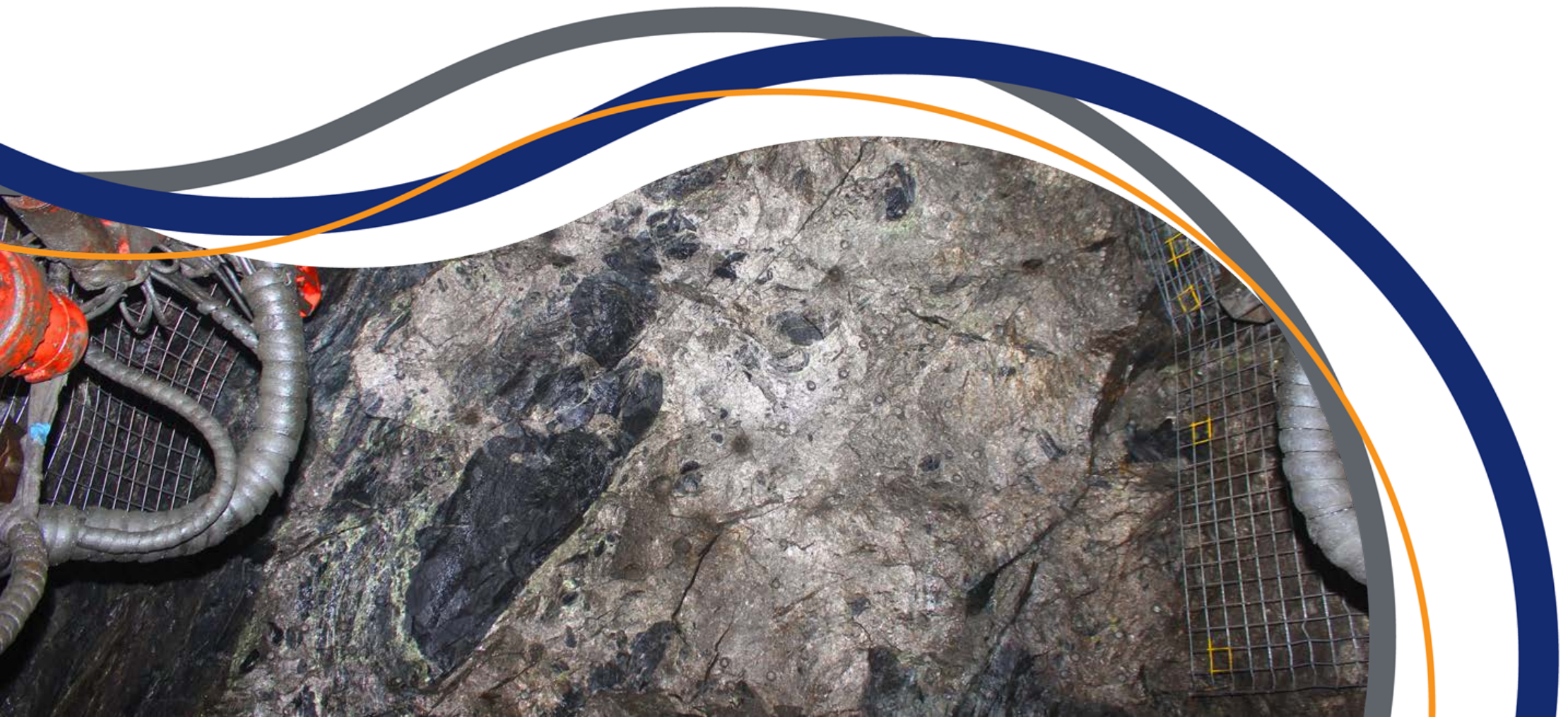


INDEPENDENCE GROUP NL

PETER BRADFORD, MANAGING DIRECTOR AND CEO

Full Year Results Presentation

31 August 2016



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- 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 27th 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, investment sales, depreciation and amortisation, and once-off transaction costs.

