

INDEPENDENCE GROUP NL

Peter Bradford, Managing Director and CEO

Annual General Meeting Presentation

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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, other than Nova Project Ore Reserves, should be read in conjunction with IGO's ASX Release dated 28 October 2015 (2015 Mineral Resource and Ore Reserve) , and, in the case of Nova Project Ores Reserves, IGO's ASX Release dated 14 December 2015, which are 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.

Highlights and achievements



Vision and Strategy

We have a clearly articulated vision and a focussed strategy



Sustainability

A year of continuous improvement and capacity building

Operations

Production and cash costs at or better than guidance at all operations

Financial Performance

Record revenue and operating Cashflow delivered in FY15



Growth

Successfully completed acquisition of Nova Project and Optimisation Study



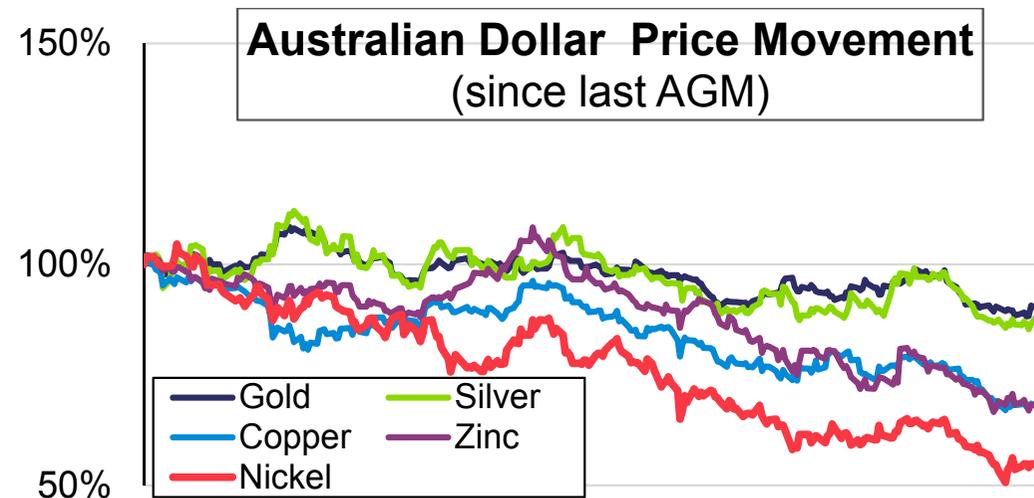
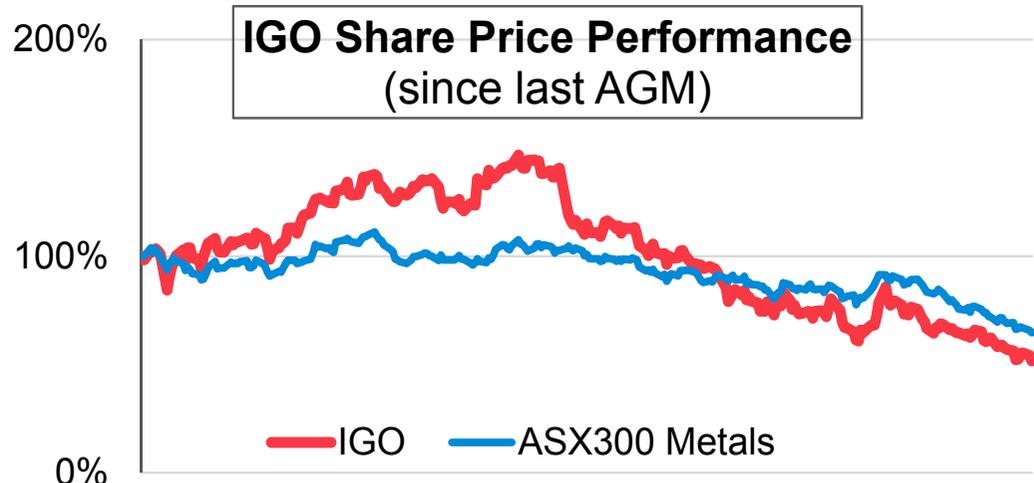
People & Organisation

Strengthened senior management team

FY2015 in retrospect

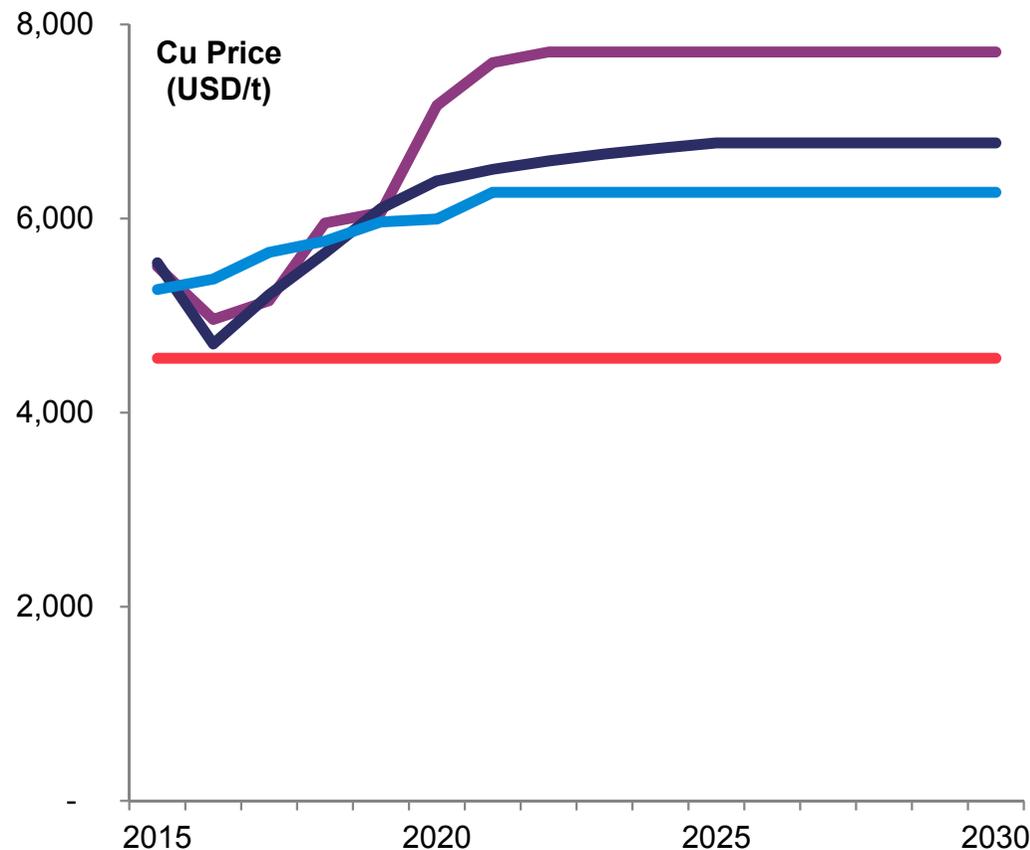
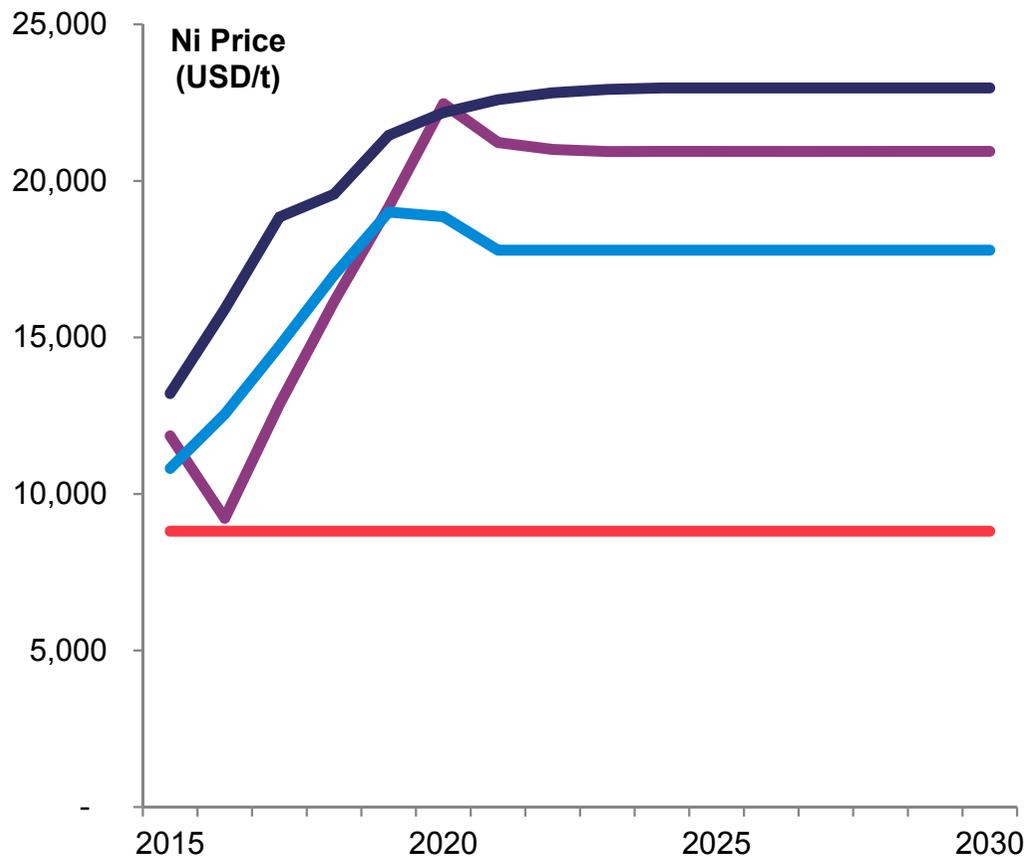
A roller coaster journey

