

INDEPENDENCE GROUP NL

BofAML 2018 APAC Resources Conference

Peter Bradford, Managing Director & CEO



4-5 December 2018

ASX:IGO / ADR:IIDY



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- There are a number of risks specific to IGO and of a general nature which may affect the future operating and financial performance of IGO and the value of an investment in IGO including and not limited to economic conditions, stock market fluctuations, commodity demand and price movements, access to infrastructure, timing of environmental approvals, regulatory risks, operational risks, reliance on key personnel, reserve and resource estimations, native title and title risks, foreign currency fluctuations and mining development, construction and commissioning risk. The production guidance in this presentation is subject to risks specific to IGO and of a general nature which may affect the future operating and financial performance of IGO.
- 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place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.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place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.
- The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcements released on 26 July 2018 and 3 August 2018 and, in the case of estimates or Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the original ASX 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 ASX announcement.
- All currency amounts in Australian Dollars unless otherwise noted.
- Net Debt is outstanding debt less cash balances and Net Cash is cash balance less outstanding debt.
- 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.



Focus on high quality, long life assets that deliver great financial outcomes

ASX	IGO
Base	Perth, WA
Market Cap⁽¹⁾	A\$2.2 billion
Cash⁽²⁾	A\$176M
Debt⁽²⁾	A\$114M
Dividend Policy	>30% underlying NPAT

1) As at market close 29 Nov 2018

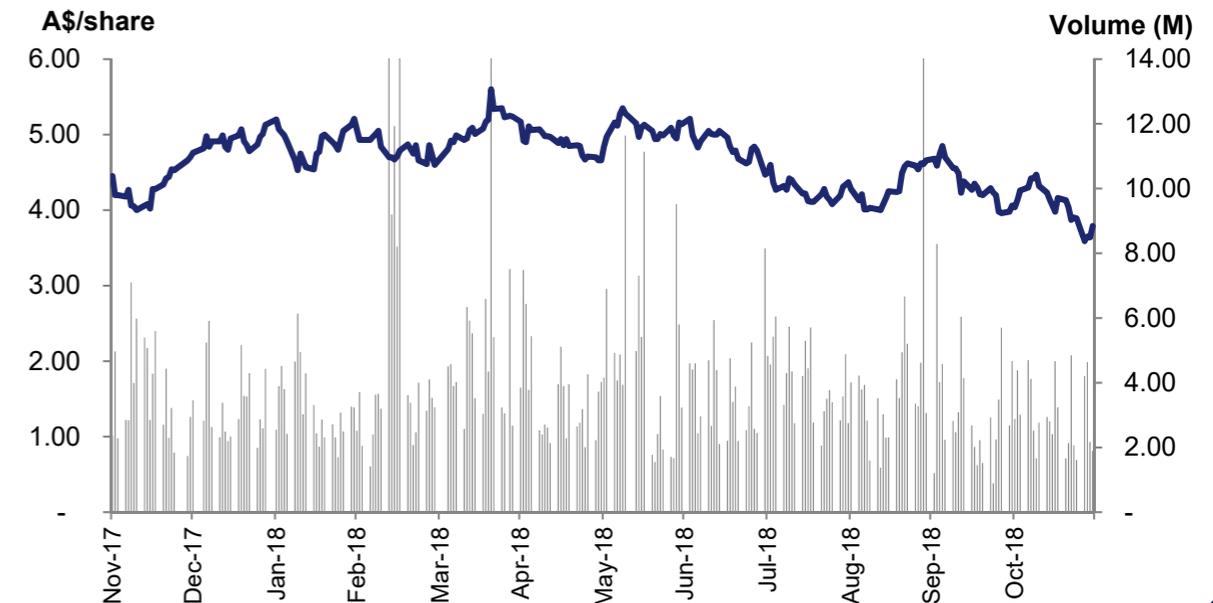
2) As at 30 Sep 2018

3) As at 30 Oct 2018

Share Ownership

Substantial Holders ⁽¹⁾		Institutional Ownership ⁽³⁾	
Mark Creasy	15%	Australia	70%
FIL	9%	USA	22%
T Rowe Price	8%	Europe	5%
CBA	6%	ROW	3%
Ausbil	5%		

Share Price Performance⁽¹⁾



Our Winning Aspiration is to be a globally relevant supplier of metals that are critical for clean energy and future generations



Globally relevant supplier of metals that are critical to energy storage and renewable energy



Vertically integrated to produce battery grade chemicals and cathode precursors



Quality products desired by end users made safely, ethically, sustainably and reliably

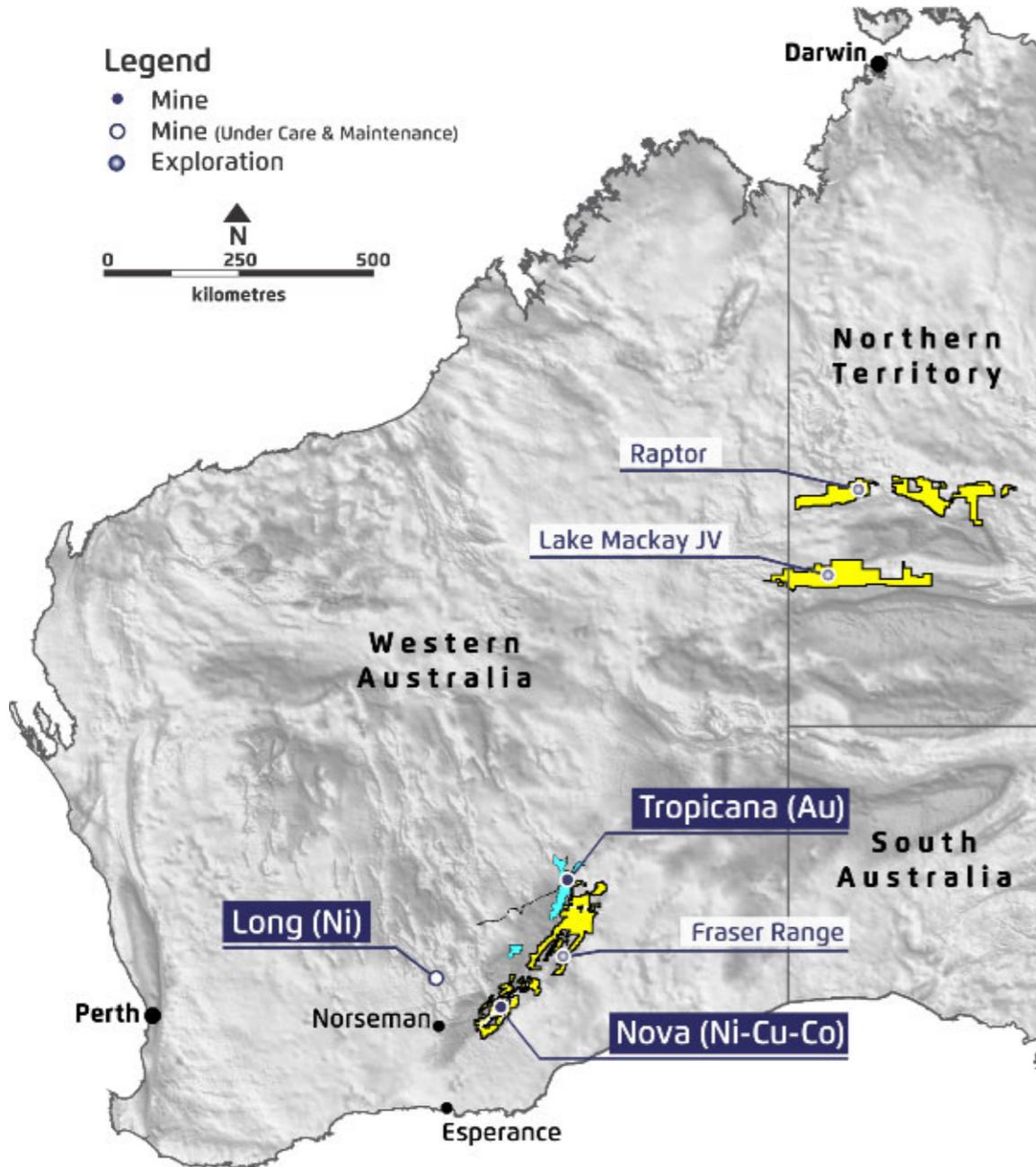


Proactively green by using renewables, energy storage and EV mining equipment to reduce carbon footprint



Delivered by people who are bold, passionate, fearless and fun – a smarter, kinder, more innovative team

