



## NOVA SITE VISIT AND PRESENTATION

Attached is a presentation to be given today, by Peter Bradford, Managing Director and CEO, together with key IGO management, the Nova team and senior representatives of Barminto, to attendees of a site visit at the Company's Nova operation.

The presentation outlines:

- Nova's transition from construction completion and into the ramp up phase;
- Focus on the ramp up of mining and milling rates towards name plate capacity;
- Opportunities taken to improve value and how current and planned work programs will add further efficiencies and optionality in the future;
- Details of R&D and innovation programs designed to create opportunities for future value realisation through more targeted exploration; and
- Exciting exploration opportunities in the near mine environment and on a growing strategic land holding in the Fraser Range.

### For further information contact:

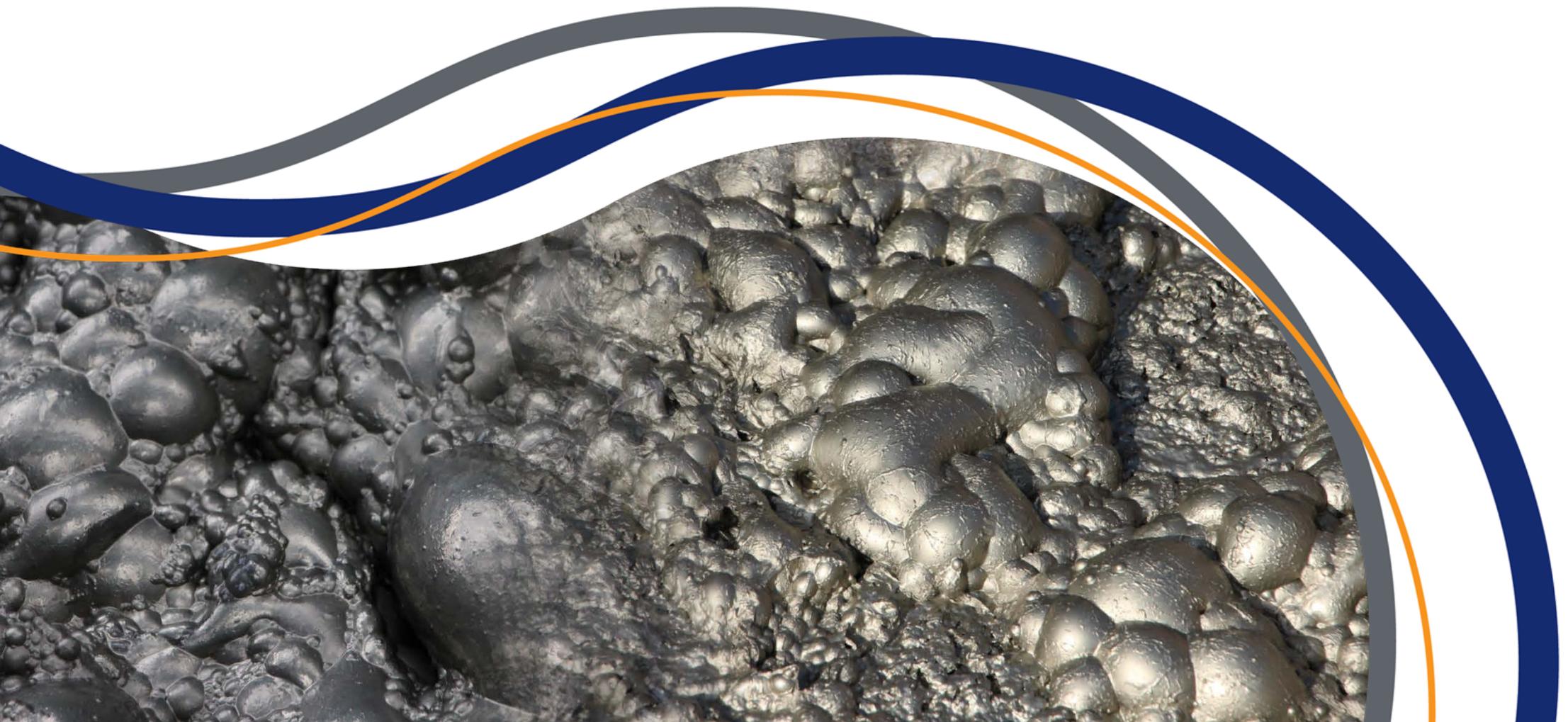
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# INDEPENDENCE GROUP NL

## NOVA SITE VISIT PRESENTATION

13 March 2017



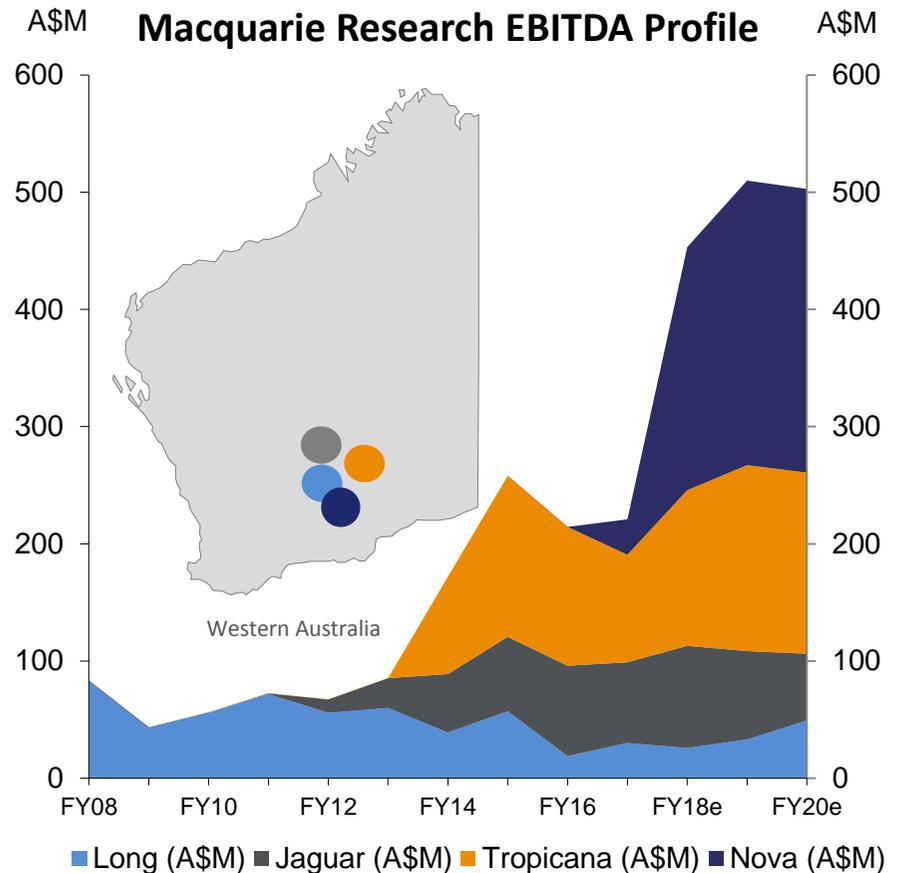
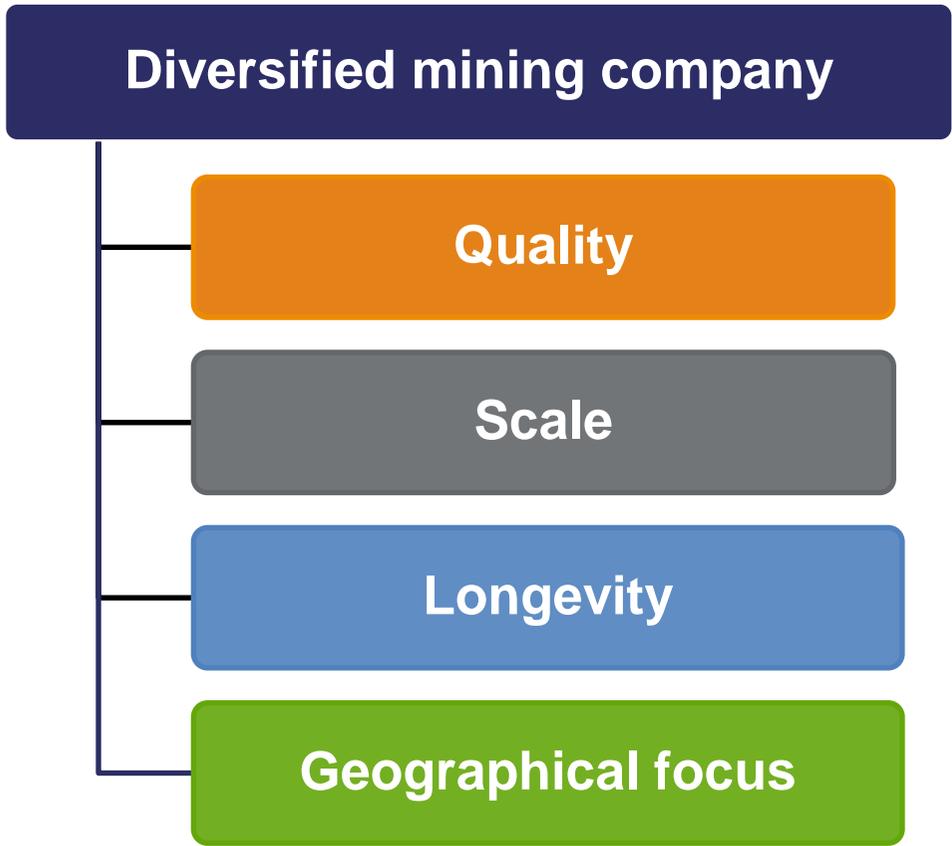
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- Any references to IGO Mineral Resource and Ore Reserve estimates, except the Tropicana Mineral Resource and Ore Reserve should be read in conjunction with IGO’s 2016 Mineral Resource and Ore Reserve announcement dated 14 October 2016 and lodged with 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.

# 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**

# 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
- Acquired by IGO in 2015<sup>(1)</sup>

## Project timeline is a testament to project quality

- Discovered in July 2012
- Feasibility study completed in July 2014
- Construction commenced in early 2015 and completed October 2016
- First nickel and copper concentrates production in October 2016
- Ramp up to name plate capacity in 2017

## World class project

- High margin (low cost and high payability)
- Scale (average 26ktpa nickel and 11.5ktpa copper)
- Long mine life (initial 10 years)
- **Significant** exploration upside in emerging province
- Land consolidation around Nova progressed

1) Transaction completion 22 September 2015

# Nova Partnerships



**Esperance**  
Senior High School

A strong community, creating opportunities for personal excellence.



