

INDEPENDENCE GROUP NL

First Quarter 2019 Results Presentation

Growth Projects Advanced and Major Contracts Committed



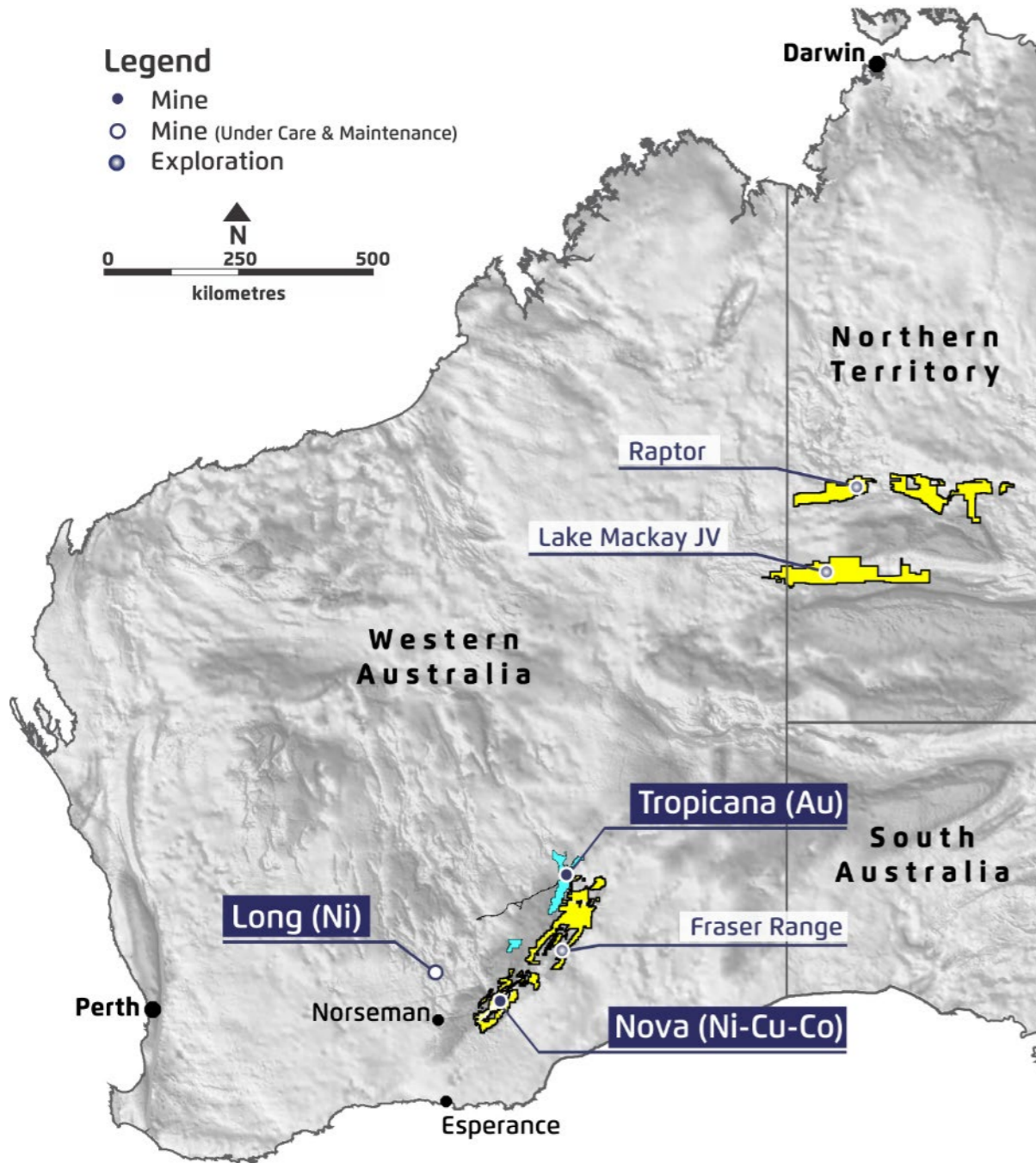
29 October 2018

ASX:IGO / ADR:IIDY

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- Any references to IGO Mineral Resource and Ore Reserve estimates should be read in conjunction with IGO’s 2018 Mineral Resource and Ore Reserve announcement dated 26 July 2018 and lodged with the ASX for which Competent Person’s consents were obtained, which is available on the IGO website. The Competent Person’s 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place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.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 presentation that relates to Exploration Results is extracted from the ASX announcements released 25 October 2018 entitled “Lake Mackay JV – IGO meet 70% Earn-in Expenditure” and 3 August 2018 entitled “Tropicana Site Visit” and for which Competent Person’s consents were obtained. The Competent Person’s 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place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.
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- 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, gain on sale of subsidiary, redundancy and restructuring costs, depreciation and amortisation, and once-off transaction costs.
- 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.



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“To be a globally relevant,
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distribution materials”

With on focus on
“High quality, long life
assets that deliver great
financial outcomes”

1Q19 Highlights

Underlying Free Cash Flow A\$82M

- Net cash increased to A\$62M
- Nova and Tropicana deliver metal production within guidance
 - Reduced by-product credits, higher fuel price and non recurring costs, impacted Nova cash costs
- Strategic contracts executed
 - Nova solar farm
 - Barmingo underground mining contract
- Growth projects progressed to plan
 - A\$51M exploration program
 - Nova downstream nickel sulphate
 - Tropicana underground studies
 - Tropicana second ball mill