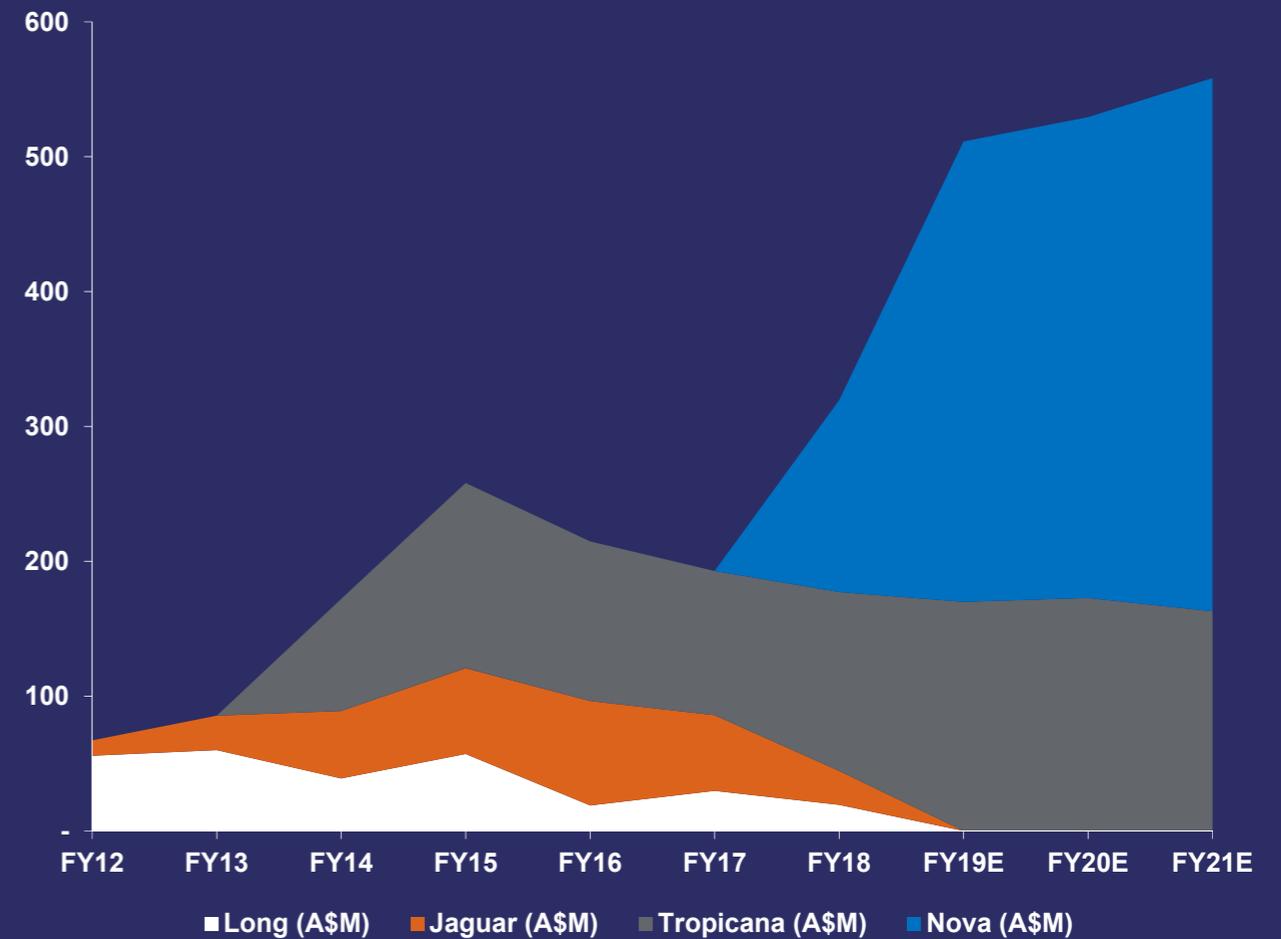
A Streamlined Portfolio



Strategic focus on minerals critical to energy storage and electric vehicles



IGO EBITDA Profile (A\$M)⁽¹⁾



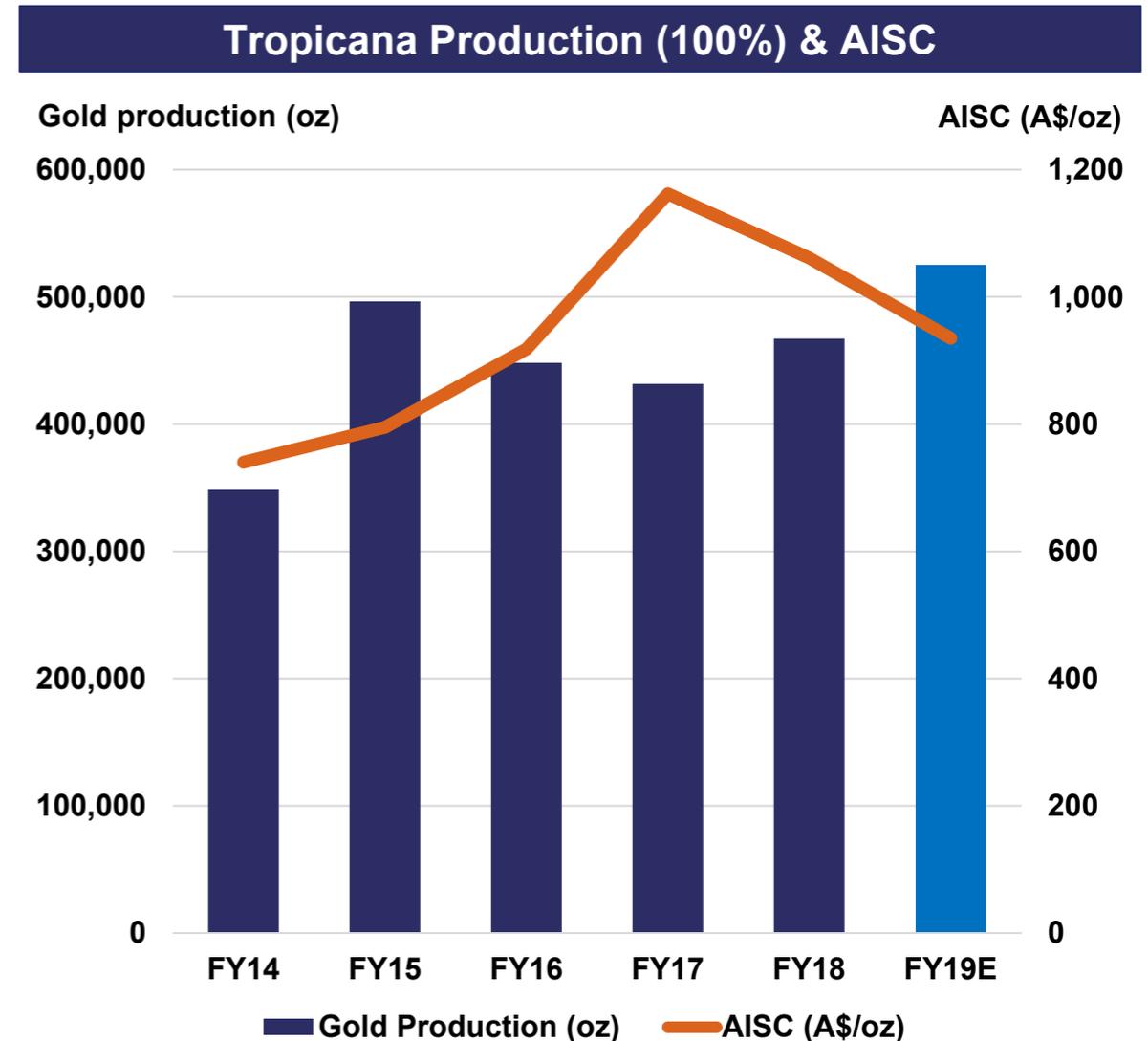
1) Macquarie Research – 29 Aug 2018

Tropicana



Tropicana

- 30% IGO & 70% AngloGold Ashanti (managers)
- Higher gold production and lower costs expected in FY19
- 8.0 Mtpa processing rate achieved in 1Q19
- 10 year mine life remaining
- Progress projects in 2Q19:
 - Complete underground prefeasibility study
 - Complete and commission second ball mill



1) Refer to IGO annual reports for FY14 to FY18

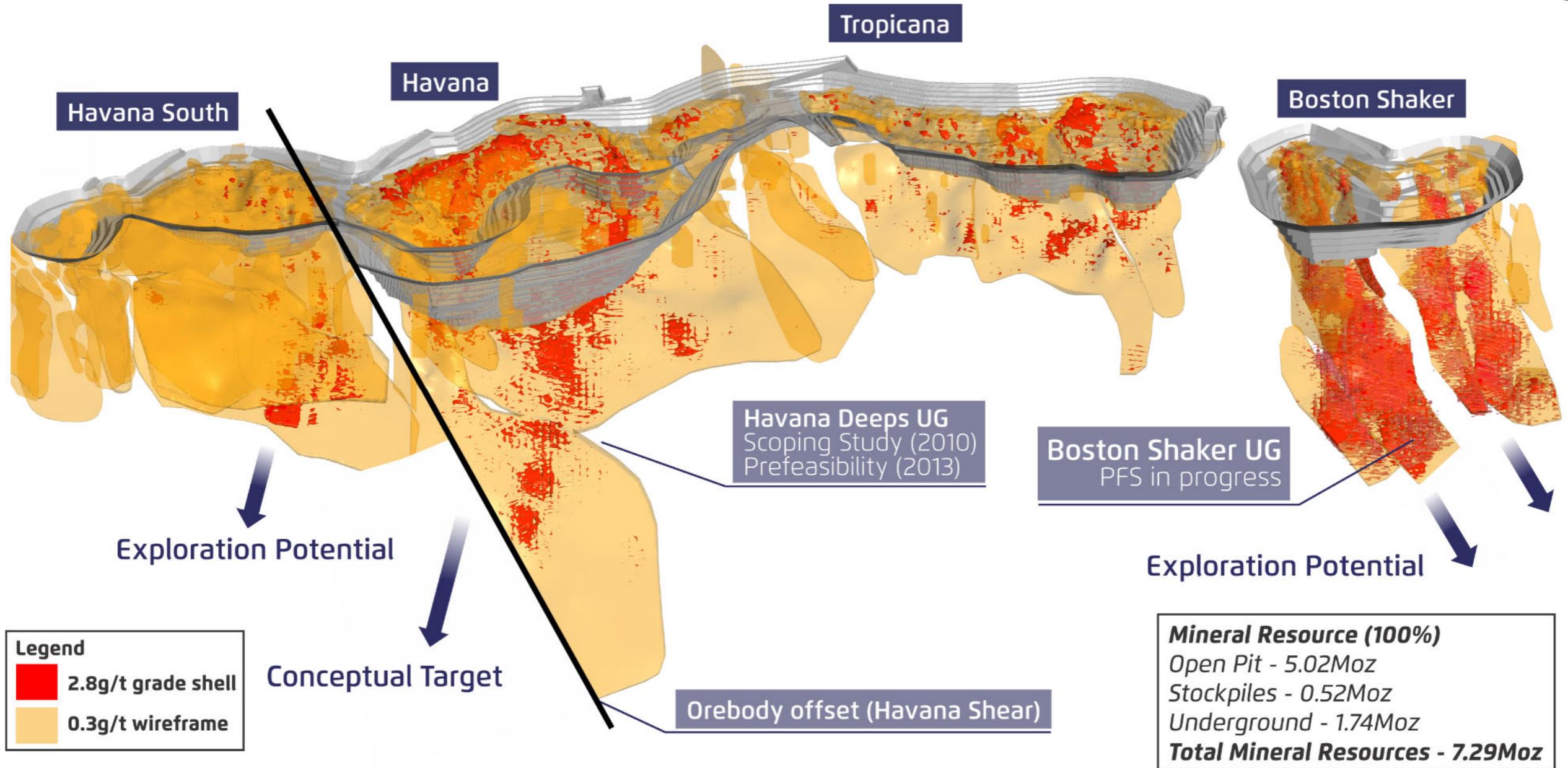
2) FY19E is the midpoint of guidance for FY19. Refer ASX Release dated 29 July 2018 – Guidance Range of 500,000 to 550,000oz gold production at AISC of A\$890/oz to A\$980/oz gold sold



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**

Tropicana – 5km strike of mineralisation



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

Nova

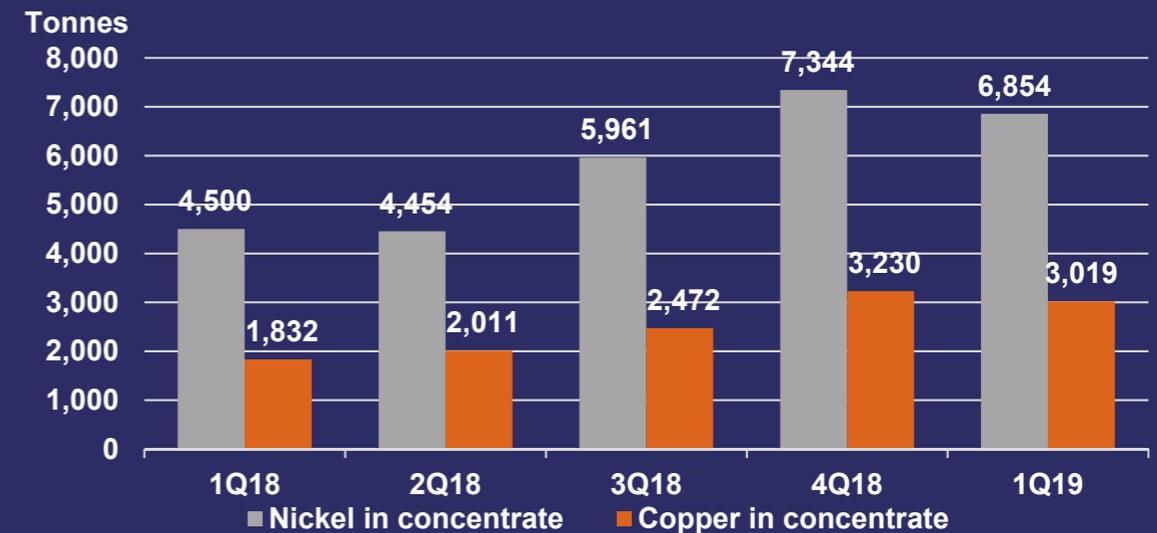




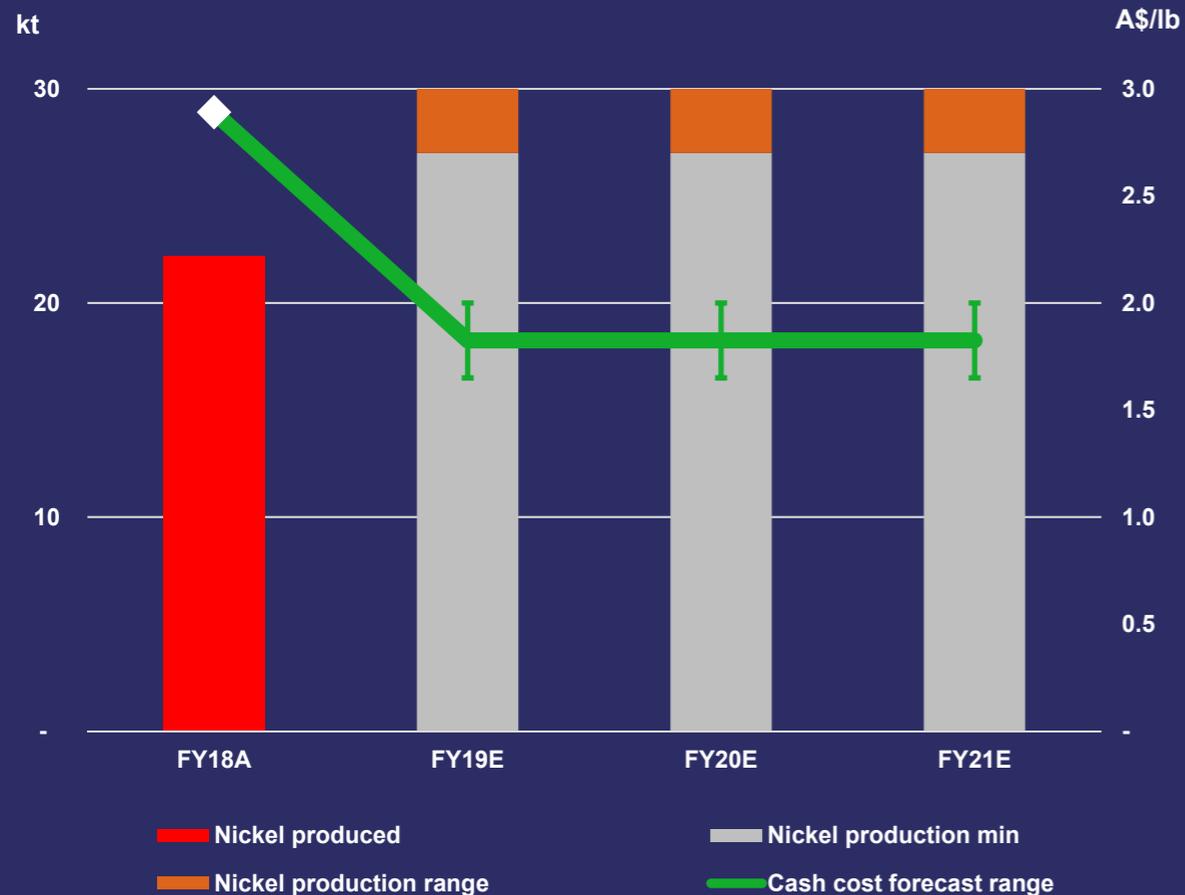
Nova de-risked

- Successful first year of commercial production with 1.5Mtpa nameplate capacity exceeded
- Nova – Bollinger grade control completed
- Underground capital development expected to be completed in FY19

