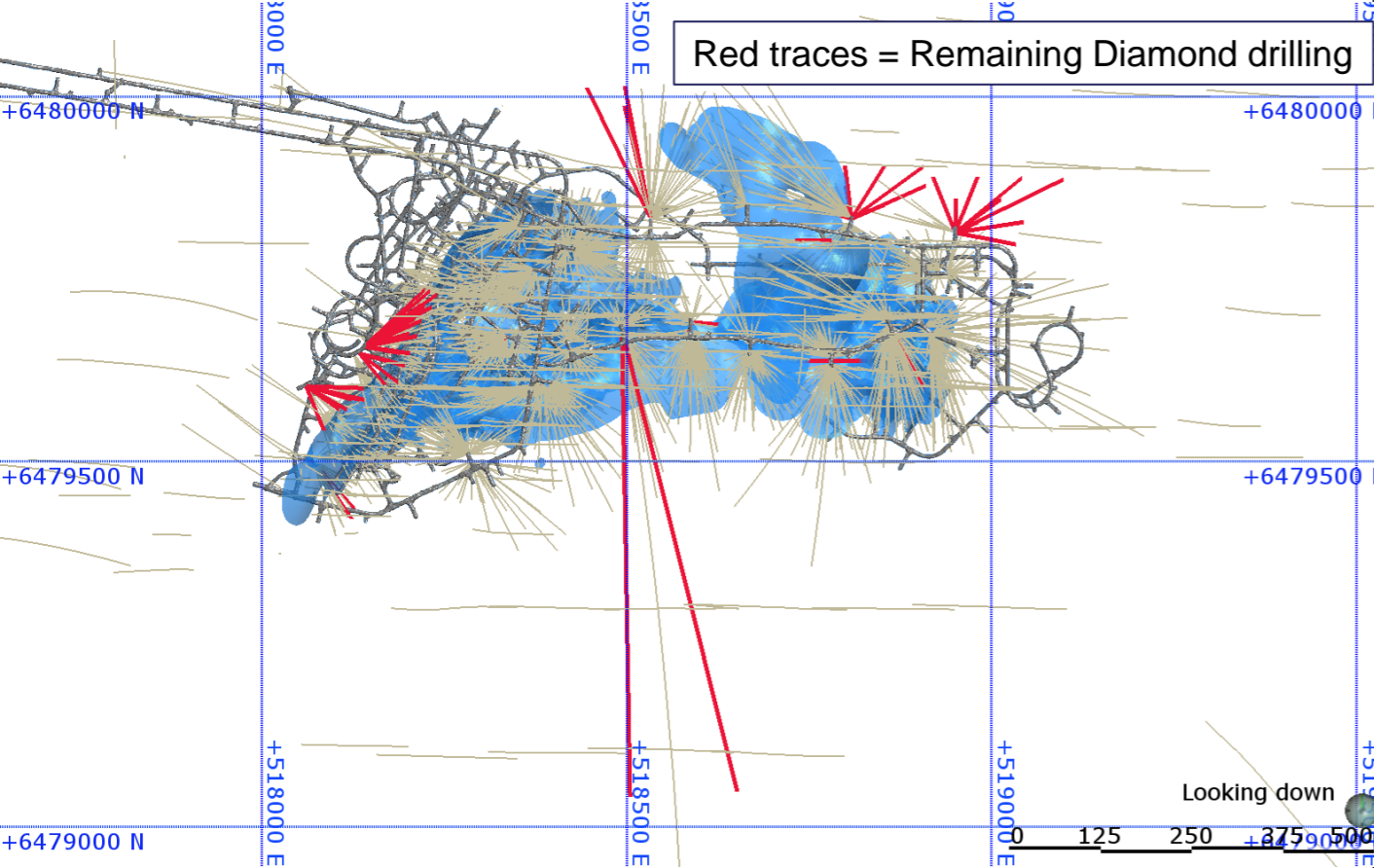
3) FY18 full year guidance range



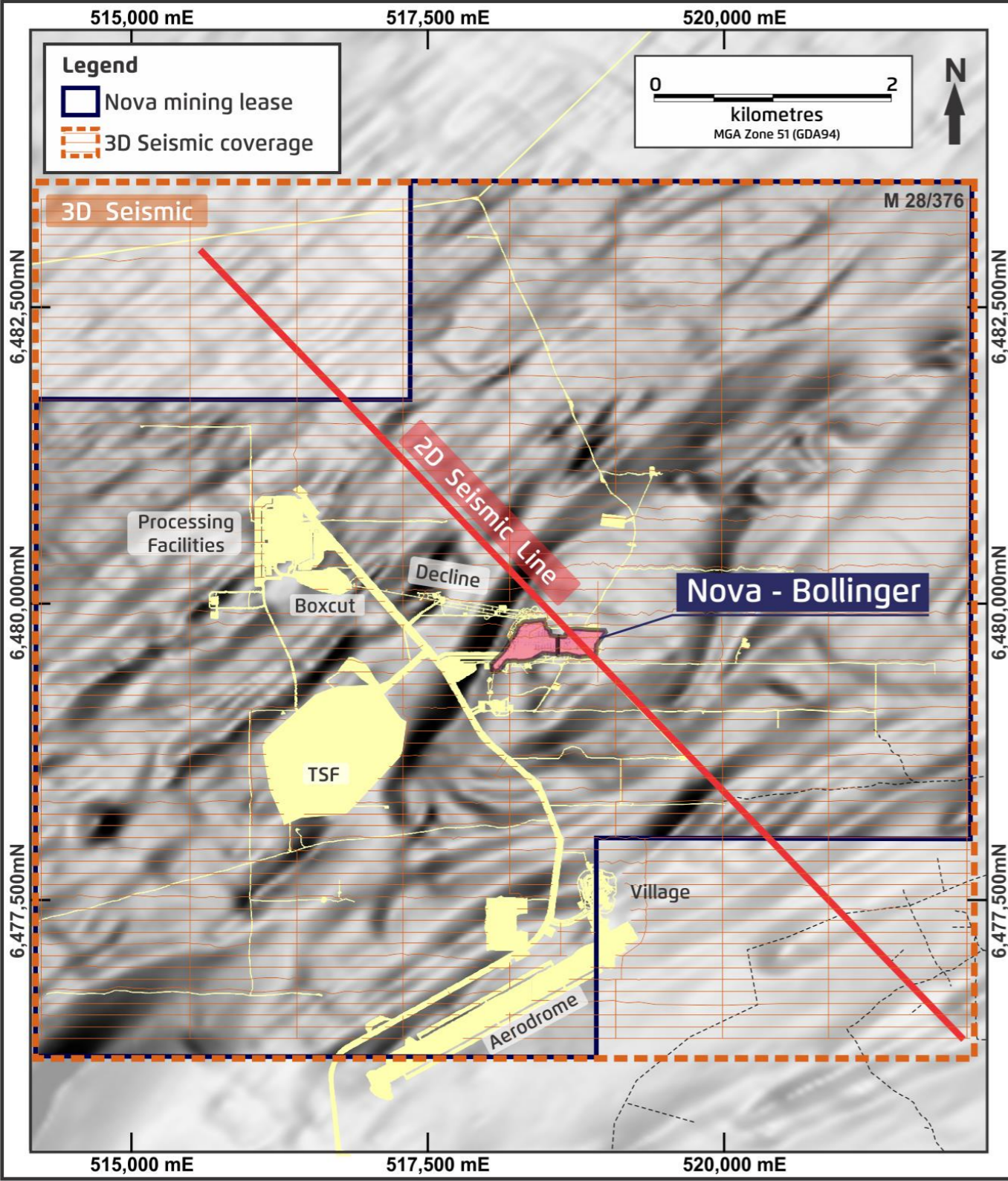
Nova Grade Control⁽¹⁾

Early de-risking of mineral resource

- Grade control drilling of the Nova-Bollinger orebodies continued
 - A total of 26,887m drilled during 3Q18
- Three Diamond drill rigs demobilised in February and March 2018
 - Two remaining onsite to complete the Mineral Resource drilling and commence an exploratory drilling phase
- Grade control drilling expected to be completed during 4Q18
- Mineral Resource and Ore Reserve update expected in 1Q19
 - Database closed off in January 2018



1) Refer to ASX release dated 26 Jul 2017: Nova Mineral Resource Estimate and Exploration Update



Nova Mining Lease Exploration



Largest 3D seismic program undertaken in Australia

58km² 3D seismic survey contracted to HiSeis advanced significantly during 3Q18

- Field data collection expected to be complete in May 2018

c.1,700m of Reverse Circulation and Diamond drilling completed in 3Q18

- Tested several targets, including follow-up of Phoenix Prospect
- Results at Phoenix in line with previous drilling and more drilling is planned