Business highlights

Unlocking Growth in 2016 and Beyond



Acquisition of Nova completed on 22 September 2015

- Nova construction on time and on budget, first concentrate expected in December 2016
- Project execution has been de-risked and project value improved through two optimisation studies

Progressed Tropicana processing plant debottlenecking and completed resource drilling for Long Island study

- Cessation of grade streaming in December 2015
- Long term operational benefits targeted through processing plant expansion and Long Island study

Improved productivity at Jaguar

- Record mining and milling volumes achieved in FY16

New operating plan adopted at Long

- Lower production at improved margins in response to low nickel prices

Exploration prioritised

- Expenditure focused on belt scale projects

Financial and Corporate

- Cash of A\$46.3M and debt of A\$271.0M at year end
- 2 cent fully franked dividend declared

Financial results



Base metals headwinds persisted through FY16

Business in transition

- Nova overall project completion reached 93.4% with A\$242M spent on construction during FY16
- Tropicana plant expansion scheduled for completion in September 2016 quarter
- Tropicana Long Island study framework drilling completed

Results drivers

- Realised base metal prices lower: Nickel -34%, Copper -18% and Zinc -9% whilst Gold +8%
- Reduced metal production: Nickel -16%, Zinc -13% and Gold -10%
- Acquisition costs of A\$65M related to Sirius transaction
- H1FY16 exploration impairment of A\$35M
- Reduced exploration expenditure by 30%

A\$'million	Revenue	Underlying EBITDA ⁽¹⁾	NPAT	Net cash flow from operations	Underlying FCF ⁽²⁾	Cash	Marketable Securities	Refined Bullion	Debt
FY15	498.6	212.7	76.8	201.7	115.8	121.3	15.5	0.2	(0.5)
FY16	417.1	137.5	(58.8)	95.2	(141.6)	46.3	5.00	0.0	(271.0)
Change %	(16%)	(35%)	n/a	(53%)	n/a	(62%)	(68%)	n/a	n/a

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

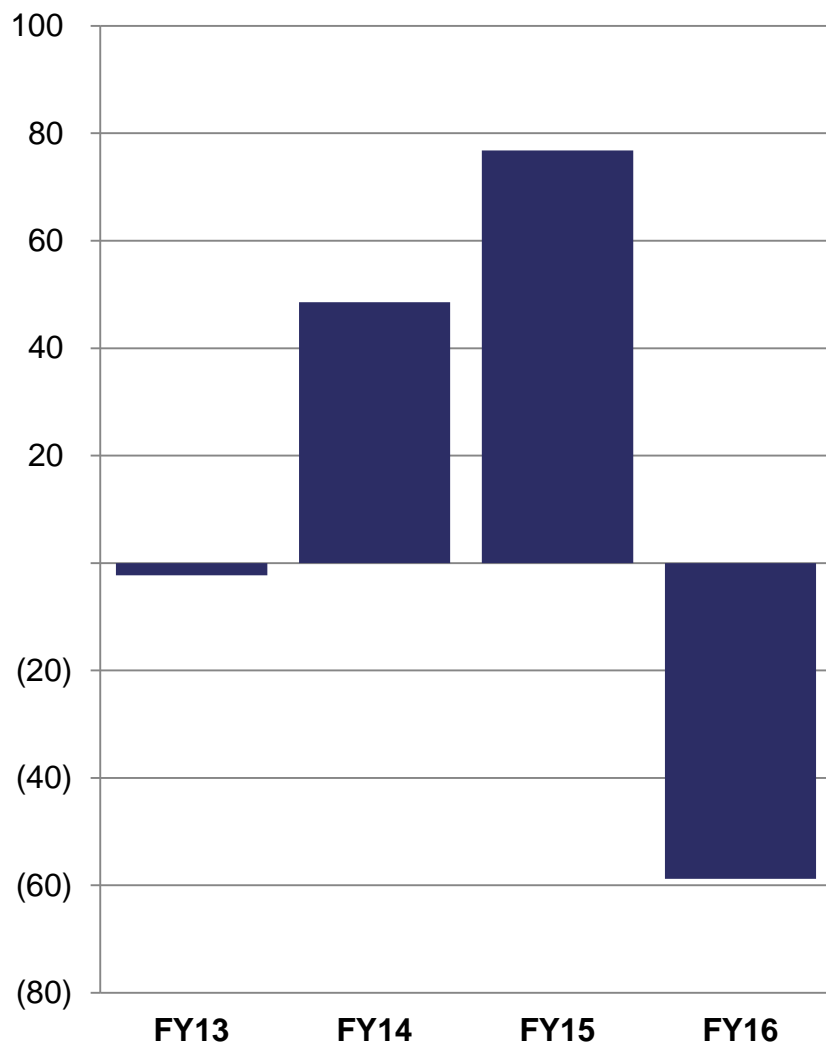
2) Free Cash Flow comprises Net Cash Flow from Operating Activities and Net Cash Flow from Investing Activities. Underlying adjustments exclude proceeds from investment sales and payments for investments. It also excludes net payment for the acquisition of Sirius Resources NL.