Safety & Sustainability



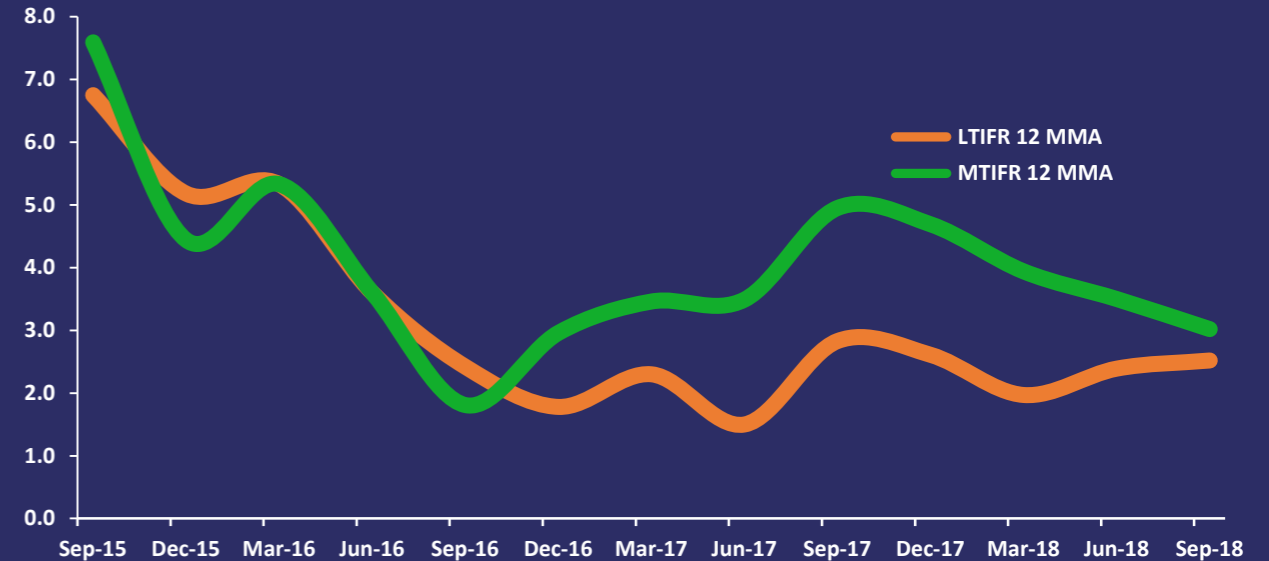
2018 ACSI Rating of ASX200 Sustainability Reporting⁽⁵⁾ (Leading rating in each of last three years)



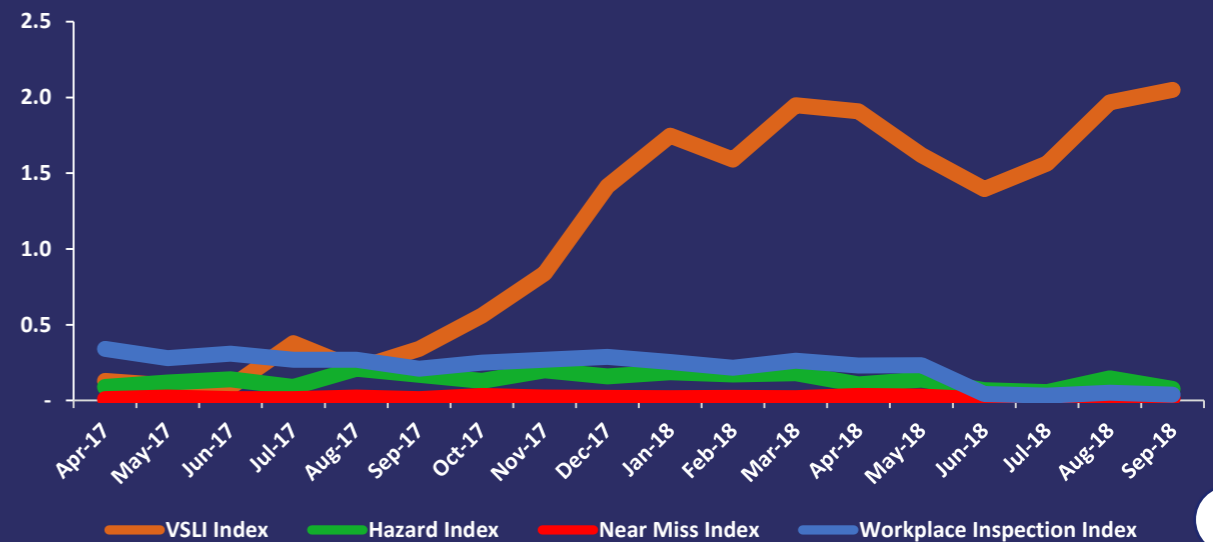
2018 Sustainability Report now released

- 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) VSLI: Visual Safety Leadership Interaction
- 4) Jun-18 LTIFR rate has increased from 1.96 to 2.39 as a result of the reclassification of a single injury from the June 2018 Quarter
- 5) Australian Council of Superannuation Investors (ACSI) 27 July 2018

Key Lag Safety Metrics^(1,2,4)



Key Lead Safety Metrics⁽³⁾



Financial Results



Balance strengthened and debt reduced

	Units	4Q18	1Q19	QoQ
Revenue and Other Income	A\$M	243.1	167.4	-31%
Underlying EBITDA ⁽¹⁾	A\$M	131.5	62.9	-52%
Profit After Tax	A\$M	40.3	0.2	-100%
Net Cash from Operating Activities	A\$M	74.2	108.1	46%
Underlying Free Cash Flow ⁽²⁾	A\$M	41.2	82.2	100%
Dividends paid	A\$M	-	11.8	NA
Cash	A\$M	138.7	176.0	27%
Debt	A\$M	142.9	114.3	-20%

- **No effective contribution from Jaguar and Long compared with previous quarter**
- **Base metal headwinds and lower copper concentrate sales impact earnings**