- Consistent delivery against guidance
- Maintained strong performance against backdrop of significant commodity price deterioration
- Completed transformational acquisition of Nova Project
- Completed Optimisation Study for Nova Project to deliver 36% extra value on a like for like basis
- Negotiated \$550M finance package
- Delivered promising brownfields and greenfields exploration results
- Strengthened management team



Medium to long term outlook is positive

Delivery of first production from Nova could be perfectly timed



Wood Mac (Dec-15) CRU (Dec-15)
Consensus Economics (Oct-15) Spot (4-Dec-15)

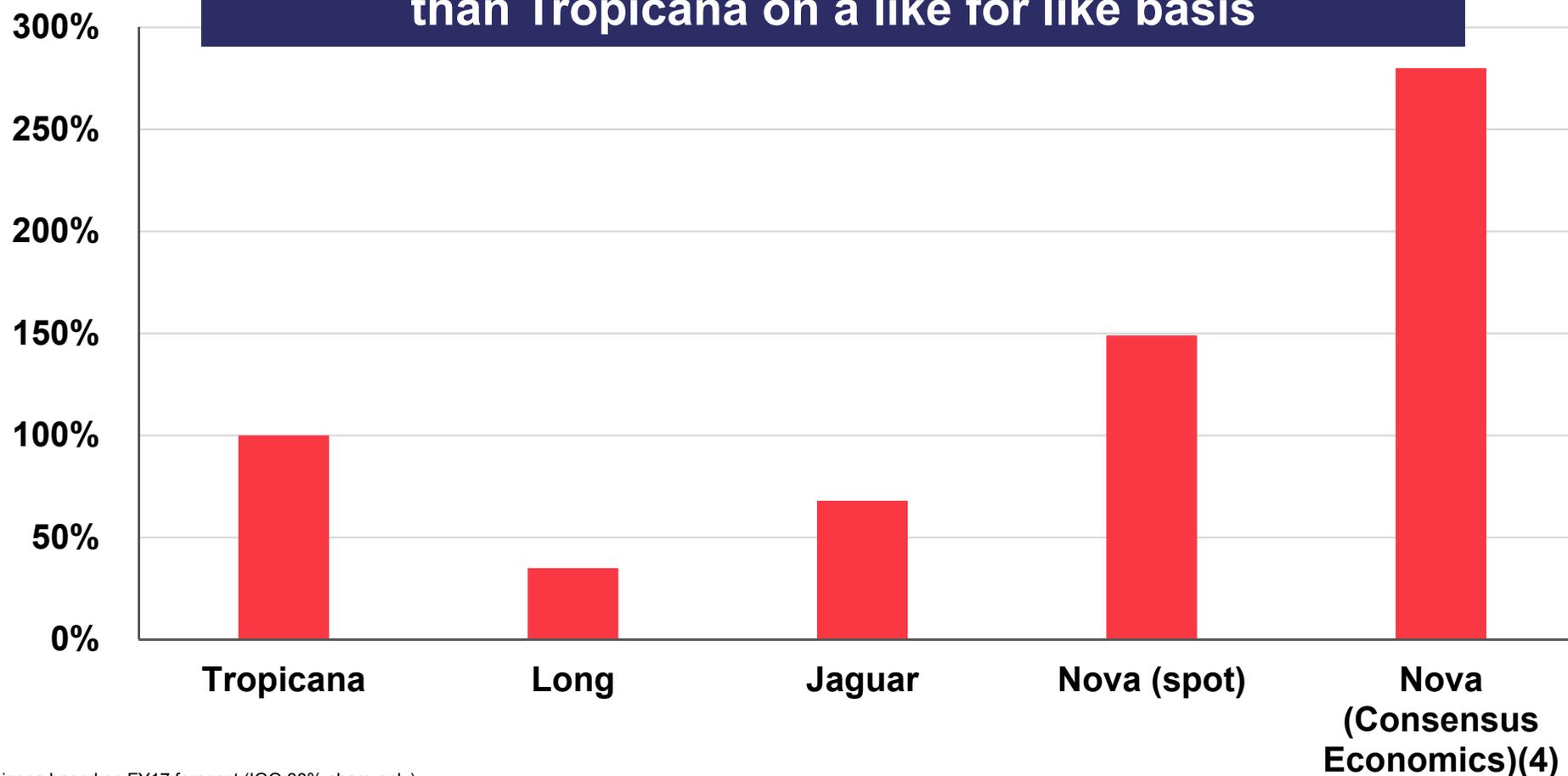
Wood Mac (Dec-15) CRU (Dec-15)
Consensus Economics (Oct-15) Spot (4-Dec-15)

Relative metal production

Relative to Tropicana



At spot prices Nova delivers 49% more payable metal than Tropicana on a like for like basis