Earnings summary

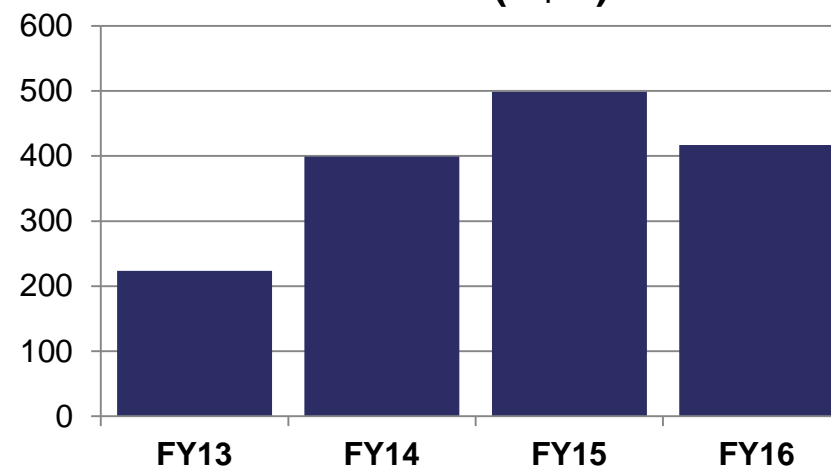


Acquisition costs plus lower metal prices and production reduce earnings

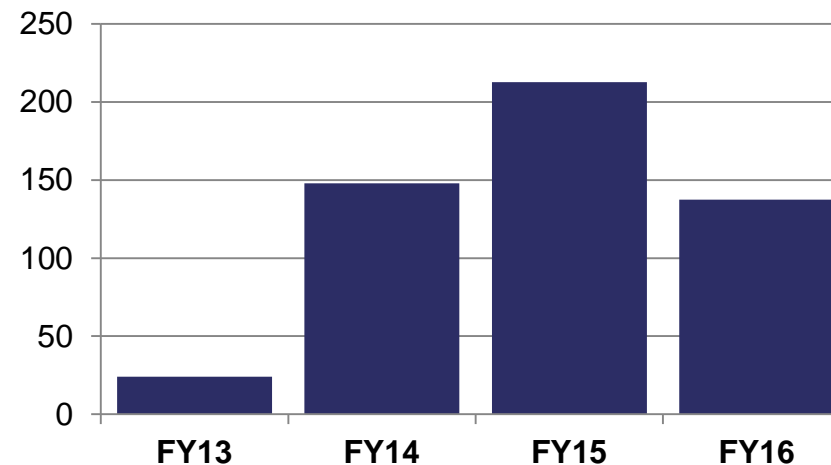
Net Profit After Tax (A\$M)



Revenue (A\$M)



