



Independence Group



**Creating a leading Australian diversified mining company**

**WA Mining Club**

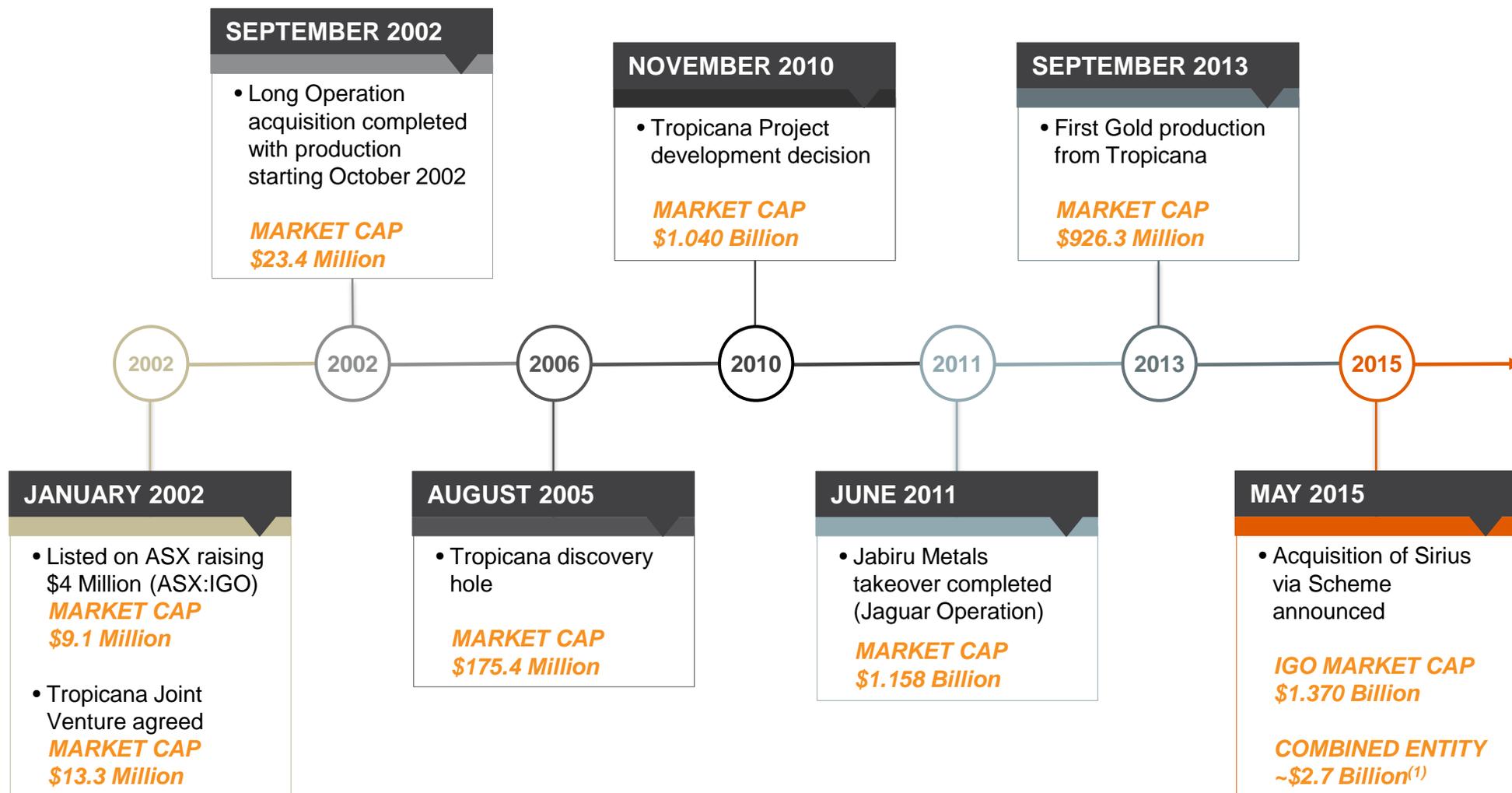
**Peter Bradford – Managing Director / CEO**

**28<sup>th</sup> May 2015**

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- Any references to Mineral Resource and Ore Reserve estimates should be read in conjunction with IGO’s 2014 Mineral Resource and Ore Reserve announcement dated 28 August 2014 (excluding Stockman Ore Reserves) and Stockman Optimisation Study announcement dated 28 November 2014 (updated Stockman Ore Reserves), and lodged with the ASX, which are available on the IGO website.
- Any references to Mineral Resource and Ore Reserve estimates for SIR should be read in conjunction with SIR’s ASX announcement dated 14 July 2014.
- All currency amounts in **Australian Dollars (AUD)** unless otherwise noted.
- Cash Costs are in AUD and reported inclusive of royalties and after by-product credits on per unit of payable metal basis.
- IGO reports All-in Sustaining Costs (AISC) per ounce of gold in AUD 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.

# A Brief History



(1) Pro forma based on SIR and IGO market capitalisation as at 22 May 2015

# Corporate Snapshot

## Key Highlights



**Leading ASX200 Gold and Base Metals Producer**

**Quality Assets with Tier 1 Gold Asset (Tropicana)**

**Strong Cash Flow and Balance Sheet**

**Demonstrated Consistent Operational Performance**

**Strong Focus on Return to Shareholders Including Stated Dividend Policy**

**Current Australian Focus**

## Financial Snapshot to 31 March 2015

Highlights	YTD FY15	YTD FY14	Change
Revenue	\$380M	\$292M	30%
Underlying EBITDA <sup>(2)</sup>	\$175M	\$100M	75%
Profit after tax <sup>(2)</sup>	\$69M	\$34M	103%
Net Operating Cash Flow <sup>(2)</sup>	\$157M	\$79M	99%
Free Cash Flow	\$100M	\$0M	NA
Cash at end of period <sup>(1)</sup>	\$110M	\$47M	134%
Debt at end of period	(\$1M)	(\$50M)	98%

(1) Includes refined bullion of \$6.8M at end of March 2015

(2) Adjusted for voluntary change in exploration and evaluation expenditure accounting policy

## Stated Strategy for Growth

**“IGO will continue to build sustained growth through the targeting of projects that have scale, high margin and long-life potential through further exploration, situated in low-risk mining jurisdictions.”**

# Tropicana: Producing Tier 1 Gold Project



## Proximal to Nova

- One of best virgin Australian gold discoveries since 2000
- Low cost with 9 year mine life
- 3.6Moz Ore Reserves, 7.5Moz Resources<sup>(1)</sup>
- FY2015 Guidance
  - 144,000 to 153,000oz Au (IGO 30% share)<sup>(2)</sup>
  - Average Cash Cost of \$590 to \$630/oz Au
  - AISC of \$770 to \$830/oz Au
- JV Partner: AngloGold Ashanti
- Open Pit mining with LOM strip ratio of 5.4 : 1
- Exploration upside
  - Resource extension
  - Near mine
  - Regional
- Ni / Cu prospectivity with IGO earning 70% at two joint ventures for \$6M over 4 years



