

INDEPENDENCE GROUP NL

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Full Year Results Presentation

30 August 2017



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- Any references to IGO Mineral Resource and Ore Reserve estimates, except the Tropicana Mineral Resource and Ore Reserve and Nova Resource 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.
- References to Mineral Resources estimates at Nova should be read in conjunction with IGO’s Nova Mineral Resource Estimate and Exploration Update, dated 26 July 2017 and lodged with the ASX, and is available on the IGO website.
- References to Mineral Resources and Ore Reserve estimates at Triumph should be read in conjunction with IGO’s Jaguar Value Enhancement Study, dated 26 July 2017 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, redundancy and restructuring costs, 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.
- 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.

FY17 business highlights

FY17 investments provide the platform for a great FY18



Improved Safety results across major lag indicators

- 12 month rolling LTIFR at 1.7 (FY16 LTIFR at 3.6)

Strong performance from Tropicana and Long combined with higher metal prices to deliver a strong FY17 financial result

- Offset by lower production at Jaguar

Significant progress made at Nova

- Surface infrastructure and process plant completed on time and on budget
- Ramp up to nameplate in the September 2017 quarter – some 12 months earlier than the Feasibility Study estimate

Well positioned for a strong FY18

- First full year of production at Nova
- Higher gold production and lower cash costs at Tropicana
- Increased exploration investment on the Fraser Range to leverage off belt scale land holding

FY17 financial highlights

Stronger financial results driven by improved metal prices



Higher Revenue and EBITDA

- Driven by higher metal prices and better than guidance production at Tropicana and Long offset by lower production at Jaguar

Higher NPAT of A\$17M compared to FY16 loss of A\$59M

- FY16 incorporated A\$65M of non-recurring acquisition costs

Higher Operating Cash Flow from Tropicana, Jaguar and Long

- Offset by A\$58M of stamp duty payments from prior year acquisitions

Strong balance sheet with A\$36M cash and A\$200M debt

- Further A\$200M revolving credit facility undrawn at year end

Final fully franked dividend of 1 cent per share

Financial results summary

Improving metal prices through FY17 and into FY18



A\$'million	FY17	FY16	Change %
Revenue	421.9	417.1	1%
Underlying EBITDA ⁽¹⁾	150.5	137.5	9%
Net Profit after Tax	17.0	(58.8)	n/a
Cash Flow from Operations ⁽²⁾	77.7	102.1	(24%)
Underlying Free Cash Flow ⁽³⁾	(113.2)	(141.6)	n/a
Cash	35.8	46.3	(23%)

FY17 Results drivers

- Higher realised base metal prices, Zinc ↑69%, Copper ↑15%, Nickel ↑11%, Gold ↑4%
- Offset by lower production, primarily Jaguar copper and zinc production
- C1 Cash Costs from Long ↓ 11%, Jaguar ↑43%, Tropicana ↑11%
- Exploration expenditure reduced 34%
- Capex contribution of A\$166M to complete build at Nova
- Acquisition and consolidation of prospective land package around Nova and Tropicana
- Announced sale of Stockman project in Victoria

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

2) Cash Flow from Operating Activities from Tropicana, Jaguar and Long Operations.

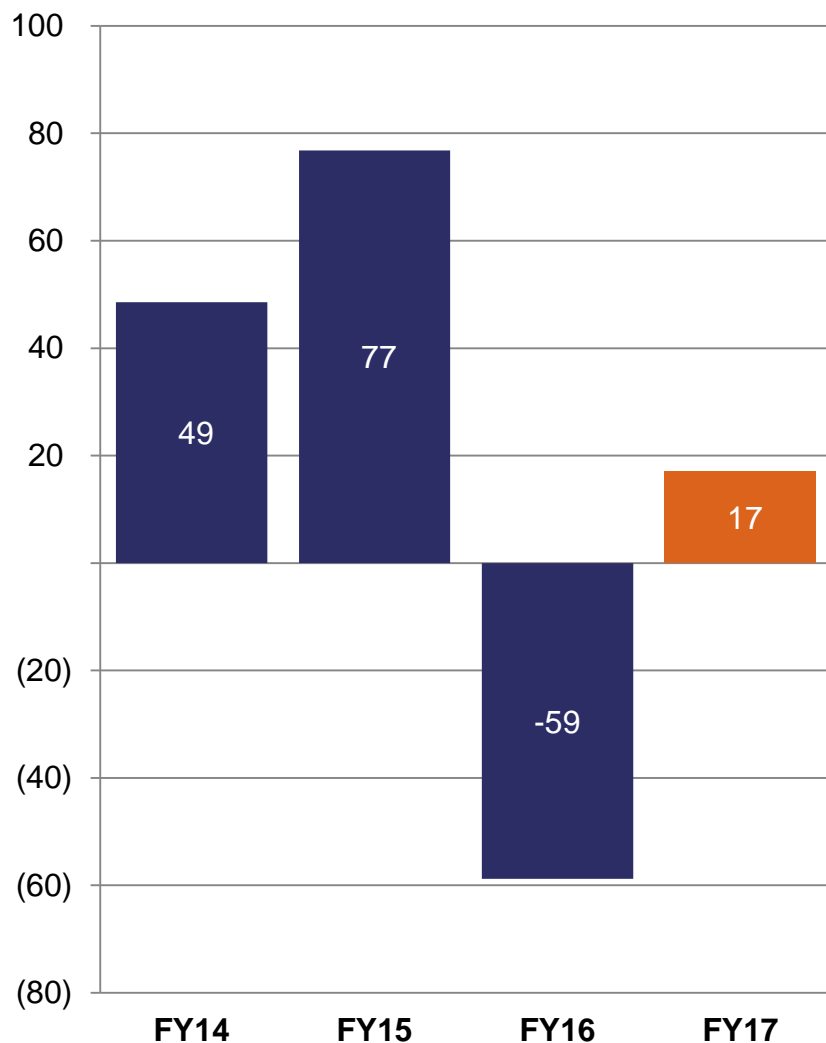
3) Underlying Free Cash Flow is a non-IFRS measure (refer to Disclaimer page). It also excludes net payment for the acquisition of Sirius Resources NL in FY16.