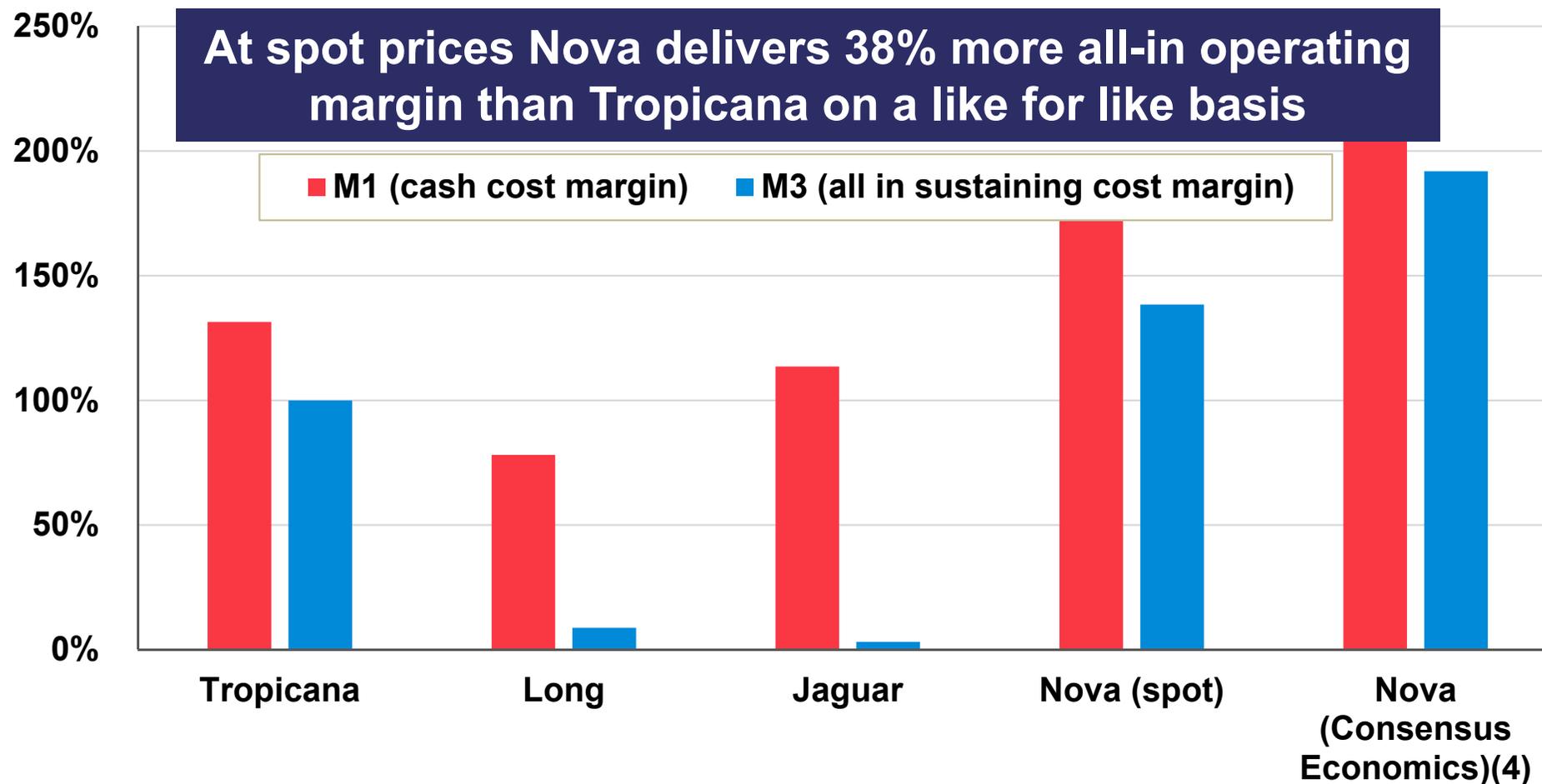


- 1) Tropicana based on FY17 forecast (IGO 30% share only)
- 2) Long and Jaguar based on FY16 guidance
- 3) Nova based on Optimisation Study Life of Mine average
- 4) Using Consensus Economics October 2015 Forecasts

Relative operating margin



Operating margin relative to Tropicana M3 (all in sustaining cost margin)



- 1) Tropicana based on FY2017 estimate (30% IGO share)
- 2) Long and Jaguar based on FY2016 guidance
- 3) Nova based on Optimisation Study Life of Mine Average
- 4) Using Consensus Economics October 2015 Forecasts

Focus on operating margin

Delivered by a strategic focus on high margin assets



50%

Operating
Margin in

FY14

51%

Operating
Margin in

FY15

39%

Operating
Margin for

Nova

At Spot¹

66%

Operating
Margin for

Nova

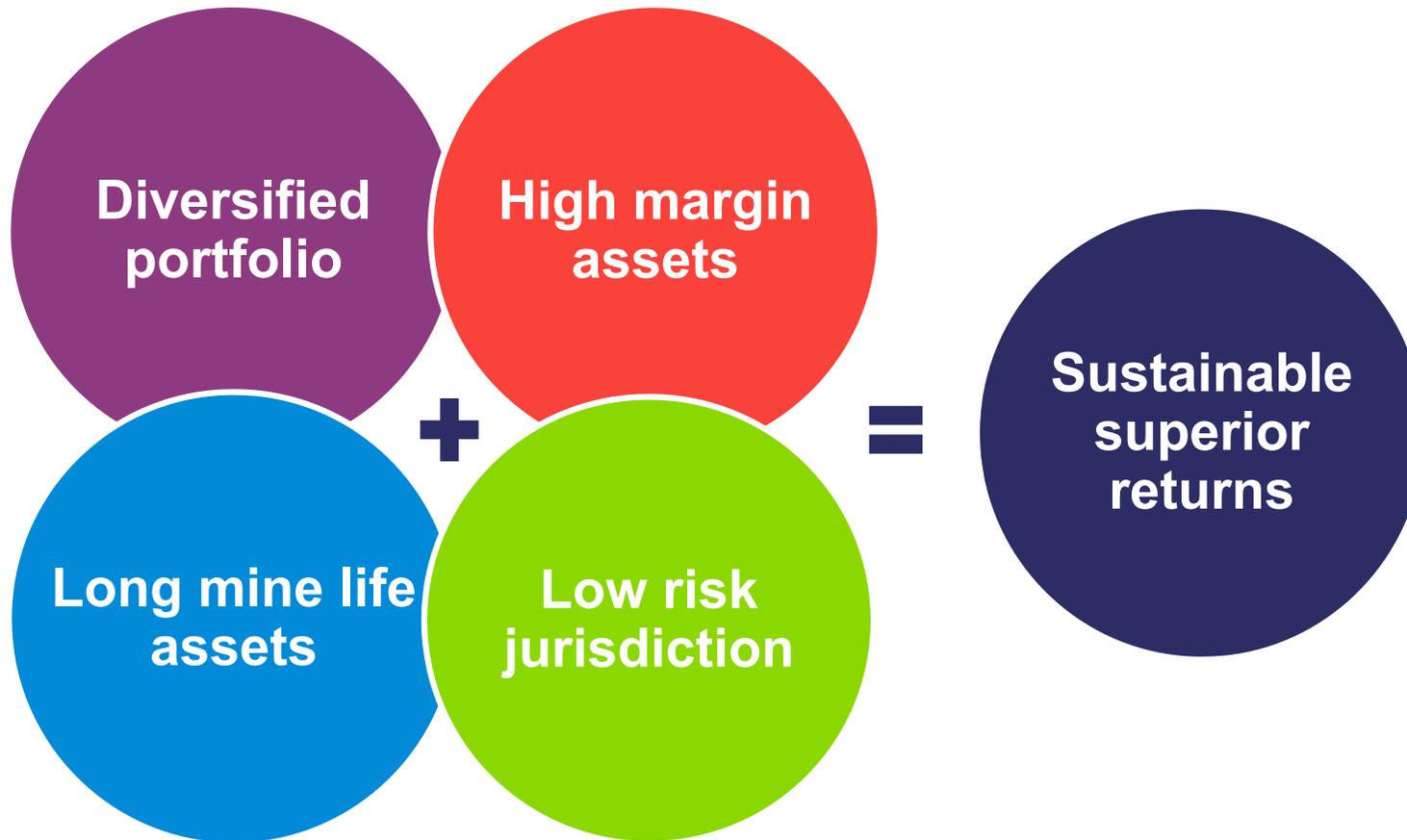
At Consensus²

1) Life of mine operating margin based on spot commodity prices and exchange rates on 4 December 2015

2) Life of mine operating margin using commodity price and foreign exchange rates from Consensus Economics (October 2015)

Clear company building vision

Diversified gold and base metals strategy reduces shocks to the business from single commodity exposure



Transforming vision into reality



Deliver Nova Project on time and on budget with first production in December 2016