Underlying EBITDA (A\$M) ⁽¹⁾



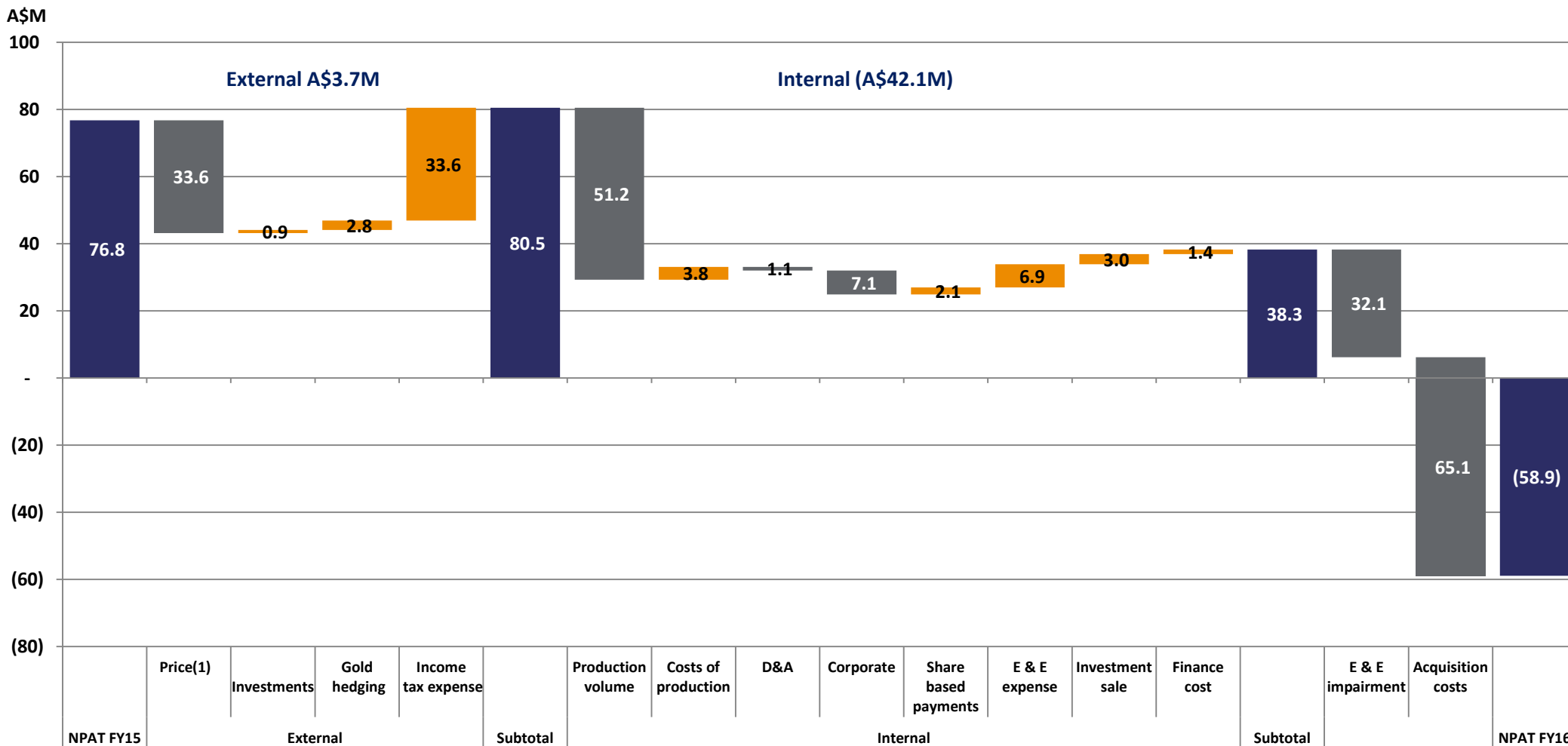
1) Underlying EBITDA is a non-IFRS measure (refer to Disclaimer page)

NPAT waterfall



Exploration impairment and acquisition cost variance of (A\$97.2M)