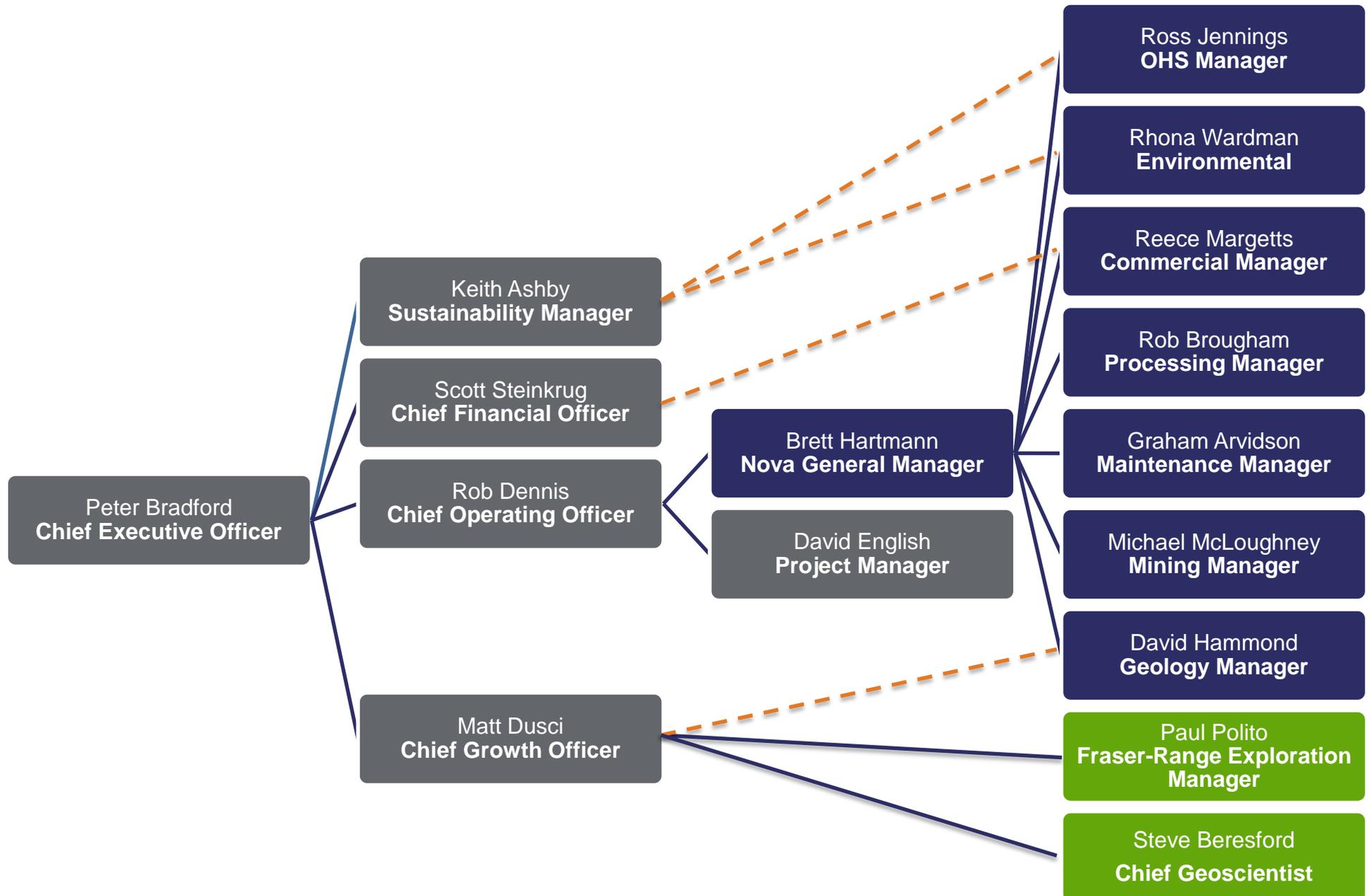
SEEK KNOWLEDGE



**NORTH OZ PROJECTS**

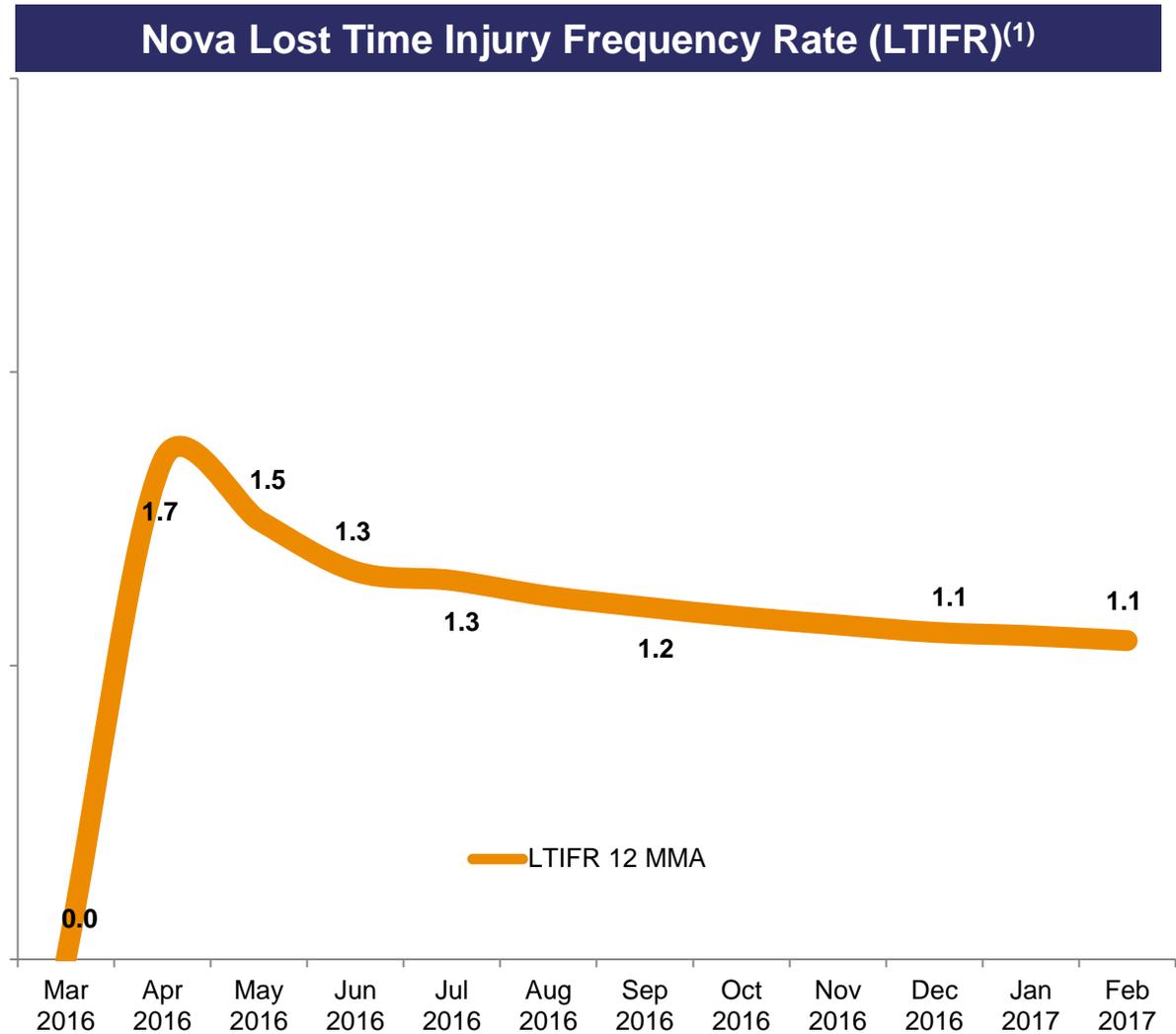
# Nova Leadership

Strong and experienced team



# Sustainability and Safety

Focus on health, safety, the environment and local communities



1) LTIFR expressed as 12 month rolling average Lost Time injuries per million hours worked

# Nova Project

## Project summary on a page



### Deposit Style and Resource

- Chonolith style magmatic Ni, Cu, Co deposit
- Ore Reserve of 13.6Mt grading 2.0% Ni, 0.8% Cu, 0.07% Co<sup>(1)</sup>

### Mining

- 1.5Mtpa ore production
- Dry mine with excellent ground conditions
- Long open stope and paste fill
- 560m<sup>3</sup> maximum ventilation design
- Peak 4-5 twin boom jumbos in development
- Mining capital development expected to be completed by mid CY18

### Processing

- 1.5 Mtpa ore throughput rate (~187tph)
- Conventional crushing, two stage grinding and differential flotation
- 2.4MW SAG Mill and 2.4MW Ball Mill

### Processing (cont.)

- LOM design recoveries of 87% Ni and 89% Cu
- Real time onstream mineral analysis
- Life of mine tailings dam completed

### Infrastructure

- Sealed access road connected to Eyre Highway
- Sealed 2km long airstrip to handle 100-seat jets
- 500 person camp and recreational facilities
- 20MW power station operated by Zenith Pacific (capable of running on diesel and gas)
- 6.7MW proposed solar farm by Zenith Pacific
- Borefield and RO plant to produce potable water
- 75m<sup>3</sup>/hr paste plant
- Fully enclosed concentrate storage shed to store up to 7,000 tonnes concentrate
- Site based emergency services including medical centre, ambulances and fire truck

1) Refer IGO's 2016 Mineral Resource and Ore Reserve ASX announcement dated 14 October 2016