Maintain track record of consistent delivery to meet/beat guidance

Allocate/defer capital to proactively manage balance sheet

Focus on triple bottom line

Recent financial results

Track record of consistent delivery

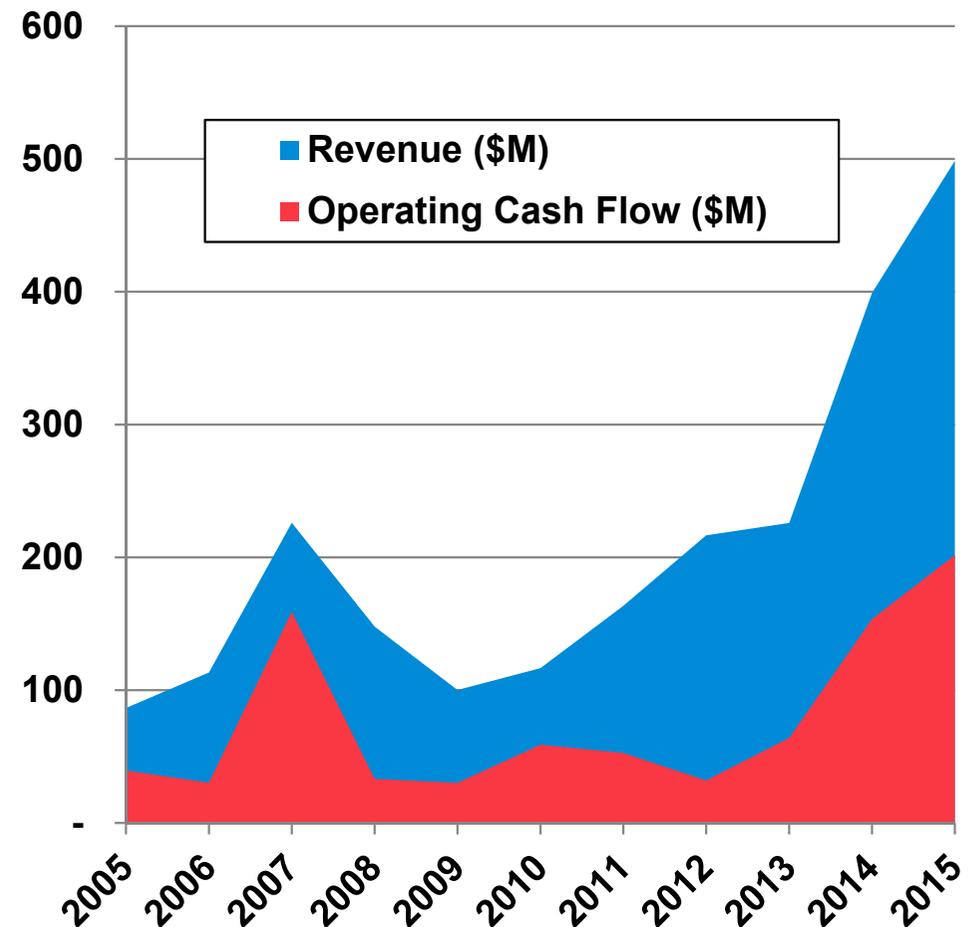
Great year in FY15 with strong growth in all financial metrics

- \$499M revenue
- \$213M underlying EBITDA
- \$116M Free cash flow

Continued strong performance in 1Q16 despite lower base metals prices

- \$124M unaudited revenue
- \$40M unaudited underlying EBITDA¹
- \$13M unaudited underlying NPAT²

Strong balance sheet

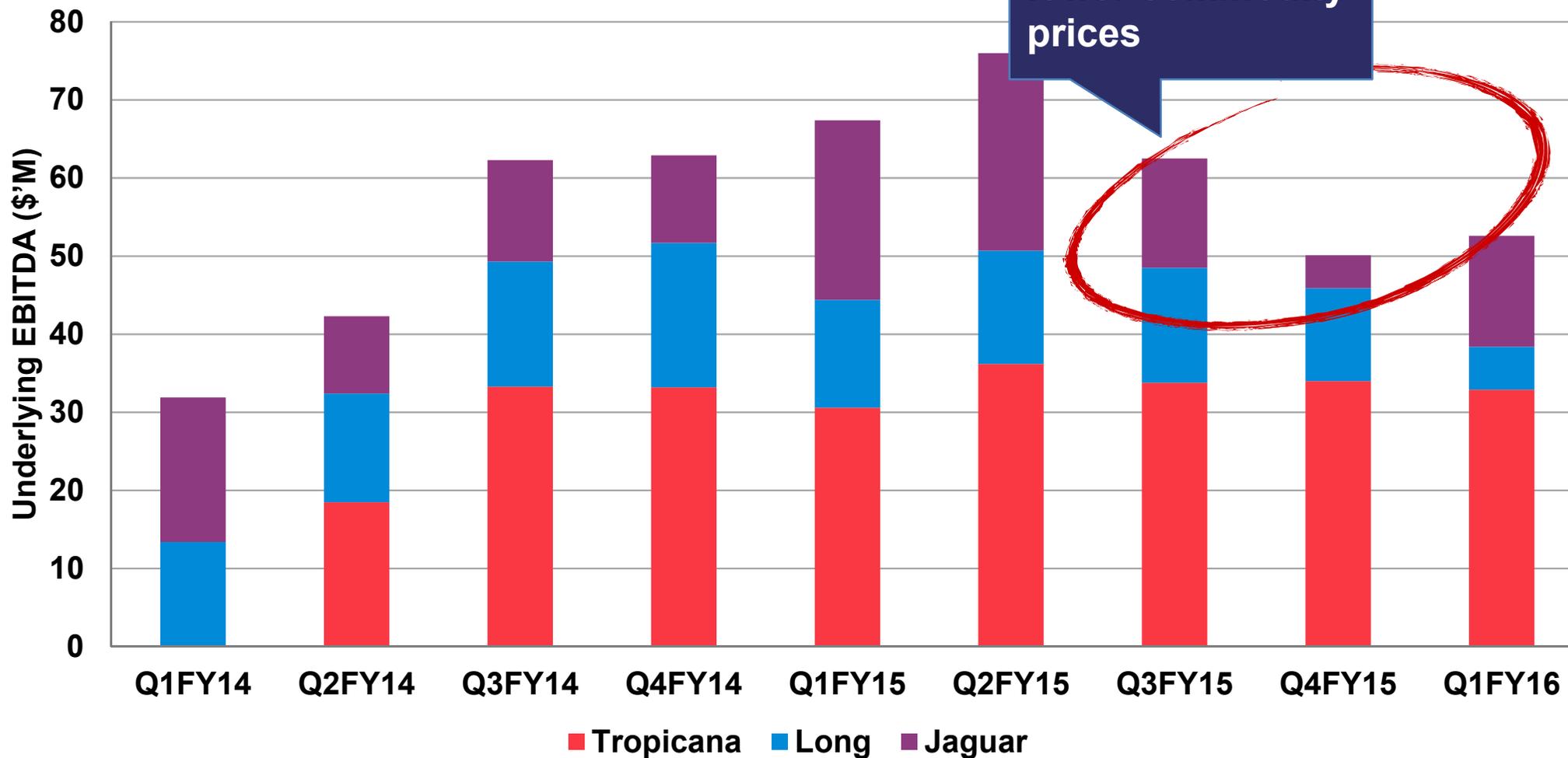


1) Underlying EBITDA is a non-IFRS measure and comprises net profit or loss after tax, adjusted to exclude tax expense, finance costs, interest income, asset impairments, depreciation and amortisation