Earnings summary

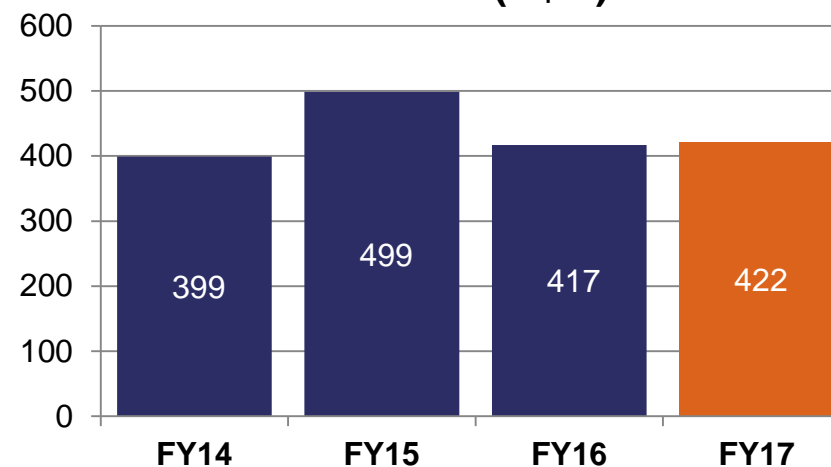
FY17 a solid year for Revenue, EBITDA and Net Profit after Tax



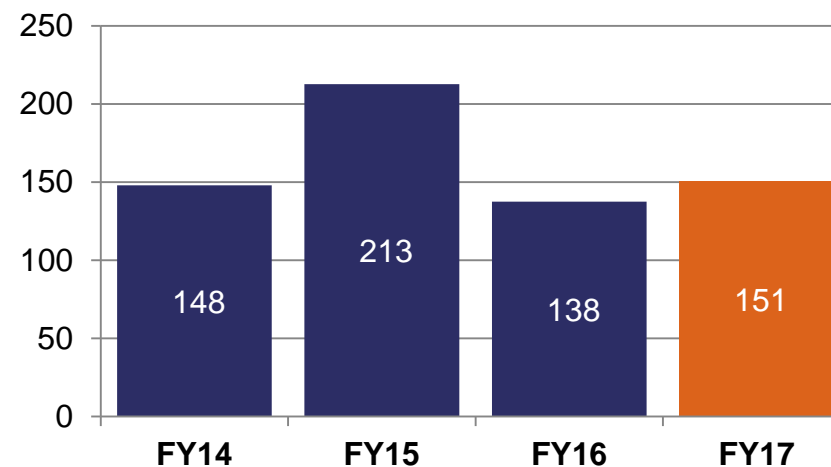
Net Profit After Tax (A\$M)



Revenue (A\$M)



Underlying EBITDA (A\$M)⁽¹⁾



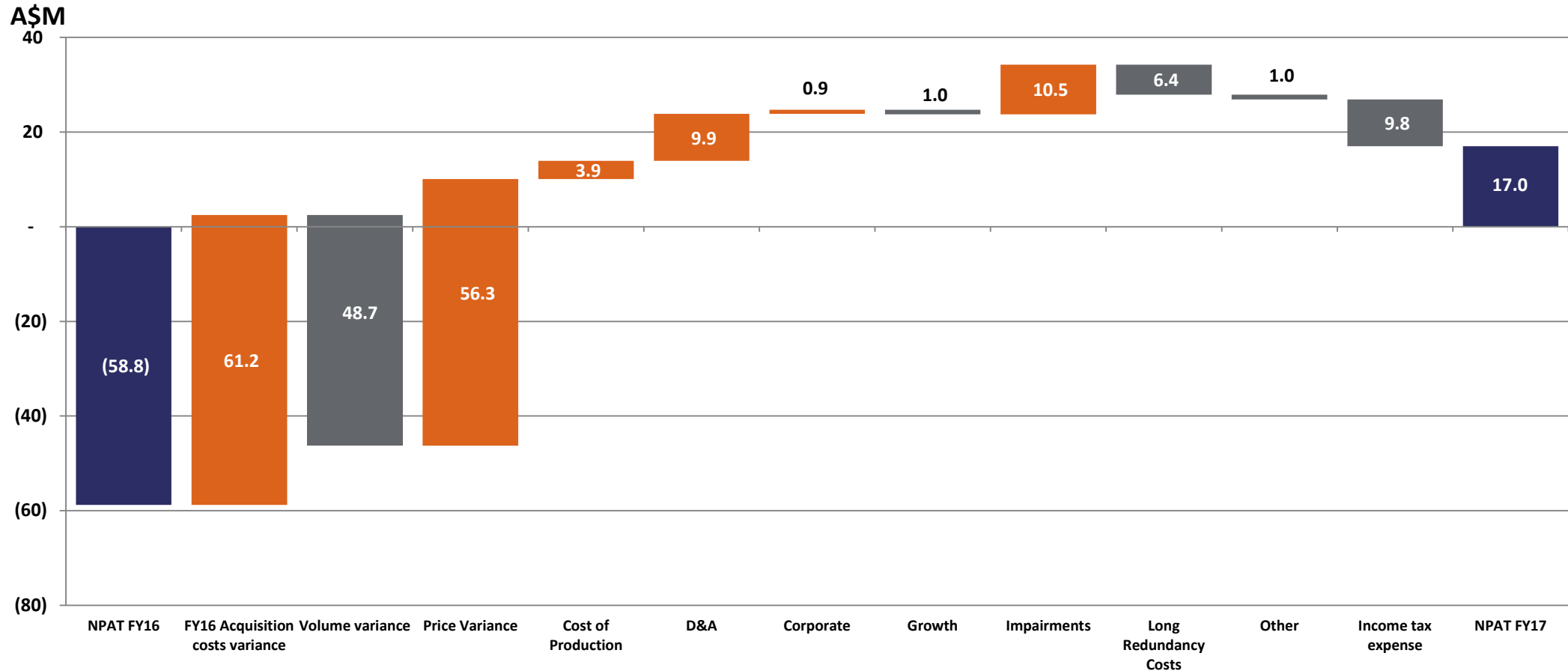
1) Underlying EBITDA is a non-IFRS measure (refer to Disclaimer page)

FY17 NPAT variance



Lower production offset by strong metal prices and acquisition costs

NPAT variance



- Unfavourable volume variance driven by lower zinc production from Jaguar; A\$36M, and lower Tropicana grade from cessation of grade streaming; A\$11M
- Favourable price variance due to higher realised base metal prices: Nickel 11%, Copper 15% and Zinc 69%.