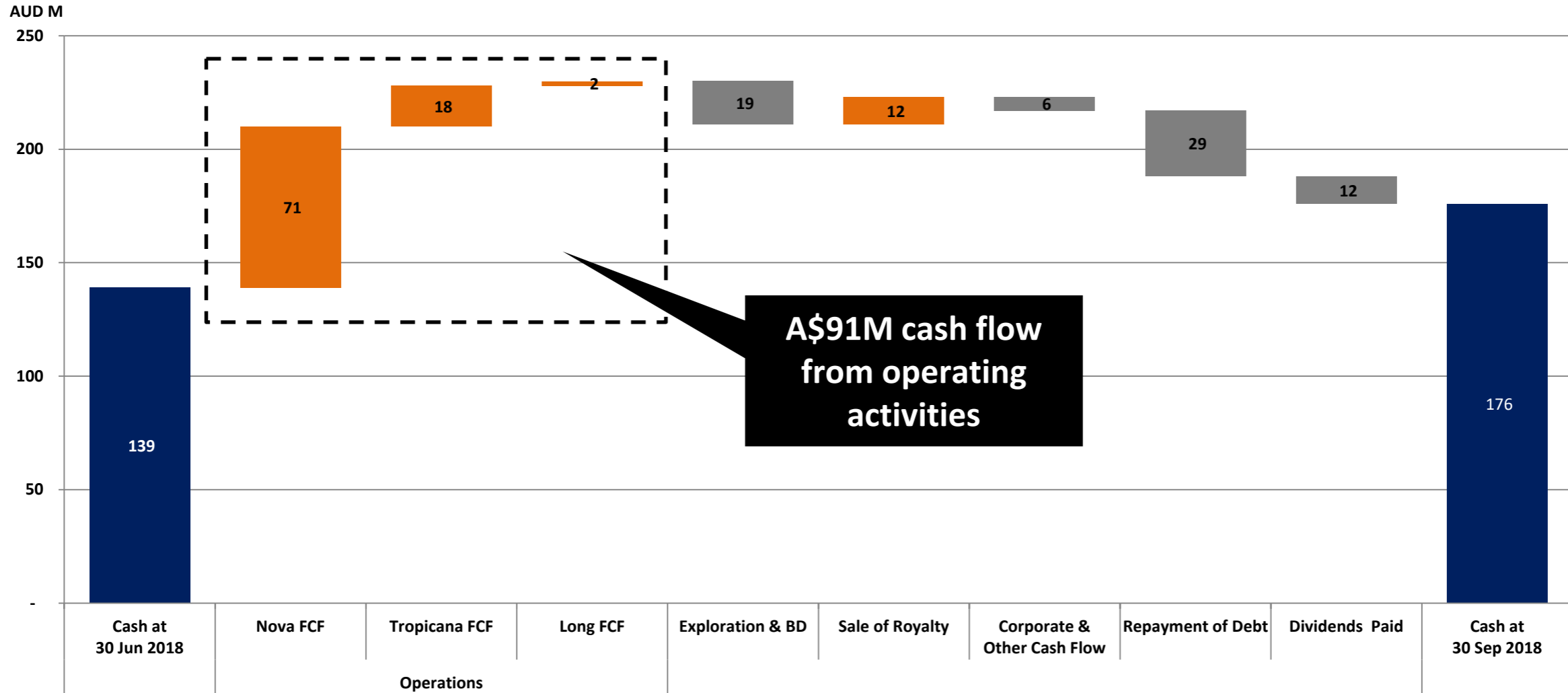
1) Underlying EBITDA is a non-IFRS measure (refer to Disclaimer page)

2) Free Cash Flow comprises Net Cash Flow from Operating Activities and Net cash Flow from Investing Activities. Refer to disclaimer page for "Underlying" adjustments

1Q19 Cash Flow Reconciliation



27% increase in cash on hand whilst retiring debt and paying disciplined dividends

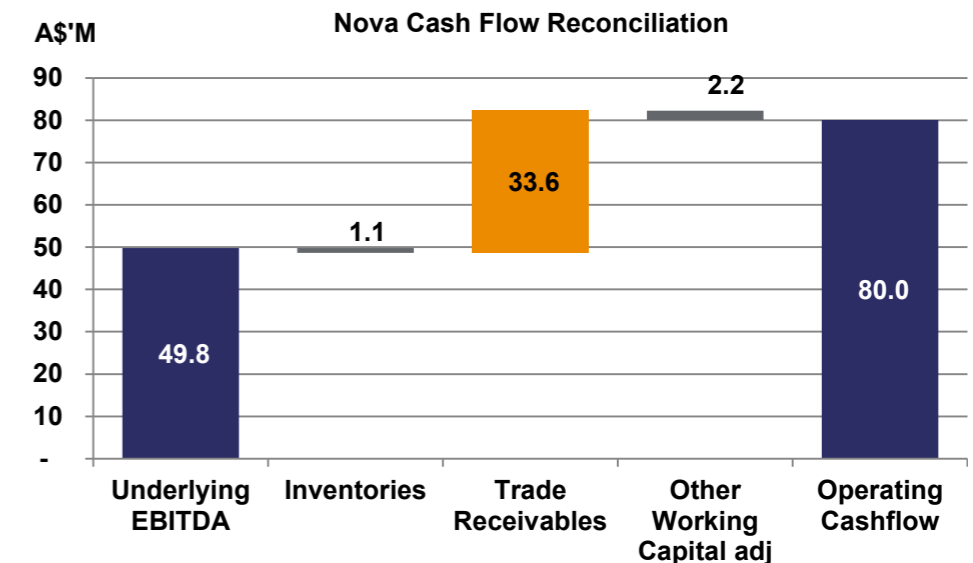
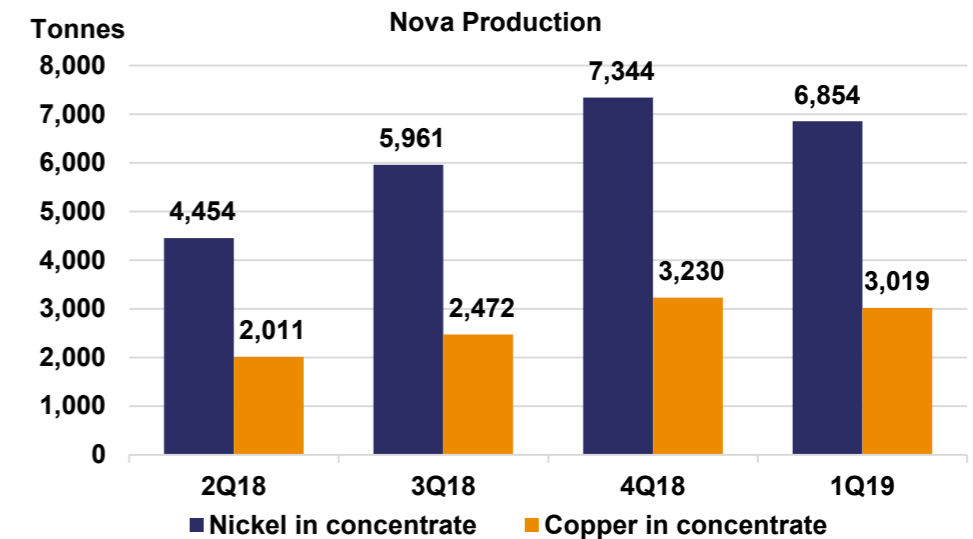