2) FY16 reported as underlying NPAT before \$63.6M of Sirius transaction costs

Underlying EBITDA ex mine

All mines contributing strongly

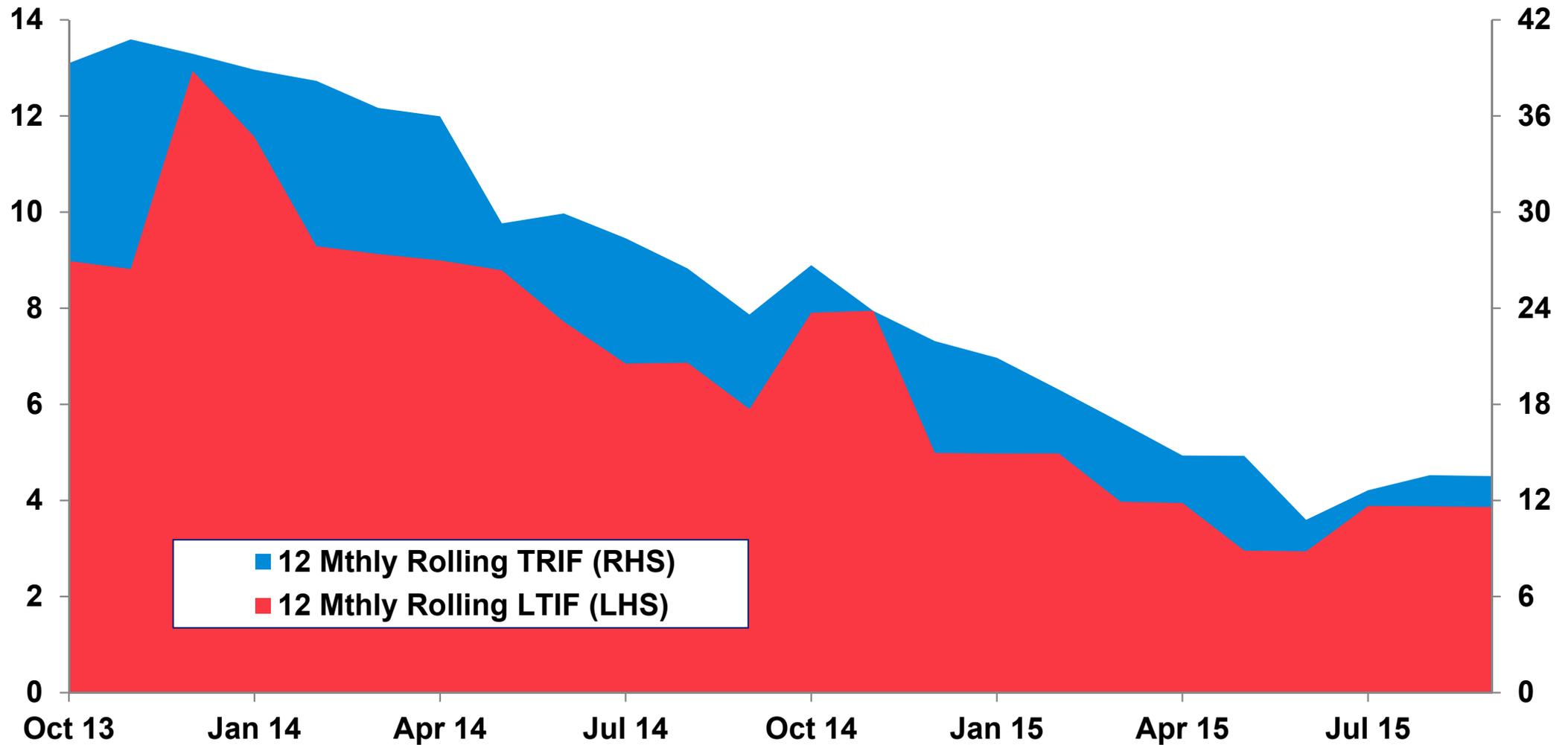


1) Underlying EBITDA is a non-IFRS measure and comprises net profit or loss after tax, adjusted to exclude tax expense, finance costs, interest income, asset impairments, depreciation and amortisation

Sustainability



Focus on leading indicators delivers improved performance



1) LTIF is lost time injury frequency rate expressed in number of injuries per million hours worked
2) TRIF is total recordable injury frequency rate expressed in number of injuries per million hours worked

2015 Sustainability Report

First Sustainability Report for IGO

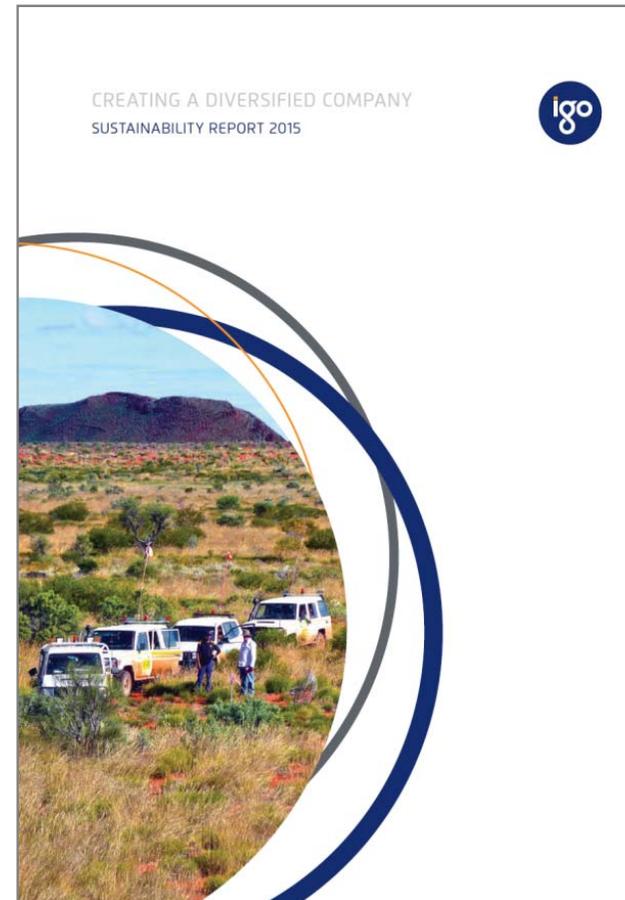


IGO has a clear approach to sustainability based on:

- the International Council on Mining and Metals (ICMM) Sustainable Development Principles
- defined Policies and Standards, including a commitment to transparency
- risk management driven business systems
- genuine engagement with our stakeholders
- a focus on material issues

Underpinned by governance processes overseen by

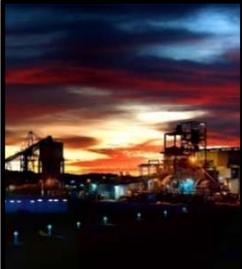
- Executive Committee
- Board's Sustainability and Risk Committee



IGO asset portfolio

Portfolio of high margin gold and base metals assets



Mining		Construction		Permitting	Exploration
					
Au	Ni	Zn/Cu	Ni/Cu	Cu/Zn	
TROPICANA	LONG	JAGUAR	NOVA	STOCKMAN	VARIOUS
30% JV Interest	100% owned	100% owned	100% owned	100% owned	70-100%
West Australia	West Australia	West Australia	West Australia	Vic, Australia	Australia
135,000oz ⁽¹⁾	8,750t Ni ⁽¹⁾	37,500t Zn + 7,750t Cu ⁽¹⁾	26,000t Ni + 11,500t Cu ⁽³⁾	15,000t Cu + 26,000t Zn ⁽⁴⁾	Au, Ni, Cu, Zn
\$675/oz ⁽¹⁾⁽²⁾	\$3.75/lb Ni ⁽¹⁾⁽²⁾	\$0.50/lb Zn ⁽¹⁾⁽²⁾	\$1.21/lb Ni ⁽³⁾	\$1.30/lb Cu ⁽²⁾⁽⁴⁾	
			\$323M capex ⁽⁵⁾	\$202M capex	

1) FY16 guidance range mid-point (refer to IGO ASX releases dated 24 August and 9 September 2015)

2) Cash costs are inclusive of royalties and net of by-product credits per unit of payable metal (refer to IGO ASX releases dated 24 August and 9 September 2015)

3) Nova production and cash costs are average LOM production and cash costs from Optimisation Study (refer to IGO's ASX release dated 14 December 2015) and cash costs are shown net of by-product credits and per unit of metal in concentrate.

4) Stockman production and cash costs are average LOM production and cash costs from Optimisation Study (refer to IGO ASX release dated 28 November 2014)

5) Nova CAPEX \$443M with \$120M spent to end of September quarter 2015 (refer to IGO ASX Release dated 29 October 2015)

Tropicana overview

One of Australia's lowest cost, open pit gold mines of scale

Low cost and long mine life

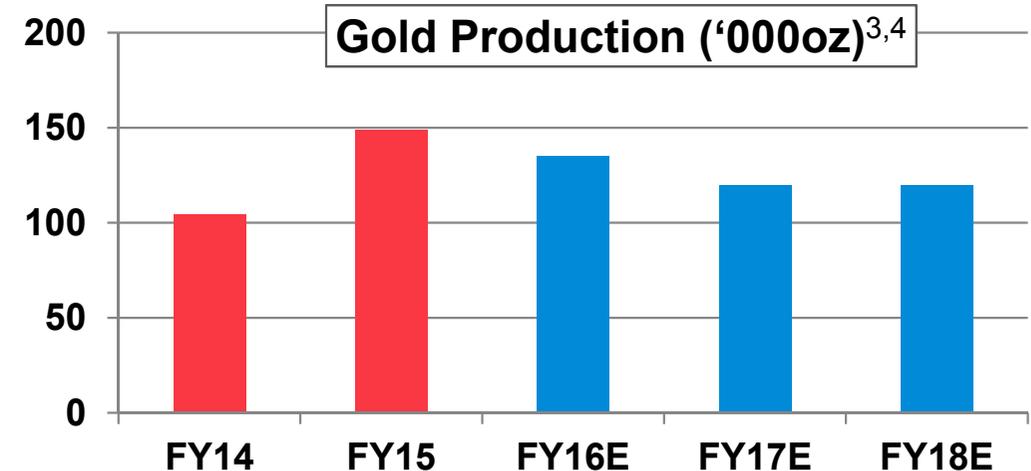
- 30% IGO and 70% AngloGold Ashanti
- 3 Moz Ore Reserves¹ contained within 7 Moz Resource¹