# Nova Project



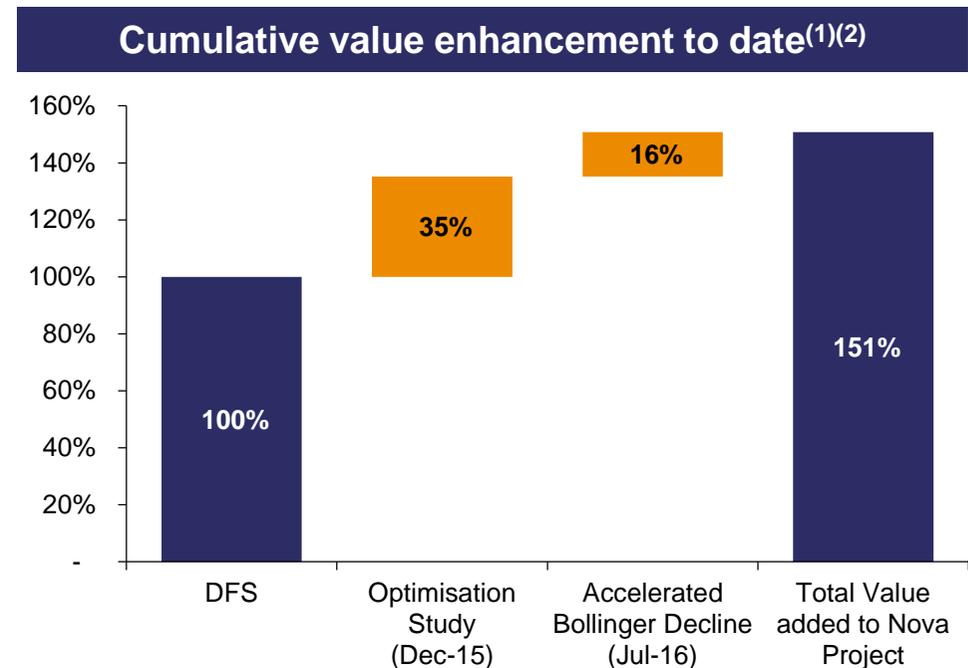
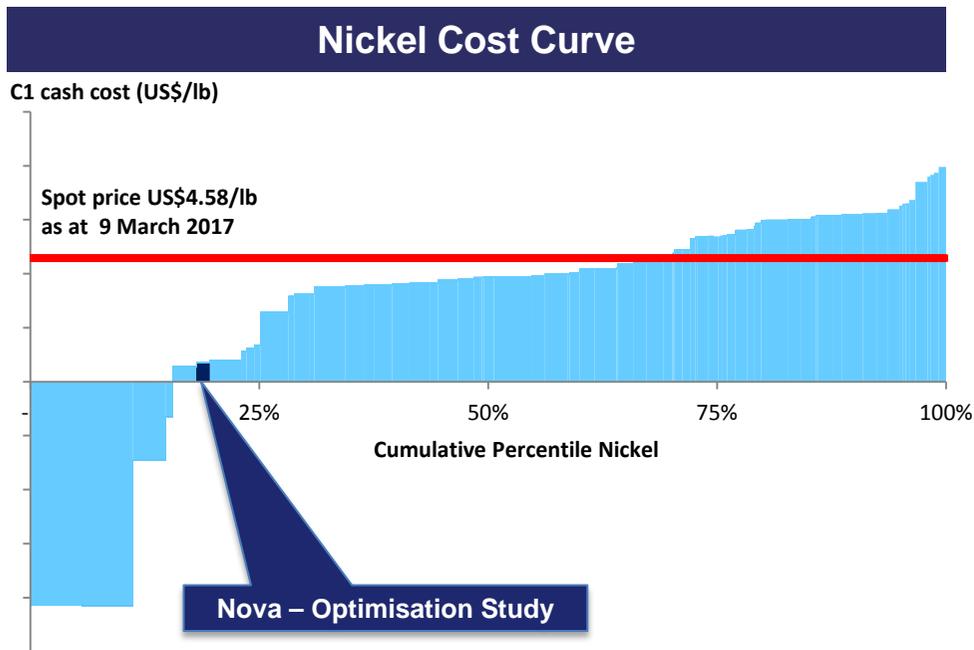
## Significant value unlocked through optimisation

### 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

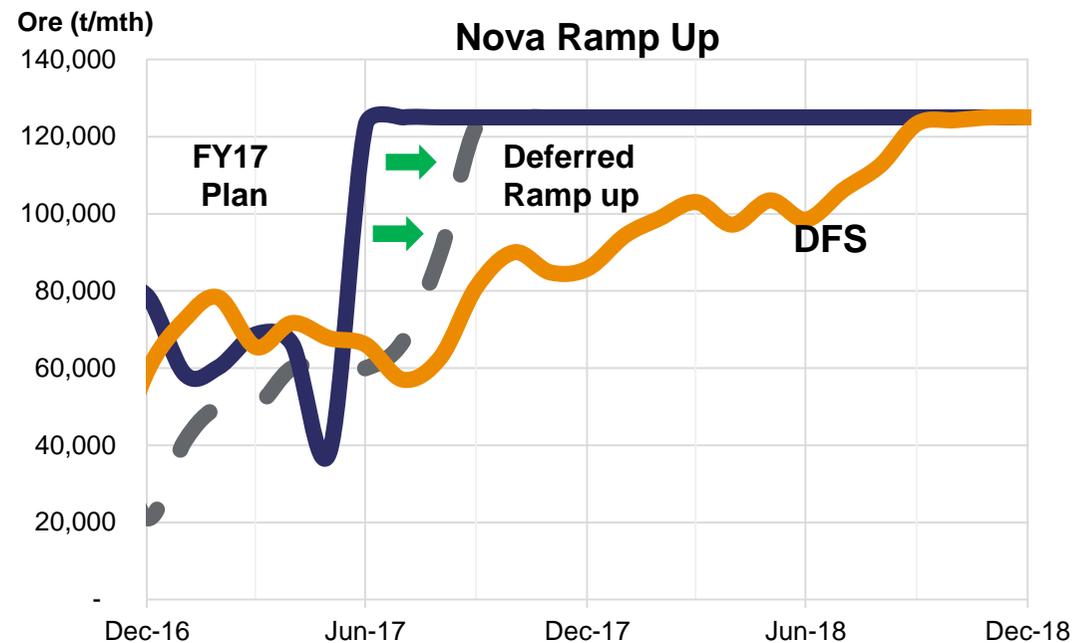
# Nova Project

## 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

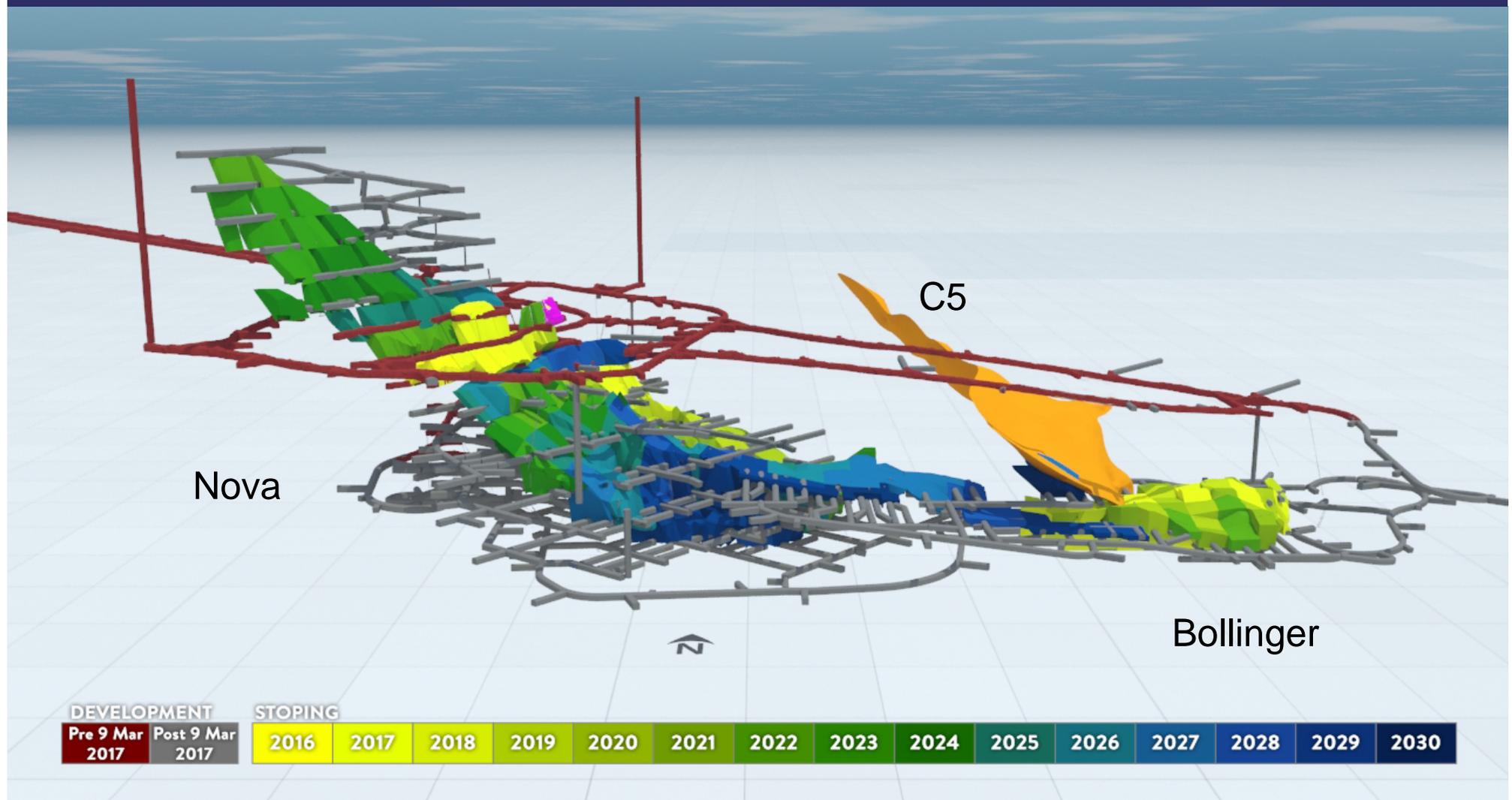


# Nova Project

12km of mine development completed to date



## Nova Mining Schedule



# Nova Project



## Mining ramp up slower than planned in recent months

### Issue and impact

- Recent development slower than planned
- Current shortfall of 2.2km relative to design
- Delays access to high volume stopes and delays ramp up to name plate ore production

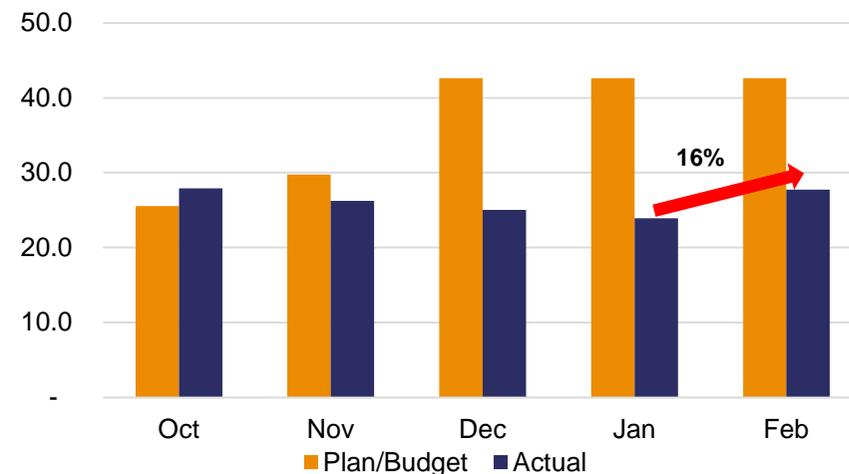
### Actions taken

- Site management strengthened
- Additional people engaged
- Additional equipment mobilised
- Stores and maintenance processes strengthened
- Mine design reviewed

### Equipment replacement

- 1 x new Sandvik 665 60t truck
- 1 x new Sandvik 517 Loader
- 1 x new Nomet shotcrete machine
- Fifth jumbo if required to maintain four in operation

### Daily development rate



# Nova Project



## Reviewing mine design and schedule

### Objective

- What can be done to reduce development shortfall?
- What can be done to bring some ore forward?