Tropicana pours its two millionth ounce of gold in January 2018

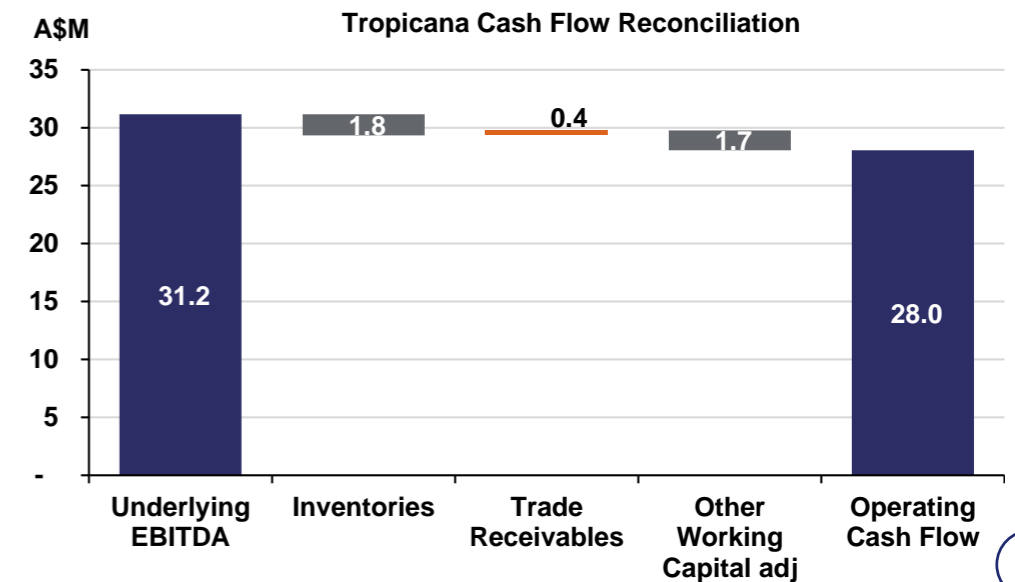
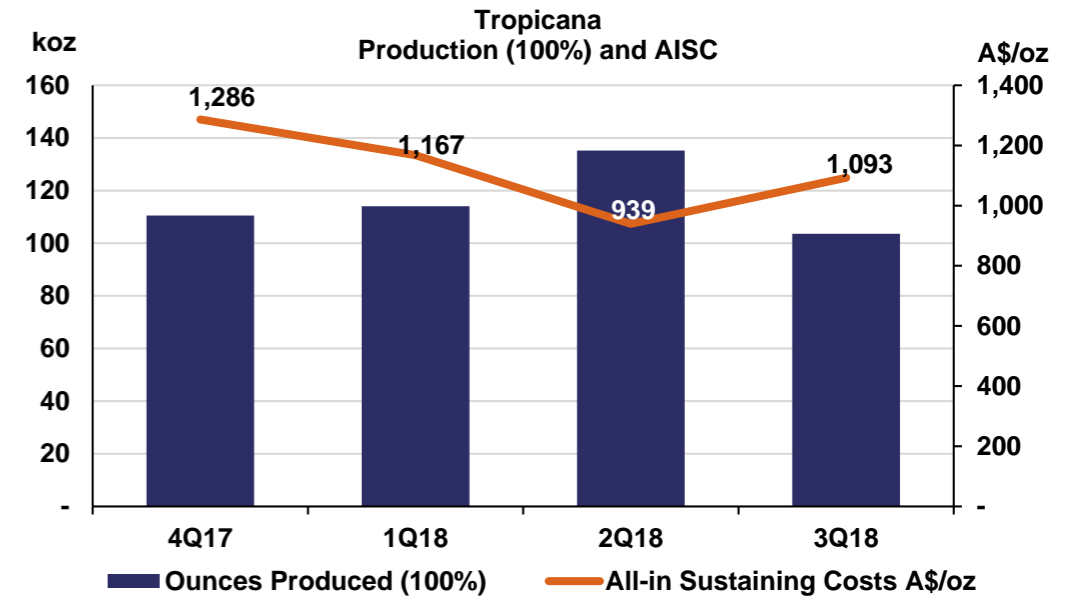
Metric	Units	2Q18	3Q18	YTD	Guidance ⁽²⁾
Gold produced (100%)	koz	135.2	103.6	352.9	330 – 368
Gold Sold (IGO 30%)	koz	41.4	31.1	105.6	99 – 110
Cash cost	A\$/oz	628	756	701	680 – 750
AISC ⁽¹⁾	A\$/oz	939	1,093	1,056	1,060 – 1,170
Sustaining/improve capex	A\$M	6.0	2.2	10.6	6.8 – 9.0
Capitalised waste stripping	A\$M	10.0	10.1	33.0	33.0 – 41.3
Exploration expenditure	A\$M	1.3	1.0	3.5	3.0 – 3.8

3Q18 Drivers & Outlook

- Achieved 8.2M bank cubic metres of material mined for 3Q18 despite significant rainfall