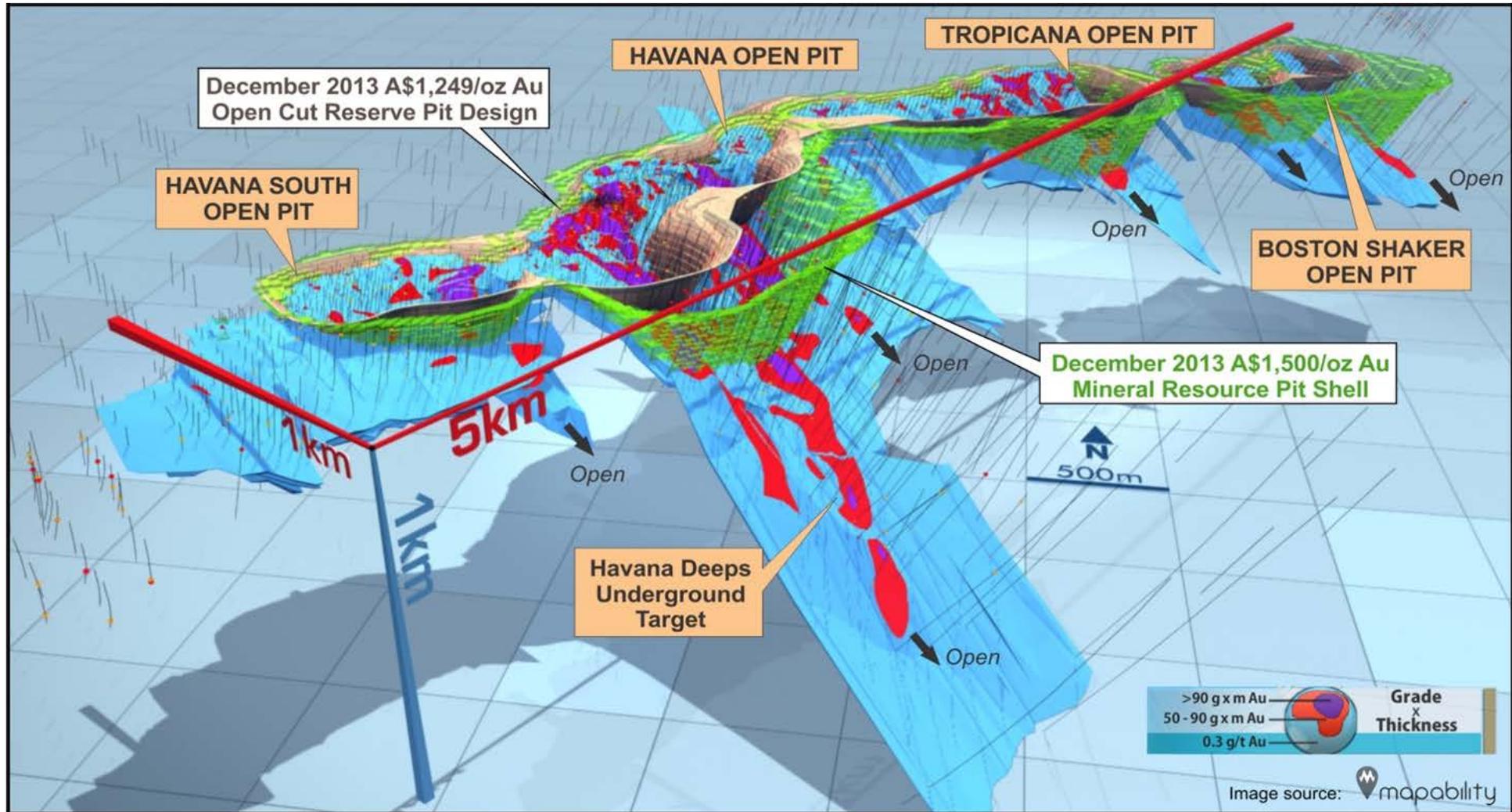
(1) As at 30<sup>th</sup> June 2014 – See ASX Announcement dated 28<sup>th</sup> August 2014, entitled '2014 Mineral Resources and Ore Reserves Update'. Tropicana reserves and resources quoted on a 100% basis.

(2) Based on total of 480,000 to 510,000oz AU (100%)

# Tropicana: Producing Tier 1 Gold Project



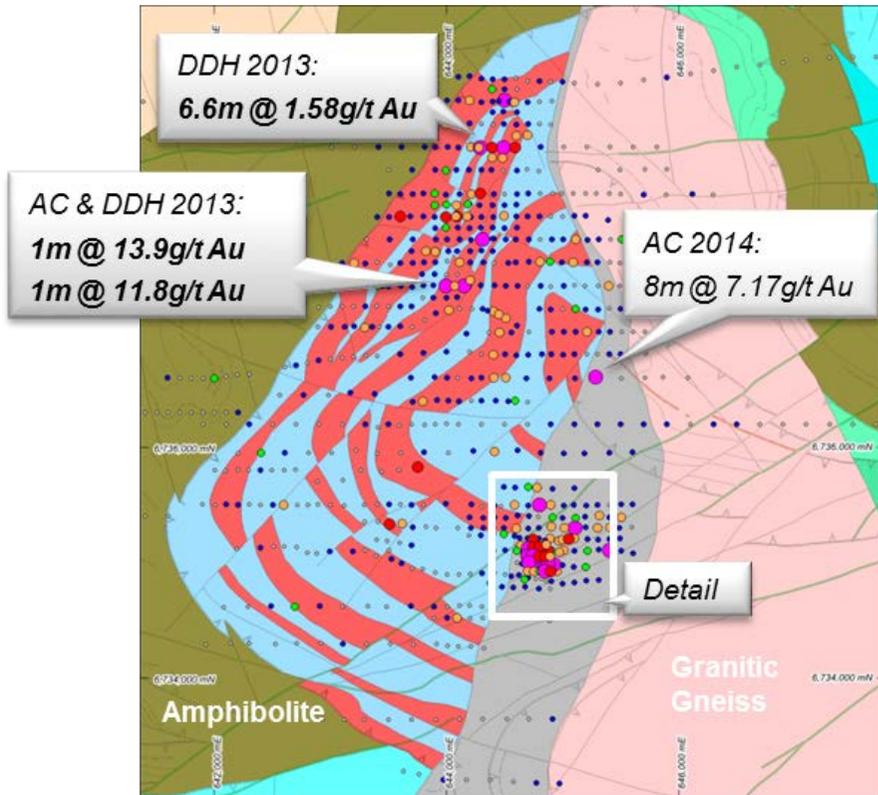
3.6Moz Reserves Optimised at A\$1,249/oz



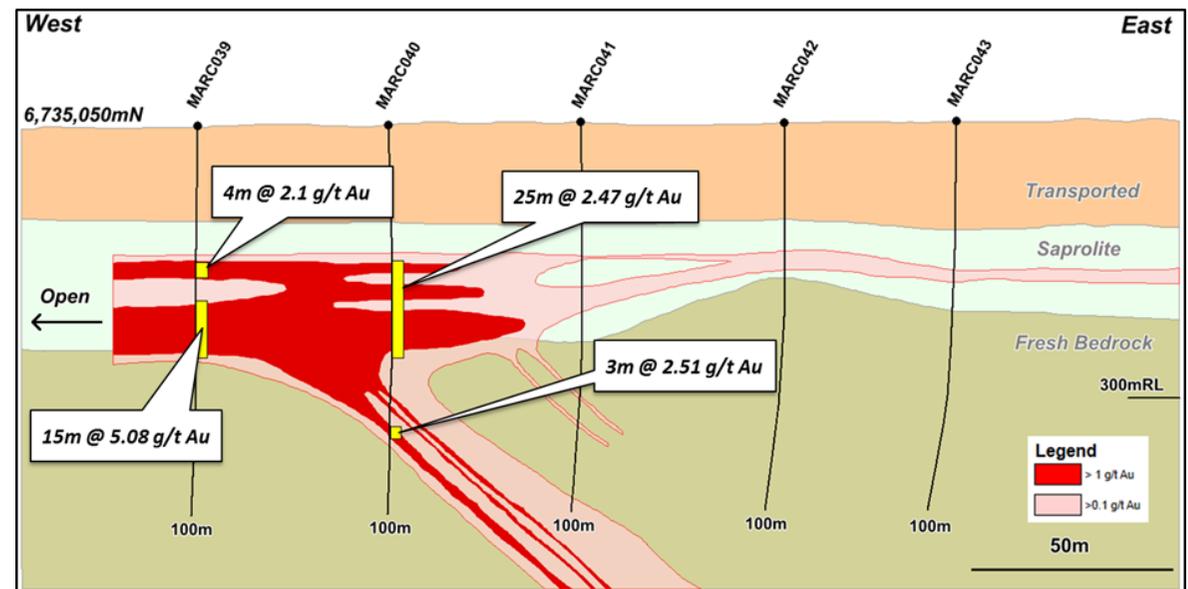
# Tropicana: Producing Tier 1 Gold Project