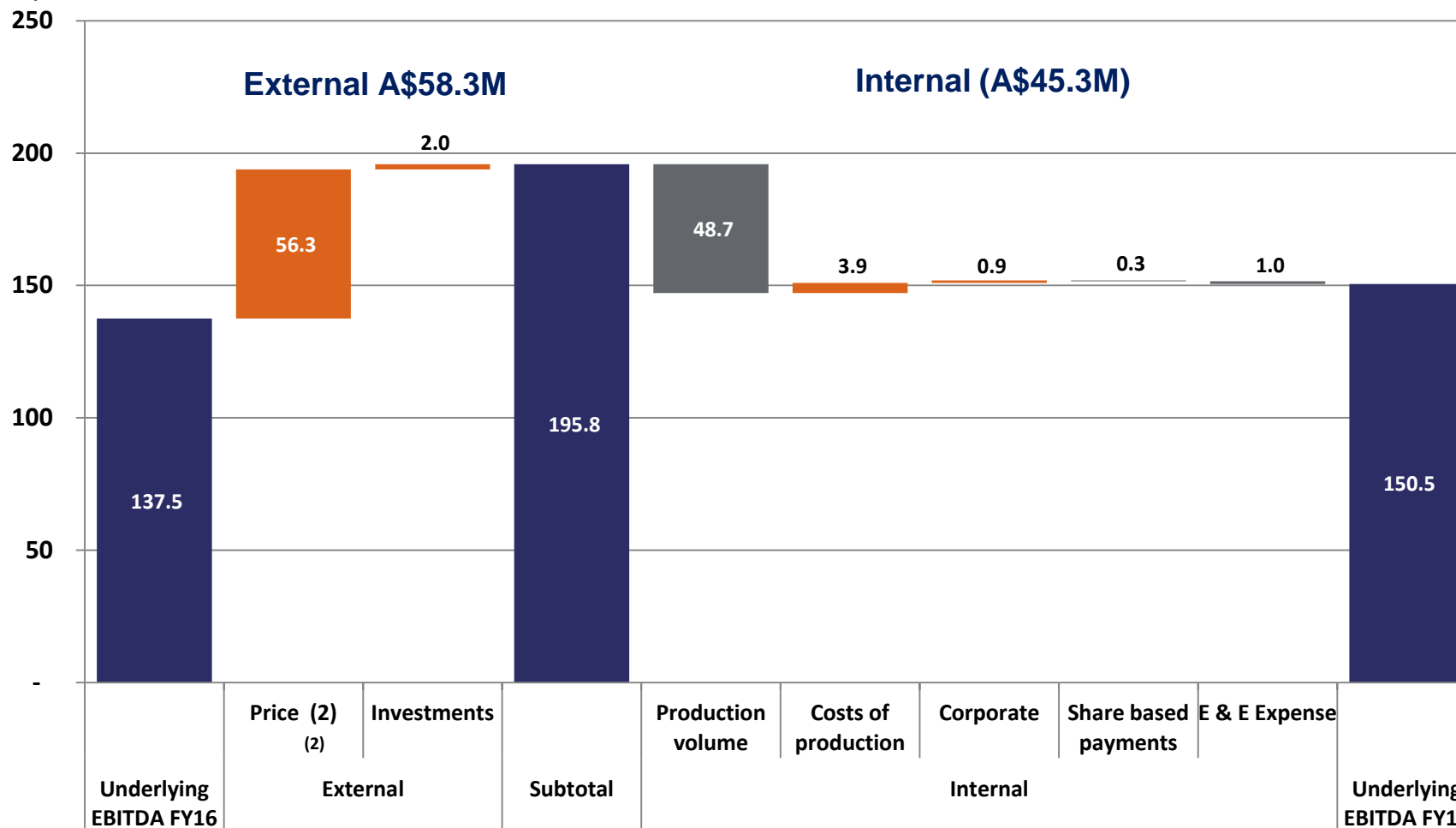
FY17 EBITDA waterfall



External (prices) and internal (production volume) impact earnings

Underlying EBITDA variance⁽¹⁾

A\$M



1) Underlying EBITDA are non-IFRS measure (refer to Disclaimer page).