Metal production on guidance

Metric	Units	4Q18	1Q19	Guidance ⁽¹⁾
Nickel in concentrate	t	7,344	6,854	6,750 – 7,500
Copper in concentrate	t	3,230	3,019	2,750 – 3,125
Cobalt in concentrate	t	251	245	213 – 238
Cash cost (payable)	A\$/lb Ni	1.79	2.78	1.65 – 2.00
Sustaining/ Improvement Capex	A\$M	1.6	1.7	5.3 – 6.0
Development Capex	A\$M	12.5	4.9	6.3 – 7.0

1Q19 Drivers & Outlook

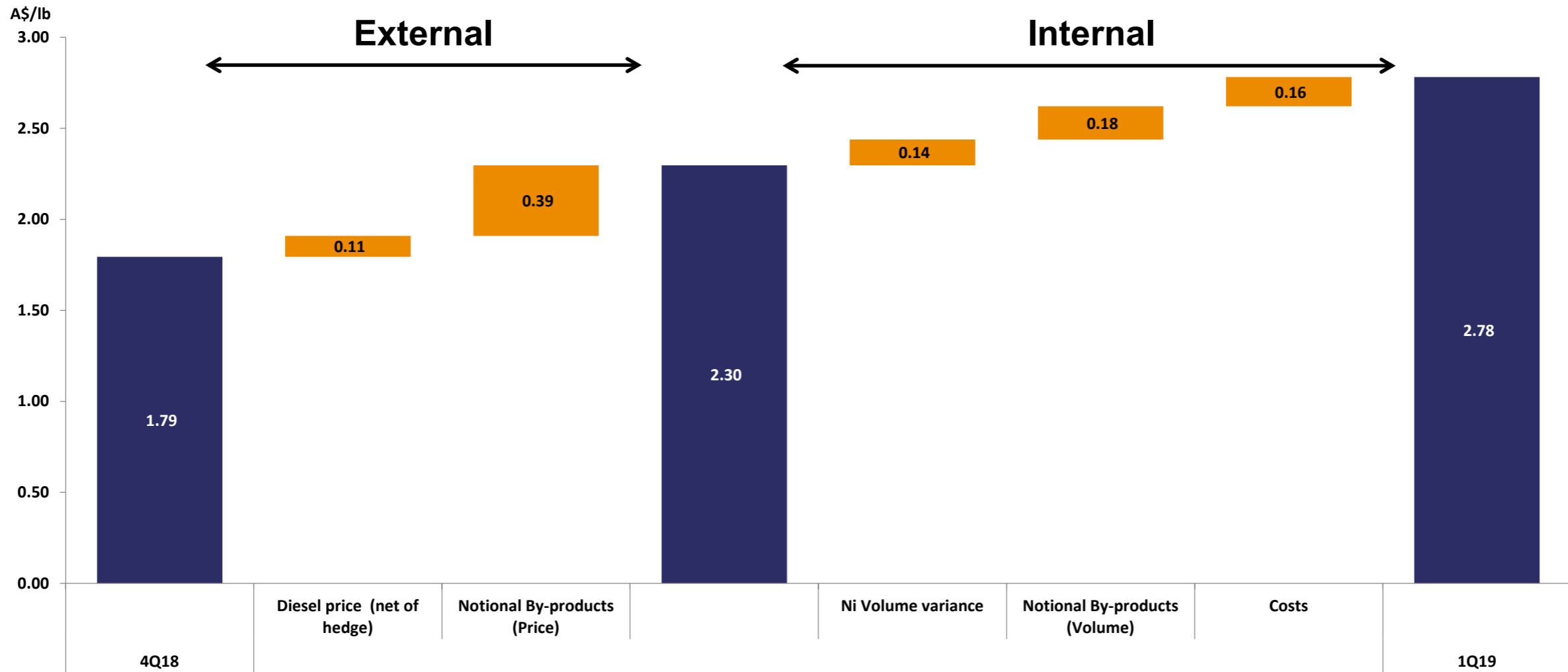
- Run rate for the quarter was an annualised 1.6Mtpa delivering production in line with guidance albeit at the lower end of the range
- Grade reconciliation in line with budget and updated Mineral Resource model
- Higher fuel price and base metal headwinds negatively impacted earnings and cash costs with QoQ end commodity average price falls of 14% nickel, 3% copper and 18% cobalt⁽²⁾
- Non-recurring items, including mill reline and maintenance on process water supply impacted cash costs
- Nickel production expected to trend higher through the remainder of FY19
- Several major strategic contracts finalised



1) Implied pro-rata quarterly guidance (FY19 guidance apportioned for one quarter)

2) Commodity price falls based on average quarter end comparison of A\$ prices at 30 September 2018 relative to 30 June 2018

Cash costs impacted QoQ by non recurring costs and reduced by-product credits



Nova Solar Farm

- Agreement with Zenith Energy to build 12.5GWh solar farm
- First fully integrated commercial hybrid diesel/solar PV facility in Australia
- Includes state-of-the-art PV modules, single axis tracking, inverters, communications and control system technology
- Construction to commence early 2019 with first power expected September 2019 quarter





Nova Mining Contract

- Barminco delivering underground development and mining services since January 2015
- Mining contract extended by four years with an option for an additional two year extension
- Contract delivers ~5% improvement in costs through productivity and efficiency improvements
- The contract includes a Technology Development collaboration between IGO and Barminco to advance safety and productivity opportunities