## Delivering Near Mine Exploration Success - Madras



Regional Geology Map



Cross Section - Madras

# Jaguar & Long: High Margin Producing Assets

## Jaguar

- High grade underground Zn / Cu VMS deposit
- Significant improvement in operation over last 1-2 years
- FY2015 Guidance
  - 44-48kt contained Zn and 7.0-8.0kt contained Cu
  - Cash Cost of \$0.30 to \$0.50/lb Zn
- Significant exploration upside: in mine, near mine and regionally

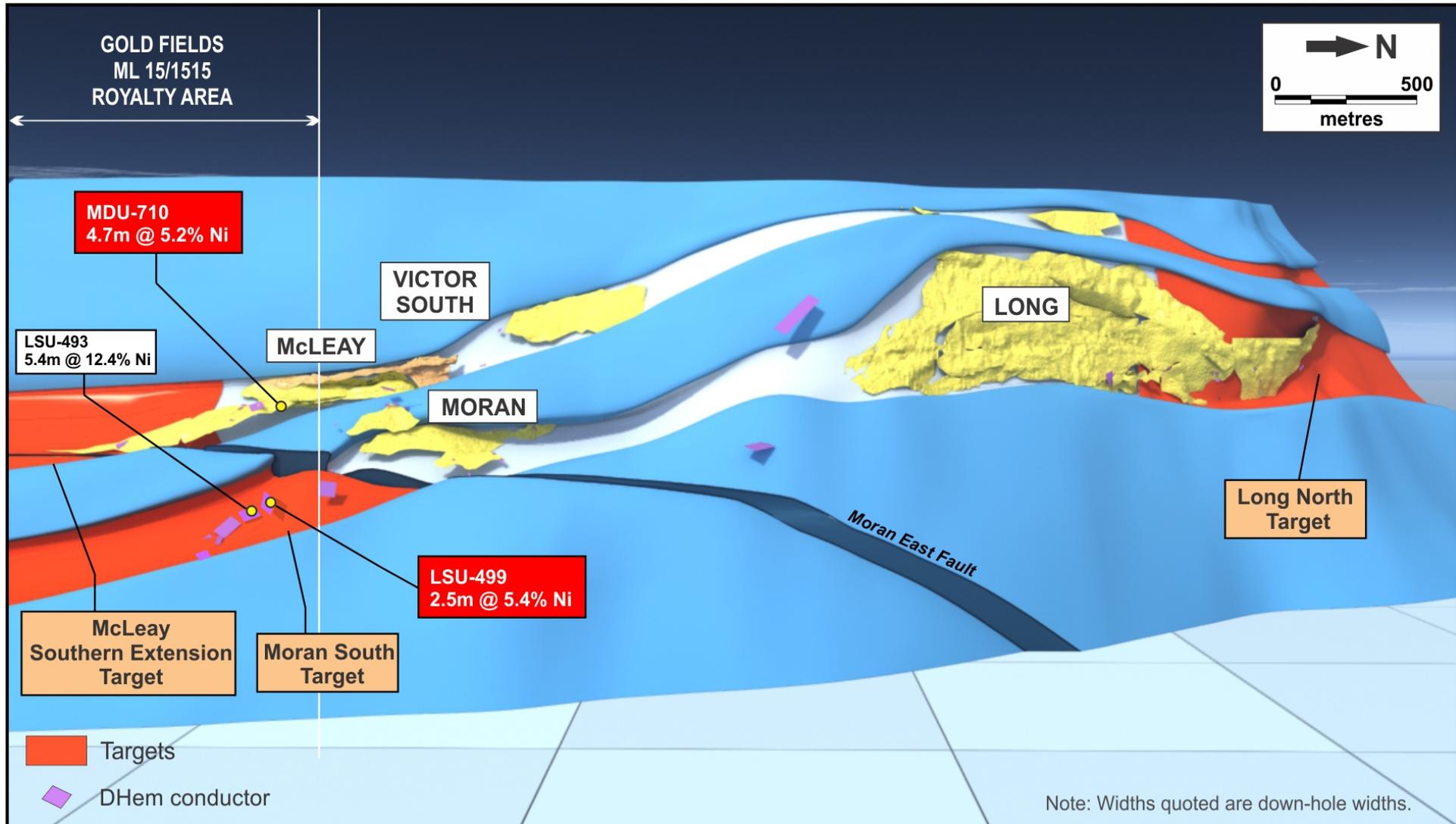
## Long

- High grade underground Nickel (3.8%)
- High margin and consistent performer
- FY2015 Guidance
  - 9,500 – 10,500t contained nickel
  - Cash Cost of \$4.10 to \$4.50/lb Ni
- Track record of replacing production with new reserves
- Solid brownfields targets currently being tested



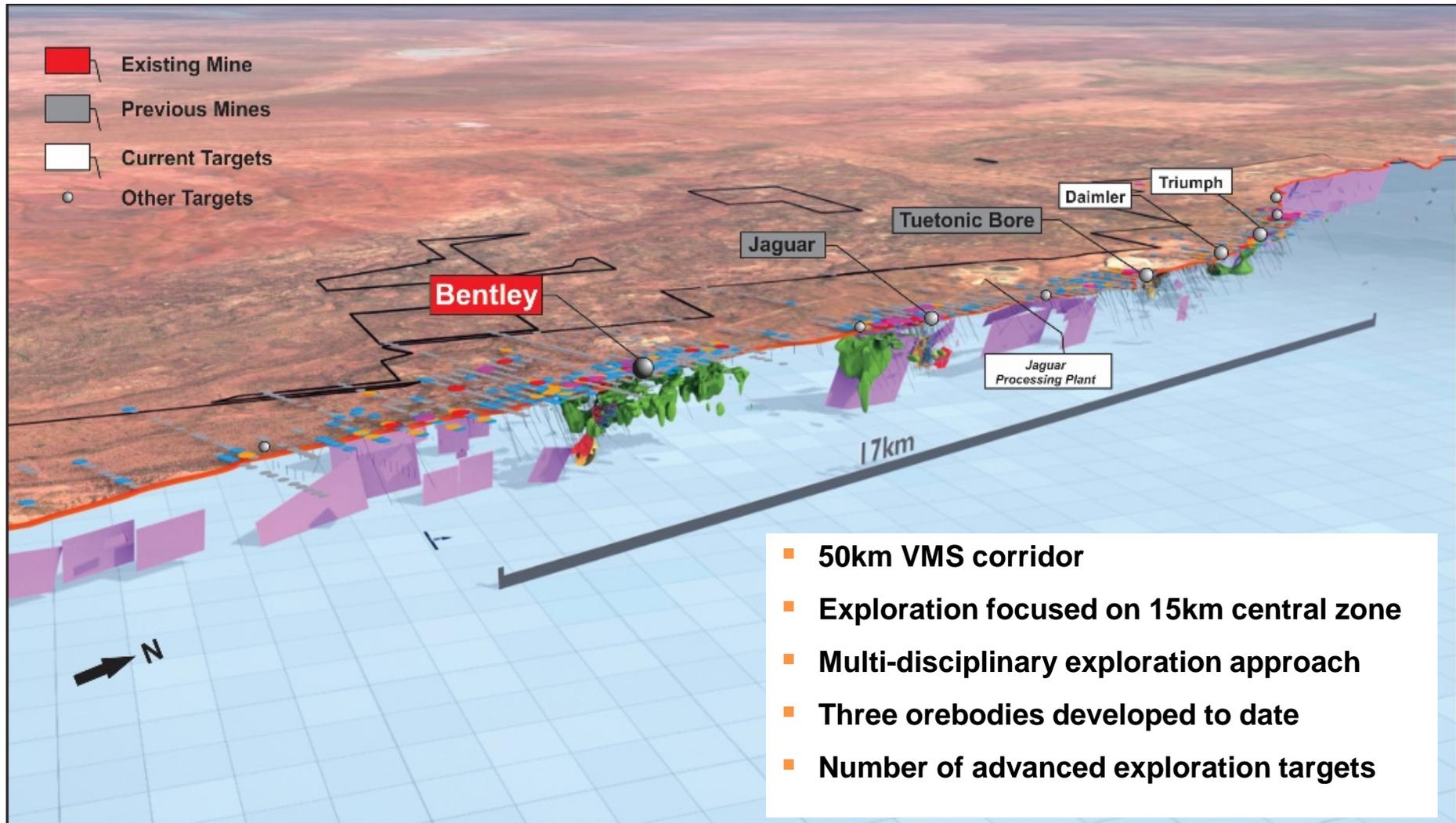
# Long Operation

Continuing to replace resources and reserves targeting extensions to McLeay and Moran