Nova Metal Production in Concentrate



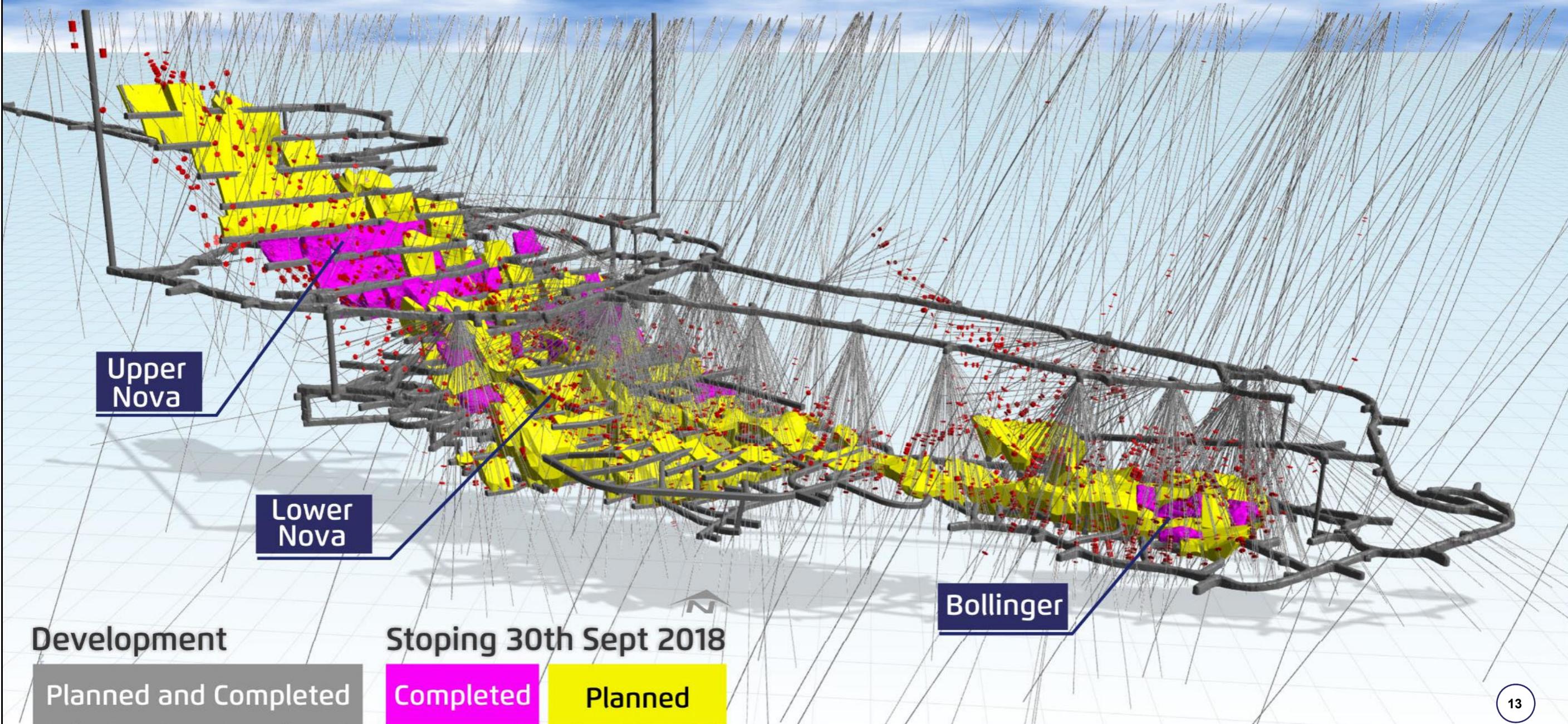
Directional Production and Cash Costs



Strong outlook for Nova

- Consistent and higher production rate expected next three years
- Main driver is higher grade stopes in core of Nova and Bollinger
- Assumes:
 - 1.5Mtpa mining/processing rate
 - 89% nickel recovery and 85% copper recovery
 - Commodity price for by-product credits of A\$4.08/lb for copper and A\$50/lb for cobalt

Nova Underground Mine Design & Drilling

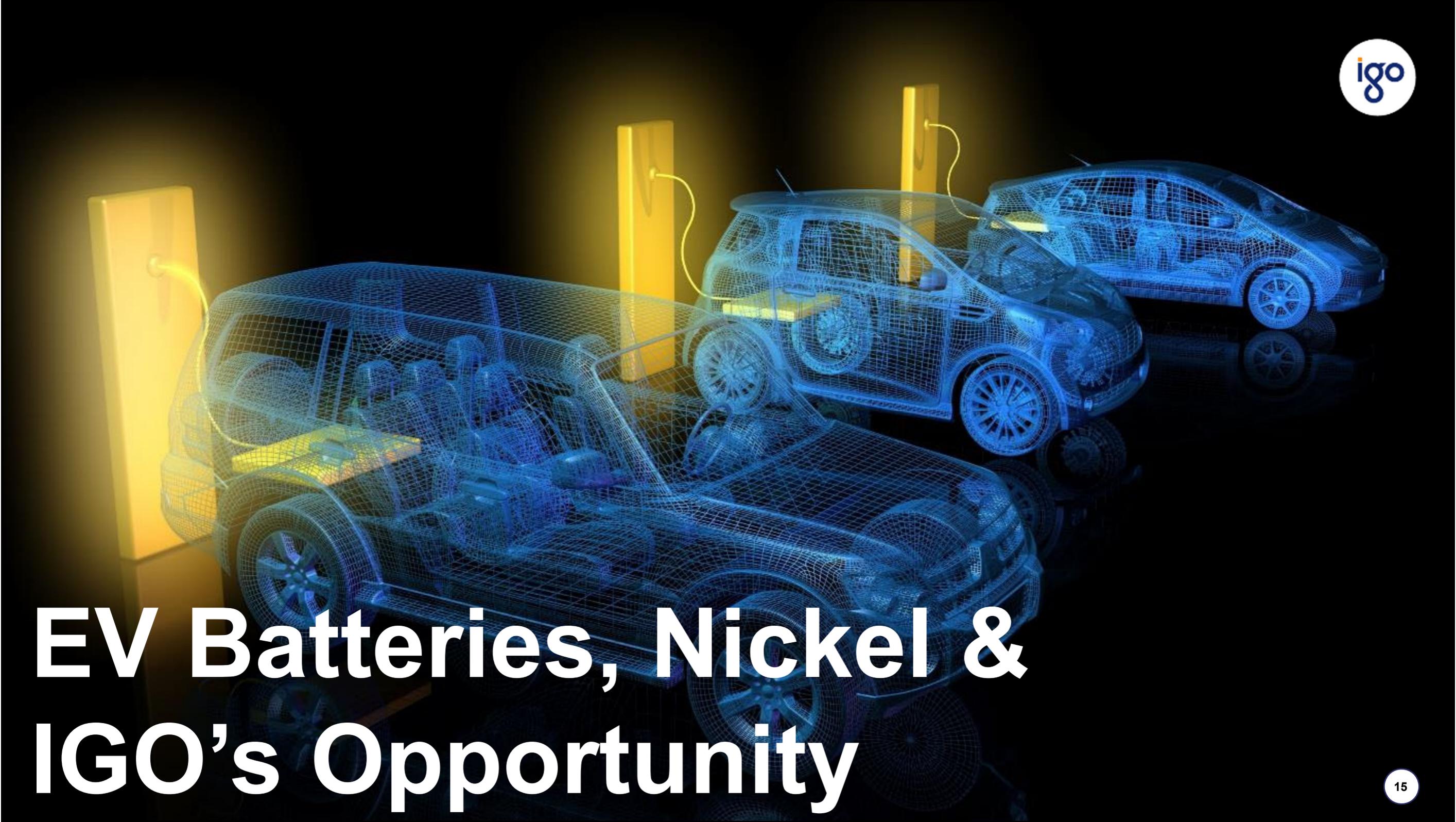


Zenith Energy to build 12.5GWh solar farm at Nova

- **First fully integrated commercial hybrid diesel/solar PV facility in Australia**
- **Includes state-of-the-art PV modules, single axis tracking and control systems**
- **First power expected September 2019 quarter**
- **Breakeven at diesel price of A\$0.65/L⁽²⁾**

1) Photo showing Arctech Solar Arctracker Pro application in Namibia

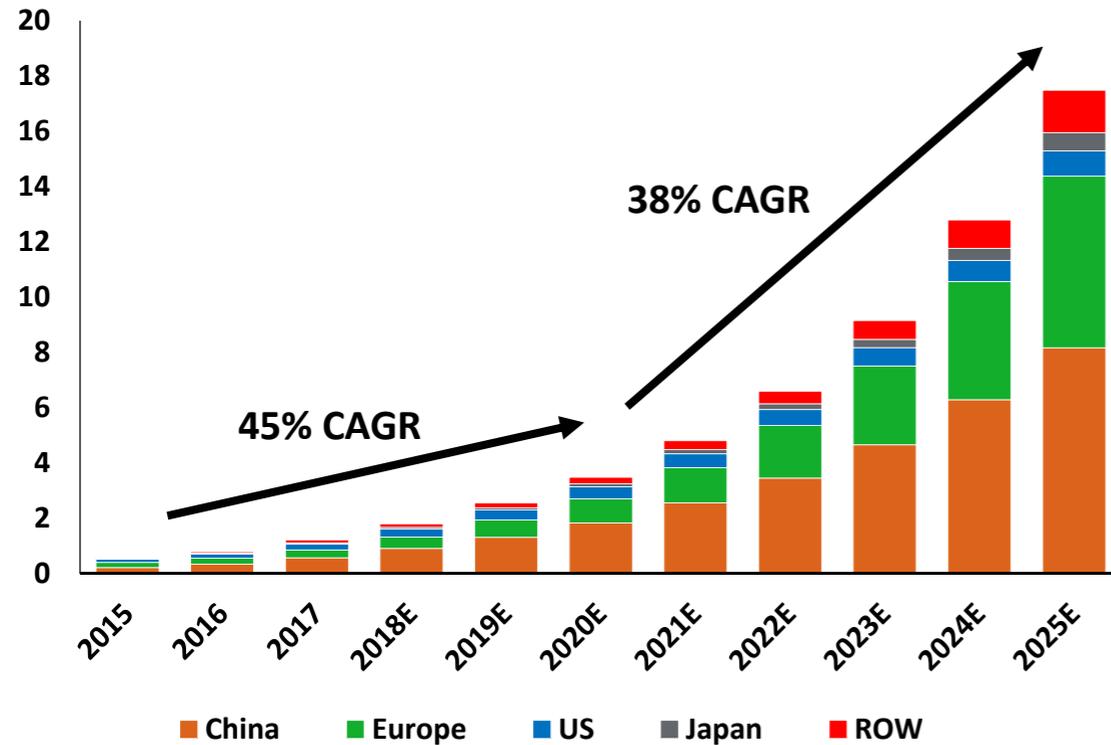
2) A\$0.65/L breakeven diesel price is inclusive of A\$0.41/L fuel tax credit

A 3D wireframe illustration of three electric vehicles (EVs) parked at charging stations. The cars are rendered in a blue wireframe mesh, and the charging stations are glowing yellow. The scene is set against a dark background with reflections on the ground.