2) Realised A\$ commodity prices

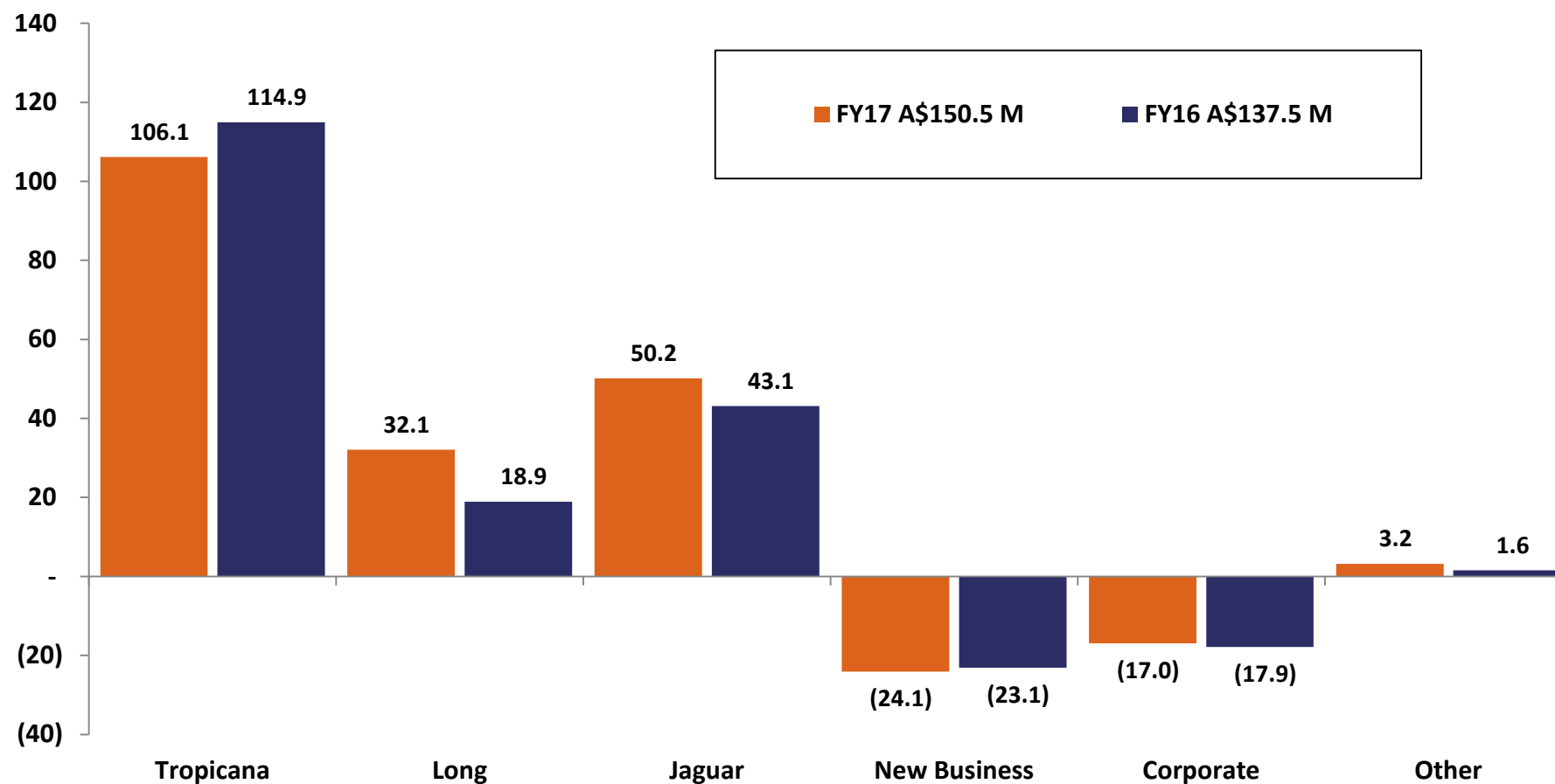
FY17 EBITDA components

EBITDA contributions across all operations



Underlying EBITDA⁽¹⁾

A\$M



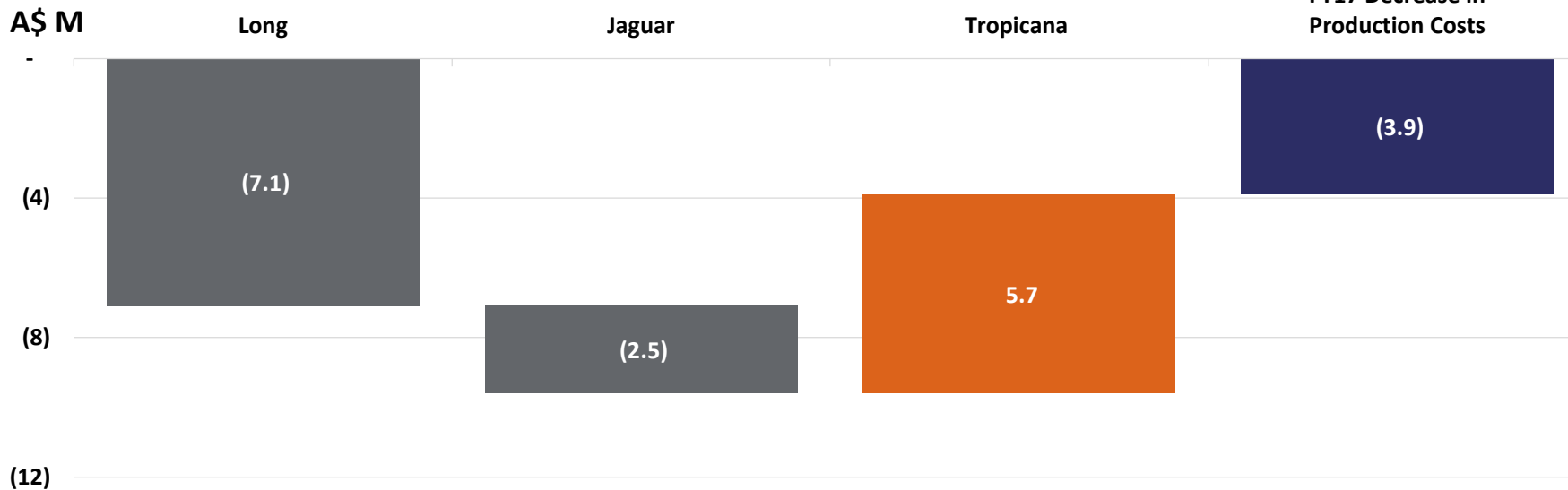
1) Underlying EBITDA is a non-IFRS measure (refer to Disclaimer page)

FY17 cost of production variance

Ongoing focus on cost management



Cost of production variance FY16 to FY17



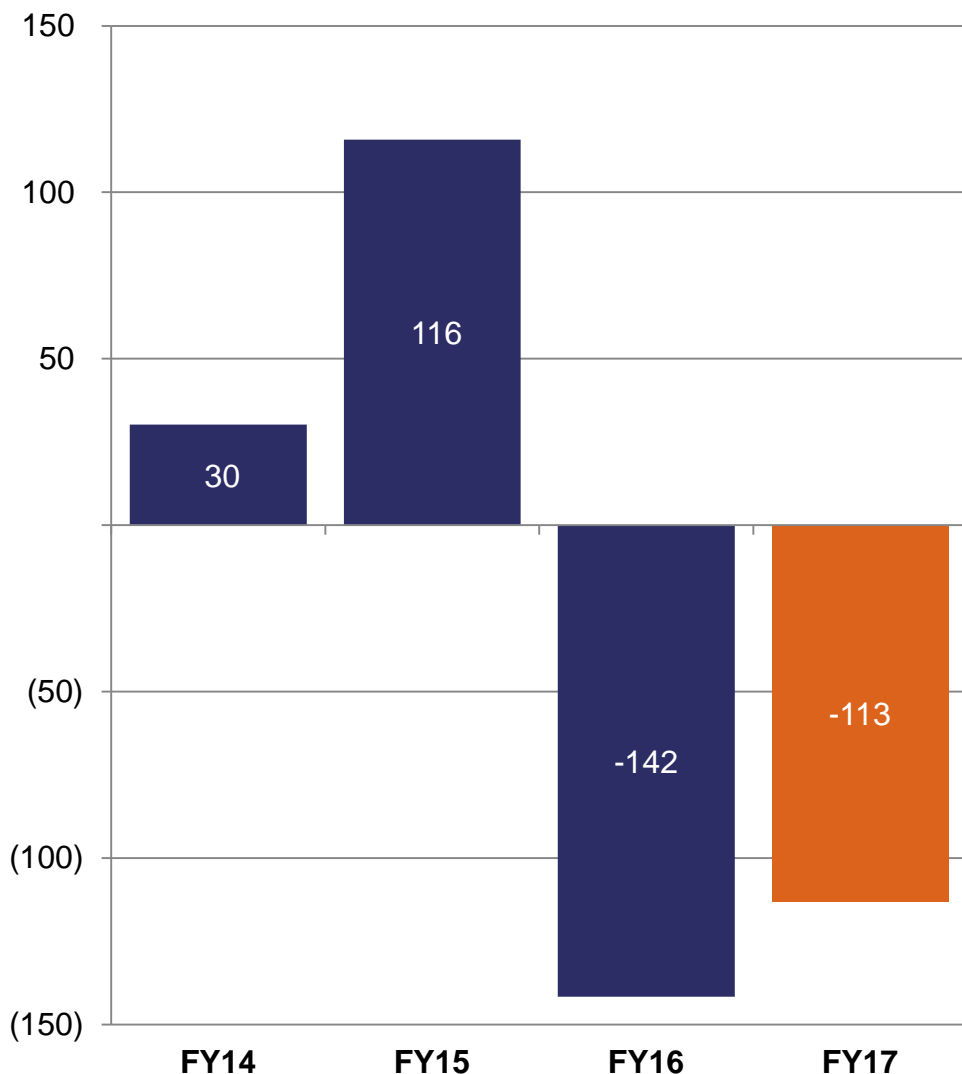
- Production costs continued to fall at Long benefiting from business restructuring commenced in FY16
- Jaguar costs were 3% lower, driven by 12% lower ore milled
- Tropicana costs were 6% higher driven by 12% additional ore milled