# Jaguar Operation

A VMS Camp – committed to the discovery of a new orebody



***We will be a diversified mining company  
delivering superior returns for all  
stakeholders***

# Key Criteria for Target Opportunities

## The Four Targeted Criteria



### High Margin

- Bottom third cost curve (minimum all in sustaining cash margin of 25% and above)



### Scale

- Minimum size of each operation of \$200M pa revenue
- Equates to 130,000 oz pa Au, 30,000 tpa Cu, 15,000 tpa Ni or 80,000 tpa Zn
- Scale that provides global relevance with potential to become an ASX/S&P 100 company



### Long Mine-Life

- Reserve life of minimum seven years for group
- Significant opportunity for exploration potential



### Low-Risk Jurisdictions

- Low risk jurisdiction
- Proximity of assets providing business simplicity

# Transaction Highlights

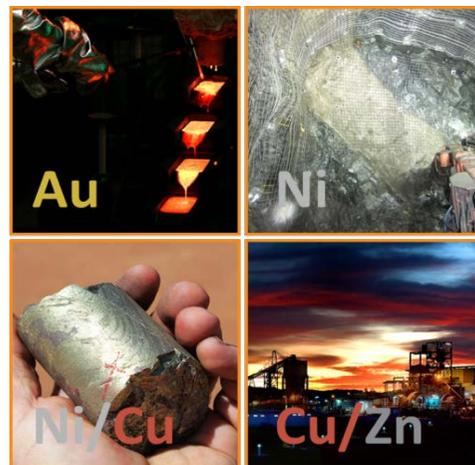
Creating a leading Australian diversified mining company with a market cap of ~\$2.7 billion<sup>(1)</sup>

- Clear strategic rationale for transaction
  - ✓ Acquisition of SIR is consistent with IGO's clearly defined growth strategy
  - ✓ Crystallises significant near term value for SIR shareholders, while retaining ongoing exposure to Nova
  - ✓ Combines SIR's near term development asset with IGO's strong current cash flows
- Portfolio of high quality assets (margin, mine life, jurisdiction and relevancy)
- Transaction unanimously recommended by SIR Board<sup>(2)</sup> and supported by 34.59% shareholder, Mark Creasy
- Merged entity has potential to become an ASX/S&P 100 company, with opportunity for re-rating

## Current Cash flow



## Diversification



## Cash flow growth



(1) Pro forma based on SIR and IGO market capitalisation as at 22 May 2015

(2) The Board of Sirius has unanimously recommended that all Sirius shareholders vote in favour of the Transaction Resolutions, in the absence of a superior proposal (Refer to the ASX announcement for further details).

# Transaction Summary

- Transaction implemented via two inter-conditional Schemes of Arrangement<sup>(1)</sup> whereby SIR shareholders receive:
  - ✓ 0.66 IGO shares and 52¢ in cash per SIR share
  - ✓ A shareholding in S2 Resources containing Polar Bear & Scandinavian assets on the basis of circa 1 new S2 share for 2.5 SIR shares held
- Values SIR at \$1.8 billion, implied offer price of \$4.38 per share excluding S2 Resources<sup>(2)</sup>
  - ✓ 35% premium to closing price on 22 May 2015, 46% premium to one-month VWAP and 47% premium to two-month VWAP<sup>(3)</sup>
- 34.59% shareholder, Mark Creasy has advised that the entities he controls intend to vote in favour of the Schemes, in the absence of a superior proposal
- SIR Board unanimously recommends the transaction and intends to vote in favour of the Schemes, in the absence of a superior proposal and subject to a favourable opinion from the Independent Expert
- Two SIR directors, Mark Bennett and Neil Warburton, to join IGO Board
- SIR shareholder meetings to approve Schemes expected in August 2015



(1) Share Scheme and Demerger Scheme

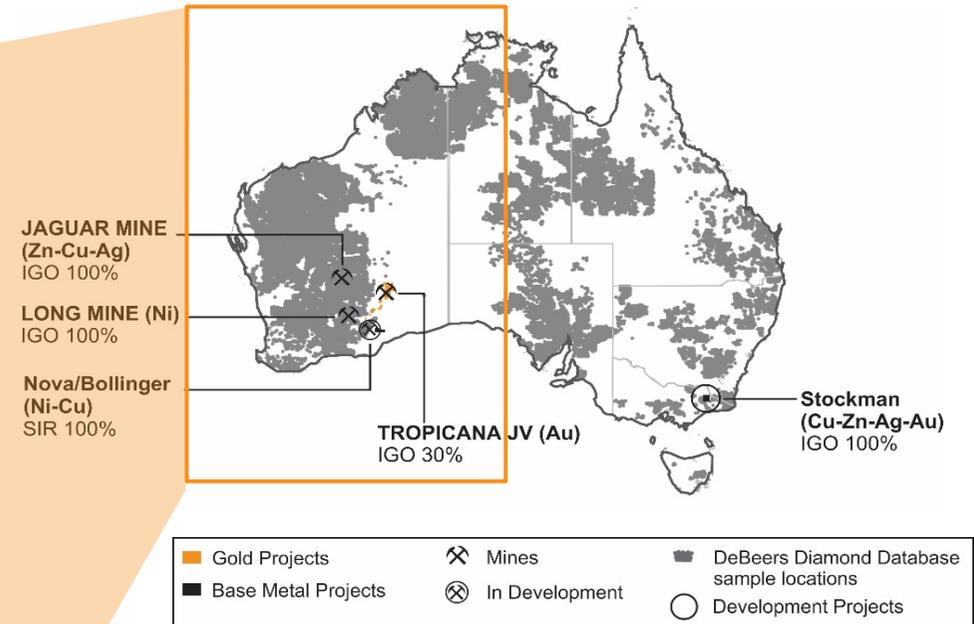
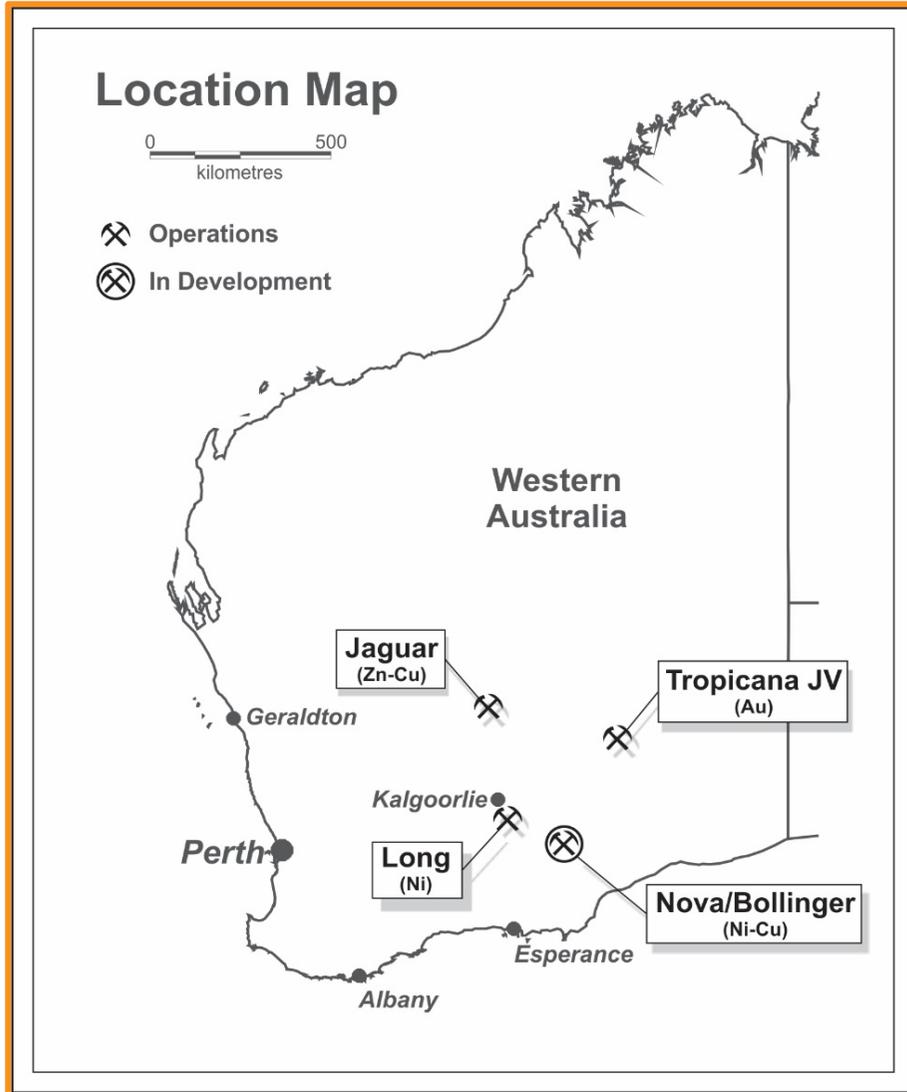
(2) Based on IGO closing price of \$5.85 on 22 May 2015