NPAT variance



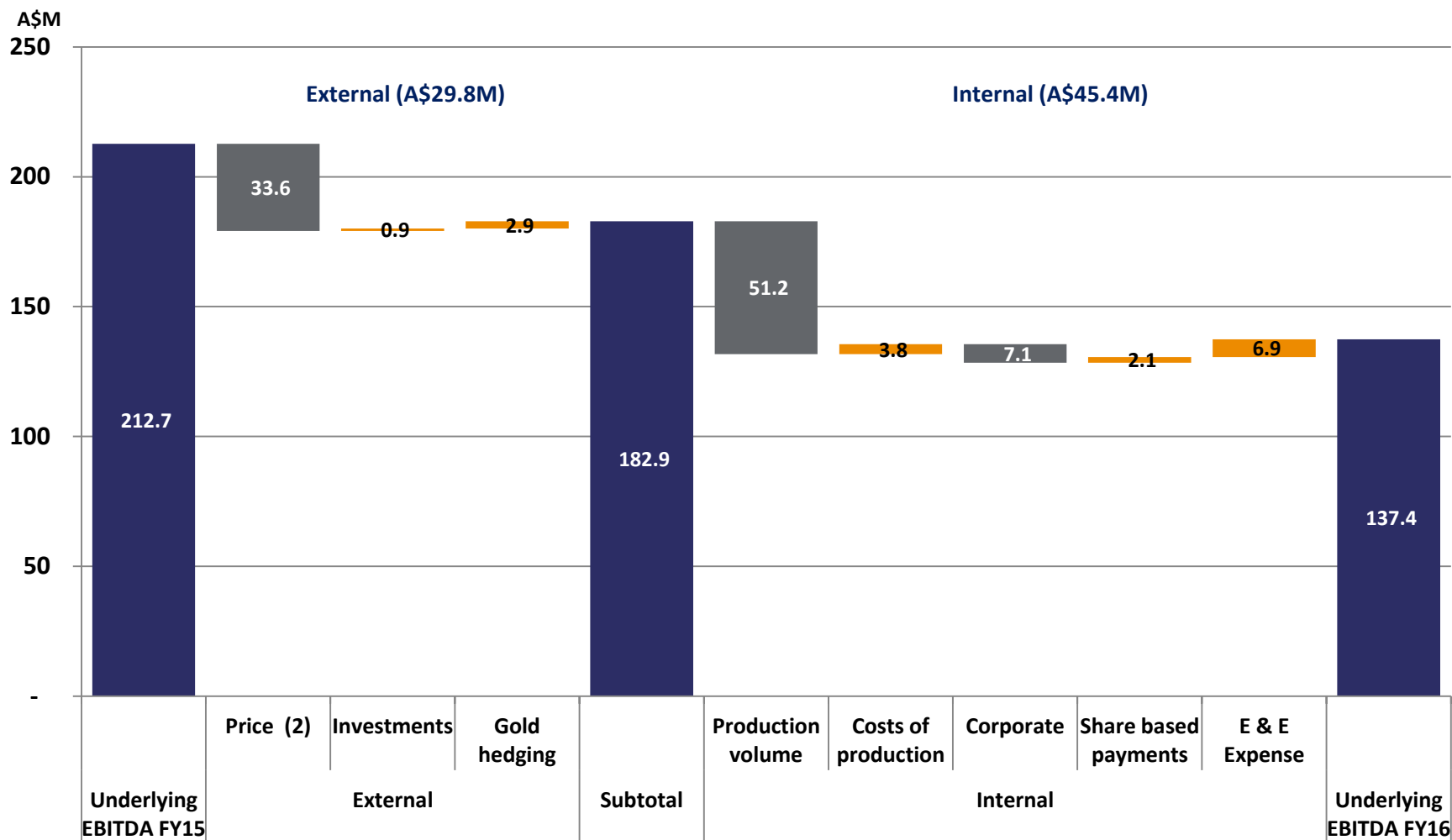
1) Realised A\$ commodity prices

EBITDA waterfall



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

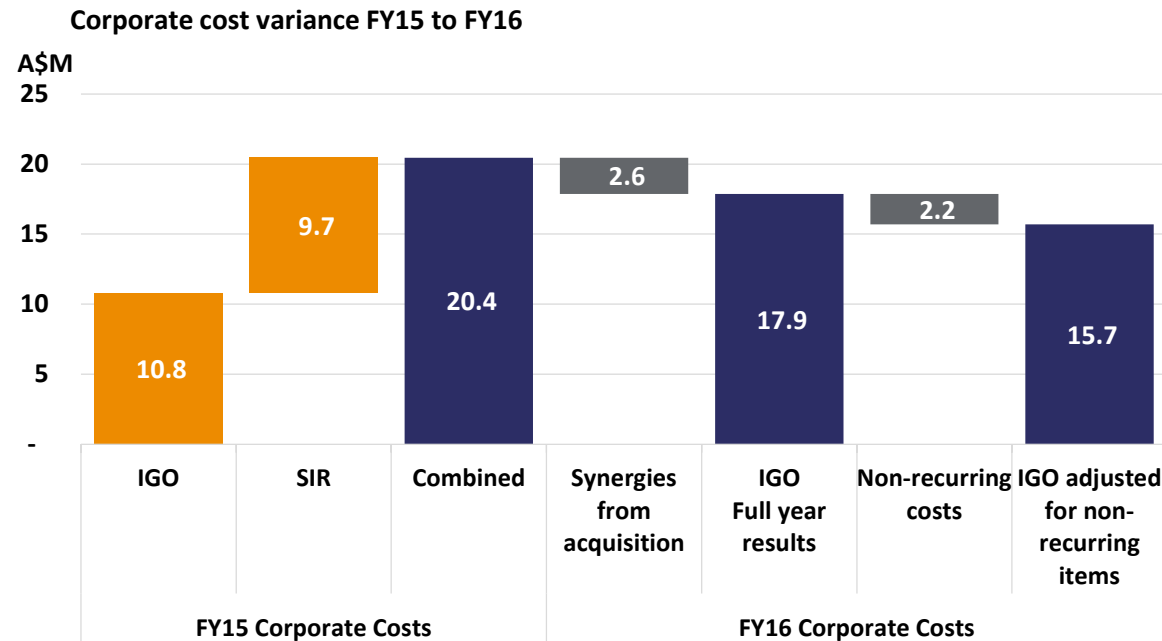
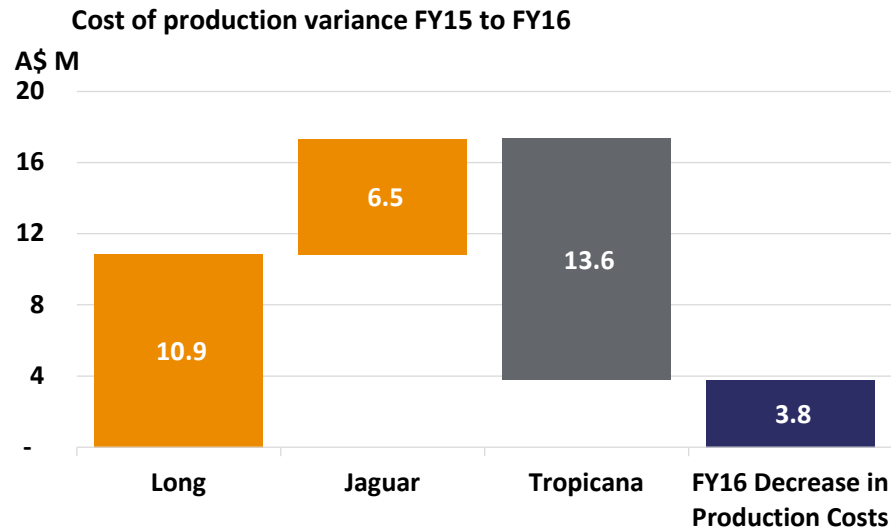
Underlying EBITDA variance ⁽¹⁾