Cash flow summary

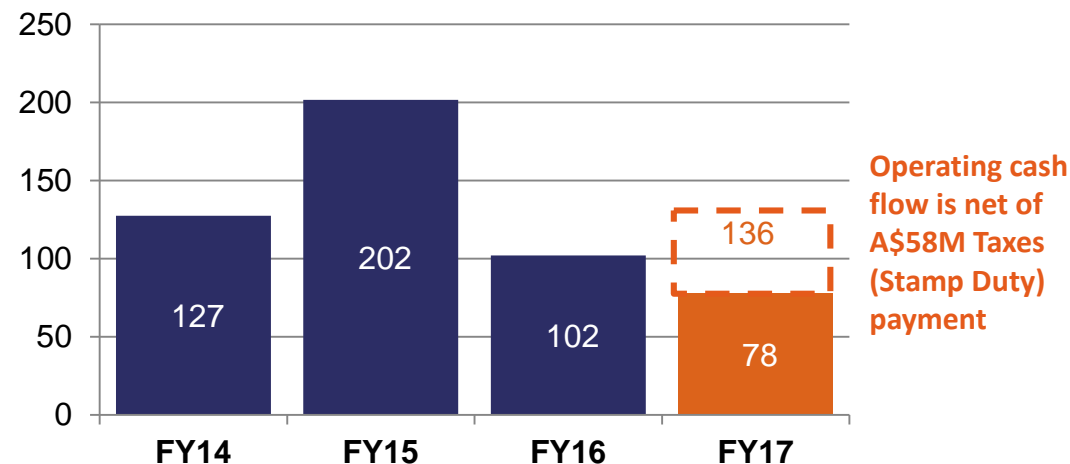
Strong balance sheet with A\$200 million debt facility undrawn



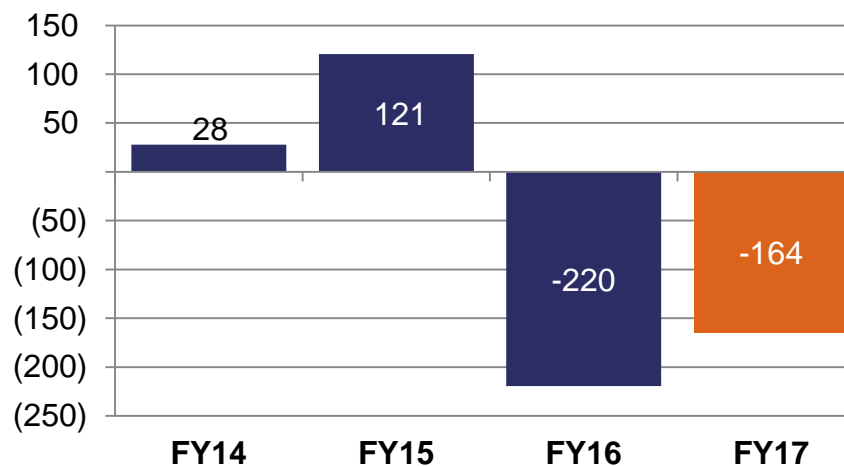
Underlying Free Cash Flow (A\$M)⁽¹⁾



Operating Cash Flow (A\$M)



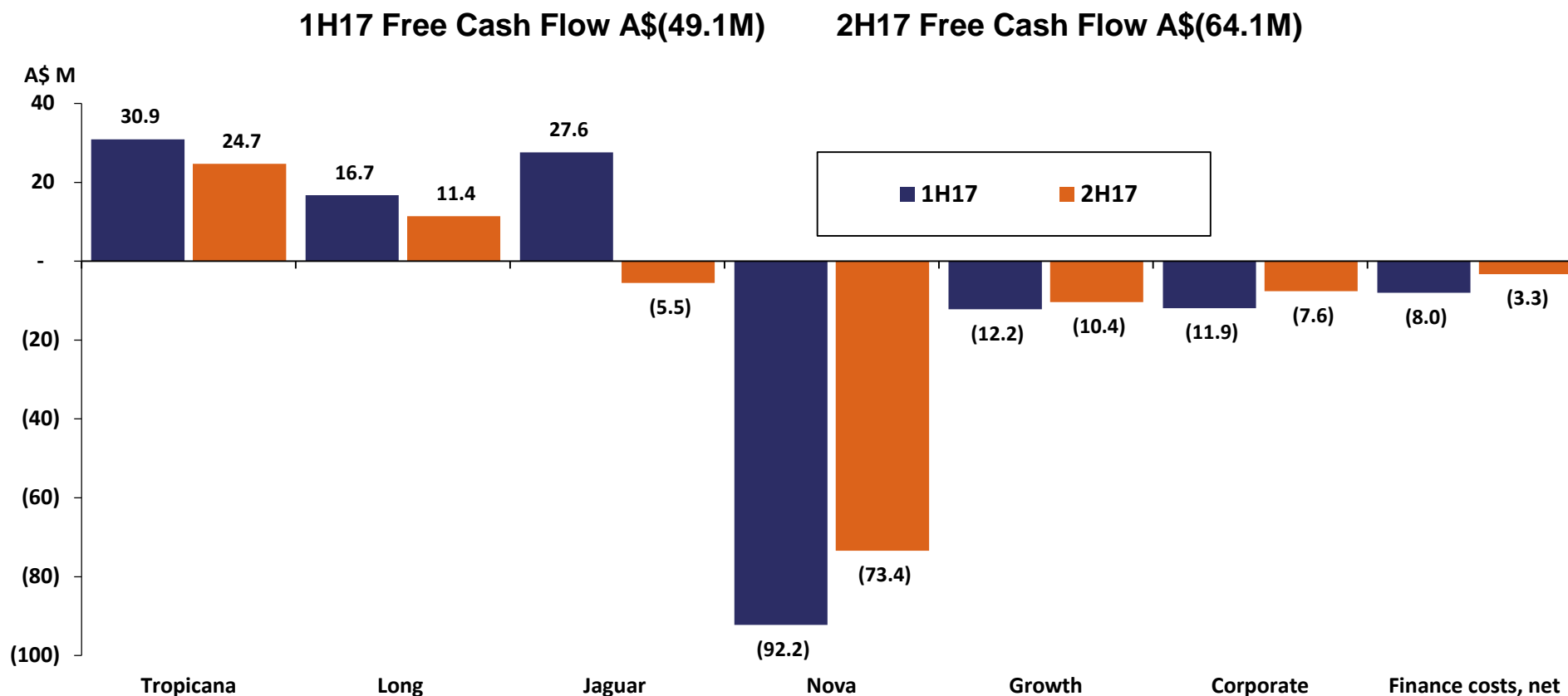
Net Cash at year end (A\$M)



¹⁾ Underlying Free Cash Flow is a non-IFRS measure (refer to Disclaimer page). It also excludes net payment for the acquisition of Windwards Resources Ltd and Sirius Resources NL