(3) One month and two month premia based on IGO 1 month and 2 month VWAPs ended 22 May 2015 of \$5.86 and \$5.64

Strategic	Scale	Supported	Value
<p><b>Makes strong strategic sense on multiple levels</b></p>	<p><b>Creates a ~\$2.7 billion diversified mining company</b></p>	<p><b>Strong support for transaction</b></p>	<p><b>Delivers significant value to shareholders of both parties</b></p>
<ul style="list-style-type: none"> <li>▪ Directly aligned with IGO’s acquisition strategy and criteria</li> <li>▪ Nova is a WA asset allowing IGO to diversify asset base without taking on new jurisdictional risk</li> <li>▪ Consolidate the highly prospective Fraser Range and Tropicana belts</li> <li>▪ Long-term fundamentals for copper &amp; nickel price remain strong</li> <li>▪ Future cash profile of SIR is highly complementary to IGO cash flows</li> <li>▪ Transforms IGO’s profile into a long-term growth and yield investment</li> </ul>	<ul style="list-style-type: none"> <li>▪ Significant reserve base</li> <li>▪ Potential to move company into a higher index with associated increased investor interest</li> <li>▪ Enhanced ability to attract investment interest from overseas</li> <li>▪ Ongoing capacity to make further accretive acquisitions</li> <li>▪ Leading WA diversified producer</li> <li>▪ Substantially increases average reserve life of IGO assets</li> </ul>	<ul style="list-style-type: none"> <li>▪ Transaction has support of SIR major shareholder – Mark Creasy</li> <li>▪ Unanimously recommended by boards of directors of both companies</li> <li>▪ SIR and IGO management and boards share common vision for combined business and strategic rationale for transaction</li> <li>▪ Two SIR board members to join IGO board</li> </ul>	<ul style="list-style-type: none"> <li>▪ SIR shareholders receive attractive premium and access to IGO dividend <sup>(1)</sup></li> <li>▪ SIR shareholders are able to roll shares into a larger, more diversified and dividend paying entity that continues to have significant exposure to Nova</li> <li>▪ SIR shareholders receive shares in S2 Resources</li> <li>▪ IGO balance sheet remains strong</li> <li>▪ IGO cash generation and dividend stream continues</li> </ul>

(1) SIR shareholders will be entitled to receive the IGO final dividend provided that the Acquisition Scheme is implemented prior to 30 September 2015

# A focussed portfolio



*“This transaction brings together the producing assets of Independence and the near production asset of Sirius.”*

**Mark Creasy, 25 May 2015**

# Nova – A Tier 1 Asset in Development

## Globally significant Ni-Cu discovery

- Located 350km from Esperance and Kalgoorlie
- DFS completed in June 2014 and mining lease granted in August 2014
- Initial 10 year mine plan to produce an average 26ktpa Ni, 11.5ktpa Cu and 850tpa Co in concentrate after project ramp up
- Ultra clean Ni & Cu concentrates with exceptional Fe:MgO ratio
- Capital cost of \$443M fully funded with cash and \$440M project finance facility
- Project construction commenced in January 2015
- Project significantly de-risked with major construction and offtake contracts committed or at an advanced stage of negotiation
- Current site works include:
  - Box cut and portal development
  - Tailings storage facility construction
  - Road construction
  - Aerodrome construction
  - Accommodation village construction

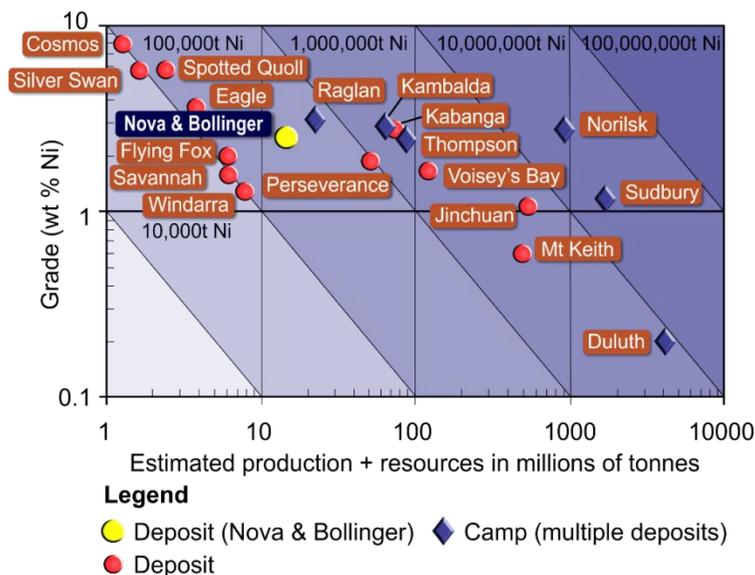


# Nova – A World Class Ni-Cu Mine

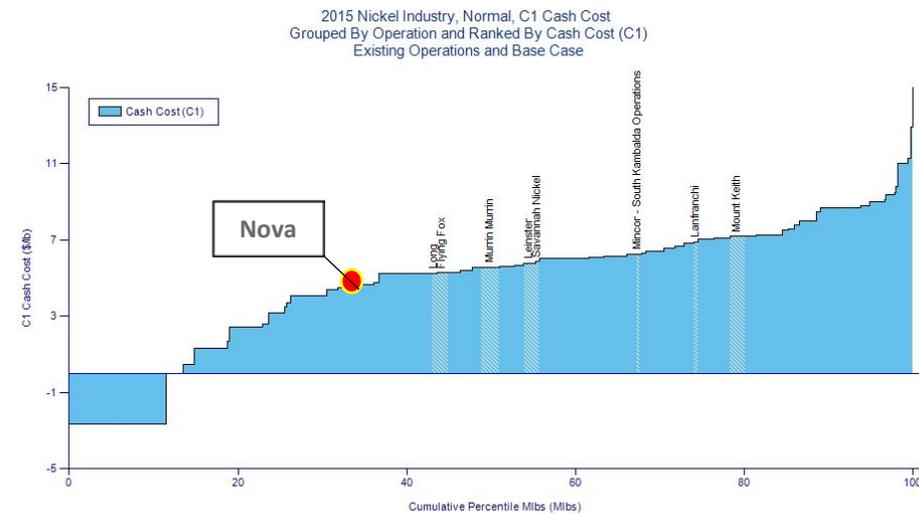
## High margin asset

- DFS forecast C1 cash cost of **US\$1.50/lb** (based on 100% payability) <sup>(1)</sup>
- DFS forecast all-in-sustaining cash cost of **US\$2.09/lb** (based on 100% payability)
- Positions Nova-Bollinger as 12th lowest cost nickel asset in the world
- Lowest cost nickel asset in Australia
- Will be profitable at all points in the commodity price cycle
- Low cost structure driven by a combination of grade, ore body shape and orientation, geotechnical conditions, and proposed scale of operation