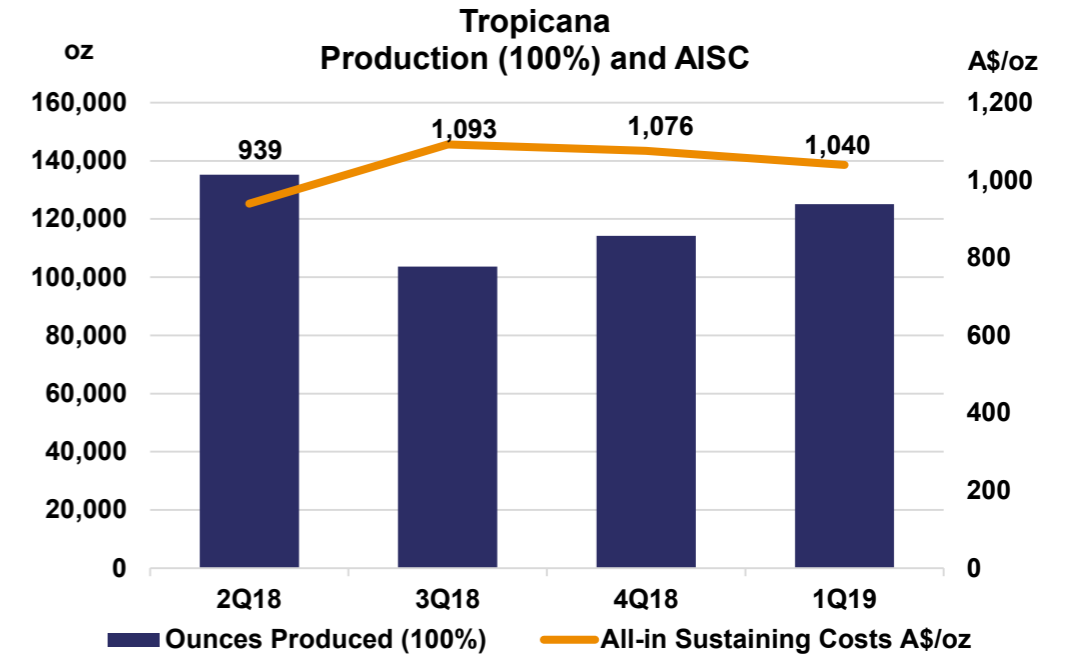
Nickel sulphate downstream processing studies

- Demonstrated technical feasibility of process route
- Pre-feasibility underway with plant trial to produce optimised low sulphur concentrate completed
- Delivers multiple benefits:
 - Increase in payable metal
 - Increased concentrator recovery
 - Higher price for nickel as nickel sulphate
 - Directly links IGO to EV market



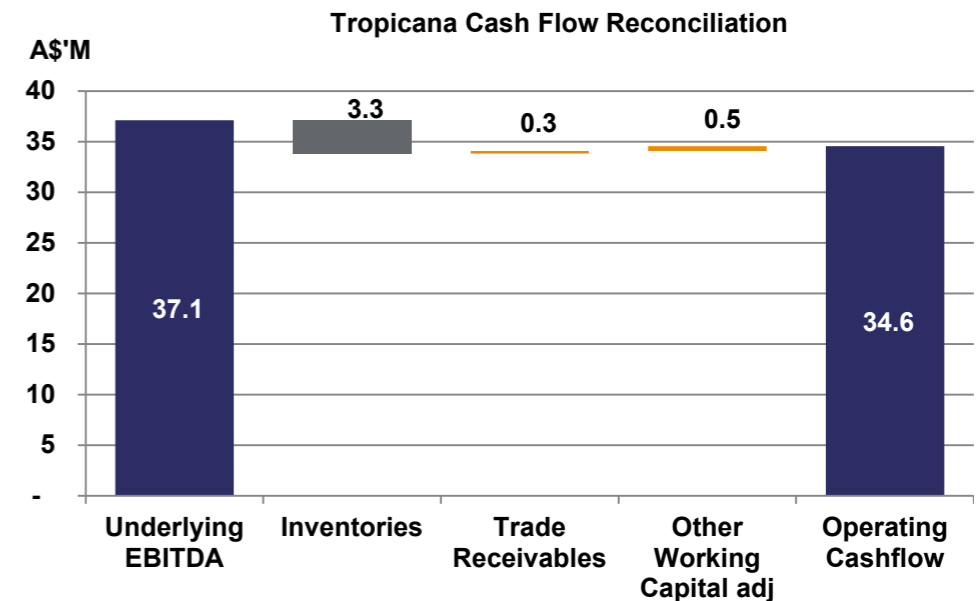
Record mill throughput delivered and value enhancement studies on track

Metric	Units	4Q18	1Q19	Guidance ⁽¹⁾
Gold produced (100%)	koz	114.3	125.1	125.0 – 137.5
Gold Sold (IGO 30%)	koz	33.2	35.1	37.5 – 41.3
Cash cost	A\$/oz	749	673	635 – 705
AISC	A\$/oz	1,076	1,040	890 – 980
Sustaining/improve capex	A\$M	3.7	4.8	5.3 – 6.0
Capitalised waste stripping	A\$M	10.4	12.1	8.0 – 9.0



1Q19 Drivers & Outlook

- Record quarterly mill throughput of 2.0Mt at 2.2g/t Au grade and recovery of 89%
- 8.8M bank cubic metres mined, comprising 3.2Mt of ore and 19.6Mt of waste
- Higher waste stripping activity during the quarter resulted in costs being marginally higher than pro-rata guidance range
- The completion of underground Pre-feasibility Studies at Boston Shaker is on track with results expected to be available in 2Q19
- Construction of the second 6MW ball mill is on track with commissioning expected in December 2018 - delivers a 5% lift in throughput and 3% lift in gold recovery