FY17 free cash flow by half year

Lower operating underlying free cash flow in 2H17



- 34% and 25% lower copper and zinc production from Jaguar in H2 FY17 impacting lower shipping volumes
- 5% lower gold production from Tropicana
- Savings in Exploration and corporate business support

1) Underlying Free Cash Flow is a non-IFRS measure (refer to Disclaimer page)

Hedge book

Mark to market hedge book value of A\$21M⁽¹⁾

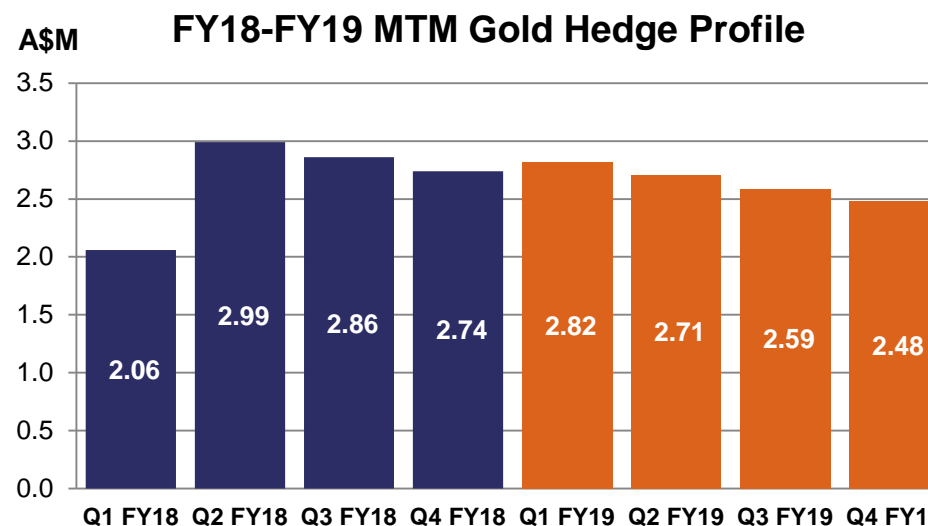


Hedging Strategy

- IGO will identify, evaluate and pro-actively manage its financial market risks within pre-determined Board approved frameworks with the aim of reducing a portion of the downside price risk

Current Hedge Book Position

Hedging	Units	FY18	FY19	Total
Gold Par Forwards	oz	60,000	47,988	107,988
Price	A\$/oz Au	1,796	1,859	1,824
Copper Swaps – Jaguar	t	2,040	-	2,040
Price	A\$/t	7,643	-	7,643
Diesel Par Forwards	L (000's)	33,025	8,640	41,665
Price ⁽²⁾	A\$/L	0.49	0.51	0.49



- Current⁽¹⁾ MTM of gold hedges valued at A\$21.2M over FY18 and FY19
- Copper and diesel hedging net breakeven

1) MTM as at 31 July 2017, based on spot A\$1,586 gold price

2) Base diesel price excludes the cost of GST, Government excise and transportation

Segment financial results

Higher base metals prices drive improved results



Operation	Metric	FY17 (A\$M)	FY16 (A\$M)	Inc/(Dec) (A\$M)	Inc/(Dec) (%)
Tropicana	Revenue	211.9	215.0	(3.1)	(1%)
	Underlying EBITDA	106.1	114.9	(8.8)	(8%)
	Free Cash Flow	55.6	68.7	(13.1)	(19%)
Long	Revenue	70.5	63.9	6.6	10%
	Underlying EBITDA	32.1	18.9	13.2	70%
	Free Cash Flow	28.1	16.8	11.3	67%
Jaguar	Revenue	137.5	133.0	4.5	3%
	Underlying EBITDA	50.2	43.1	7.2	16%
	Free Cash Flow	22.1	24.1	(2.0)	(-8%)

Segment drivers relative to previous corresponding period

- At Tropicana, in preparation for a period of grade streaming in FY18 and FY19, waste stripping was elevated, over 40% higher than the previous corresponding period
- Consistent delivery and lower costs at Long coupled with improving nickel prices has resulted in improved earnings and cash flow
- Jaguar cash flow has benefited from improved realised zinc prices which have increased 69% on the previous corresponding period offsetting lower metal production

FY17 operational scorecard and FY18 guidance

Metric	Units	FY17 Guidance	FY17 Actual	FY18 Guidance
Nickel in concentrate	t	3,400 ⁽¹⁾	3,502	23,000 to 27,000
Copper in concentrate	t	1,500 ⁽¹⁾	2,106	10,000 to 12,000
Cobalt in concentrate	t	-	112	800 to 1,050
Cash cost (payable) ⁽²⁾	A\$/lb Ni	-	-	1.90 – 2.50
Capital build capex (net) ⁽³⁾	A\$M	165 to 180	166	0 to 2
Sustaining capex	A\$M	-	-	9 to 13
Development capex	A\$M	-	-	40 to 44
Exploration expenditure	A\$M	3.5 to 4.5	4.3	8 to 10

FY17 highlights

- First concentrates produced December 2016 quarter
- Commercial production declared at 1 July 2017 and Nova positioned to deliver strong from FY18

FY18 outlook

- Ramp up to nameplate capacity in September 2017 quarter
- Interim Ore Reserve update to be completed during December 2017 quarter
- Completion of LoM grade control in December 2017 to be followed by resource extension drilling

1) As restated in the 26 June 2017 Nova update ASX release

2) Actual results not reported for FY17 due to extended period of “pre-production” costs and revenue

3) Actual FY17 result differs from FY17 guidance due to extended period of “pre-production” resulting in additional costs capitalised. Actual results include pre-production cash sale receipts of A\$19 million capitalised to the Nova project over the same extended period

Capital expenditure reconciliation

Nova Capitalised Development Costs	Actual A\$M	Initial Estimate A\$M	Variance A\$M	Change %
Process Plant & Infrastructure	160.6	176.0	(15.4)	(9%)
Non-mine Infrastructure	90.4	98.6	(8.2)	(8%)
Mine Development	64.4	54.7	9.7	18%
Mine Infrastructure	45.7	45.7	-	n/a
Pre-operating Owner's Costs	133.9	74.9	59	79%
Less: capitalised revenue	(38.6)	(6.9)	(31.7)	459%
Total	456.4	443.0	13.4	3%

3% Variance from initial capital estimate a great result

- Nova construction and development costs have been reconciled to initial, uninflated estimates from January 2015
- Reconciliation demonstrates good overall discipline in cost management
- Due to a delay in ramp up and transition to commercial production, higher pre-operating owners costs, together with pre-operating sales, have been absorbed into the total capital result
- The strong overall result is compounded by the completion of additional mine development relative to the initial estimate and improved specifications of key infrastructure components that will benefit the operation in the long term