\$135M underlying EBITDA in FY15²

- Debottlenecking processing plant from 5.8 Mtpa to +7.0 Mtpa
- Delivers 400,000 oz/yr gold production rate³

FY16 Guidance⁴

- 135,000oz (IGO share) at cash cost of \$675/oz and AISC of \$865/oz
- Sustaining capex of \$9M and exploration of \$10M



1) As at 30 June 2015 (refer to IGO ASX release dated 28 October 2015)
2) Underlying EBITDA is a non-IFRS measure (refer to Disclaimer page)
3) Based on ~7.0 Mtpa throughput, 2 g/t average reserve grade and 90% average recovery
4) Mid-point of guidance range for IGO 30% share

Tropicana upside

Significant potential to extend mine life beyond initial 10 years



Gas project completion by mid-2016

- Pipeline complete and now progressively converting powerhouse

Process plant debottlenecking ongoing

- Work underway to debottleneck processing plant to +7.0 Mtpa
- Expect to complete debottlenecking in mid-2016

Resource extension drilling underway

- Targets generated by 3D seismic survey
- Focussed on down dip resource potential and along strike extensions
- Expect to complete framework drilling (100x100m) by mid-2016

Studies underway to investigate opportunities to reduce mining costs as we mine deeper

- Larger scale equipment and potential for in-pit dumping of waste

Regional exploration continues

- New prospects identified in favourable host sequence

Jaguar overview

High grade Zn-Cu VMS camp



\$67M underlying EBITDA in FY15⁽¹⁾

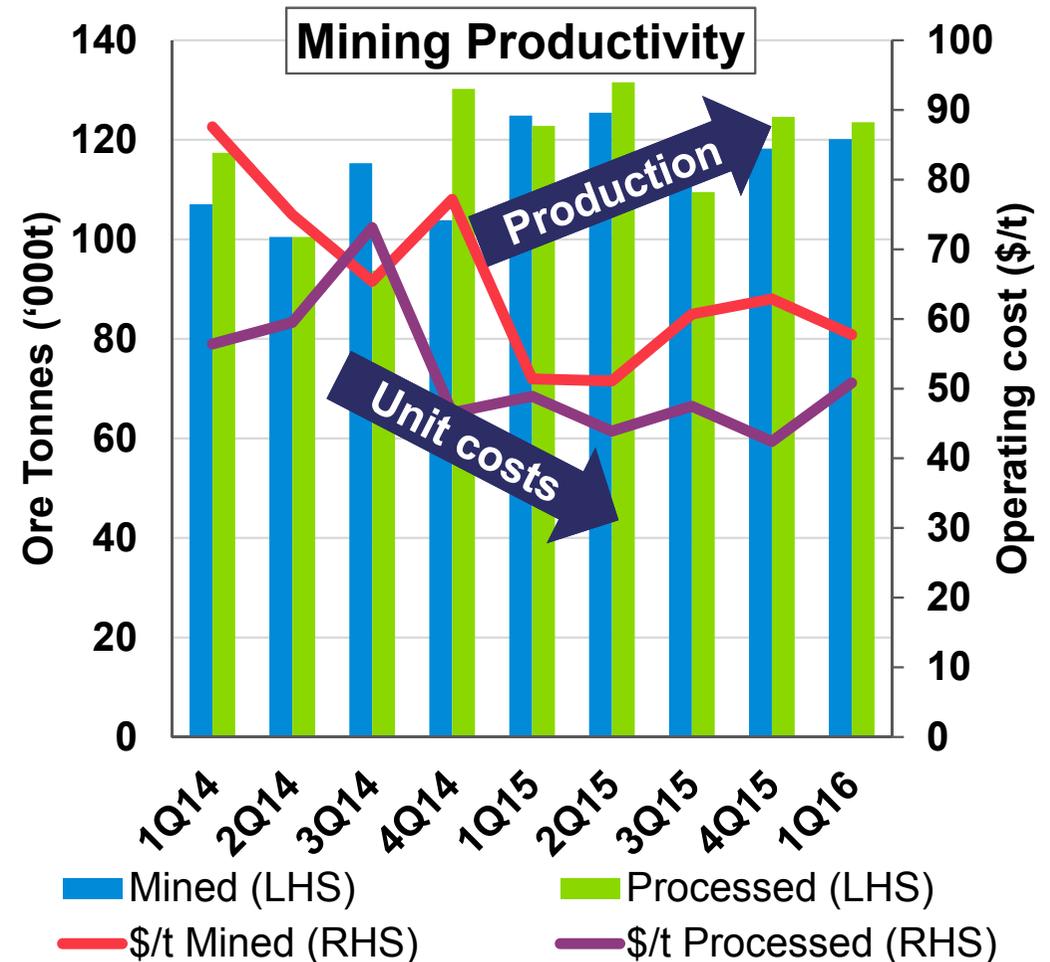
- Focus on productivity
- Significant improvement over last 1-2 years

FY16 Guidance⁽²⁾

- 38kt zinc & 8,000t Cu at \$0.50/lb Zn⁽³⁾
- Sustaining capex of \$4.5M, development of \$13M and exploration of \$11M

Known VMS camp with significant exploration upside:

- Convert Flying Spur to reserves to extend mine life and drill Bentley deeps
- Assess potential of Triumph discovery
- Regional exploration potential with over 50km of known strike along prospective corridor



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

2) FY16 guidance range mid-point (refer to IGO ASX release dated 24 August 2015)

3) Cash costs are inclusive of royalties and net of by-product credits per unit of payable metal (refer to IGO ASX release dated 24 August 2015)

Long overview

History of consistent production and reserve replacement

\$55M underlying EBITDA in FY15⁽¹⁾

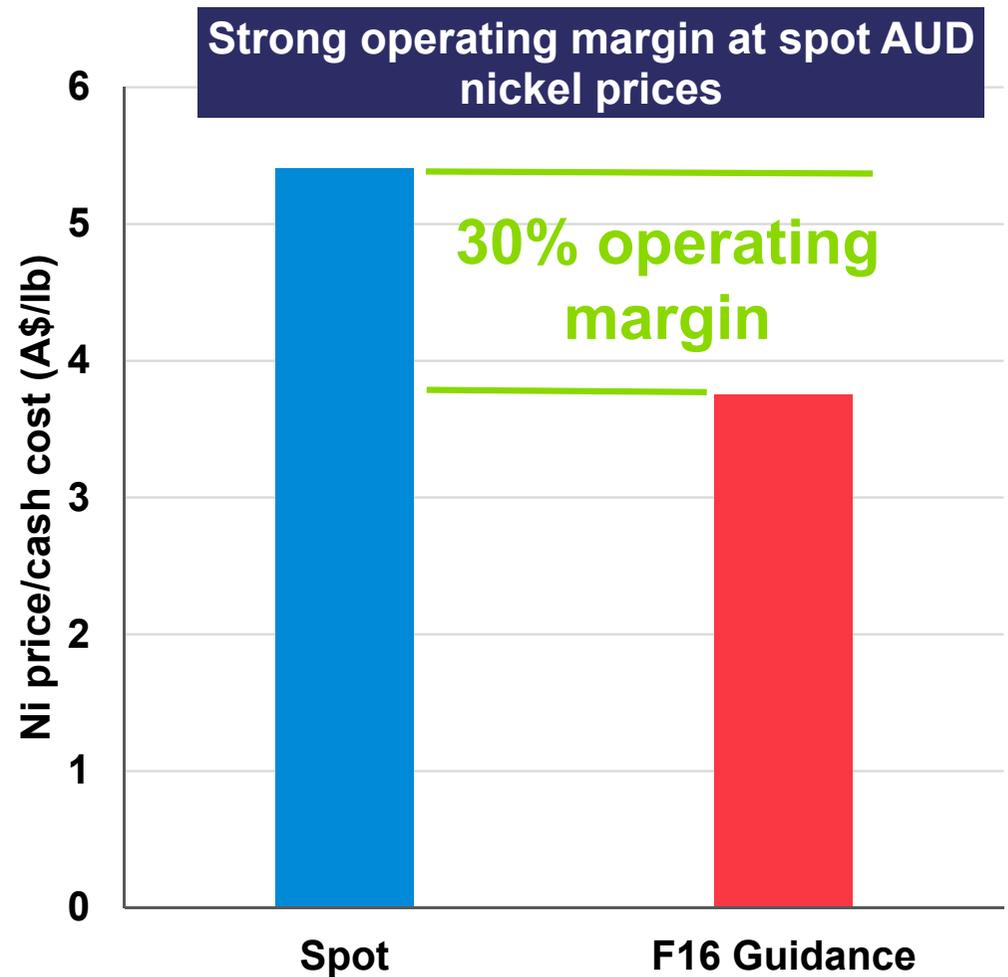
- Consistent low cost producer

FY16 guidance⁽²⁾

- Focus on high margin mining areas
- 8,750t Ni at \$3.75/lb⁽³⁾
- Sustaining capex of \$4M
- Exploration of \$14M