## Grade and size



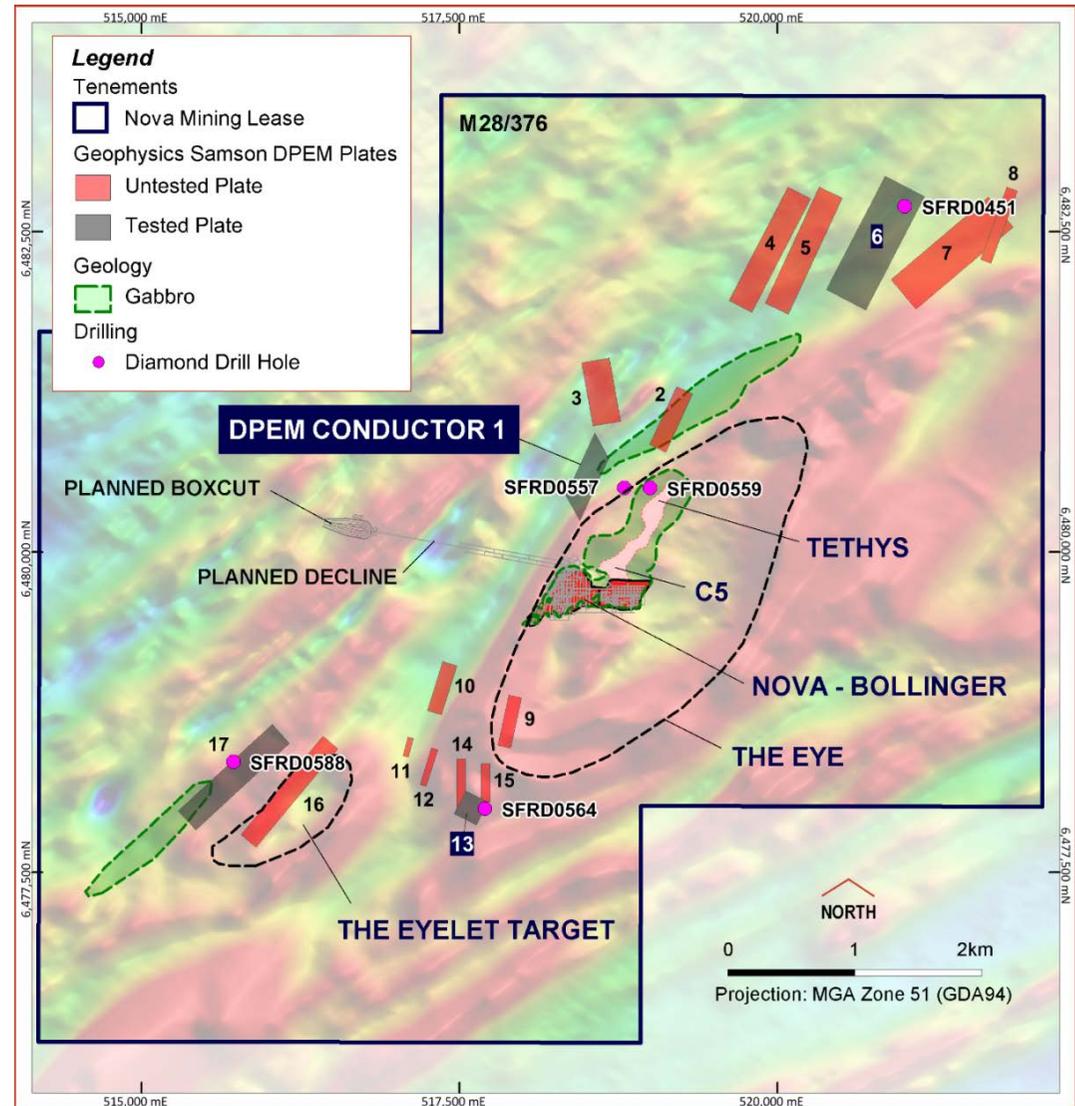
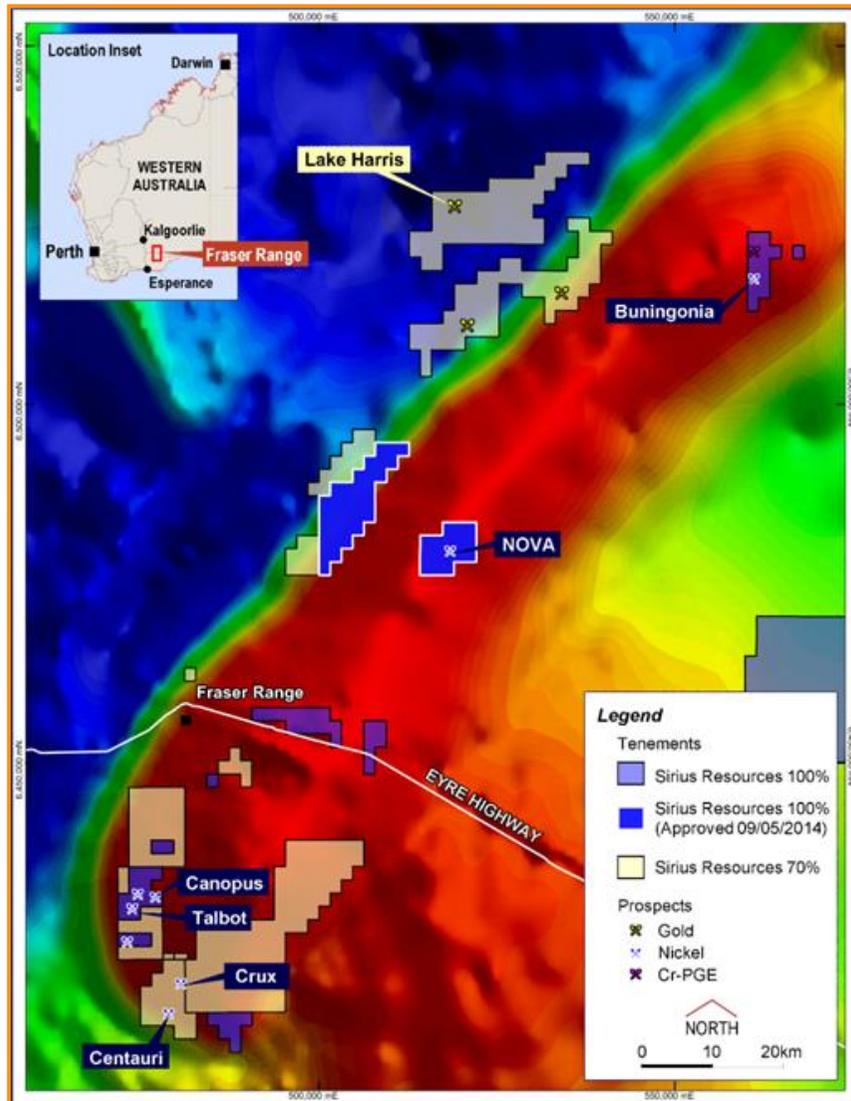
## Nickel cost curve



Source: Wood Mackenzie Ltd, Dataset: 2014 Q4

# Fraser Range exploration

Expected to unlock additional value



# High margin assets



	Tropicana	Jaguar	Long	Nova (SIR)	Stockman
<b>Ownership</b>	30%	100%	100%	100%	100%
<b>Location</b>	Western Australia	Western Australia	Western Australia	Western Australia	Victoria
<b>Stage</b>	Production	Production	Production	Construction	Permitting
<b>Mine Type</b>	Open Pit	Underground	Underground	Underground	Underground
<b>Commodity</b>	Au	Cu/Zn	Ni	Ni/Cu	Cu/Zn
<b>Resources<sup>(1)(2)</sup> (contained metal)</b>	115.7Mt@2.03g/t Au for 7.54 Moz Au	4.4Mt@1.6% Cu 6.5% Zn for 70.5 kt Cu and 286.6 kt Zn	1.4Mt @ 5.3% Ni for 73.4 kt Ni	14.3Mt@2.3% Ni 0.9% Cu for 325 kt Ni and 134 kt Cu	14Mt@2.1% Cu 4.3% Zn for 293.4 kt Cu and 600.7 kt Zn
<b>Reserves<sup>(1)(2)</sup> (contained metal)</b>	53.3Mt @2.08g/t Au for 3.56 Moz Au	1.3Mt@1.8% Cu 10.1% Zn for 23.1 kt Cu and 129.9 kt Zn	0.74Mt @ 4.0% Ni for 29.9 kt Ni	13.1Mt@2.0% Ni 0.8% Cu for 273 kt Ni and 112 kt Cu	9Mt@2.1% Cu 4.3% Zn for 189.0 kt Cu and 405.0 kt Zn
<b>Mine Life (years)</b>	9	3	3	10	8
<b>FY15 Production<sup>(3)</sup></b>	148,000	46kt Zn + 7.5kt Cu	10kt Ni	NA	NA
<b>FY15 Cash Costs<sup>(4)</sup></b>	\$610/oz	\$0.40/lb Zn	\$4.30/lb Ni	NA	NA
<b>Start-up Capex</b>	NA	NA	NA	\$443M	\$202M

(1) IGO reserves and resources as at 30<sup>th</sup> June 2014 – See IGO ASX Announcements dated 28<sup>th</sup> August 2014 (excl. Stockman) and 28 November 2014 (Stockman). For full details and competent person statement see IGO May 2015 Investor Presentation released to ASX. Tropicana reserves and resources quoted on a 100% basis.