FY17 operational scorecard and FY18 guidance

Metric	Units	FY17 Guidance	FY17 Actual	FY18 Guidance
Gold produced (100% basis)	oz	390,000 to 430,000	431,625	440,000 to 490,000
Gold Sold (IGO's 30% share)	oz	117,000 to 129,000	128,601	132,000 to 147,000
Cash cost	A\$/oz Au	850 to 950	817	680 to 750
All-in Sustaining Costs (AISC)	A\$/oz Au	1,150 to 1,250	1,162	1,060 to 1,170
Sustaining capex (30%)	A\$M	2 to 3	2.2	3 to 5
Improvement capex (30%)	A\$M	7 to 8	7.5	6 to 7
Capitalised waste stripping (30%)	A\$M	37 to 43	39.9	44 to 55
Exploration expenditure (30%)	A\$M	6 to 8	5.6	4 to 5

FY17 highlights

- Nameplate processing capacity increased 29% to 7.5Mtpa
- Mineral Resources increased to 8Moz⁽¹⁾ Ore Reserve increased to 3.8Moz⁽¹⁾

FY18 outlook

- At the mid point of guidance gold production is expected to increase 8% with AISC falling 4% YoY
- Improvements to gold production and lower cash costs in FY18 are the result of higher waste stripping in FY17 preparing for a period of further grade streaming in CY18 and CY19

1) For further information on Mineral Resources and Ore Reserves please refer to ASX Tropicana Value Enhancement Update dated 15 Dec 2016

FY17 operational scorecard and FY18 guidance

Metric	Units	FY17 Guidance	FY17 Actual	FY18 Guidance
Zinc in concentrate	t	39,000 to 43,000	32,638	29,000 to 33,000
Copper in concentrate	t	4,600 to 5,100	4,565	2,600 to 3,000
Cash cost (payable)	A\$/lb Zn	0.70 to 0.80	0.76	0.85 to 1.05
Sustaining capex	A\$M	8 to 9	7.6	8 to 9
Development capex	A\$M	12 to 13	11.4	10 to 11
Exploration expenditure	A\$M	3 to 4	3.2	3 to 5

FY17 highlights

- Mining volumes and grades impacted by stope availability
- Higher realised Zinc prices (+69%) and Copper prices (+15%) offset by lower volumes
- Triumph Mineral Resource and Ore Reserve provide LoM extension options
- High grade mineralisation intersected at Bentley in the Bentayga lens

FY18 outlook

- Development will be focussed on providing drill access to the new Bentayga discovery and lower limits of the Bentley deposit
- Exploration will continue to test the Bentayga system at Bentley and gold anomalies at Heather Bore

Long



FY17 operational scorecard and FY18 guidance

Metric	Units	FY17 Guidance	FY17 Actual	FY18 Guidance
Nickel (contained metal)	t	7,400 to 8,200	8,433	5,400 to 6,000
Cash Cost (payable)	A\$/lb Ni	3.50 to 3.90	3.28	4.40 to 4.90
Sustaining capex	A\$M	1	0.8	0.5 to 1
Development capex	A\$M	N/A	0.2	0.5 to 1
Exploration expenditure	A\$M	2 to 3	0.4	1 to 2

FY17 highlights

- Consistent delivery
- Production and cash costs better than guidance
- Generated A\$32.1M Underlying EBITDA despite prevailing nickel price

FY18 outlook

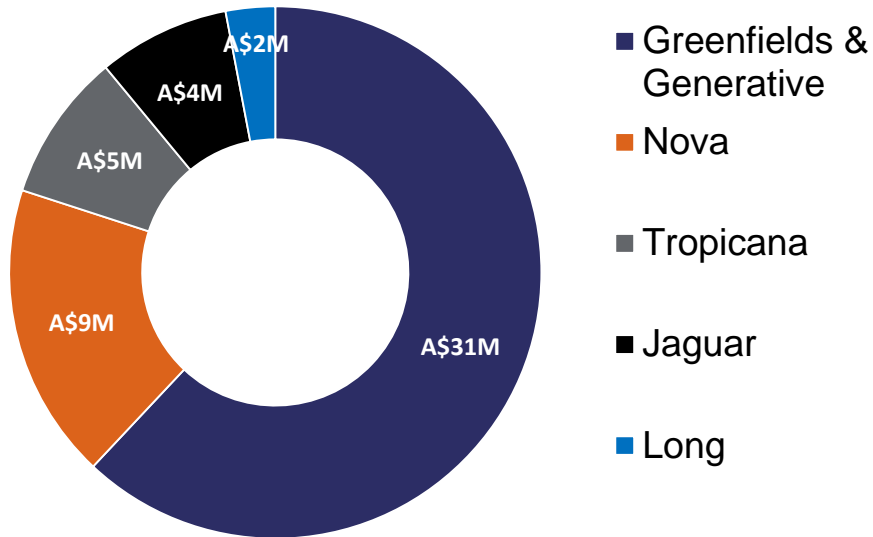
- Mining at Long is expected to be suspended during 4Q18
- Current planning for a suspension of mining period is underway while exploration continues