Actively managing the business to maintain strong operating margins

- Potential to defer exploration and capex



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

2) FY16 guidance range mid-point (refer to IGO ASX release dated 9 September 2015)

3) Cash costs are inclusive of royalties and net of by-product credits per unit of payable metal (refer to IGO ASX release dated 9 September 2015)

Nova overview

World class project delivering scale, high margin and long mine life



Project timeline is a testament to project quality

- Discovered in July 2012 construction commenced January 2015
- Acquired by IGO in September 2015

Low cost and high margin¹

- C1 cash costs of \$1.21/lb and all-in sustaining cost of \$1.83/lb

Multiple positive cost and payability drivers

- High grade reserve: 13.6Mt @ 2.0% Ni and 0.8% Cu²
- Flat lying, thick orebody shape and good ground conditions deliver low development and mining costs
- Coarse mineralogy results in high recoveries
- Low impurities and high Fe:MgO ratio deliver high payabilities

Significant exploration upside in emerging province

- 1) Cash Costs and All In Sustaining Costs are based on Optimisation Study (refer to ASX release dated 14 December 2015) and are shown net of by-product credits and per unit of metal in concentrate
- 2) As at December 2015 (refer to ASX release dated 14 December 2015)

Nova Project design

Tried and tested underground mining and processing methods



Underground mining by Barminco

- Conventional longhole open stoping with decline haulage

1.5Mtpa Processing plant

- Conventional flowsheet of crushing, grinding, flotation and filtration
- Differential flotation to produce a Ni-Co concentrate and a Cu concentrate
- LOM tailings dam completed

Infrastructure & services

- FIFO and DIDO workforce
- Sealed roads/airstrip providing all-weather access
- 14MW diesel/gas powerhouse with 6MW solar



Optimisation Study completed

Focus on earlier delivery of value



IGO delivers significant enhancement in Project value compared to the DFS^{1,2}

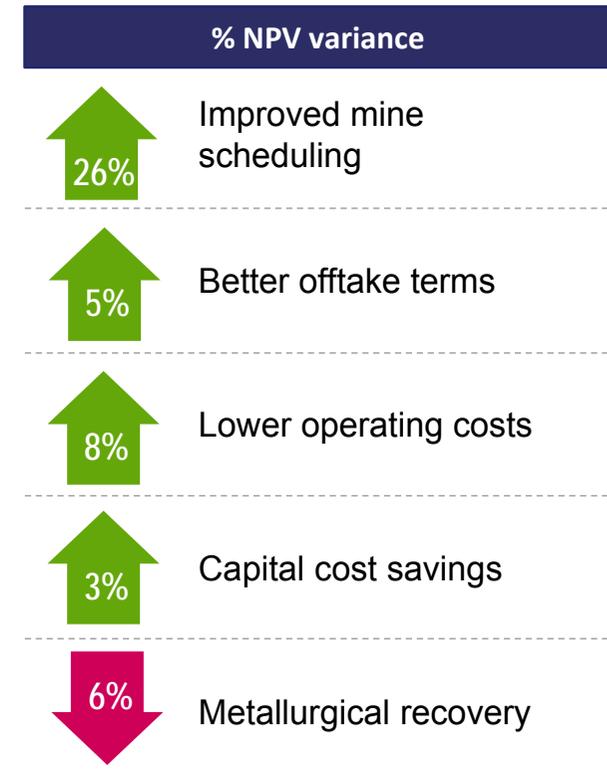
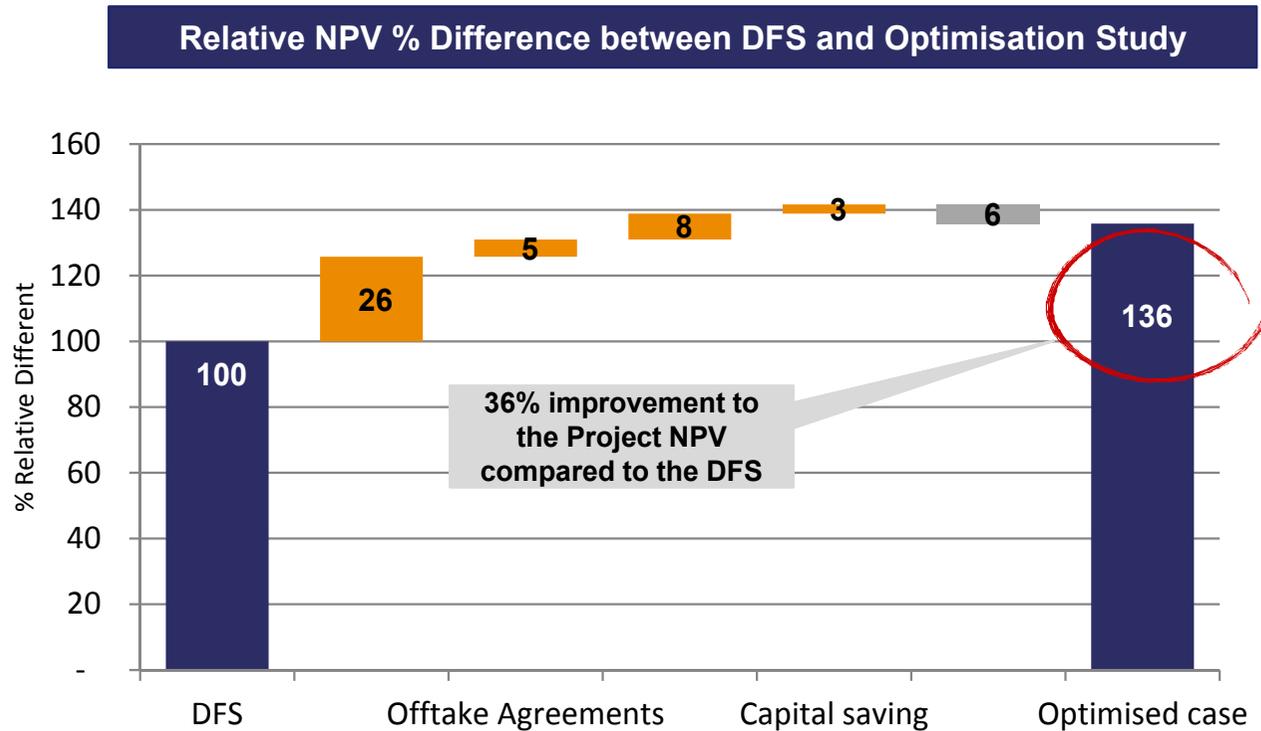
- 36% improvement on the Project NPV
- 27% reduction in expected C1 cash costs (after by-product credits) in concentrate to \$1.21/lb from \$1.66/lb nickel
- 21% decrease in all-in sustaining cash costs (after by-product credits) in concentrate to \$1.83/lb from \$2.32/lb nickel
- Additional 41%, 108% and 83% of free cash flow generation in CY17, CY18 and CY19



Delivers earlier return of capital

- 1) The comparison between the Optimisation Study and the DFS (as released to the market on 14 July 2014) has been completed on a like for like basis with commodity prices and FX exchange assumptions levelled using the latest Consensus Economics (October 2015) commodity price forecasts. Unit operating costs are reported as per the DFS with unit operating costs for the Optimisation Study reported using Consensus Economics commodity price forecasts.
- 2) Relative NPV is pre-tax and real discount rate of 8.0%