- Throughput rates were in line with 2Q18, while grade and recovery were down in line with the mine plan
- A new shutdown strategy was rolled out at the start of 3Q18 reducing planned shutdowns from 4 to 3 per year
- Boston Shaker Underground Concept Study completed during 3Q18 followed by approved acceleration of a Pre-feasibility Study
- Construction has commenced on the installation of the second 6MW ball mill

1) AISC is All-in Sustaining Costs

2) Implied YTD guidance (FY18 guidance for three quarters)



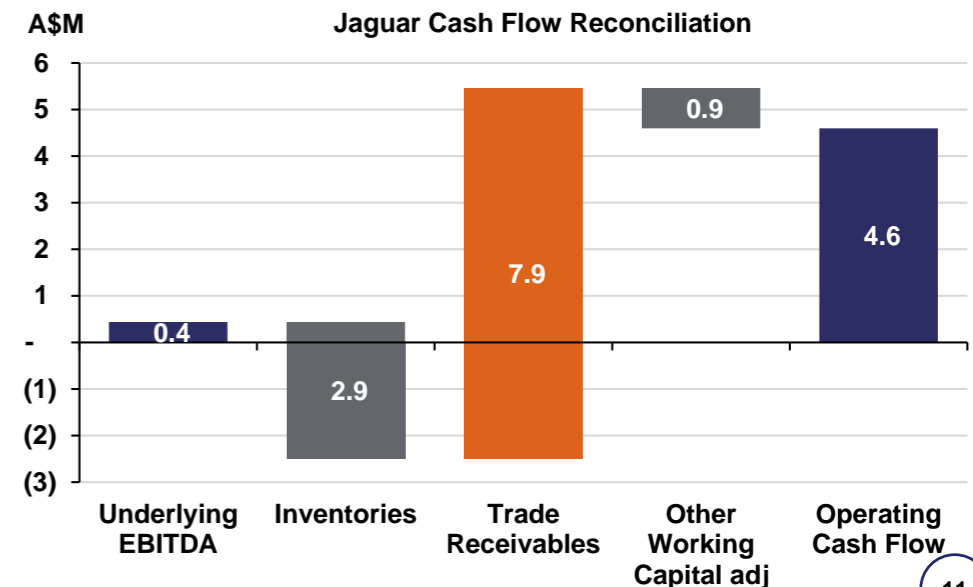
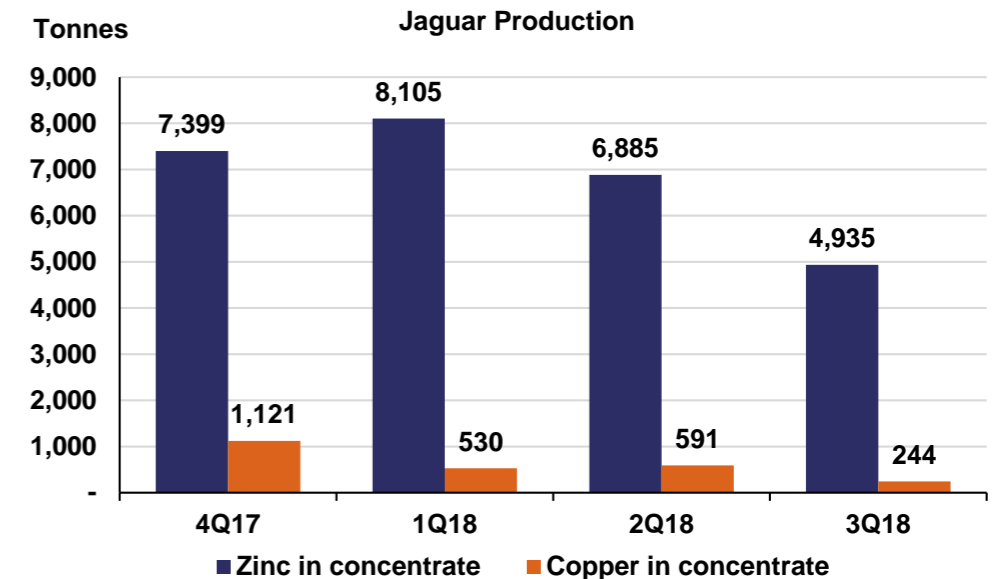
A challenging 3Q18 but expect to achieve end of year zinc metal production guidance