### Potential to reduce development required

- Optimise extent of lateral development
- Potentially saves 550m development at Nova

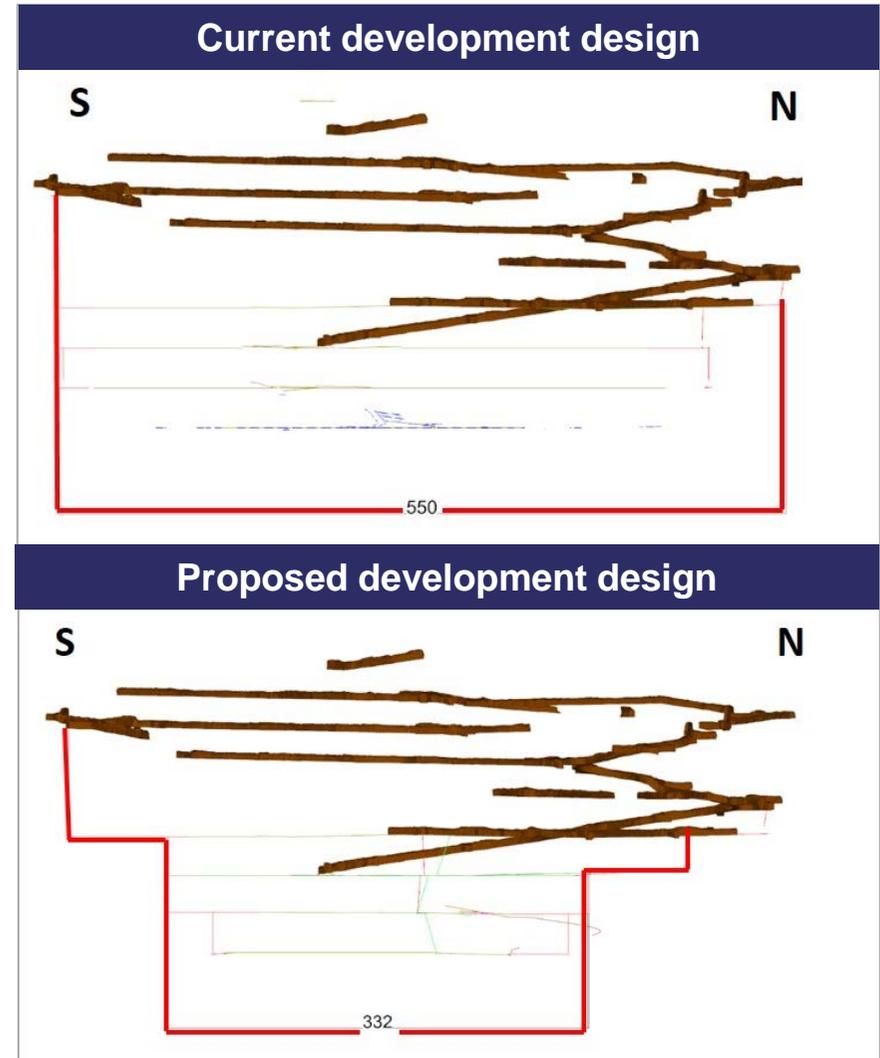
Level	Current design	Proposed design	VAR%
1975	365	390	107%
1945	660	456	69%
1915	615	465	76%
1885	540	320	59%
Total	2,180	1,631	75%

- Concept developed – now completing detailed design

### Potential to bring production forward

- Concept developed – now completing detailed design

**Expect to update design and schedule by early April**



# Nova Project



## Mining infrastructure and services on schedule

### Mine infrastructure

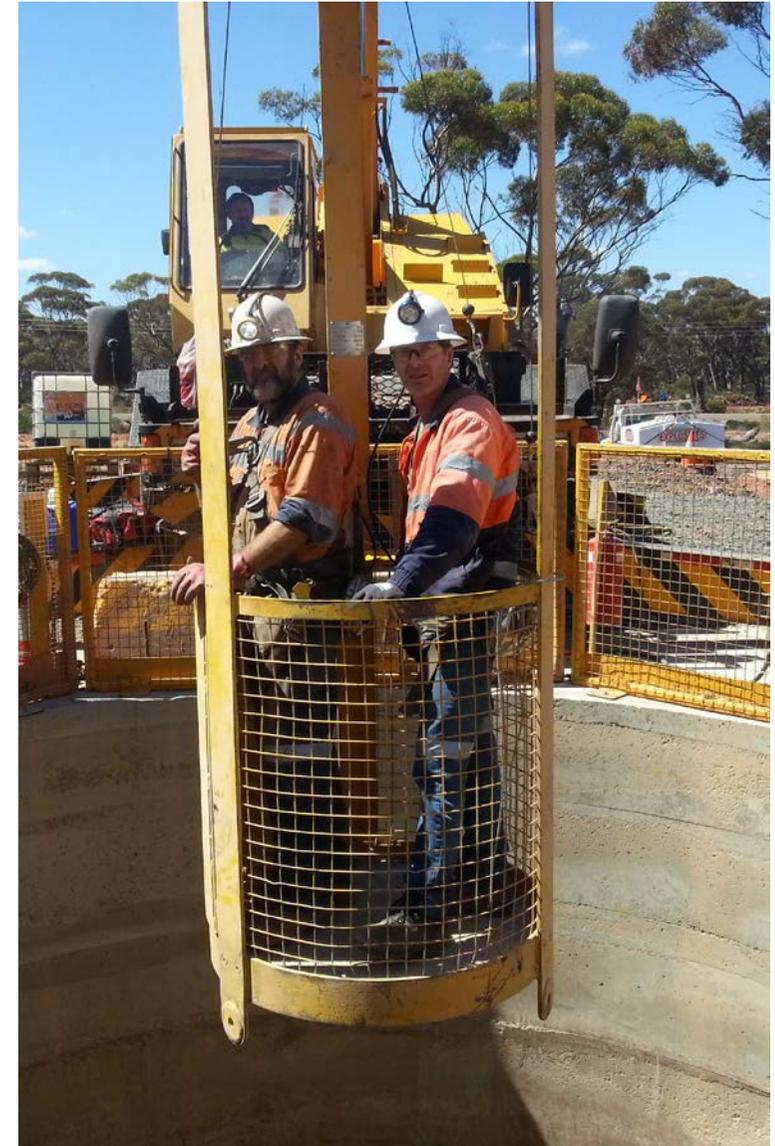
- Primary Ventilation system – complete
- Return Air Raise (RAR) upgrade – April 2017
- Main mine pumping and piping system – complete
- HV electric power ring main system complete
- Long term water feed piping installed
- Permanent escape way installed
- Paste fill infrastructure complete, paste commissioning in progress
- Radio coms complete
- SCADA targeted completion last week of March 2017

### Mine dewatering

- Dewatering from surface bores complete
- Current dewatering rate estimated at 15 litres/sec (5 litres/sec ground water)

### Standard ground support

- Split Sets and Mesh, Cable bolts, Gewi Bolts, Shotcrete



# Nova Project



## Process Plant commissioning and ramp up

### Process Plant built by GR Engineering Services

- Completed ahead of schedule and on budget
- Process plant performance testing in November 2016 and practical completion in December 2016
- First shipment of concentrates to BHP Billiton Nickel West in December 2016
- Further Process Plant enhancements will be pursued following commissioning and ramp up phases



# Nova Project



## Metallurgical commissioning and performance

### Smooth commissioning with no material issues

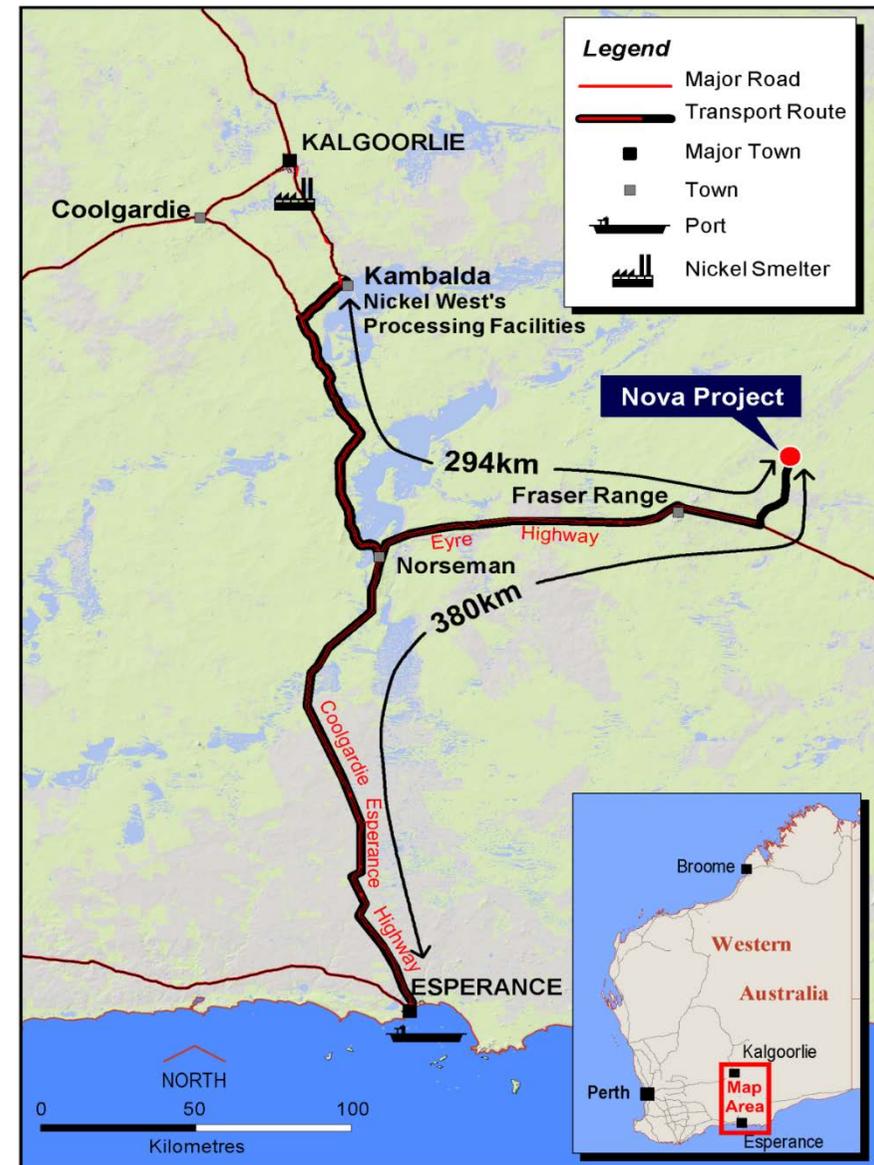
- Minor issues with TETA reagent control
- Some replacement of pumps and motors