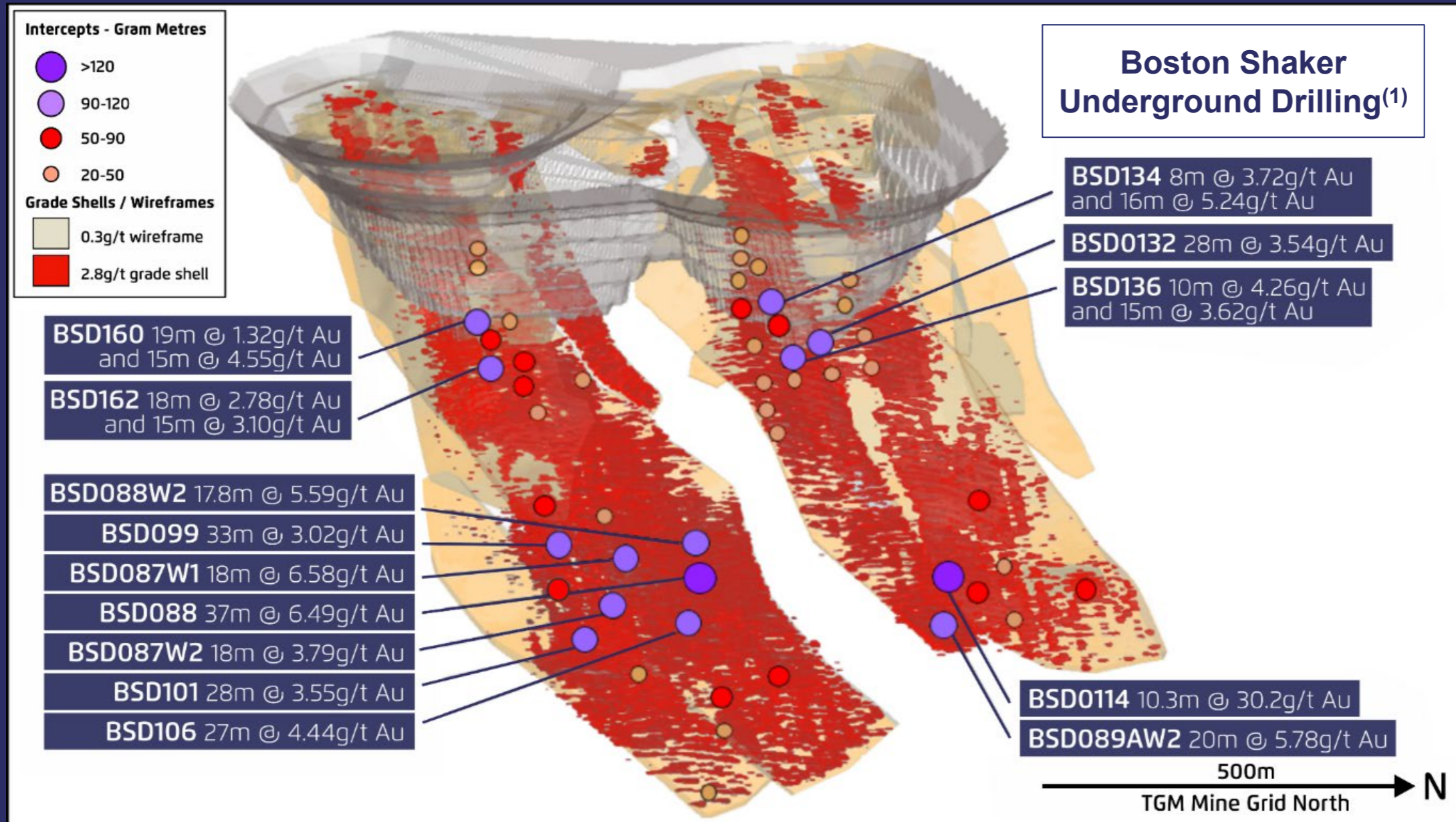


1) Implied pro-rata quarterly guidance (FY19 guidance apportioned for one quarter)



Tropicana value drivers

- **Additional ball mill delivers higher throughput rate and improved gold recovery**
 - Commissioning by end CY18
- **Boston Shaker Underground Pre-feasibility study nearing completion**
 - Market release in 2Q19
- **Further underground potential at Havana and Havana South**
- **Regional exploration along 160km of strike on 3,000km² of JV tenements**



1) Refer to AGA ASX release dated 3 Aug 2018: Tropicana Site Visit

Nova

Mine lease drilling underway

High-resolution 3D seismic data received

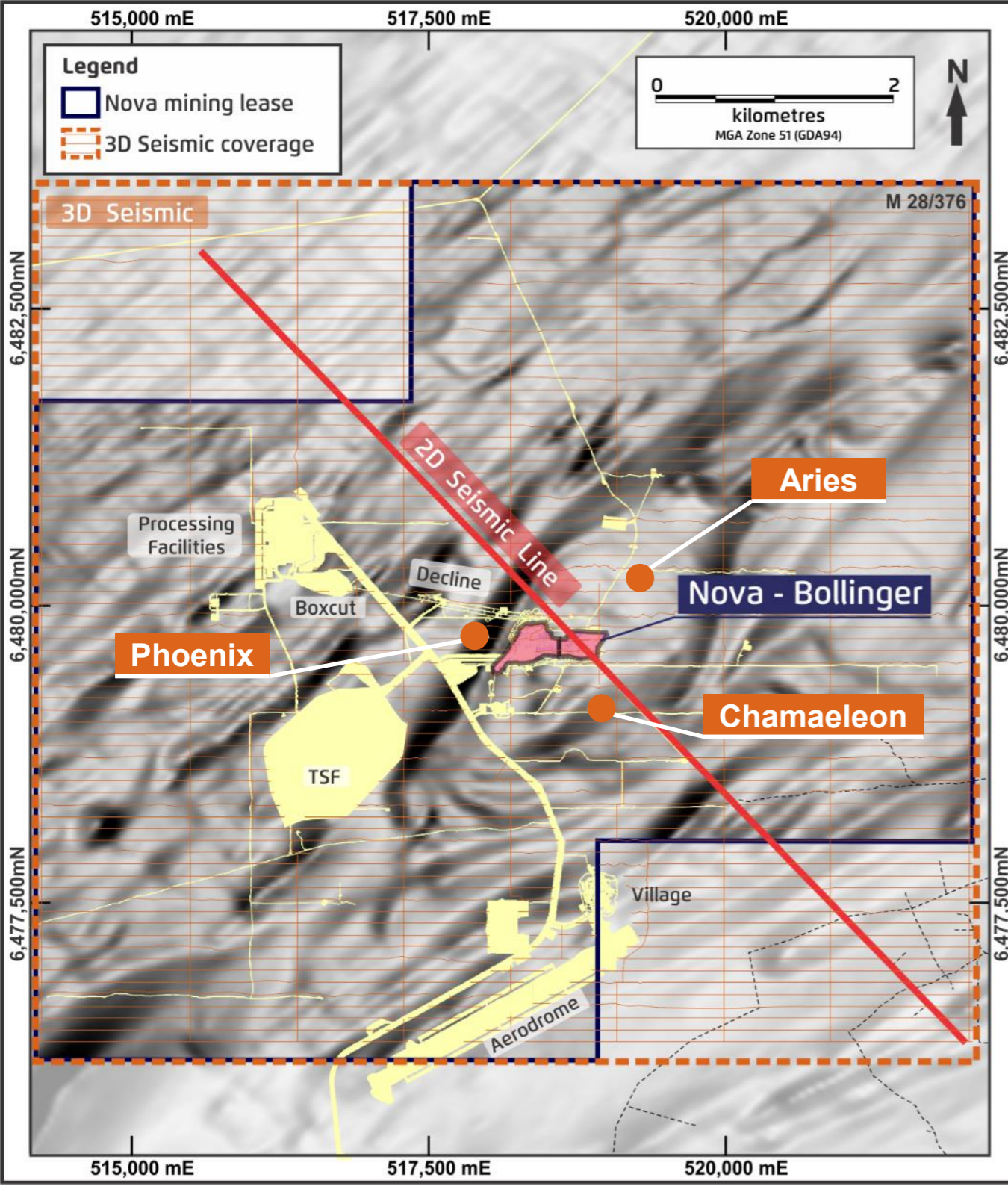
- Interpretation and targeting commenced
- Numerous high-priority targets already identified