Metric	Units	2Q18	3Q18	YTD	Guidance ⁽¹⁾
Zinc in concentrate	t	6,885	4,935	19,925	21,750 – 24,750
Copper in concentrate	t	591	244	1,365	1,950 – 2,250
Cash cost (payable)	A\$/lb Zn	1.37	1.88	1.36	0.85 – 1.05
Sustaining capex	A\$M	2.8	1.5	7.6	6.0 – 6.8
Development capex	A\$M	3.6	4.3	10.5	7.5 – 8.3
Exploration expenditure	A\$M	1.3	0.4	2.8	2.3 – 3.8

3Q18 Drivers & Outlook

- Lower zinc in concentrate reflects the lower mined tonnes and grade due to lower operating development and reduced stope drill stocks
- Expect to achieve end of year primary metal production guidance due to higher grade stopes becoming available in late 3Q18
- Total of 7,164m of underground Diamond drilling completed at the Bentley Mine during 3Q18, including 3,370m at the Bentayga lens, up plunge from previous intercepts
- Development of Life of Mine scheduling scenarios, including Bentley Deeps, the proposed Triumph project, potential re-entry at Jaguar and depth potential at Teutonic Bore continued in 3Q18

1) Implied YTD guidance (FY18 guidance for three quarters)



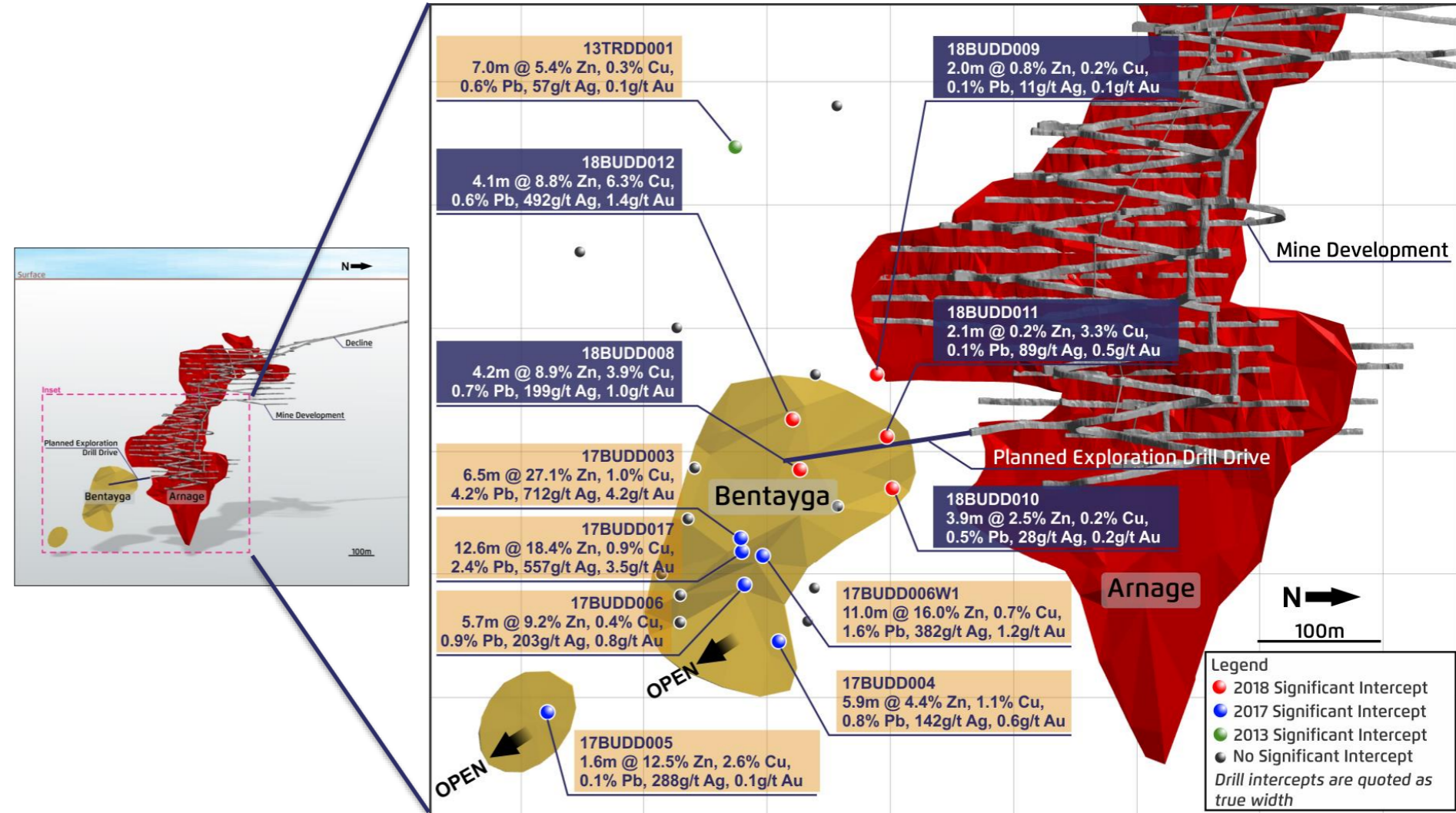
Promising intercepts at Bentayga substantially increase the size of the modelled lens