Optimisation Study unlocks value



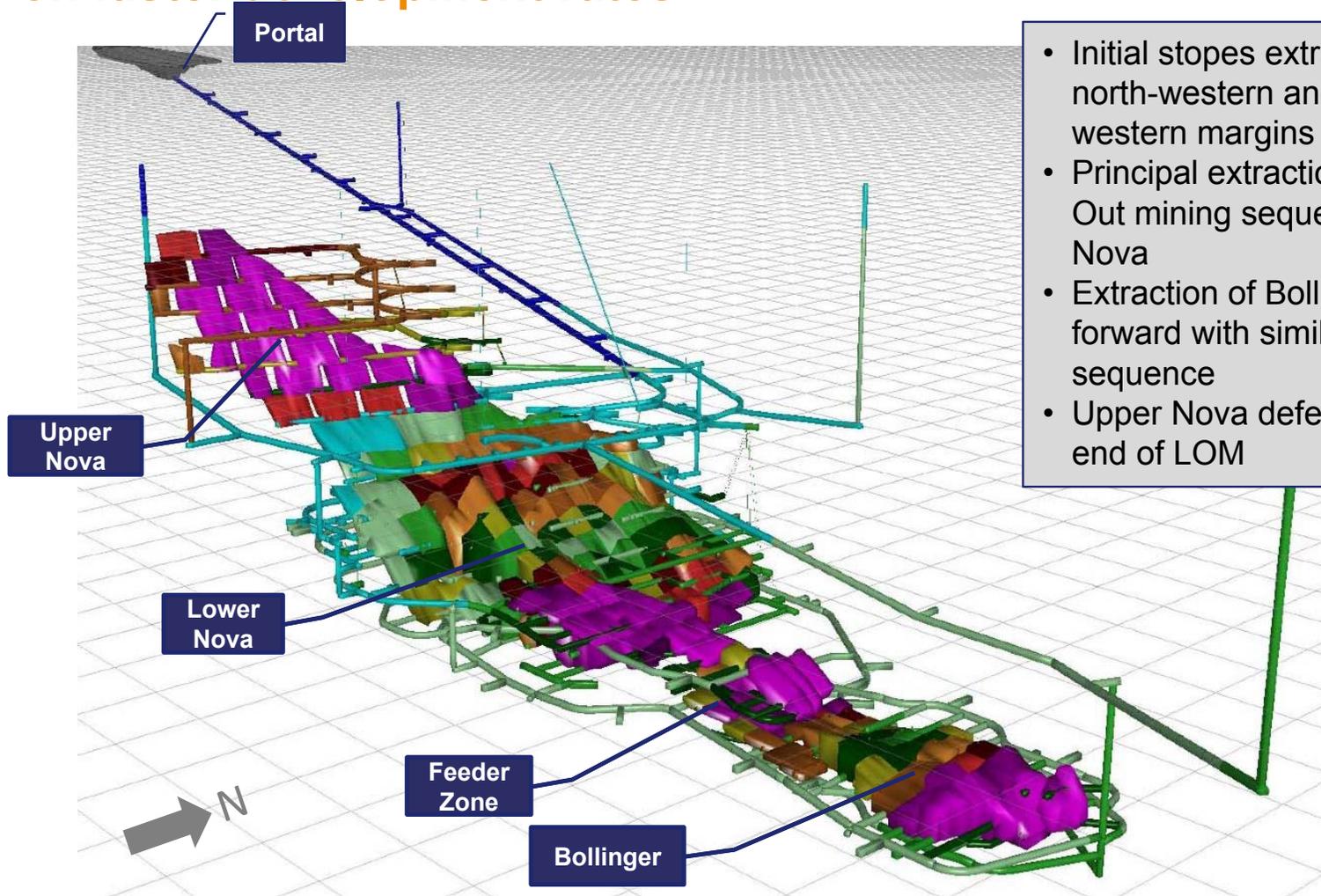
Unlocked additional 36% value on a like for like basis

Updated mining sequence

Capitalises on faster development rates



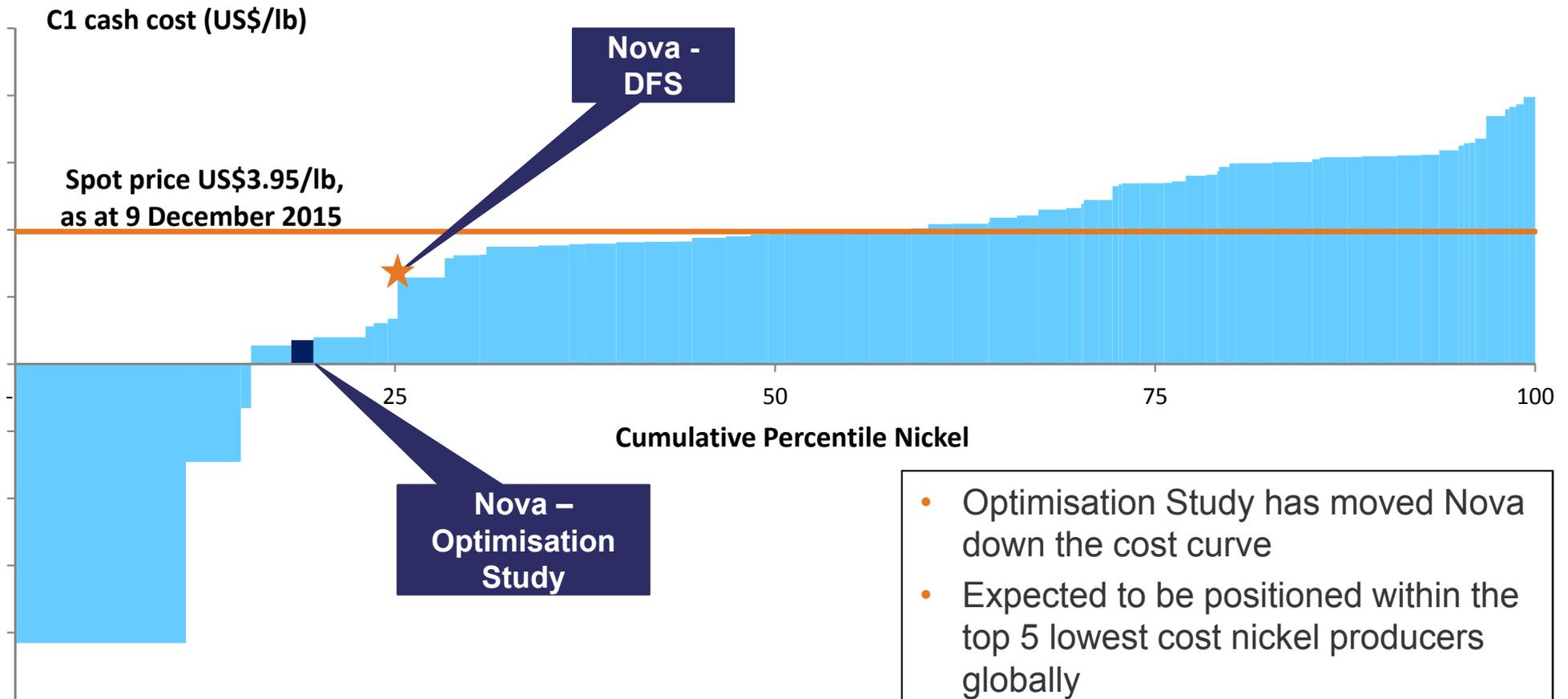
* Calendar years



- Initial stopes extracted on the north-western and south-western margins of Nova
- Principal extraction is via Centre-Out mining sequence of Lower Nova
- Extraction of Bollinger brought forward with similar Centre-Out sequence
- Upper Nova deferred towards end of LOM

Moving down the nickel cost curve

We have taken a great nickel project and made it better



- Optimisation Study has moved Nova down the cost curve
- Expected to be positioned within the top 5 lowest cost nickel producers globally
- Will generate significant cash flow at depressed commodity prices

1) Source CRU & IGO

2) CRU 2019E nickel cost curve net of by product credits with Nova Project on a like for like basis with DFS and Optimisation Study using the CRU commodity price deck and foreign exchange rate assumptions

Greenfields Exploration

Long term commitment to delivering organic growth



Reshaped the exploration portfolio with a focus on belt scale opportunities

Fraser Range – Tropicana Belt

Lake Mackay

Bryah Basin

FY16 greenfields exploration expenditure of \$11M¹

1) Midpoint of guidance

Concluding comments

Diversified mining company delivering cash flow and growth



**Deliver Nova project on time and on budget
with first production in December 2016**

**Maintain track record of consistent delivery to
meet/beat guidance**

**Allocate/defer capital to proactively manage
balance sheet**

Focus on triple bottom line