### 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
- Expect to get design recoveries and concentrate grades when transition to ROM massive ore
- Design recovery is 87% Ni and 89% Cu
- Design concentrate grade is 13.5% Ni and 29% Cu

### First concentrate shipped in December 2016

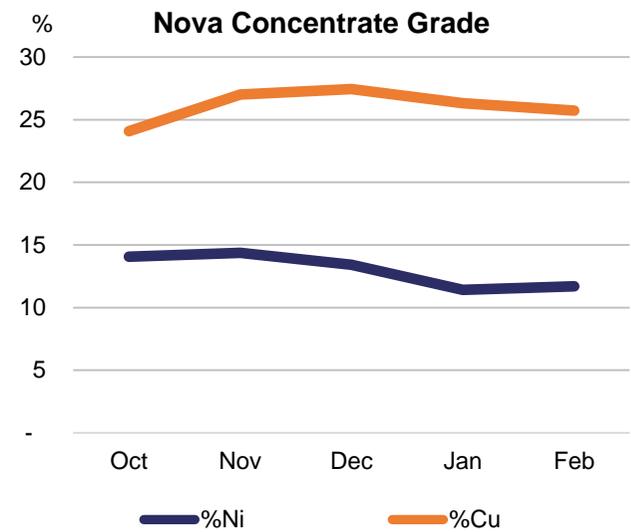
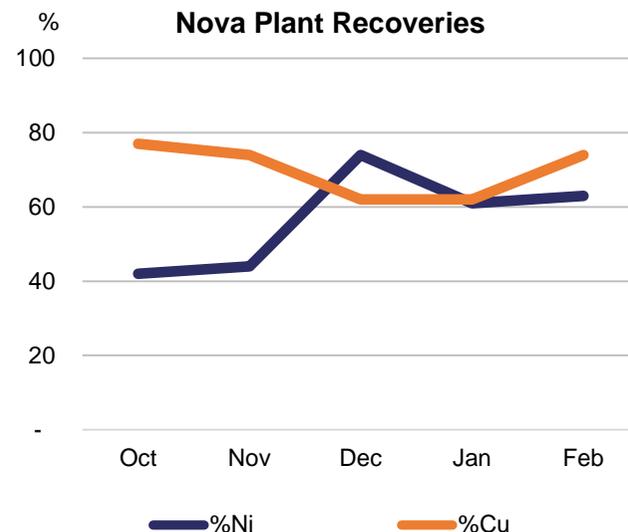
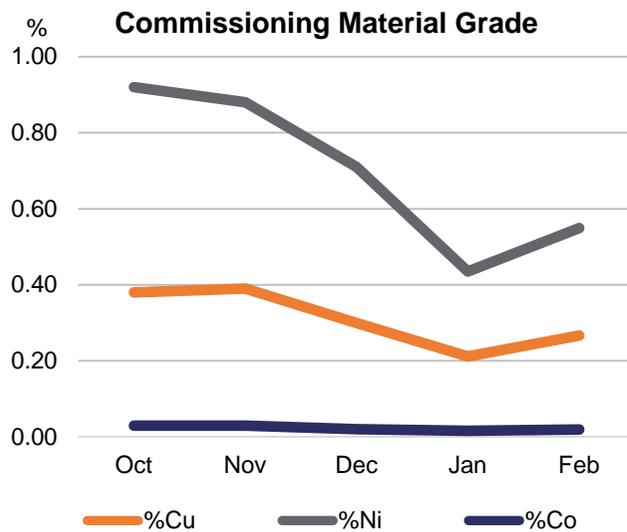
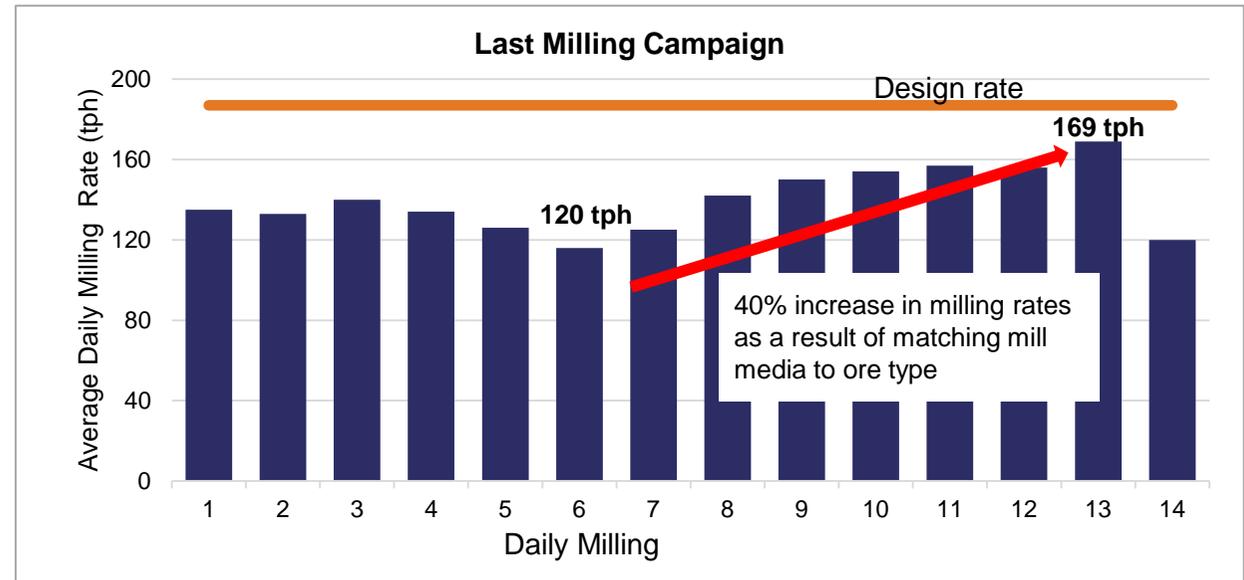
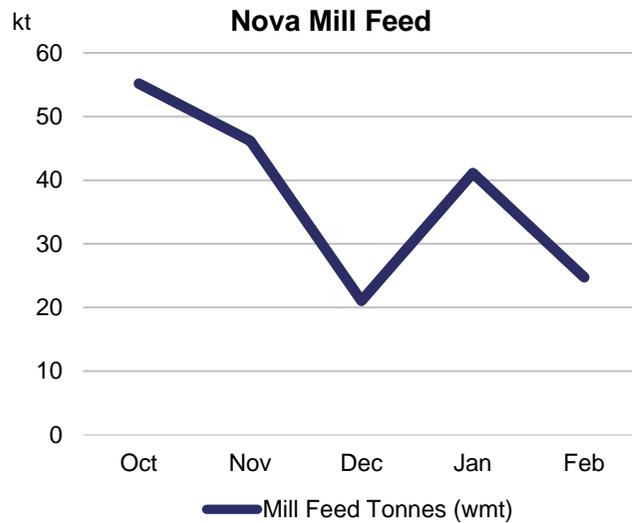
- Three year off take agreements for Ni and Cu concentrate
- Ni concentrate split 50/50 with Nickel West & Glencore
- Cu concentrate 100% contracted with Trafigura
- Shipments to Glencore & Trafigura will be via Esperance
- First offshore shipments expected in April/May 2017



# Nova Project



## Metallurgical commissioning on low grade ore positive



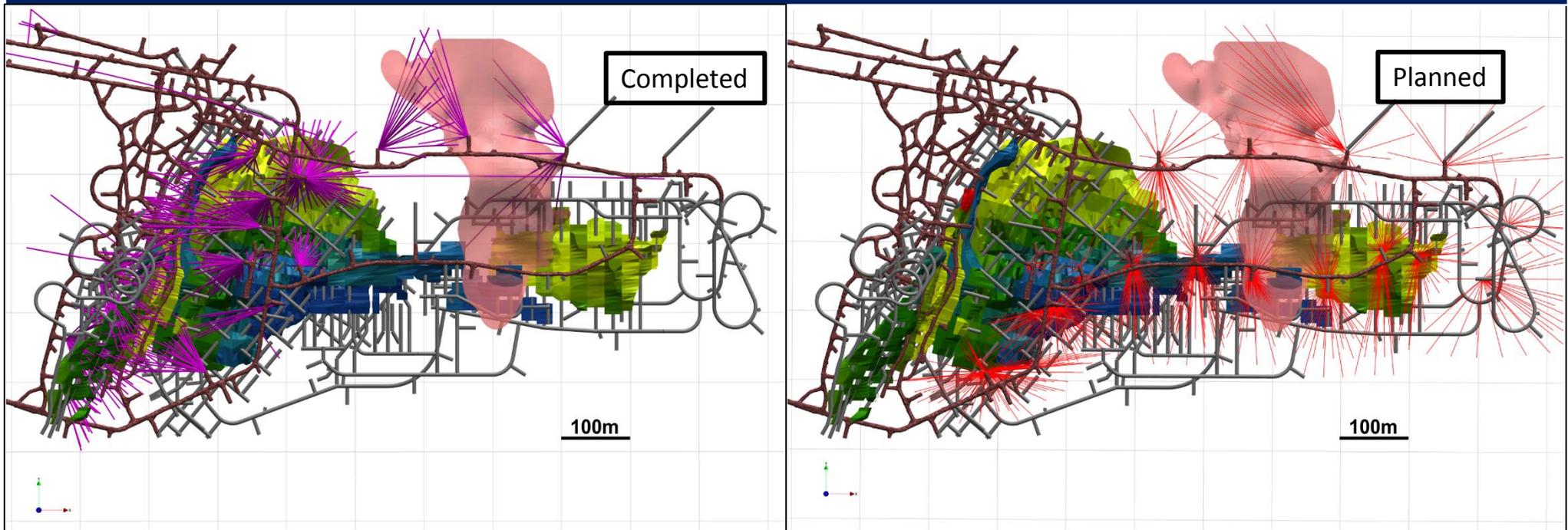
# Nova Project



## Grade control drilling

- Excellent ground conditions = Good penetration rates : 100m/day/rig
- Penetration rates exceeded original plan
- 100% of Nova and Bollinger expected to be grade control drilled by December 2017
- 40% complete to date with five drill rigs on site in February 2017
- Drilling remaining: Nova (42,000m), Bollinger (64,000m), Resource Extension drilling (27,000m)