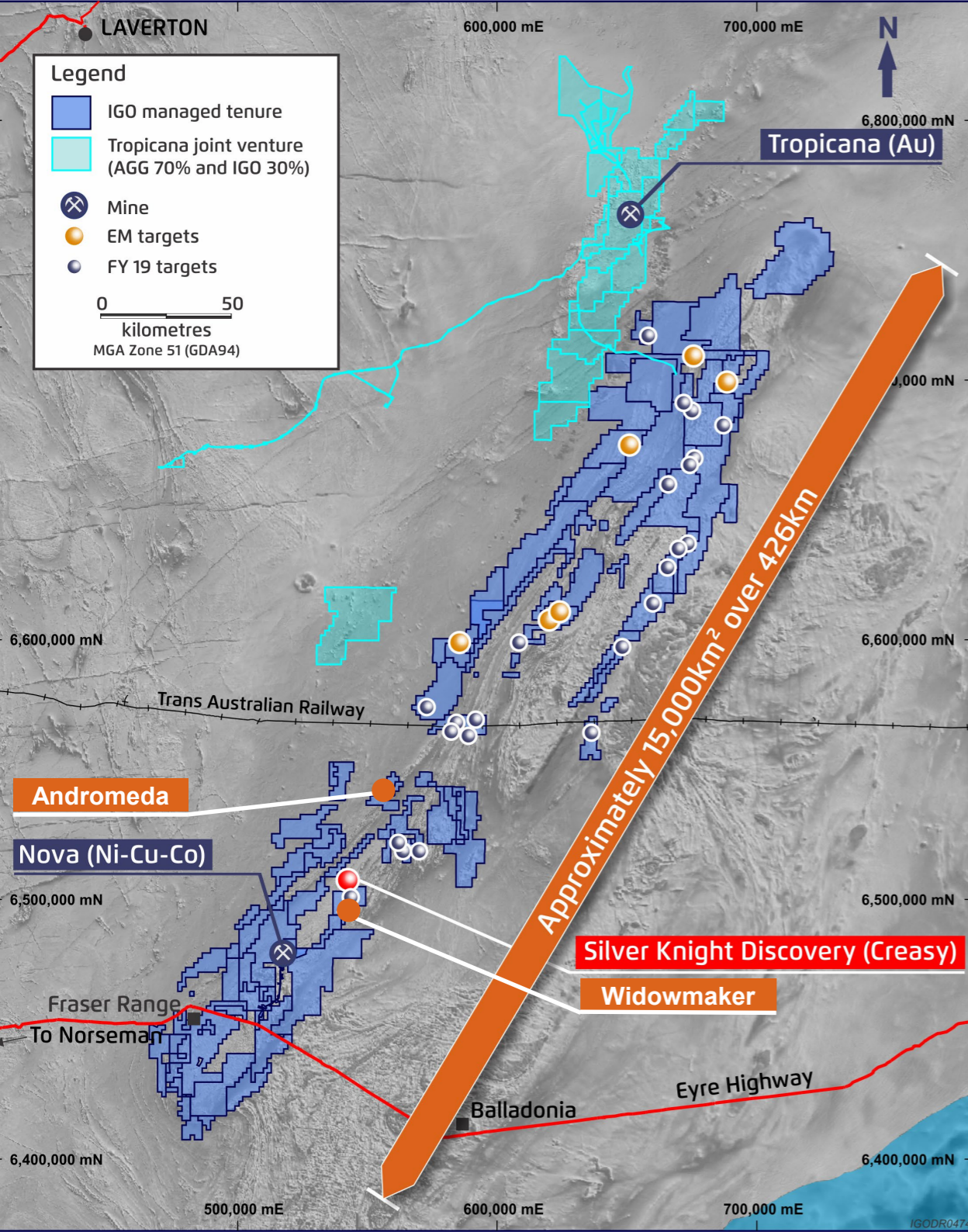
+20,000m drilling and down-hole EM program commenced

- Diamond drilling of mineralised gabbroic intrusives underway - disseminated sulphides intersected in most holes, assays pending
- Drill testing of first seismic targets commencing in 2Q19 with second surface drill rig on site

Innovative geophysical work continues

- Low temperature SQUID EM survey commenced with good depth penetration
- Recently acquired AMT data being reprocessed





Fraser Range Exploration



Multiple programs active

Diamond drilling of regional prospects continued to test combined EM and geochemical targets

- Three holes at Widowmaker; Assays pending

Systematic aircore drilling and geophysical programs continued across the belt

- Up to four rigs drilled a total of 47,471m to map the geology, locate prospective mafic intrusions, determine cover depth and to collect geochemical samples
- mafic/ultramafic intrusions and geochemical targets identified for follow-up work
- Two airborne geophysical targets identified within 20km of Nova to be followed up in 2Q18