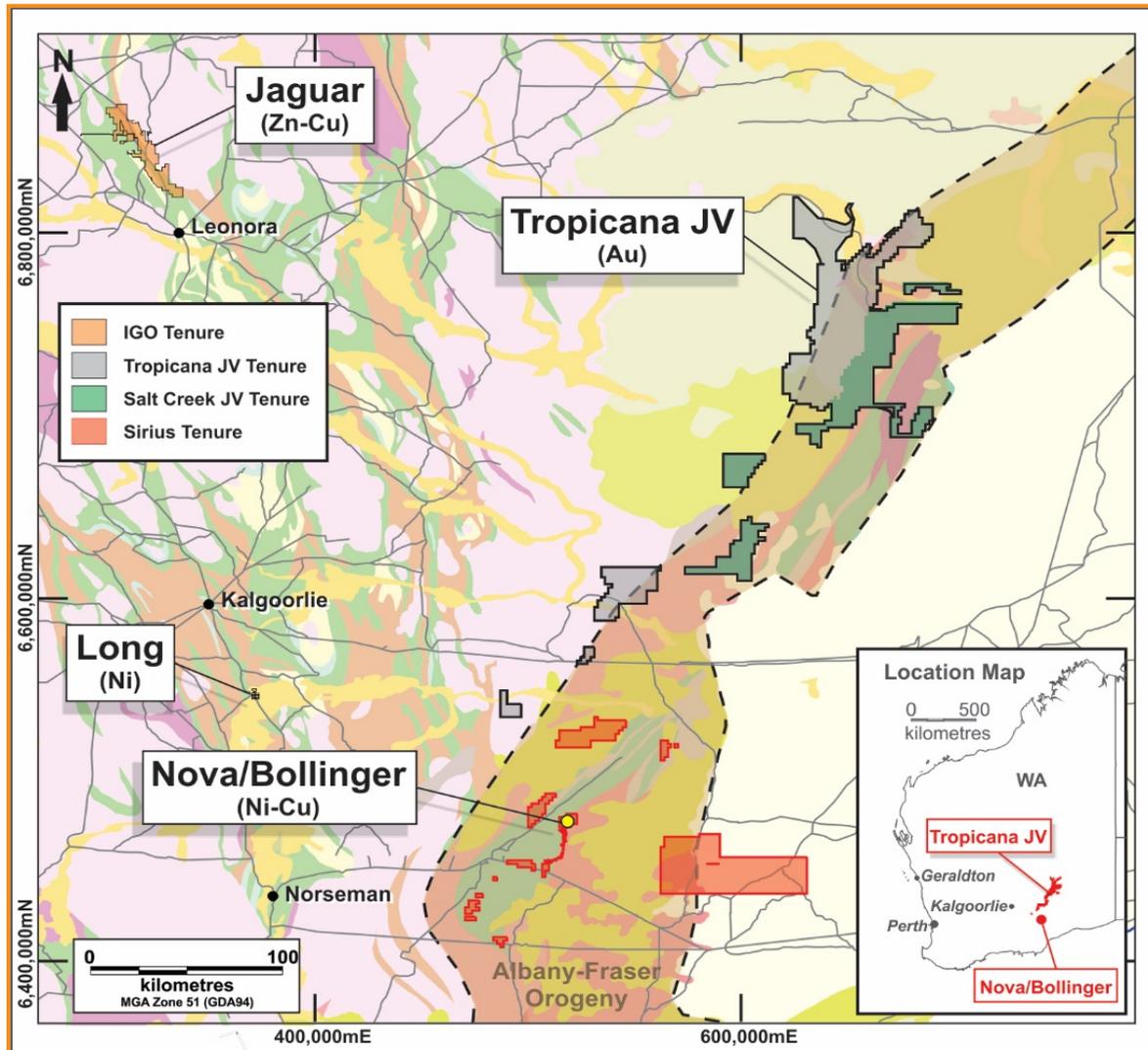
(2) SIR reserves and resources as at July 2014 and May 2014 respectively – See SIR ASX Announcement dated 14 July 2014. For full details and competent person statement see SIR's RIU Presentation released on 18 May 2015

(3) As at 30 June 2015

(4) Mid-point of FY15 contained metal production and cash cost guidance

# Exploration: Consolidation of Fraser Range –Tropicana Belts

IGO / SIR land holding



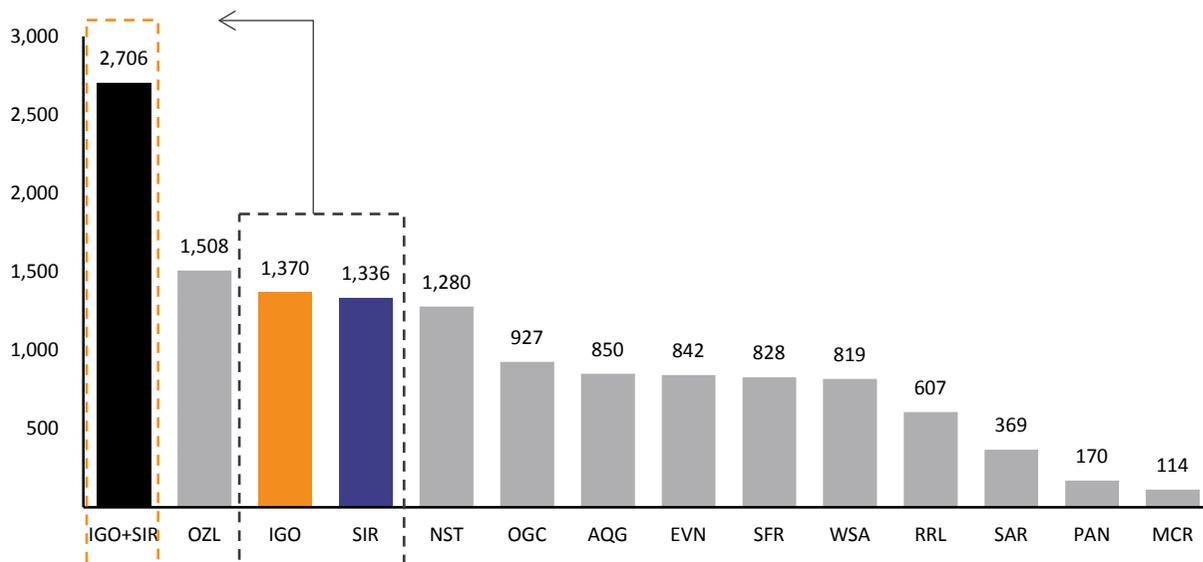
- Dominant land position
- Allows a focused and efficient exploration effort
- Both provinces under-explored

*“The shareholders of the merged entity will be exposed to the unrealised exploration potential of both the Fraser Range and the Tropicana belts.”*