1) Underlying EBITDA are non-IFRS measure (refer to Disclaimer page).
 2) Realised A\$ commodity prices

FY16 Variance analysis

Focus on cost management



Cost of production Variance

- Lower production costs at Long and Jaguar year on year resulting from:
 - ✓ improved productivity,
 - ✓ lower input costs, and
 - ✓ restructuring at Long
- Increased volumes mined and processed have driven overall costs of production at Tropicana

Corporate cost Variance

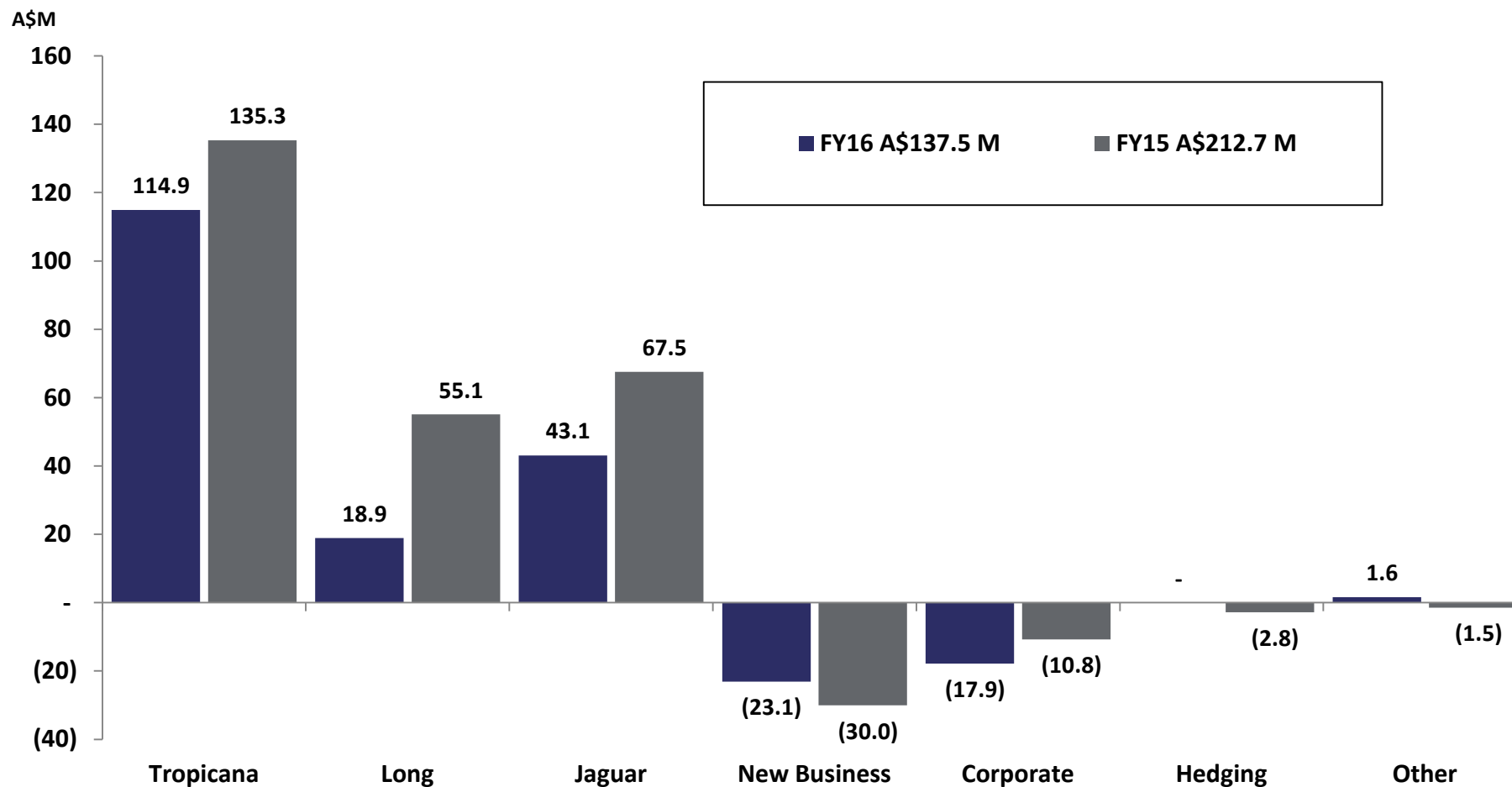
- Non-recurring costs include IGO corporate restructuring costs of A\$1.1M and further synergy savings identified of A\$1.1M
- FY16 corporate costs include an increase in sustainability capacity
- IGO graduate program costs have been reported as a corporate cost in FY16 (previously was an operational cost)