3,370m of underground drilling returned significant intercepts⁽¹⁾

- 4.10m @ 8.81% Zn, 6.34% Cu, 1.40g/t Au and 492g/t Ag
- 4.15m @ 8.85% Zn, 3.92% Cu, 0.96g/t Au and 199g/t Ag
- 2.12m @ 0.24% Zn, 3.33% Cu, 0.47g/t Au and 89g/t Ag

Next steps:

- Completion of Bentayga Decline to provide a platform for drill out and future mining access
- Grade control program that will be drilled from the Bentayga Decline



1) Refer to ASX release date 30 Apr 2018: Supplement to 3Q18 Report: Jaguar Operation – Bentayga Lens Update

Long

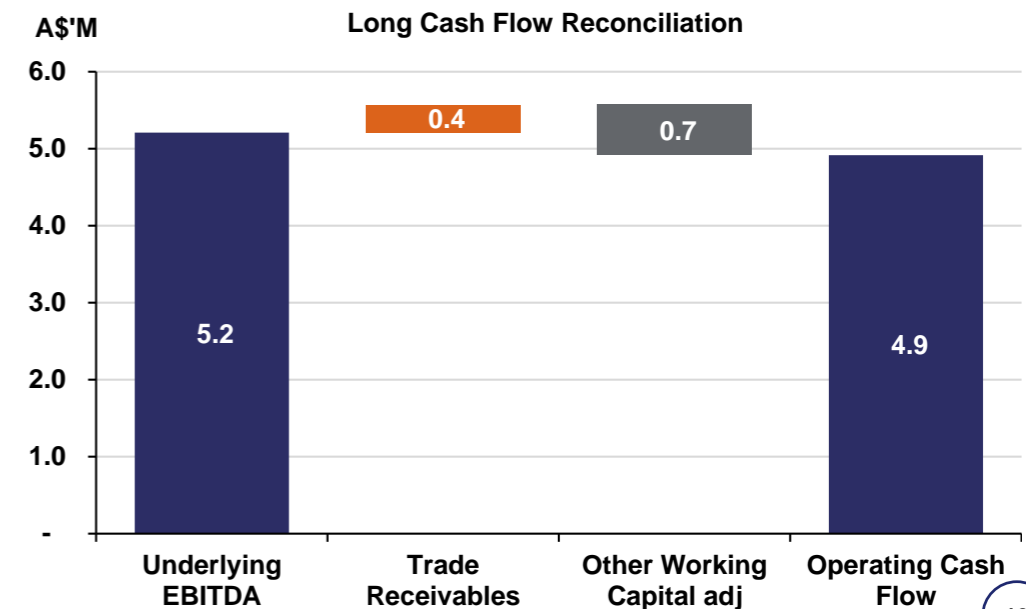
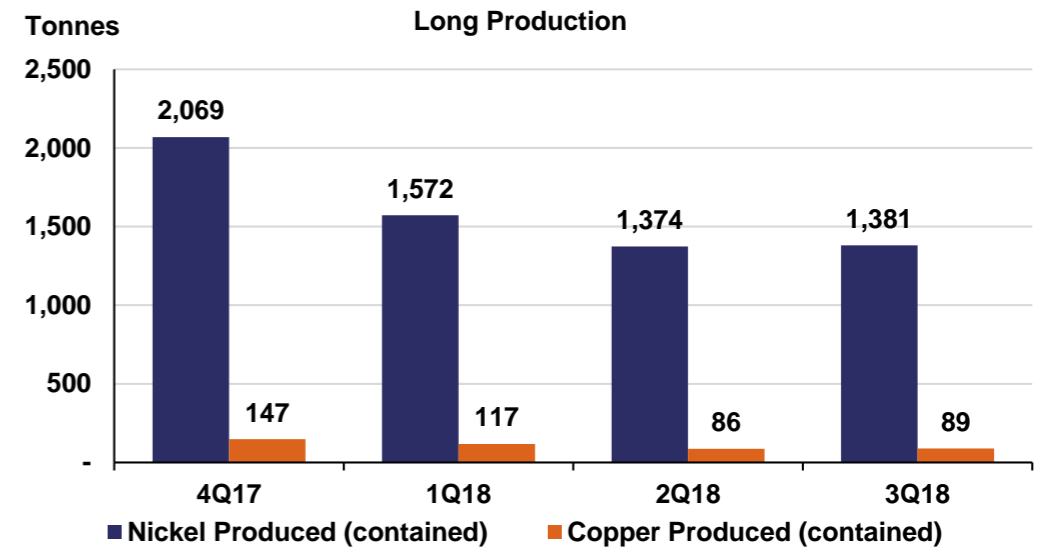
Long production guidance met YTD