All Nova and Bollinger Grade Control Drilling will be completed by December 2017



# Nova Project

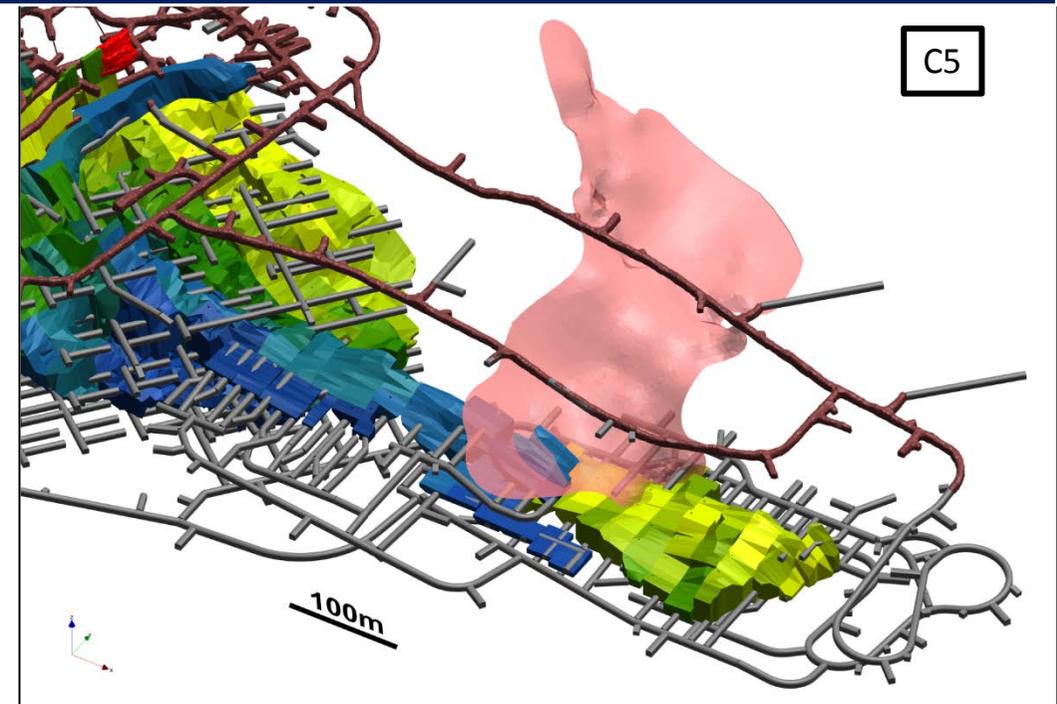
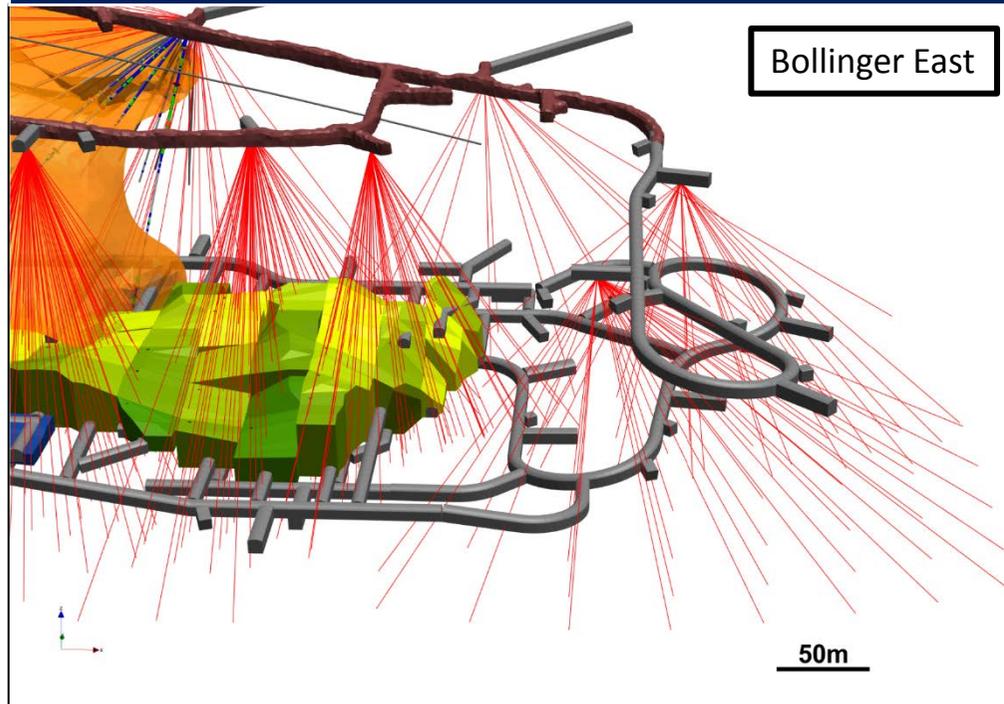


## Resource extension drilling outside known resources

As development advances we will take early opportunities to drill

- C5 currently being drilled
- Bollinger East planned

As development advance allows potential resource extensions will be tested



# 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

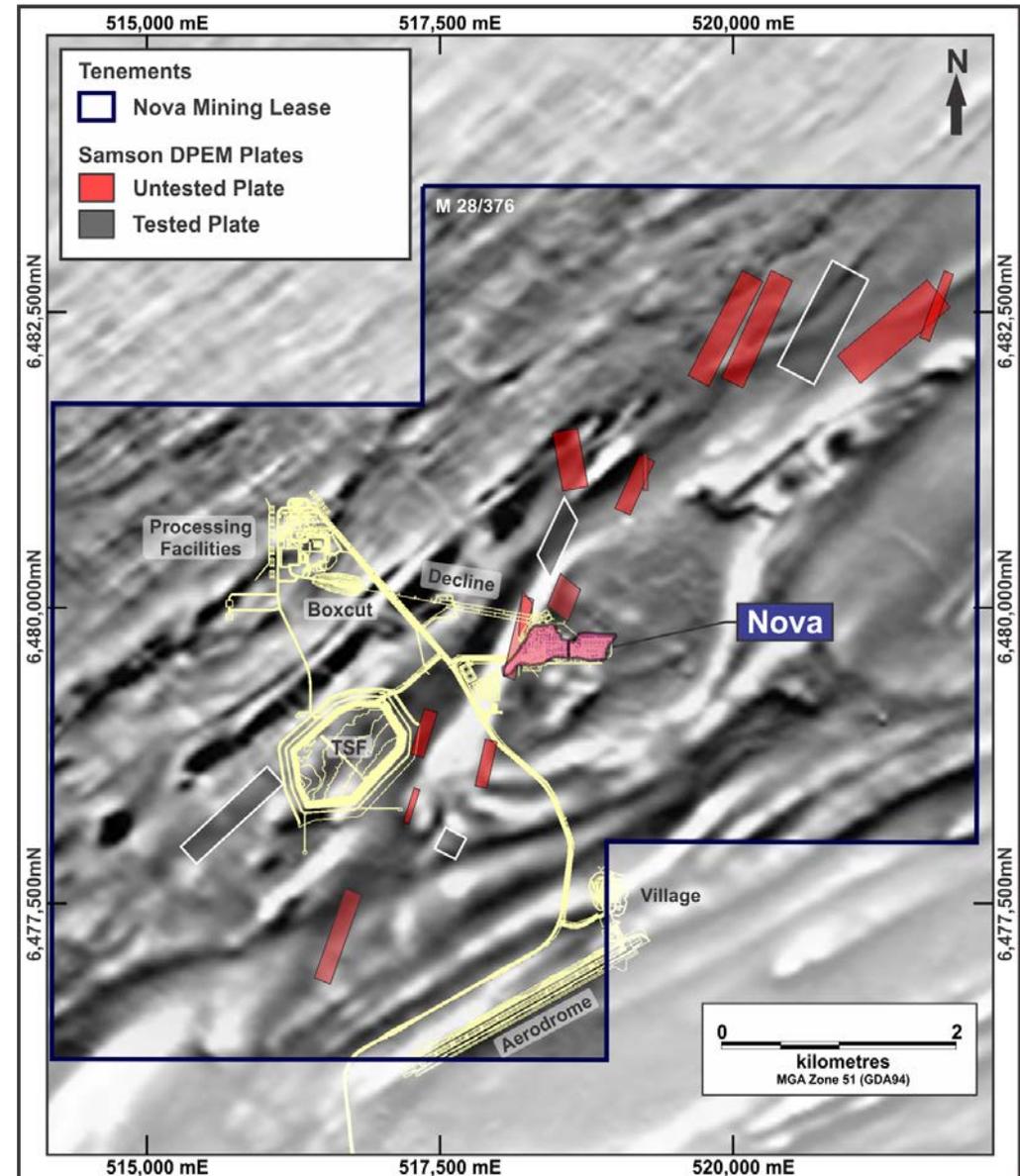
- Drill testing of potential resource extensions underway
- 2D seismic data collection underway on Nova mining lease
- Drill testing of EM conductors on mining lease planned
- Downhole EM beneath Nova - Bollinger using in-mine EM loop planned