FY16 EBITDA components

Lower EBITDA across all operations



Underlying EBITDA ⁽¹⁾



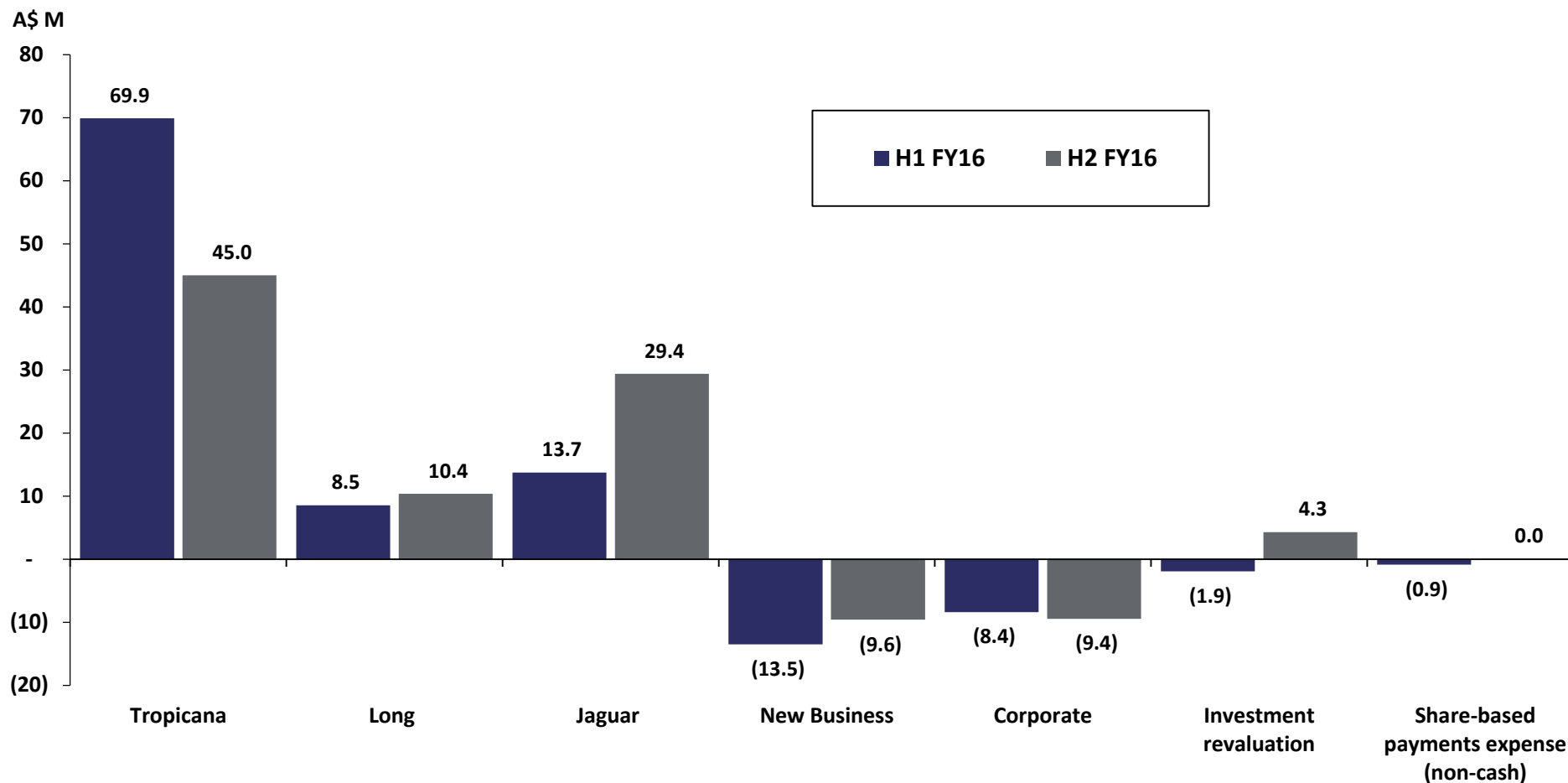
1) Underlying EBITDA is a non-IFRS measure (refer to Disclaimer page)