EV Batteries, Nickel & IGO's Opportunity

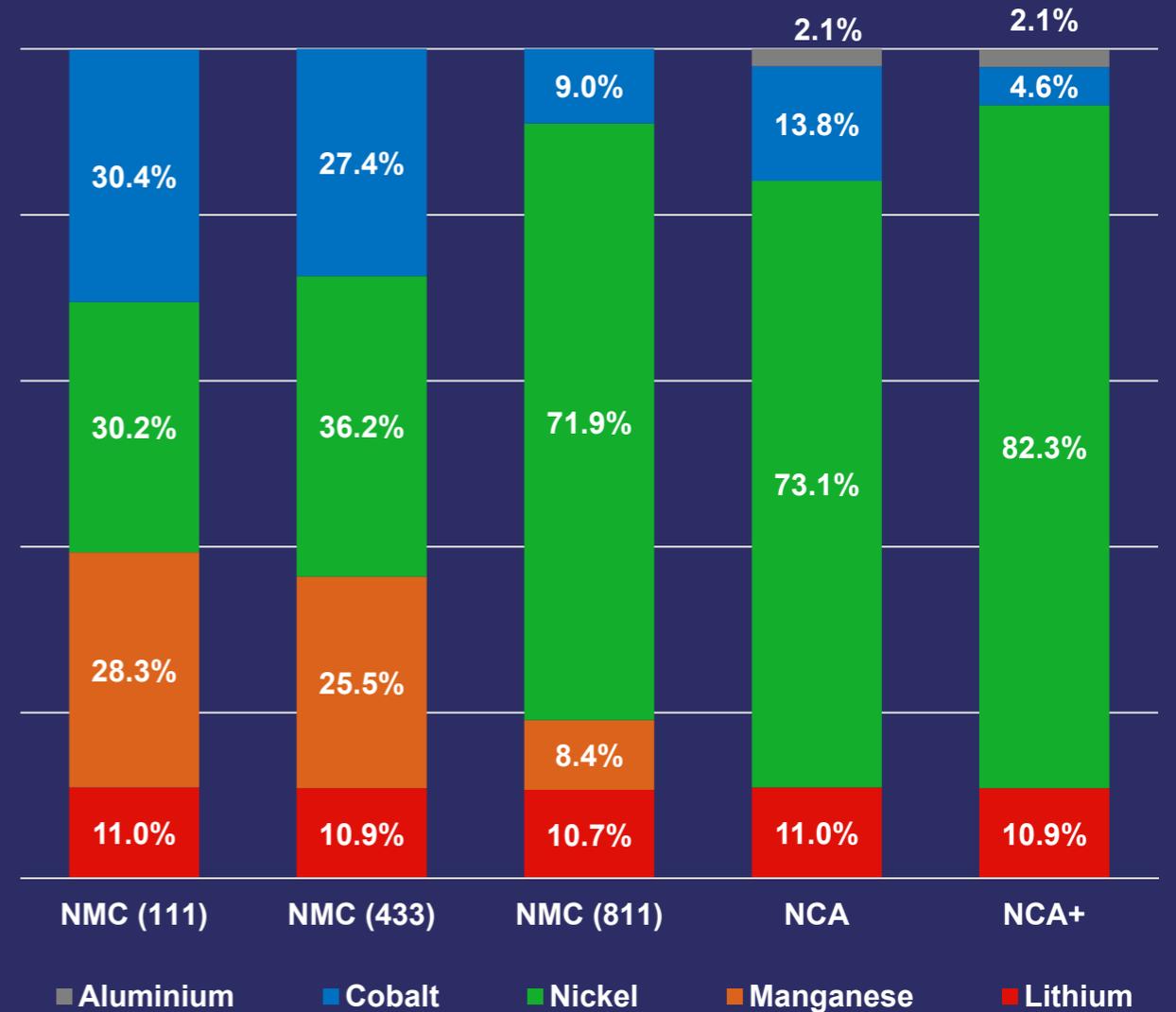
Trend to Increased EV Penetration & Vehicle Numbers⁽¹⁾

Global EV sales
(million units)



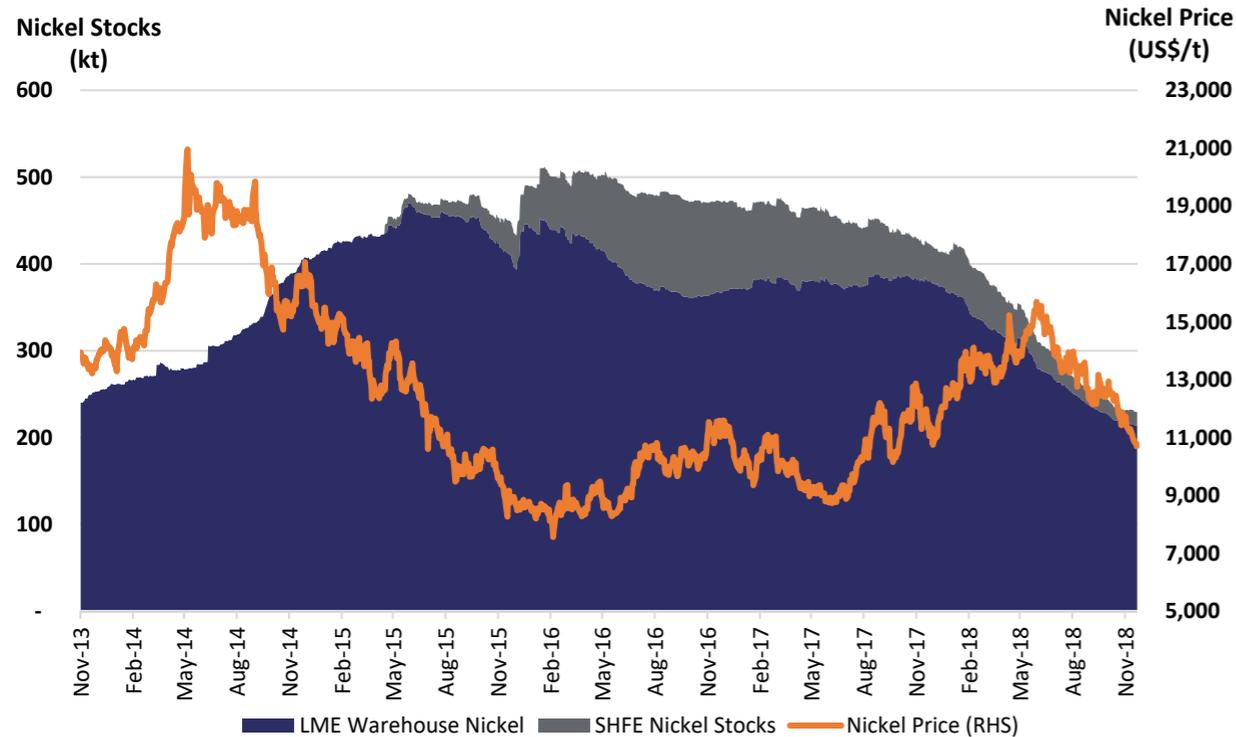
1) UBS Research, November 2018
2) CAGR means Compound Annual Growth Rate

Trend to More Nickel in Cathodes



Decreasing stockpiles and stainless steel demand growth to maintain market supply deficit

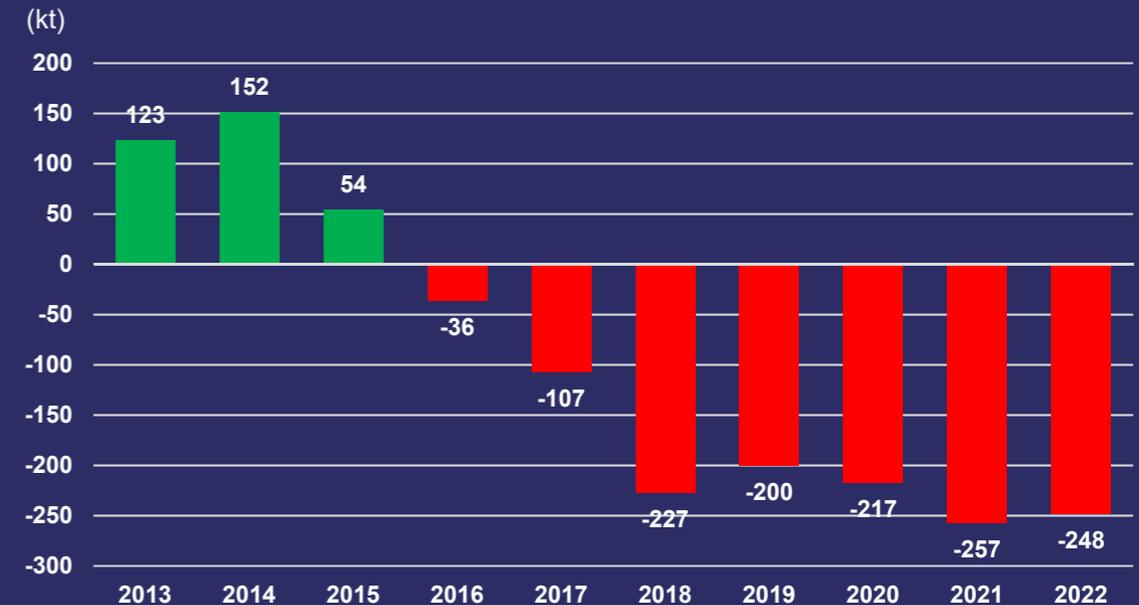
Official Nickel Exchange Stockpiles and Price⁽¹⁾



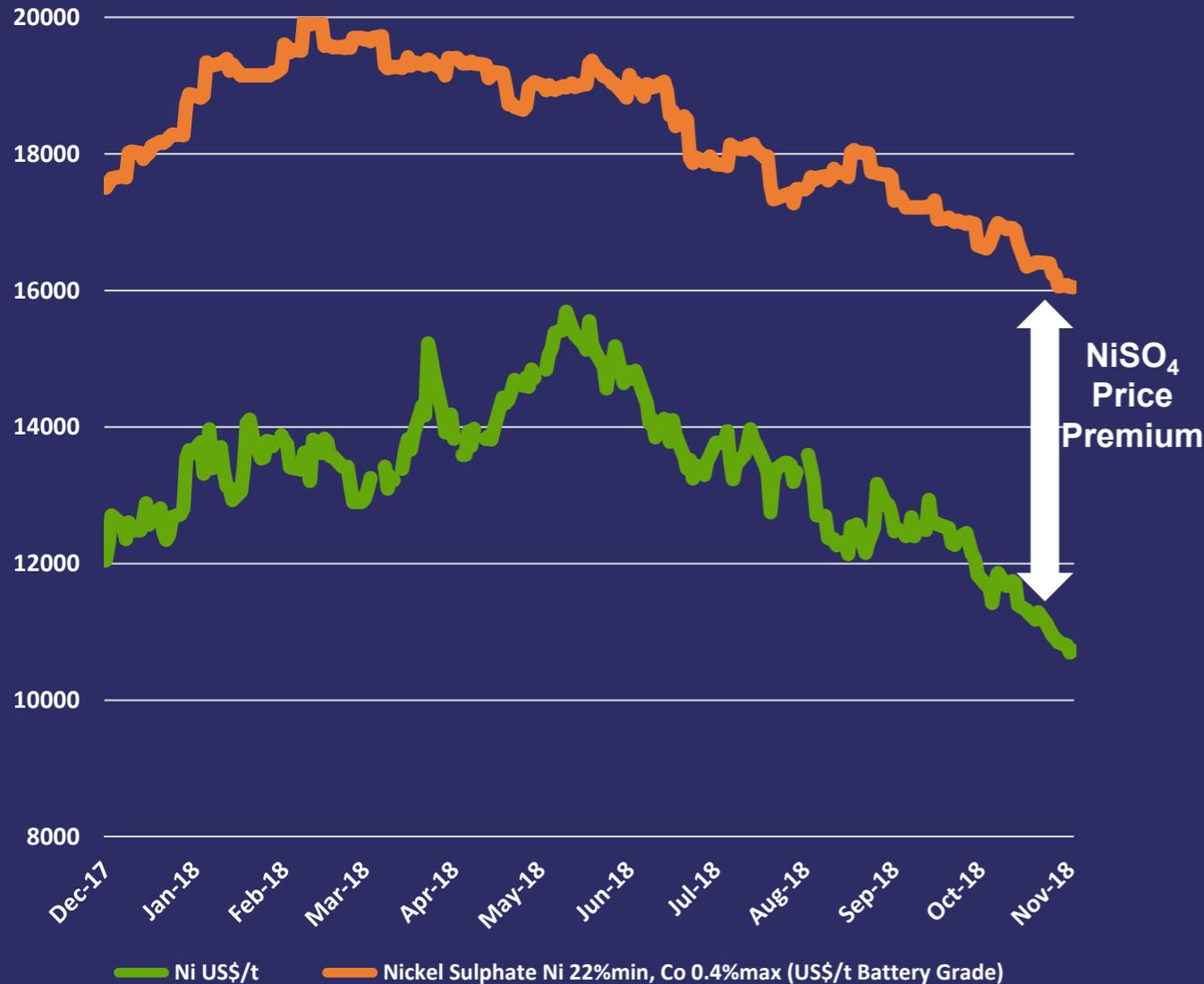
1) Source: Bloomberg
 2) Source: UBS Research 22 Nov 2018: UBS Global I/O: What does EV Battery Tear-Down imply for battery raw materials
 3) Source: UBS Research 28 Jun 2018: UBS Global I/O: Miner's Price Review, Still Got It