### Consolidated tenements around Nova

- Access prospective underexplored ground

### R&D and innovation

- Using R&D and innovation to unlock discovery



# R&D and Innovation

## Data driven exploration



- Unique Core Scanner Technology – first mover
- XRF, RQD, Hi Res Photography, SG, Structural
- Target Generation, Geometallurgy, Resource / Geotechnical Domaining



- Completed NW-SE oriented line across lease
- Sonic and VSP logging of holes planned
- Assess 2D results for decision on 3D survey



- Internal Stratigraphy of Intrusions
- Metamorphic Petrology
- Origins of ore emplacement
- Controls on mineralisation
- Tectonic mobilisation of sulphides

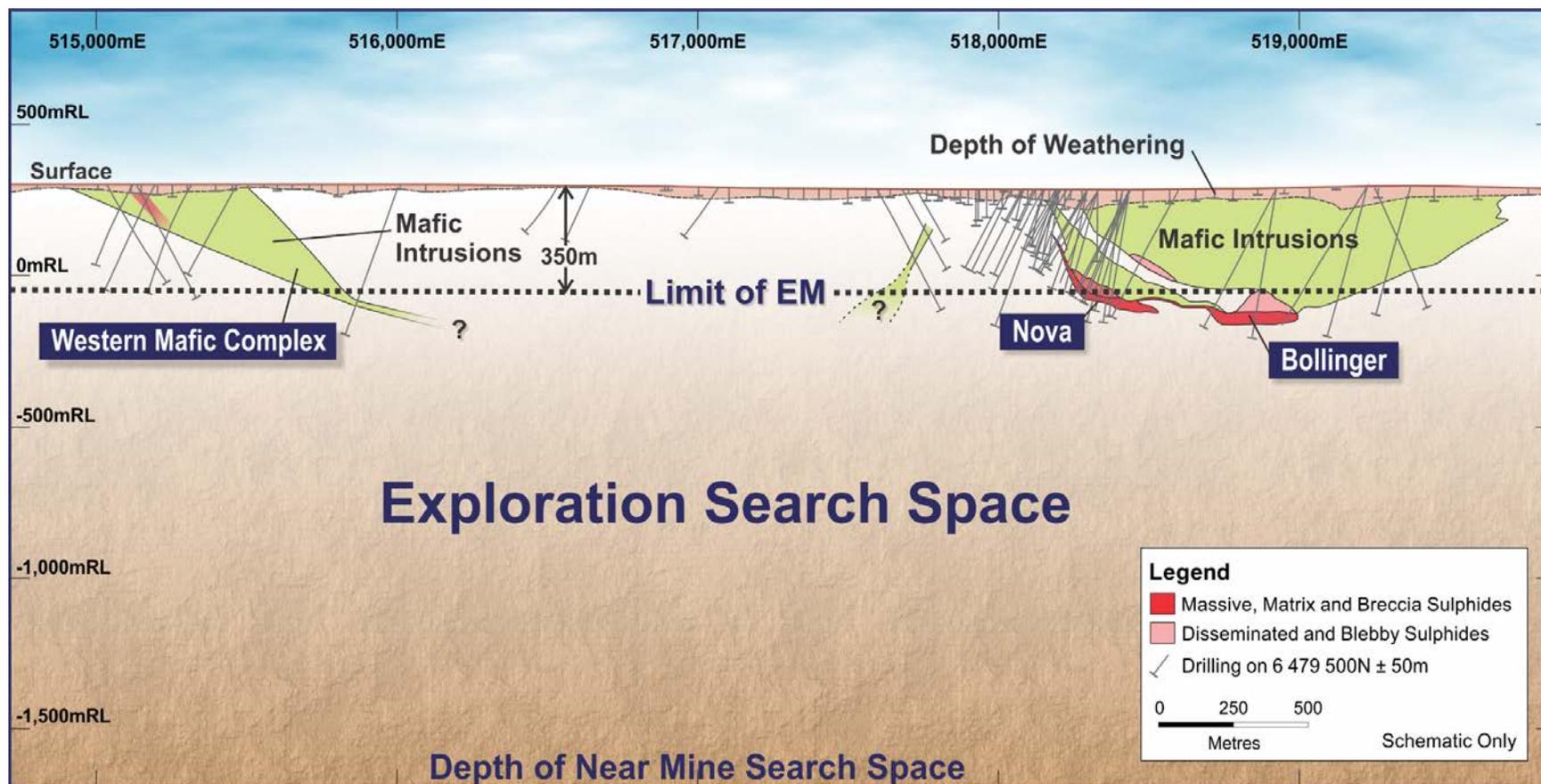


# Fraser Range Exploration



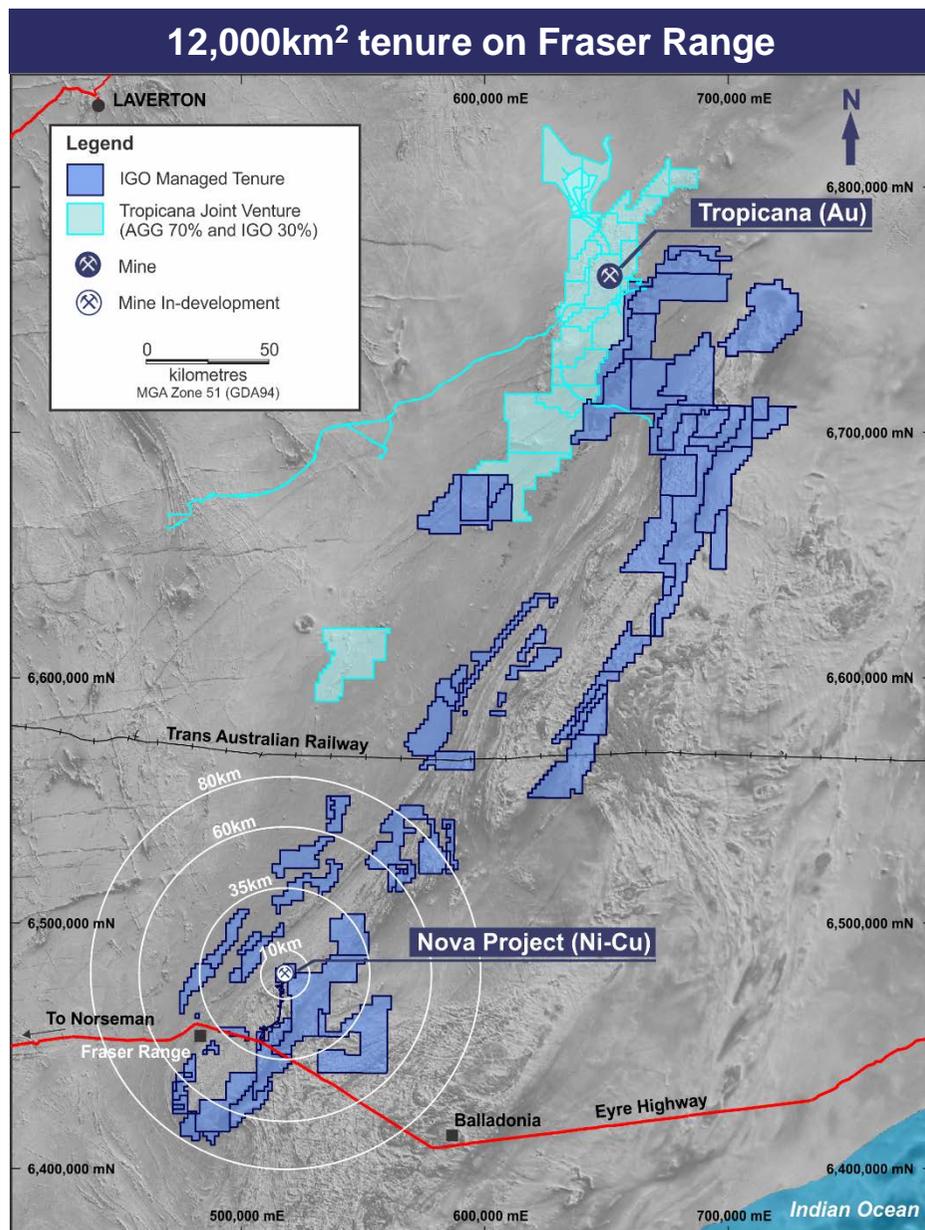
## Unlocking the search space

- Conventional and historic exploration tools have limited depth penetration
- New and alternate technologies exist to unlock exploration search space
- Examples being undertaken or tested at Nova include:
  - Seismic – depth penetration up to 2km
  - New EM systems – depth penetration up to 1km