Creasy Silver Knight⁽¹⁾ discovery validates potential of belt

1) www.dmirs.wa.gov.au Online Catalogue

Lake Mackay Exploration

IGO earns 70% JV interest

Joint Venture formed

- Prodigy Gold to fund 30% JV interest of \$4.6M FY19 program going forward⁽¹⁾

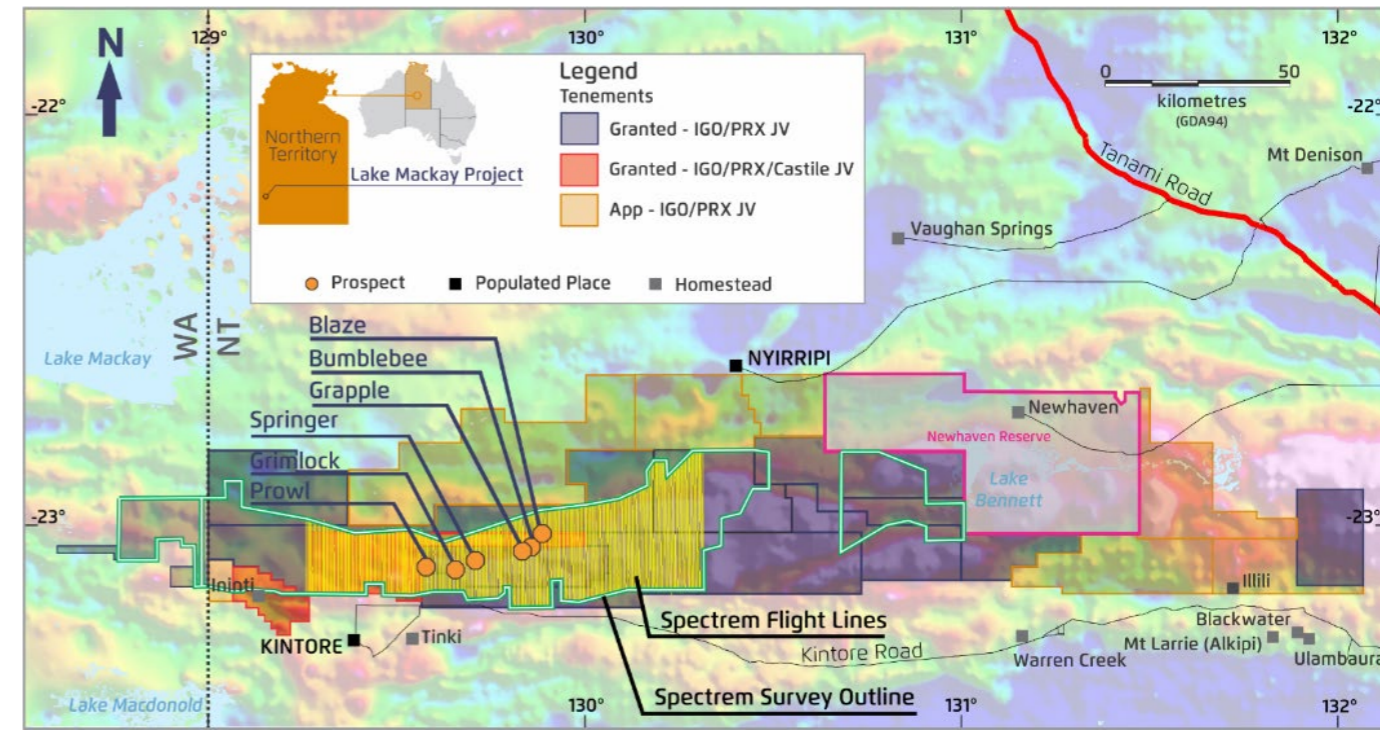
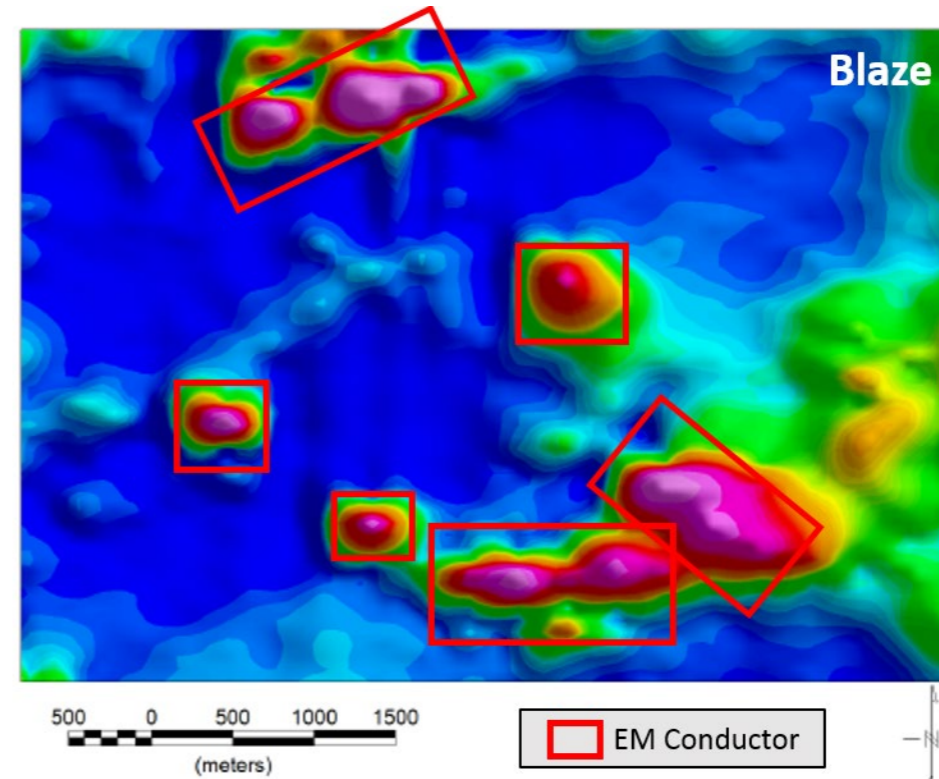
SpectremAir airborne EM continues

- +12,000 line-km survey resuming in October
- Results from central AEM survey positive with 39 bedrock conductors detected
- Six conductors detected at the Blaze prospect⁽¹⁾

Ground exploration continues

- Regional and infill soil sampling (2,909 samples)
- Moving-loop EM follow-up of Spectrem anomalies commenced (4 anomalies completed)
- Cultural heritage surveys for drilling clearance (one completed; one scheduled for November)

1) Refer to Prodigy Gold (PRX) ASX release dated 25 Oct 2018: Lake Mackay JV: IGO meet 70% Earn-in Expenditure



Concluding Comments

Strong cash generation and balance sheet strengthening

Net cash of A\$62M

- Debt reduced by A\$29M to A\$114M
- Fully franked dividends of A\$12M paid

Nova and Tropicana deliver metal production within guidance

- Non recurring costs, reduced by-product credits and higher fuel price impacted Nova cash costs

Strategic contracts executed

- Nova solar farm
- Barmenco underground mining contract renewed

Growth projects progressed to plan

- A\$51M exploration program
- Nova downstream nickel sulphate
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- Tropicana second ball mill





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