Exploration

Committed to delivering growth through exploration

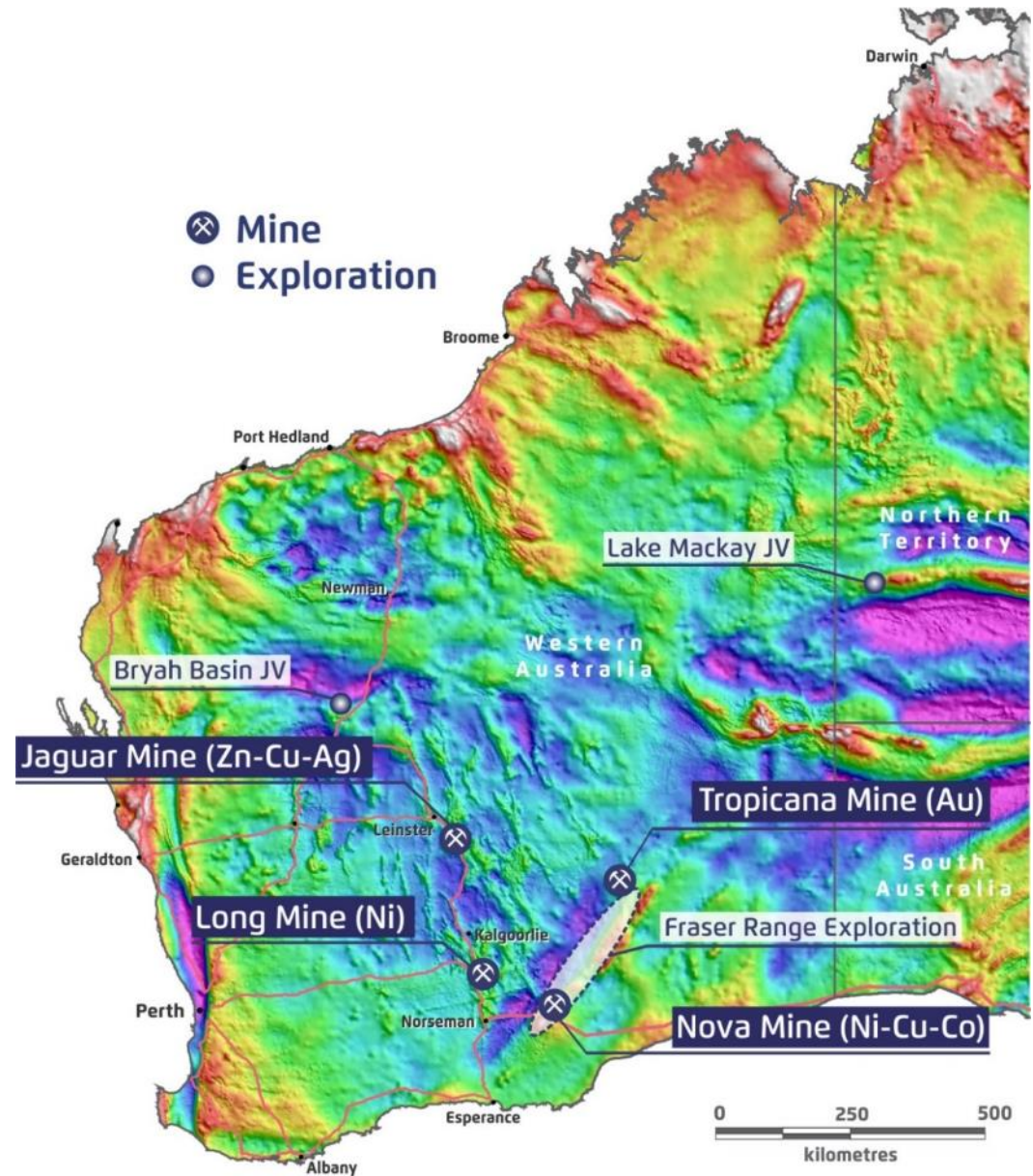


FY18 Exploration Guidance



Key developments and potential

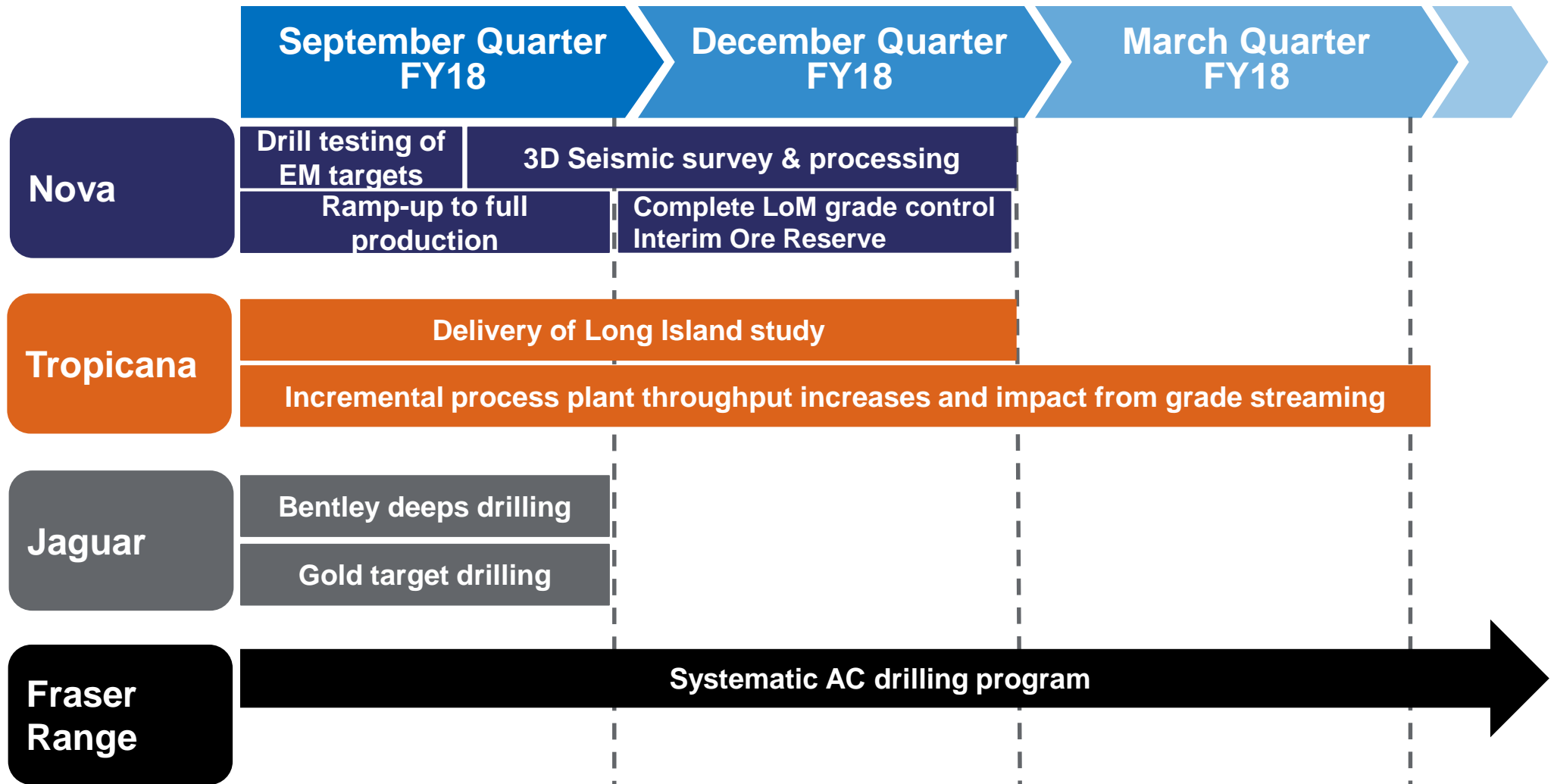
- Substantial increase in greenfields exploration in FY18
- Fraser Range the key focus of activity
- Developing and advancing belt scale opportunities including Lake Mackay



Portfolio catalysts



1H18 activities to generate significant news flow



Concluding comments

FY17 investments provide the platform for a great FY18



Strong performance from Tropicana and Long combined with higher metal prices to deliver a strong FY17 financial result

- Offset by lower production at Jaguar

Significant progress made at Nova

- Surface infrastructure and process plant completed on time and on budget
- Ramp up to nameplate in the September 2017 quarter – some 12 months earlier than the Feasibility Study estimate
- Had expected to do better but contractor resourcing issues delayed development

Well positioned for a strong FY18

- First full year of production at Nova
- Higher gold production and lower cash costs at Tropicana
- Increased exploration investment on the Fraser Range to leverage off belt scale land holding



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