Nickel to be a big winner from EV battery demand disruption with 300-900kt of additional nickel required by 2025⁽³⁾

Nickel Market Supply/Demand Balance⁽²⁾



LME Nickel Versus Nickel Sulphate (US\$/t)^(1,2)



Downstream processing potential at IGO

- Produce nickel and cobalt sulphates for EV batteries
- Delivers potential for higher payability, premium price and higher concentrator recoveries
- Broadens exposure to wider range of investors

1) Source: Asian Metals

2) Nickel Sulphate price converted to per unit of nickel



Nickel sulphate hexahydrate crystals produced from Nova nickel concentrate

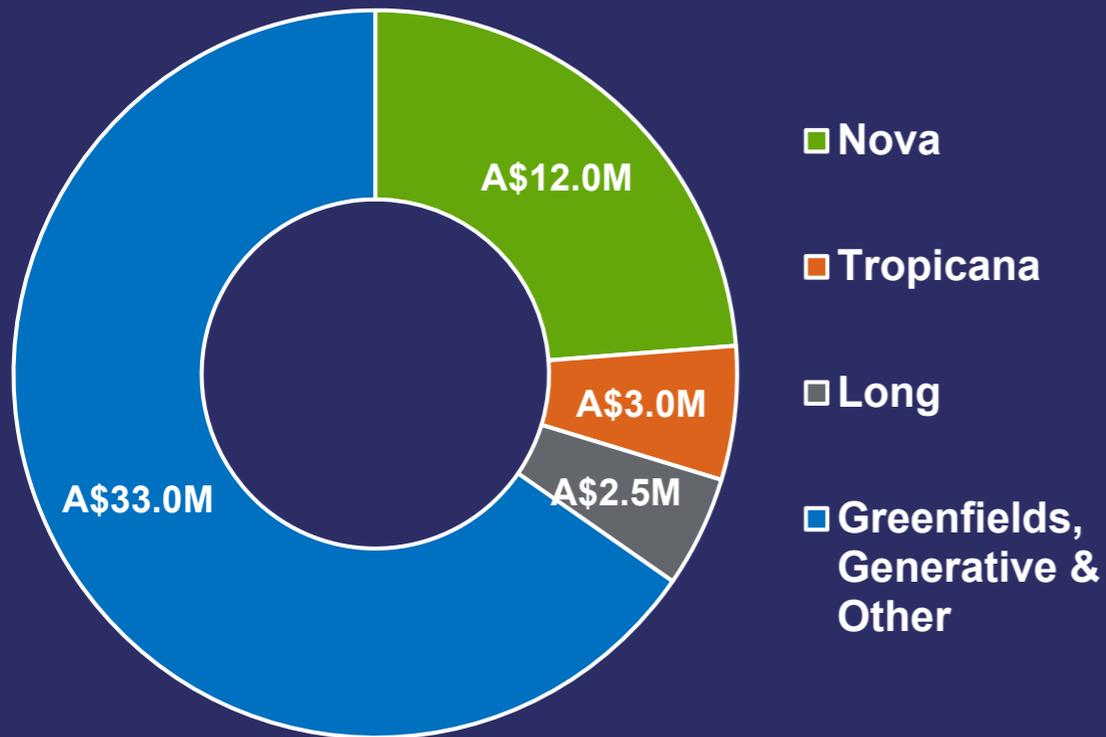
- Demonstrated technical feasibility of process route
- Test work validated and improved upon previous metallurgical assumptions indicating potential for lower capex & opex
- Prefeasibility underway

1) Photographs to the LHS are of the 1.6kg of nickel sulphate hexahydrate crystals produced in the metallurgical testwork. Photography by Karel Osten, Wood Plc

Discovery

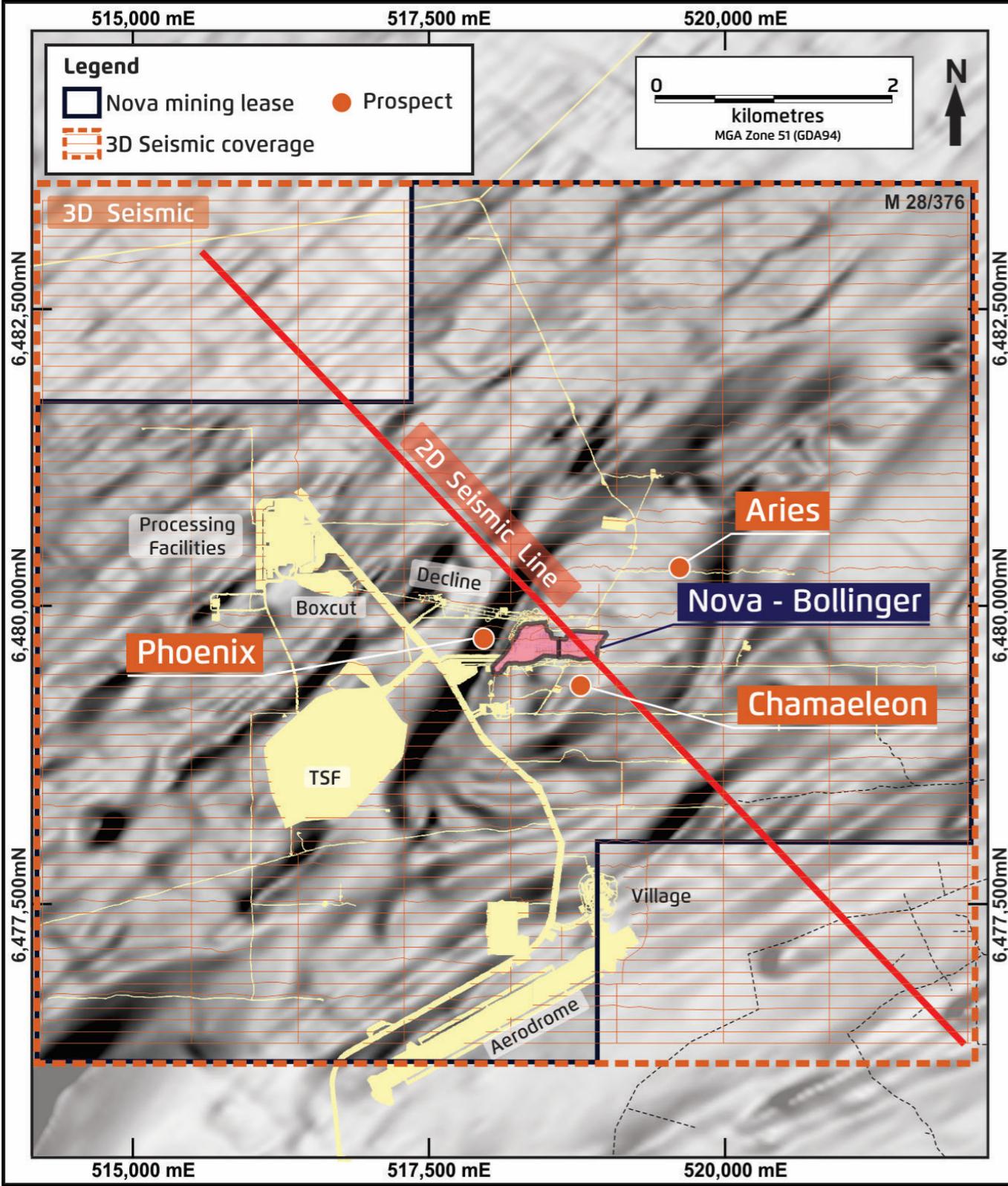


A\$51M committed to discovery in FY19



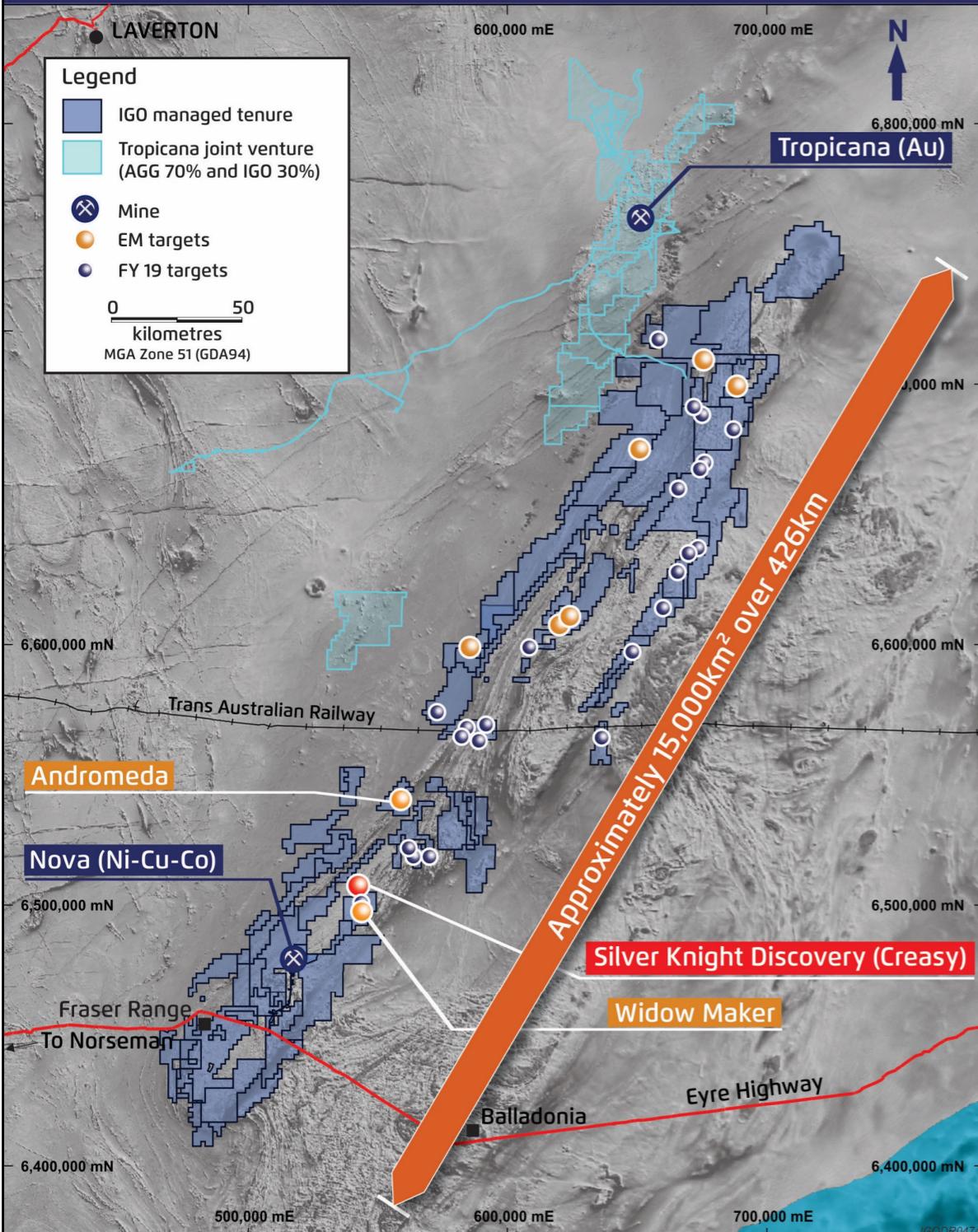
***Best in Class* exploration and discovery capability**