Metric	Units	2Q18	3Q18	YTD	Guidance ⁽¹⁾
Contained nickel produced	t	1,374	1,381	4,327	4,050 – 4,500
Cash cost (payable)	A\$/lb Ni	5.47	5.13	5.11	4.40 – 4.90
Sustaining capex	A\$M	0.1	0.0	0.3	0.4 – 0.8
Development capex	A\$M	0.0	0.0	0.0	0.4 – 0.8
Exploration expenditure	A\$M	0.0	0.0	0.0	0.8 – 1.5

3Q18 Drivers & Outlook

- Current mining is from multiple mining areas
- EM survey at Long North, to test for potential extensions of the Gibb and Long deposits completed early in 3Q18, with no positive nickel intercepts
 - Several intersections being assayed for gold
- Cessation of final mining on 31 May 2018
- Planning for suspension of mining and commencement of care and maintenance continues



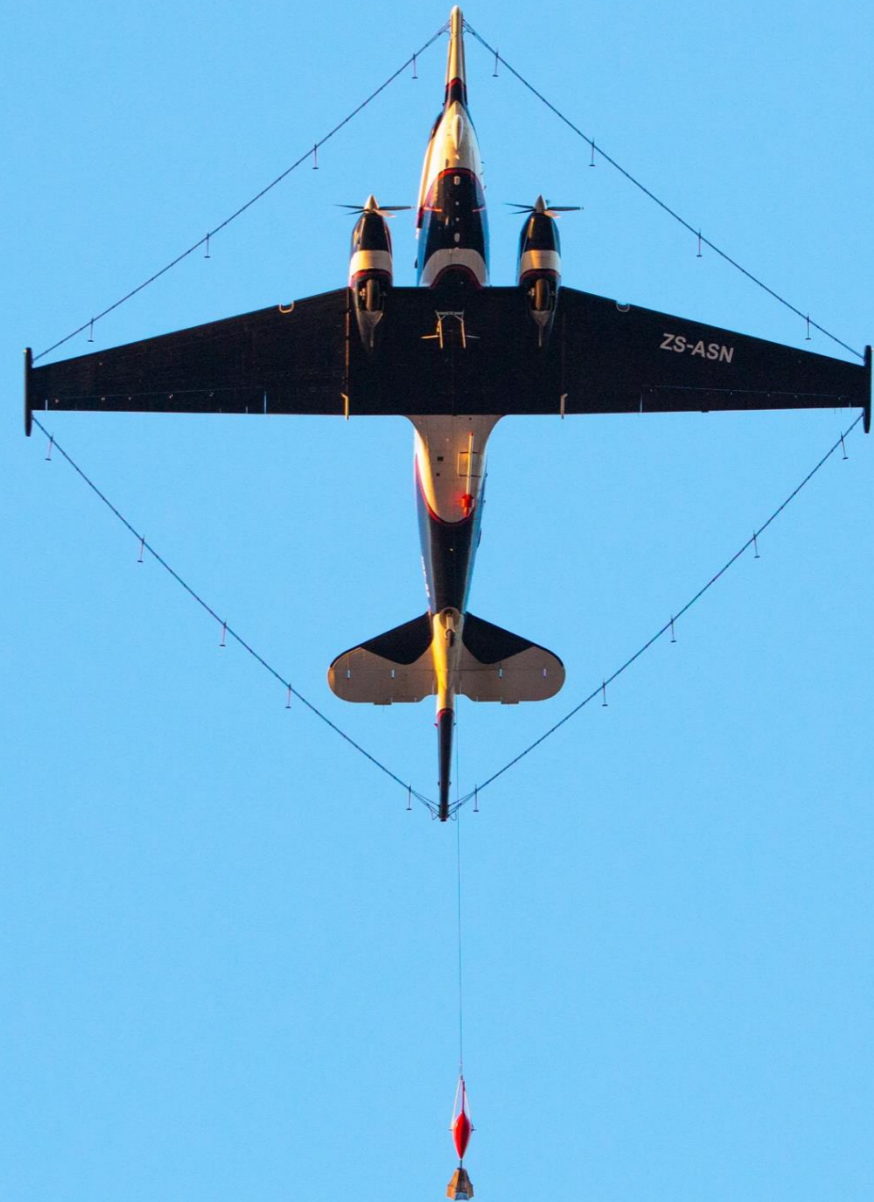
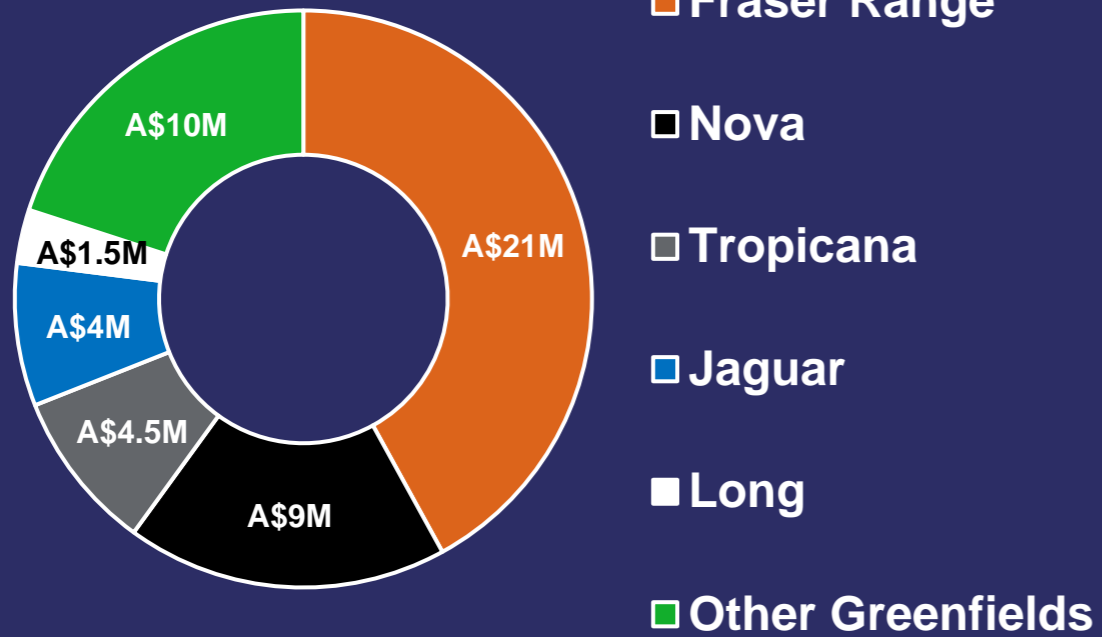
1) Implied YTD guidance (FY18 guidance for the three quarters)