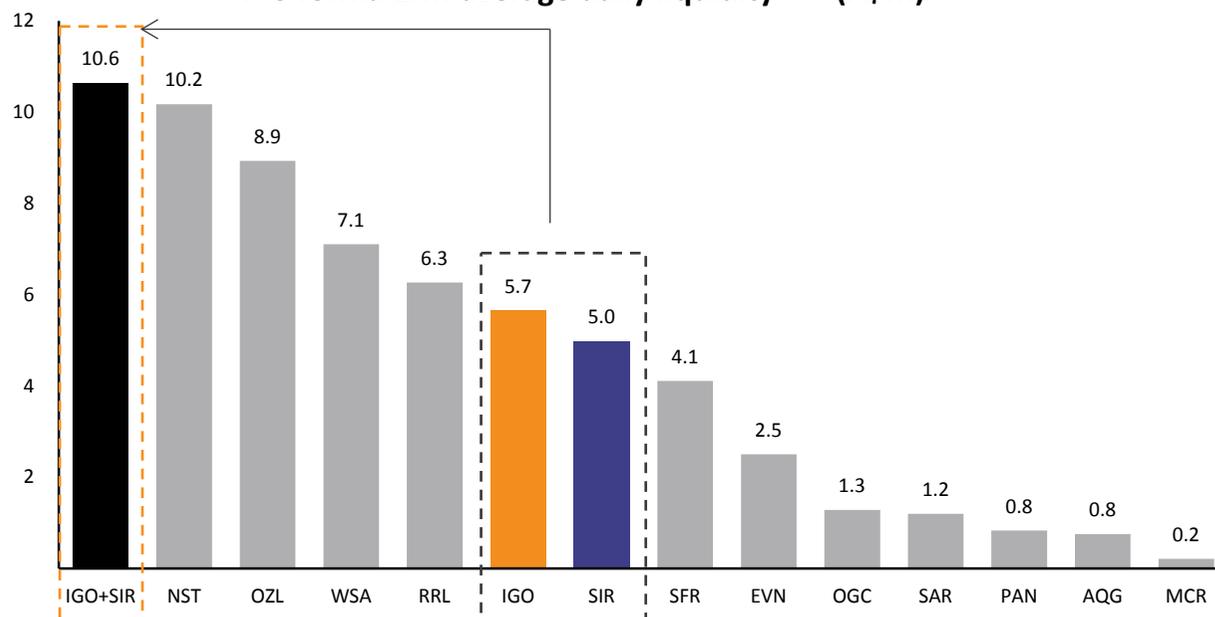
**Mark Creasy, 25 May 2015**

# Greater scale & liquidity

Pro forma Market Cap<sup>(1)(2)</sup> (A\$M)



Pro forma LTM average daily liquidity<sup>(1)(2)</sup> (A\$M)



- Significantly greater scale than its listed peers
- Becomes one of the most liquid mid-cap resource companies on ASX
- Potential to leverage off greater scale to grow value for shareholders
- Provides market relevance at a global level with potential to become an ASX/S&P 100 company

Source: Datastream

(1) As at close of 22 May 2015

(2) SIR market cap includes 70.6M shares to be released from escrow on 30 May 2015

Source: IRESS

(1) Average daily on-market value traded over the last twelve months up to and including 22 May 2015

(2) ASX and Chi-X on-market value traded

# Board of Directors



**Peter Bilbe**

B.Eng. (Mining) (Hons), MAusIMM  
Non-executive Chairman



**Neil Warburton**

Mining Engineer, FAusIMM  
Non Executive Director



**Peter Bradford**

BAppSc Metallurgy, FAusIMM  
MD and CEO



**Keith Spence**

BSc (Geophysics) (Hons)  
Non-Executive Director



**Mark Bennett**

BSc (geology), PhD, MAusIMM  
Non Executive Director



**Geoff Clifford**

BBus, FCPA, FGIA, FAICD  
Non-Executive Director



**Peter Buck**

M.Sc. (Geology), M.AusIMM  
Non-Executive Director

# Summary of Transaction

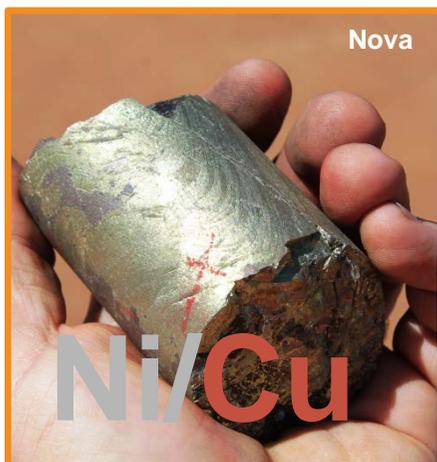
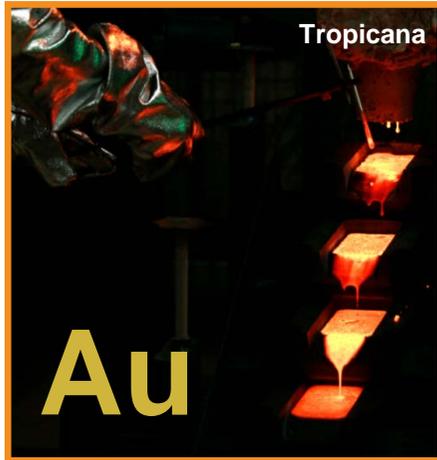


Creation of a leading Australian diversified mining company with a market cap of ~\$2.7 billion<sup>(1)</sup>

- Clear strategic rationale for transaction
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  - ✓ Transaction combines SIR's near term development asset with IGO's strong current cash flows
- Portfolio of high quality assets (margin, mine life, jurisdiction and relevancy)
- Transaction unanimously recommended by SIR Board and well supported by all parties
- Merged entity has potential to become an ASX/S&P 100 company with opportunity for re-rating

Mark Creasy commented: *"The combination of current and future cash flows and diversification of commodities will create a substantial producer that will better be able to manage any increase in volatility in capital and commodity markets."*

# Conclusion



Creation of a leading Australian diversified mining company

Low risk jurisdiction with proximity of assets  
providing business simplicity

High-margin quality assets

Long life of mines with significant exploration  
potential

Scale that provides global relevance with potential to  
become an ASX/S&P 100 company

Retains Strong Balance Sheet

# Competent Persons Statement



**Independence Group NL**



## Exploration Results

The information in this report that relates to Exploration Results is a compilation of previously published data for which Competent Persons consents were obtained. Their consents remain in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent. The information in this report has been extracted from the IGO ASX Quarterly Activities Report dated 22 March 2015 and is available on the IGO website [www.igo.com.au](http://www.igo.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

## Resources and Reserves

The information in this report that relates to Mineral Resources or Ore Reserves is a compilation of previously published data for which Competent Persons consents were obtained. Their consents remain in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent. The information in this report has been extracted from the IGO ASX Releases for Mineral Resources and Ore Reserves dated 28 August 2014 (excluding Stockman Ore Reserves) and 28 November 2014 (Stockman Ore Reserves only), and are available on the IGO website [www.igo.com.au](http://www.igo.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

**Sirius Resources NL**



## Definitive Feasibility Study

The information referred to in this presentation is based on the Nova Definitive Feasibility Study (DFS) and on the maiden Ore Reserve estimate as described in the ASX release of 14th July 2014. A small part of the life of mine plan is based on Inferred Mineral Resources. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the conversion of Inferred Mineral Resources to Indicated Mineral Resources, Probable Ore Reserves, or that the production target itself will be realised. The Inferred Resources referred to comprise less than 8% of the total resource tonnes and less than 4% of the nickel metal in the life of mine plan. Unless otherwise stated all cashflows are in Australian dollars, are undiscounted and are not subject to inflation/escalation factors and all years are calendar years. Sirius Resources has concluded it has a reasonable basis for providing the forward looking statements included in this presentation. Sirius Resources has prepared this presentation based on information available to it at the time of preparation. No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information, opinions and conclusions contained in the presentation. To the maximum extent permitted by law, Sirius Resources, its related bodies corporate (as that term is defined in the Corporations Act 2001 (Cth)) and the officers, directors, employees, advisers and agents of those entities do not accept any responsibility or liability including, without limitation, any liability arising from fault or negligence on the part of any person, for any loss arising from the use of the Presentation Materials or its contents or otherwise arising in connection with it.

(1) Pro forma based on SIR and IGO market capitalisation as at 22 May 2015