A\$12M commitment on Nova Mine Lease in FY19 to unlock brownfields discovery

- Leveraged multiple geophysical platforms
- Largest hard rock 3D seismic survey in Australia
- Now drill testing first seismic targets with two drill rigs onsite

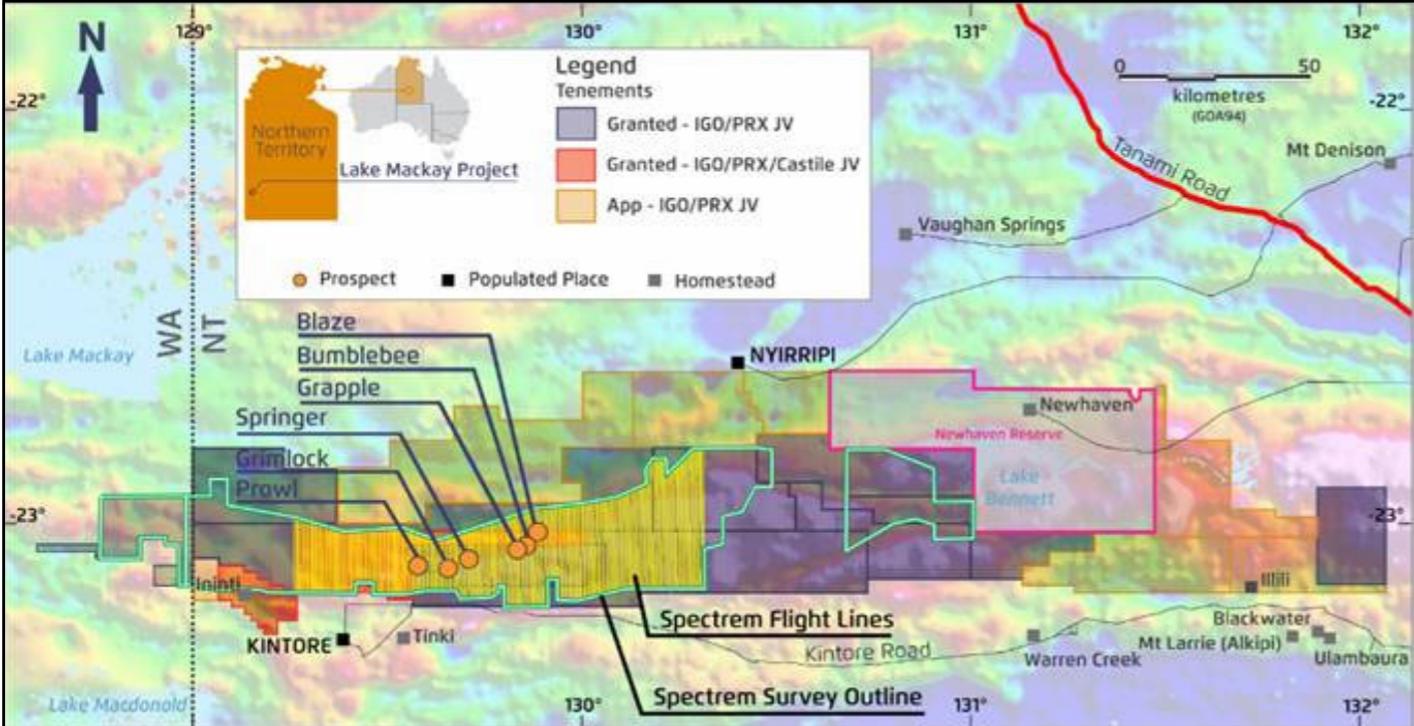


Systematic exploration over ~15,000km² of consolidated tenure

- Multiple EM platforms
- Bedrock geochem using Aircore
- Gravity survey & mapping
- Follow up RC/DDH

Testing numerous targets

- Technical success at Andromeda with Cu-Zn-Au-Ag discovery
- Good potential at Widow Maker (south of Creasy Silver Knight discovery)



Lake Mackay is a 12,800km² belt scale greenfields exploration project for IGO

- Polymetallic intersections in drilling at Grapple & Bumblebee
- Rock chip samples from Grimlock prospect confirm results with up to 2.5% Co, 1.1% Ni, 46.4% Mn⁽¹⁾
- Spectrem airborne EM survey commenced



1) Refer to PRX ASX release dated 26 Jul 2018: Lake Mackay JV: Exploration Update

ESG

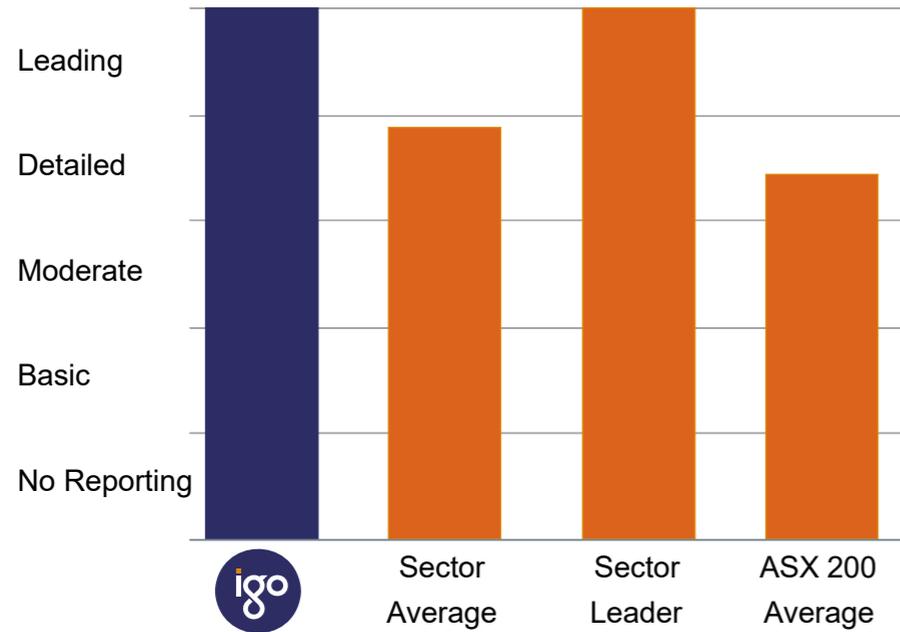


HEALTH AND SAFETY
PUTTING EMPLOYEES FIRST
IS THE GO
At IGO we value the occupational health, safety and wellbeing ("OWB") of everyone within our operations and within the communities in which we operate.

Safety & Sustainability



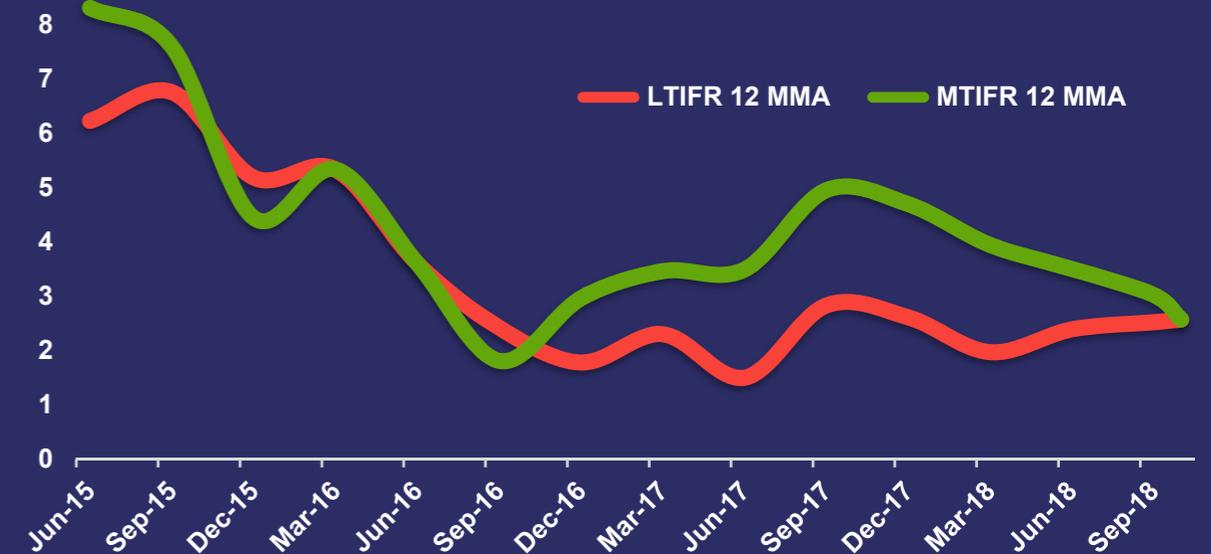
2018 ACSI Rating of ASX200 Sustainability Reporting⁽⁵⁾



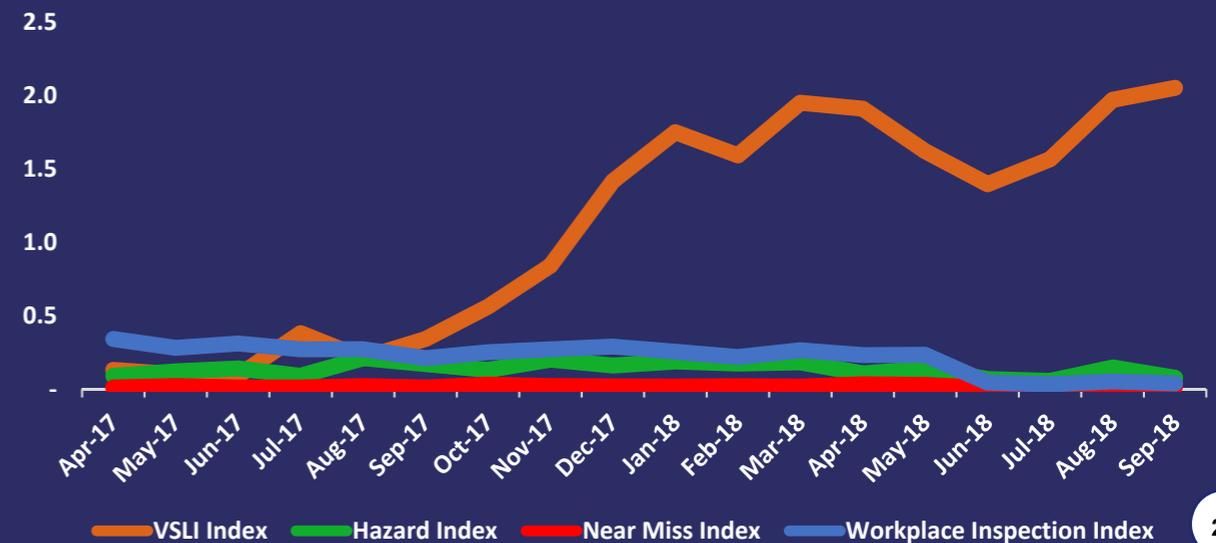
“Leading” rating each of the last three years

- 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)