FY18 Exploration

A\$50M commitment to exploration in FY18



FY18 Exploration Budget

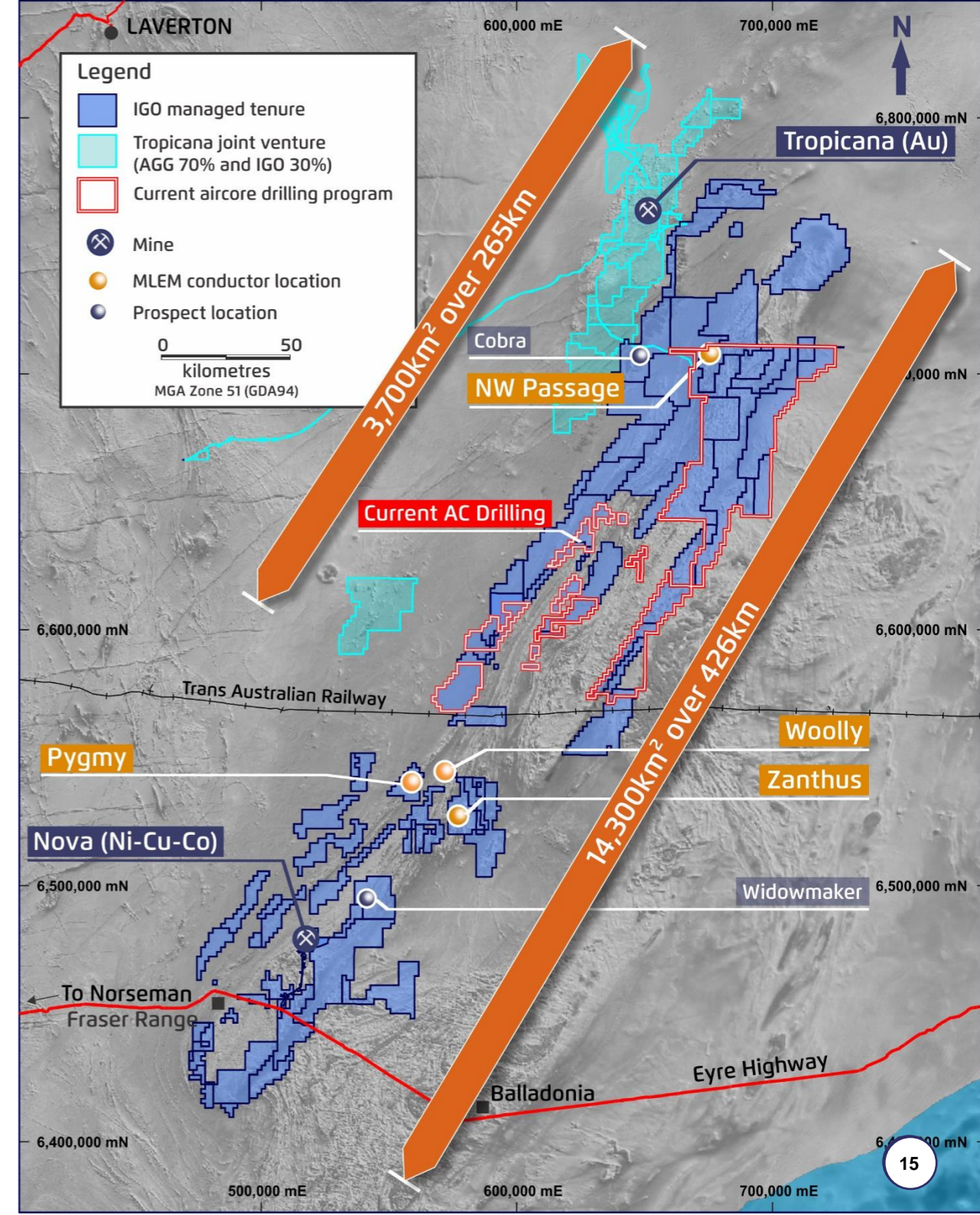


Fraser Range Exploration

14,300km² of tenure consolidated

Systematic belt scale exploration activities continued during 3Q18:

- Two Diamond drill holes, for c.945m, tested two EM geophysical targets at Zanthus and Pygmy prospects
- Downhole EM survey at the Pygmy prospect identified a very strong off hold conductor
- 6,362m of Aircore drilling was completed during 3Q18
- SpectremAir completed 10,691 line-km of airborne EM during 3Q18 (total of 17,231 line-km)
- Ongoing gravity survey for the purpose of mapping mafic/ultramafic intrusives (90% complete)
- Heritage surveys to facilitate proposed drilling programs completed during 3Q18



Lake Mackay Exploration

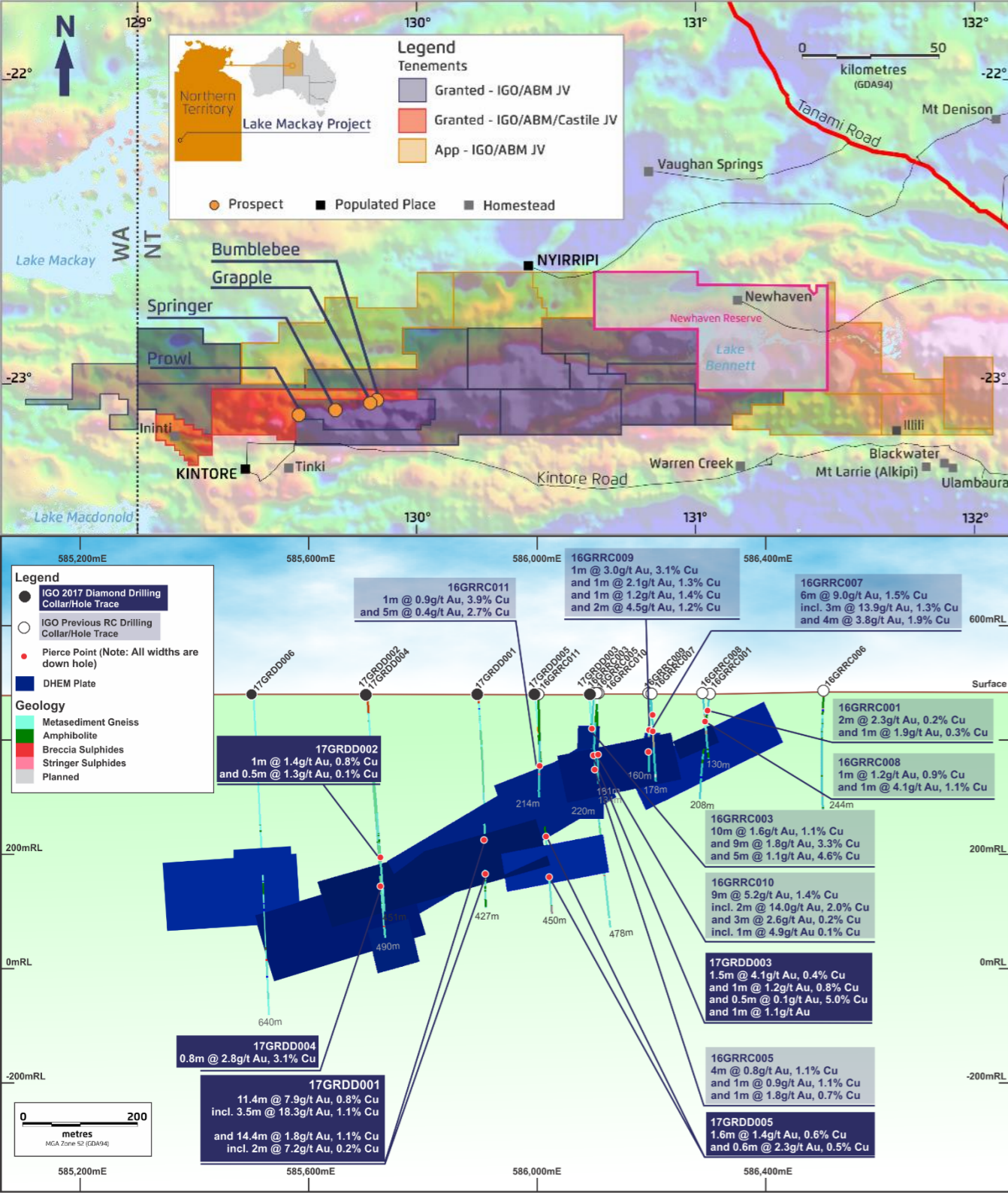
12,800km² belt scale greenfields project

SpectremAir completed flying of an orientation airborne EM survey during 3Q18

- Second trial (Tempest) was flown in April 2018
- Trial aims to test effectiveness of these two fixed-wing airborne EM systems on known conductors at Grapple, Bumblebee and Springer

Results received from soil sampling completed during 2Q18 at area surrounding EL24915⁽²⁾

- Pervasive gold and base metal anomalism identified
- Soil response similar in style to that overlying the Grapple prospect



1) Refer to ASX release dated 15 Nov 2017: Lack Mackay JV – Final Grapple Diamond Drilling Results
 2) Refer to ASX release date 13 Feb 2018: Lake Mackay JV – Exploration Update

Concluding Comments

- Nova delivers nameplate 1.5Mtpa mining and an increase in grade to 1.85% nickel
 - Production from three stopes at Bollinger
- Tropicana and Long metal production in line with expectations
- Tropicana achieved its two millionth ounce of gold produced in January 2018
- Expect to access higher volumes of ore at higher grades for mining in 4Q18 at Jaguar
- Significant progress was made with the 3D seismic survey at Nova and the airborne EM survey on the Fraser Range
- Strong underlying free cash flow of A\$57M
- Net debt reduced to A\$73M





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