# Fraser Range Exploration

## Consolidation of prospective areas



## 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

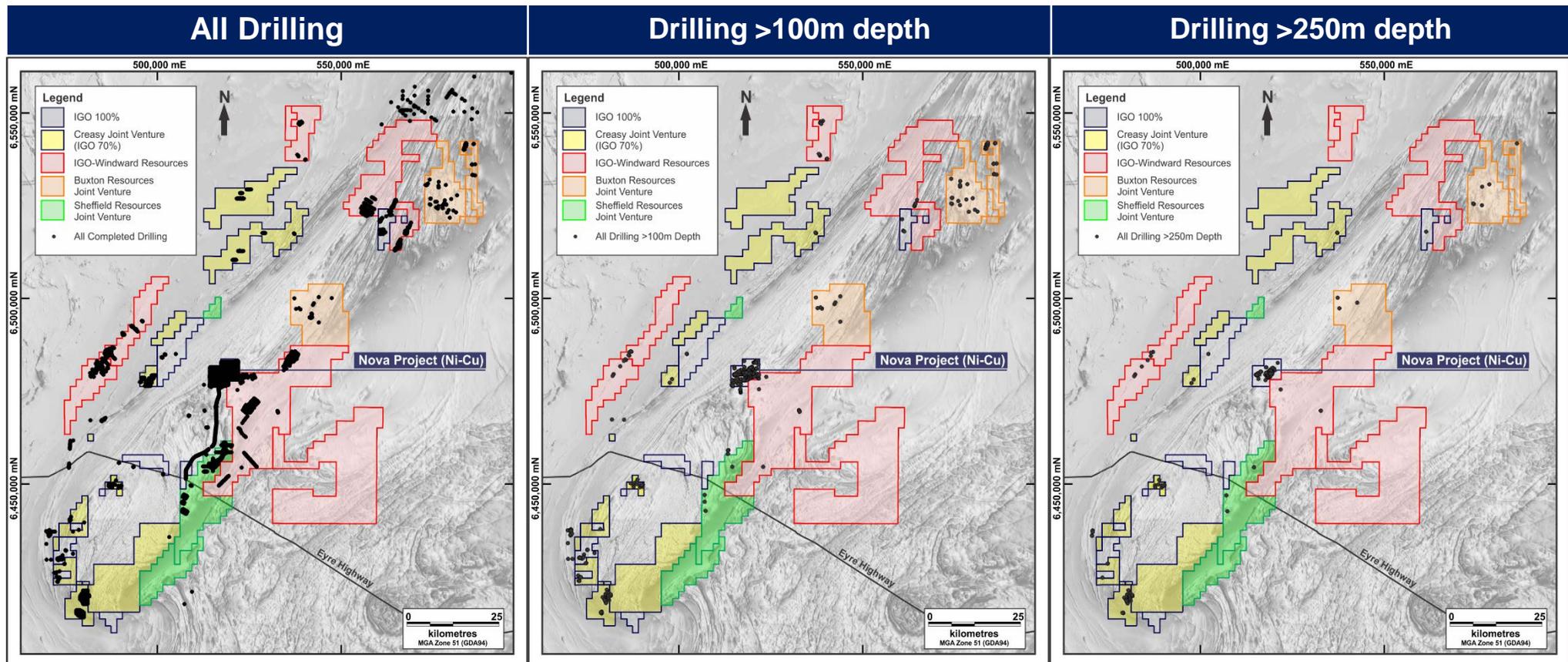
- Completed integration and levelling of acquired data
- Commence comprehensive aircore geochem and geophysical programs in 2017

# 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



# Fraser Range Exploration

## Deposit analogues



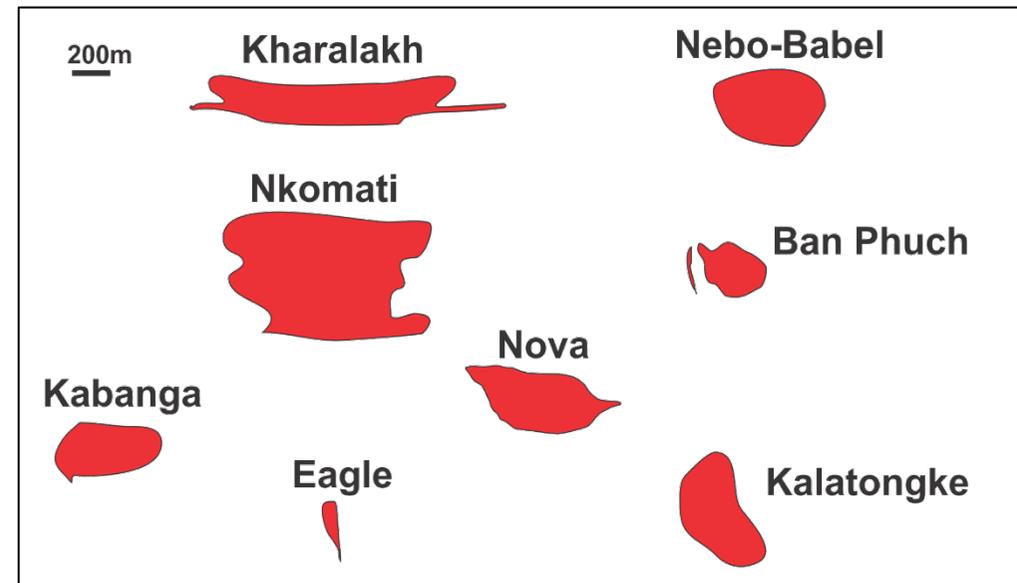
### Nova is a typical chonolith deposit

- Over 115km drilling completed to define Nova resource
- Nova - Bollinger mineralisation within 1km zone
- Discovered July 2012
- Maiden Resource announced March 2013<sup>(1)</sup>
- Current total Mineral Resource at 30 June 2016<sup>(2)</sup>  
14.3Mt at 2.3%Ni, 0.9%Cu, 0.08%Co

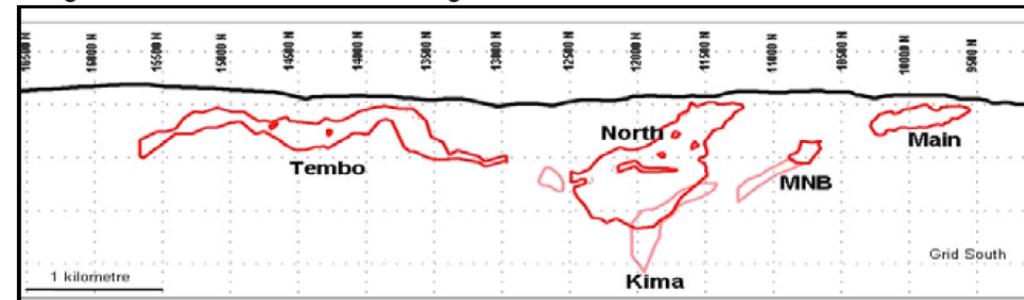
### Kabanga is a chonolith deposit

- Over 600km drilling completed to define Kabanga resources
- Five zones of mineralisation identified over 7.5km zone
- Discovered 1976
- 10 years of resource growth to June 2011
- Historical June 2011 Mineral Resources<sup>(3)</sup> of  
Measured + Indicated 37.2Mt at 2.63% Ni  
Inferred 20.8Mt at 2.6% Ni

Cross sections of the host intrusion of world class deposits



Longitudinal Section of the Kabanga Mineral Resources



1) See SIR ASX release dated 20 March 2013, Substantial Nickel-Copper-Cobalt Resource at Nova  
2) See IGO ASX Release dated 14 October 2016  
3) See Kabanga Nickel Company Limited Fact Sheet May 2012

# Exploration

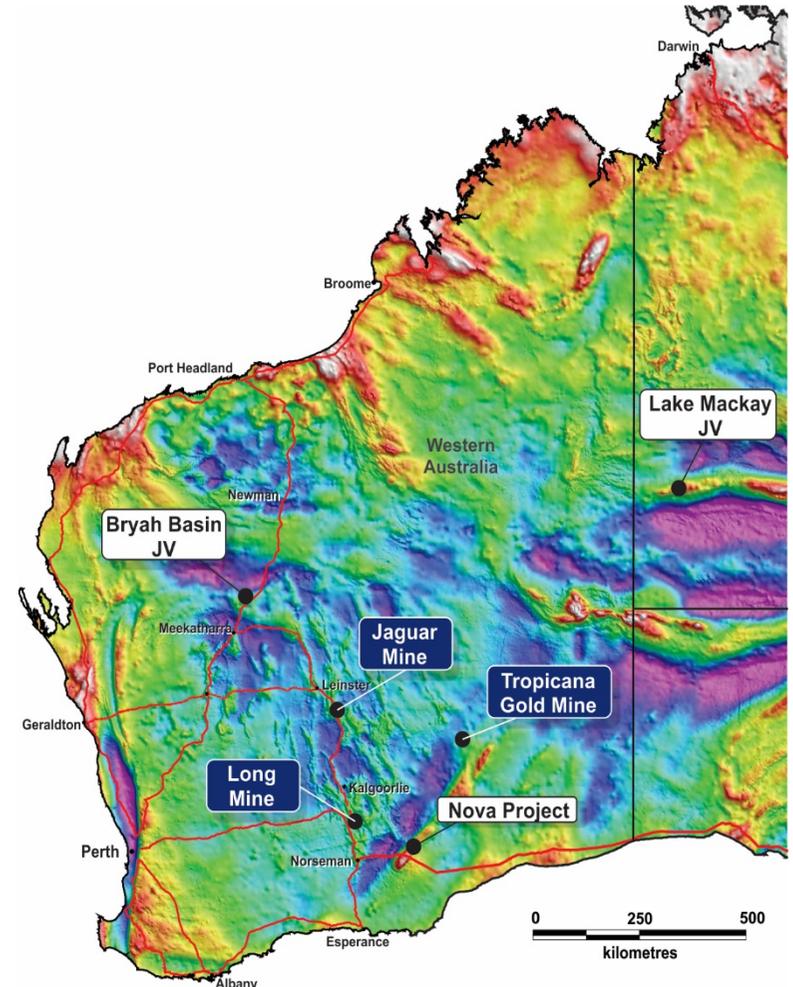
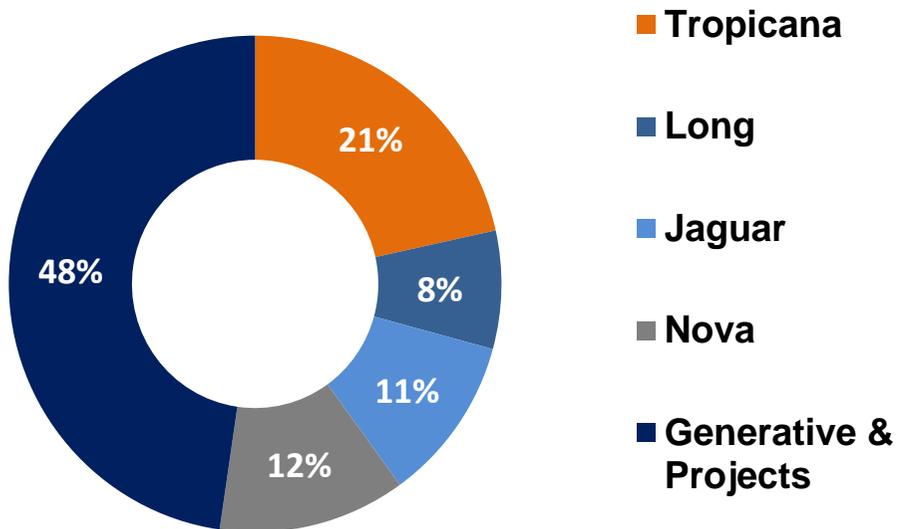


IGO committed to delivering growth through exploration

## 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



# Concluding Comments

Diversified mining company delivering cash flow and growth



Focus on quality, scale and longevity

Nova ramping up to name plate in 2017

Significant exploration upside at Nova & on Fraser Range

Solid operational and financial performance for 1H17

Value enhancements initiatives at Tropicana and Jaguar

Balance sheet remains strong with cash flow strengthening



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