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



Key Lead Safety Metrics⁽³⁾

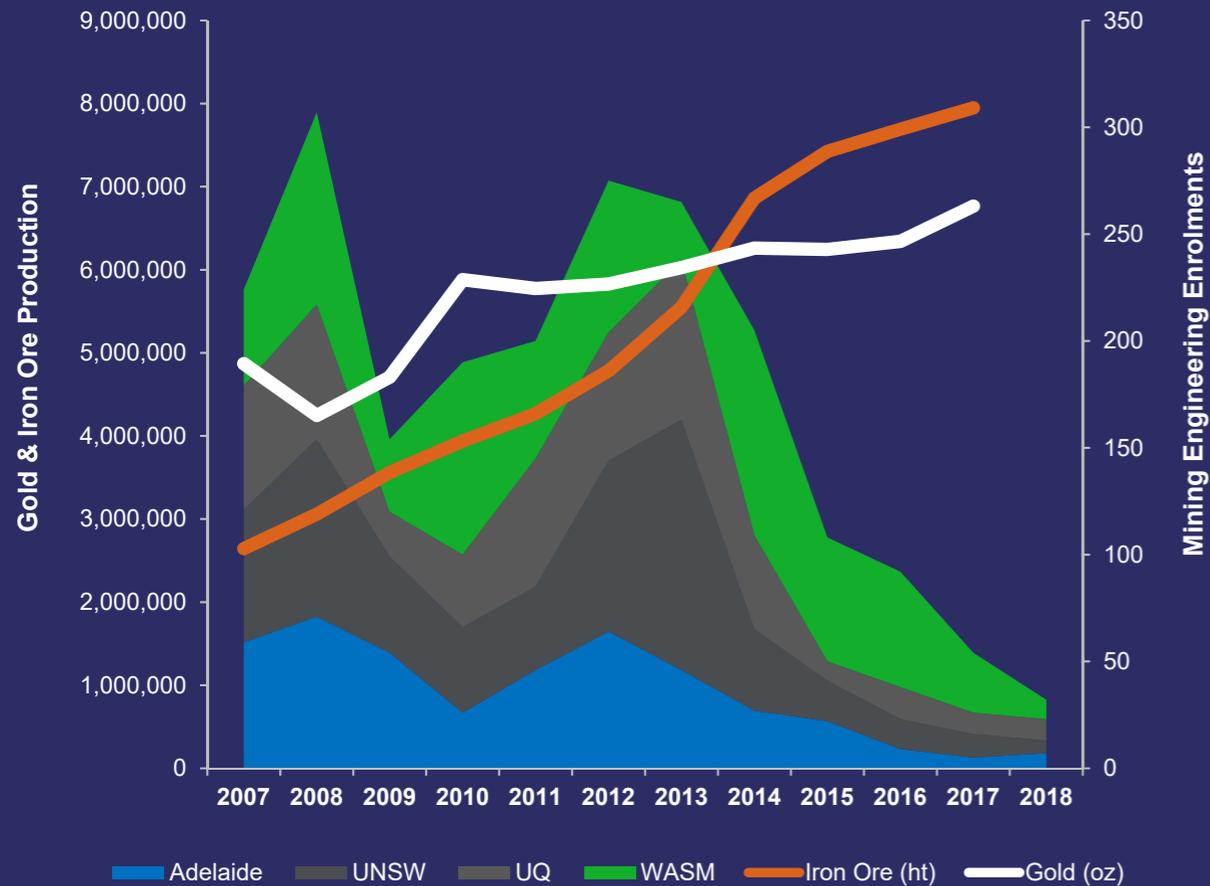




Part of the *IGO Difference* is our focus on people and culture

- Strong sense of purpose
- Empowered people who are owners of the business
- Focus on doing what is right – because we care
- Collectively we are making a difference
- Fostering the next generation of industry leaders

Mining Activity Vs Mining Engineering Enrolments^(1,2)



We need more mining people

- **Several years of rhetoric perpetuated a myth that the mining boom had busted**
- **81% decline in mining engineering graduates between 2017 to 2020⁽¹⁾**
- **Mining engineer graduates lag the economic cycle by four years**
- **IGO/Curtin Scholarship Endowment**

1) Minerals Council of Australia

2) WA Department of Mines, Industry Regulation and Safety

Concluding Comments



Concluding Remarks

- Two low cost assets of scale and long mine life
- Strong free cash flow delivering strong and strengthening balance sheet
- Strong team passionate about making a difference
- Positioned for transformational organic growth:
 - Underground at Tropicana
 - Nickel sulphate downstream
 - Exploration & Discovery



Appendix



FY18 highlights:

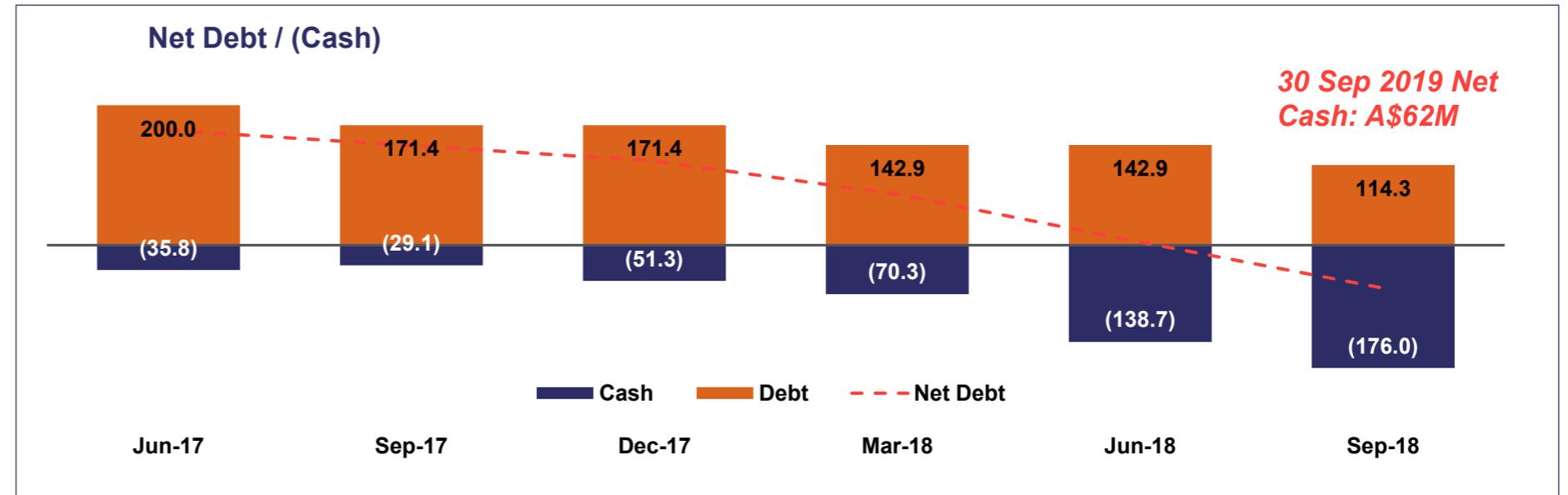
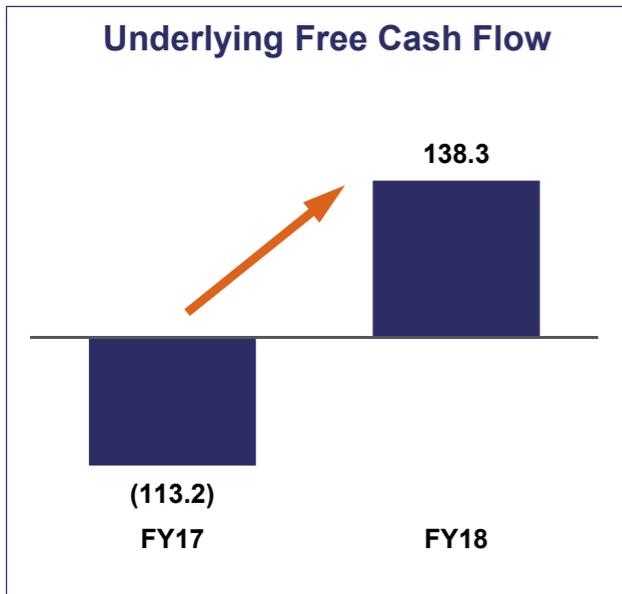
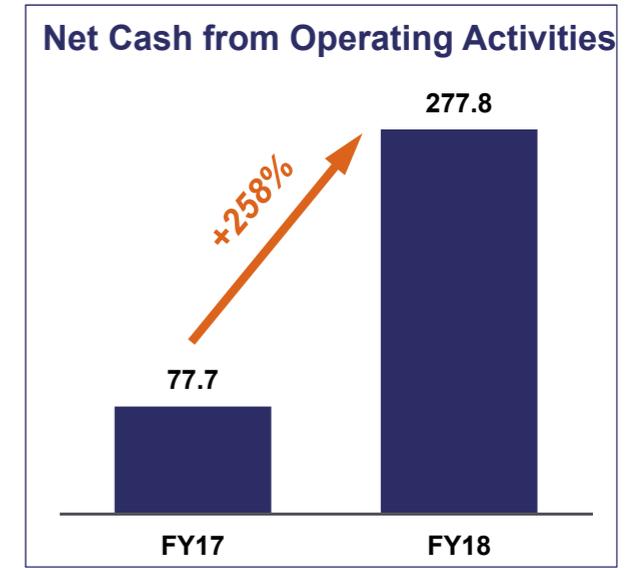
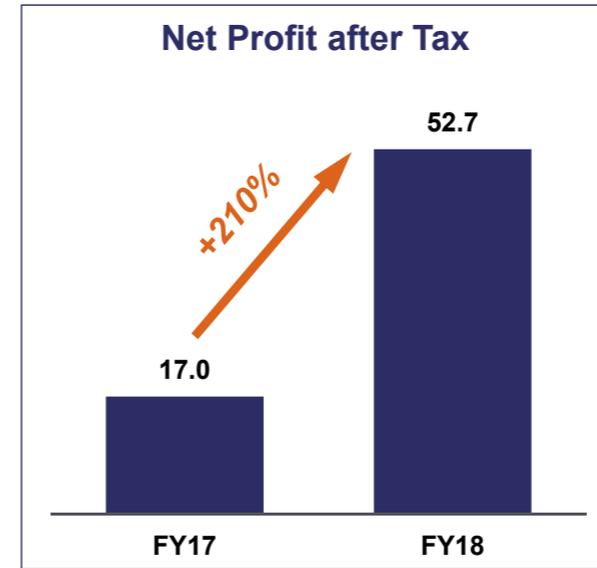
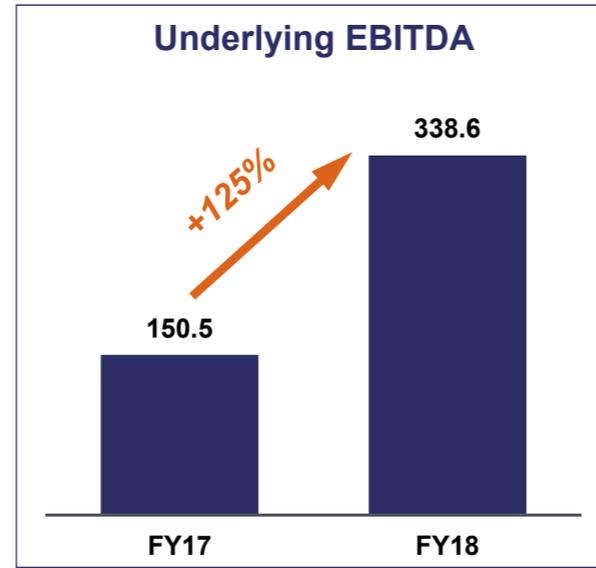
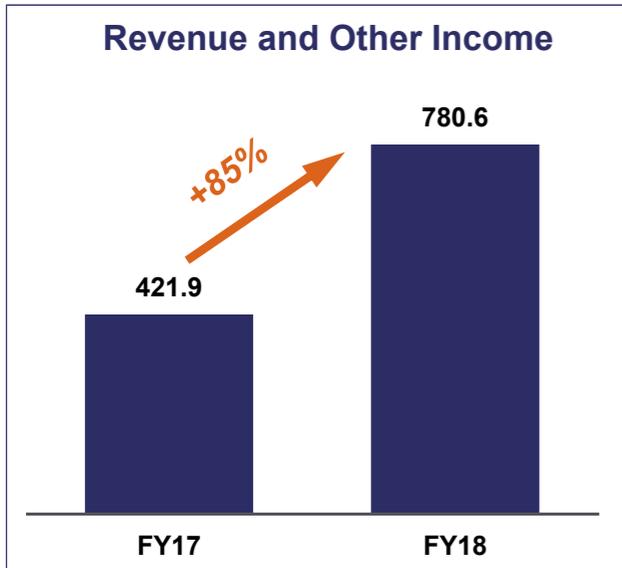
- Record revenue and EBITDA
- Completed first full year of commercial production at Nova
- Tropicana and Long production better than mid-point of guidance
- Exploration portfolio strengthened and non-core assets divested
- Net debt reduced from A\$164M to A\$4M during FY18
- Final fully franked dividend of 2c/share declared for FY18 for total FY18 dividends of 3c/share



Significantly Improved Financial Results in FY18



Driven by first full year of commercial production at Nova and a strong year for Tropicana



FY19 Guidance⁽¹⁾

Stronger year at Nova and Tropicana in FY19



Nova guidance de-risked by grade control drilling and first year of commercial production in FY18

Metric	Units	FY19 Guidance
Nickel in concentrate	t	27,000 – 30,000
Copper in concentrate	t	11,000 – 12,500
Cobalt in concentrate	t	850 – 950
Cash cost (payable) ⁽²⁾	A\$/lb Ni	1.65 – 2.00
Sustaining/Improvement Capex	A\$M	21 – 24
Development capex	A\$M	25 – 28

Tropicana grade streaming to deliver higher production and lower cash costs

Metric	Units	FY19 Guidance
Gold produced (100%)	koz	500 – 550
Gold sold (IGO 30%)	koz	150 – 165
Cash cost	A\$/oz	635 – 705
AISC	A\$/oz	890 – 980
Sustaining/Improvement capex	A\$M	21 – 24
Capitalised waste stripping	A\$M	32 – 36

1) Refer to ASX release dated 27 Jul 2018: IGO June 2018 Quarterly Report

2) Commodity price assumption for by-product credits of A\$4.08/lb for copper and A\$50/lb for cobalt

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



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**

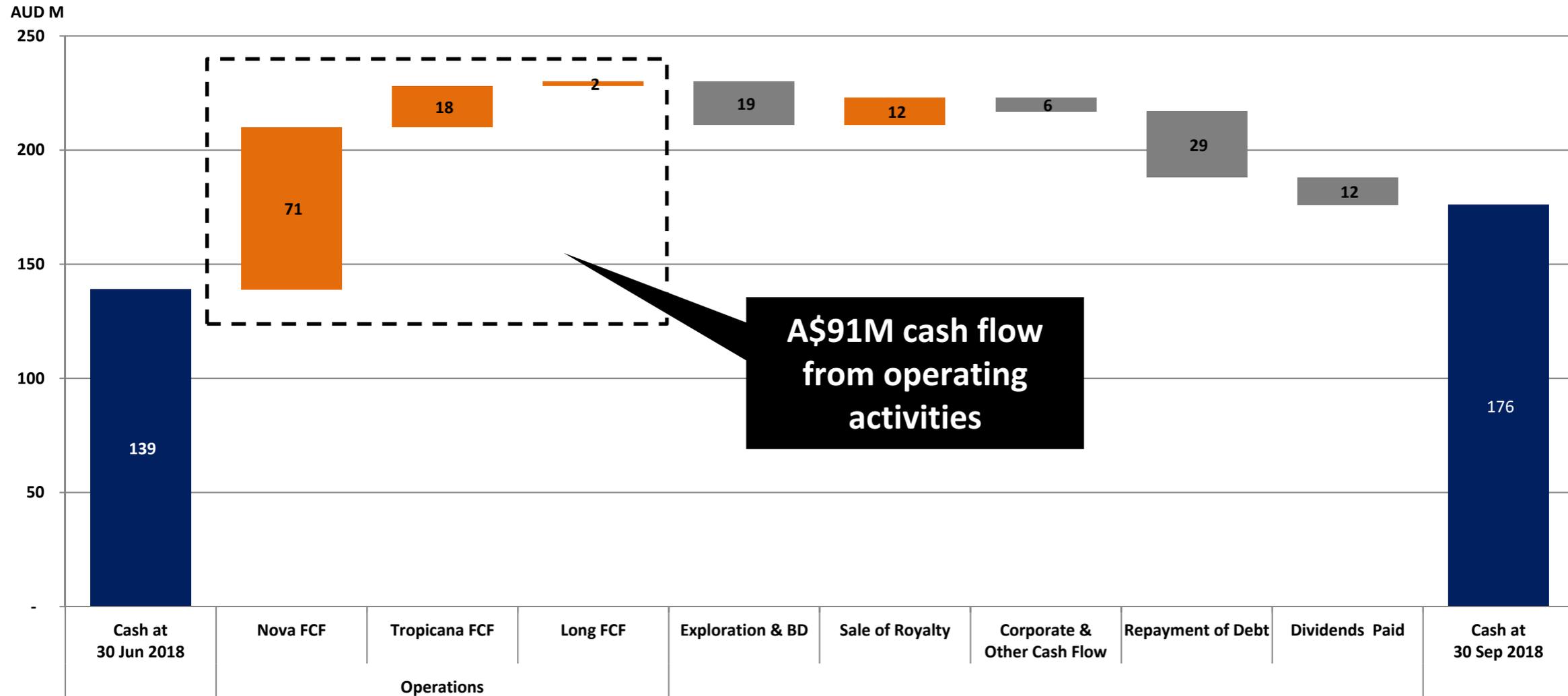
1) Underlying EBITDA is a non-IFRS measure (refer to Disclaimer page)

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 disciplined payment of dividends

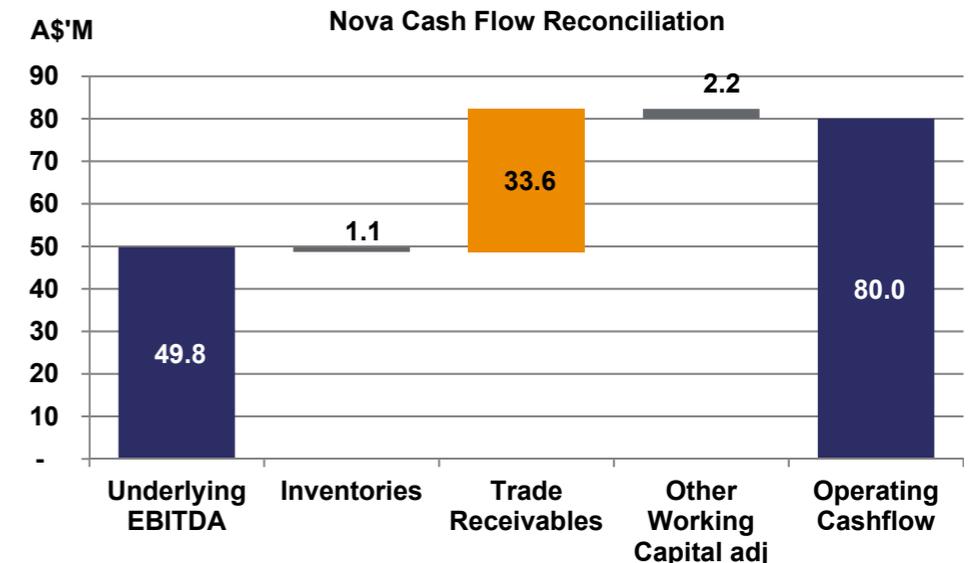
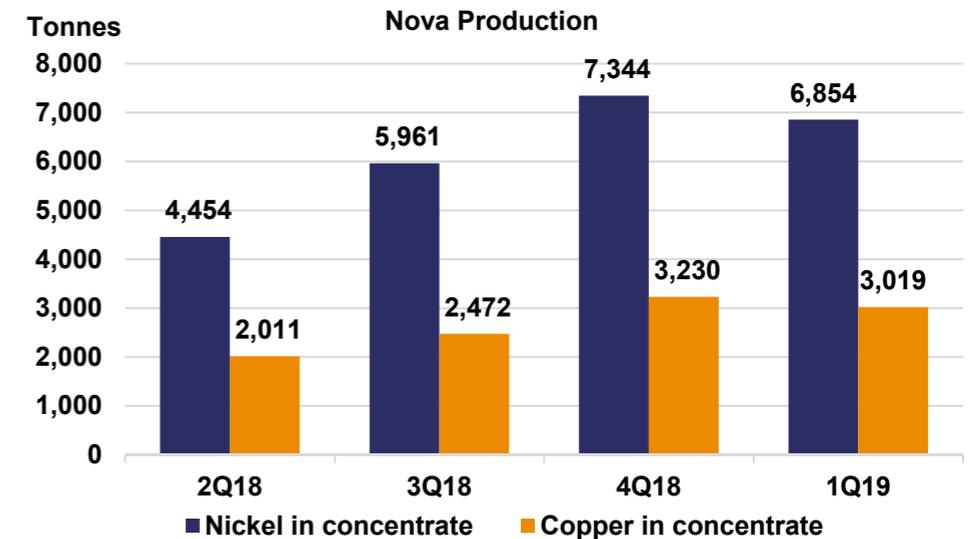


Metal production on guidance

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

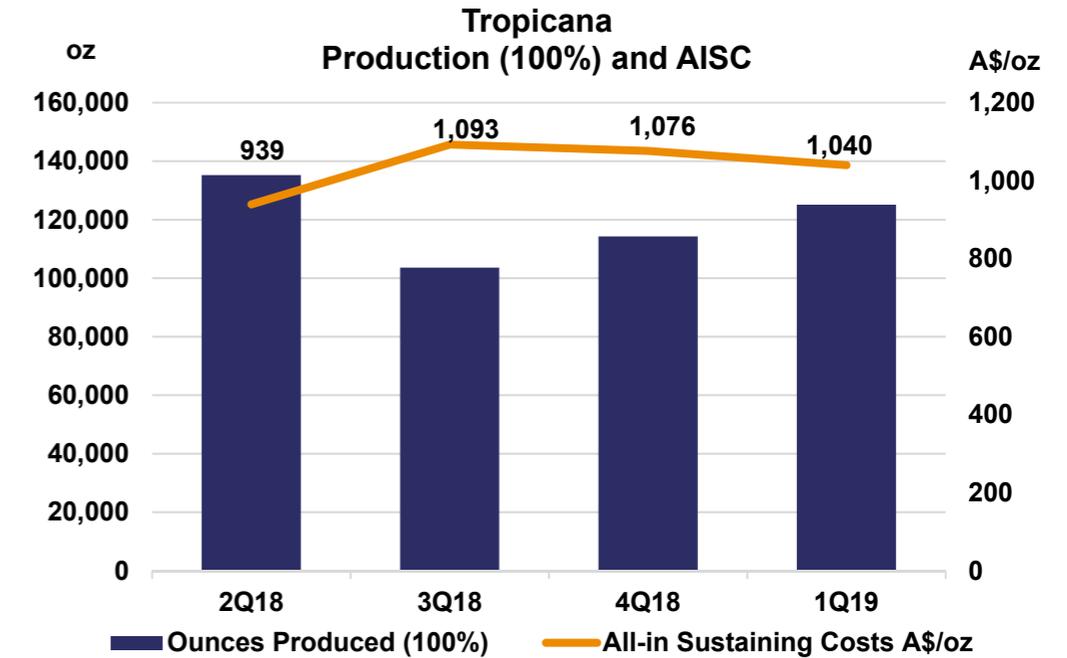


1) Implied pro-rata quarterly guidance (FY19 guidance apportioned for one quarter)

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

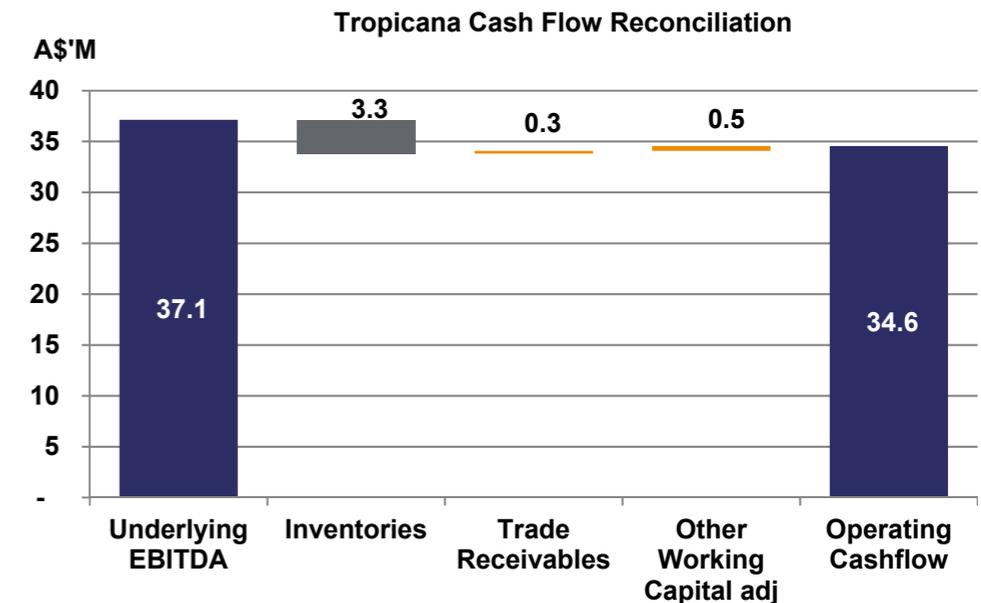
Record mill throughput delivered and value enhancement studies on track

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)



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