FY16 EBITDA by half year

Cessation of grade streaming at Tropicana in H1FY16



Underlying EBITDA ⁽¹⁾



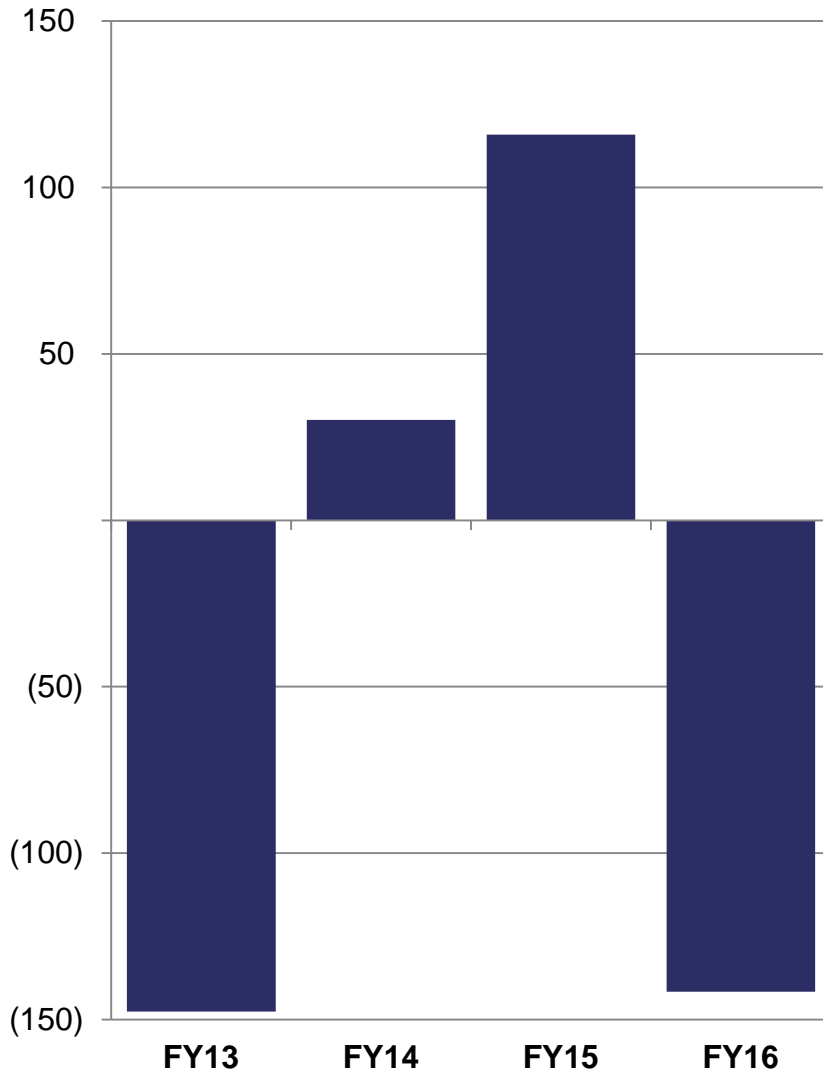
1) Underlying EBITDA is a non-IFRS measure (refer to Disclaimer page)

Cash flow summary

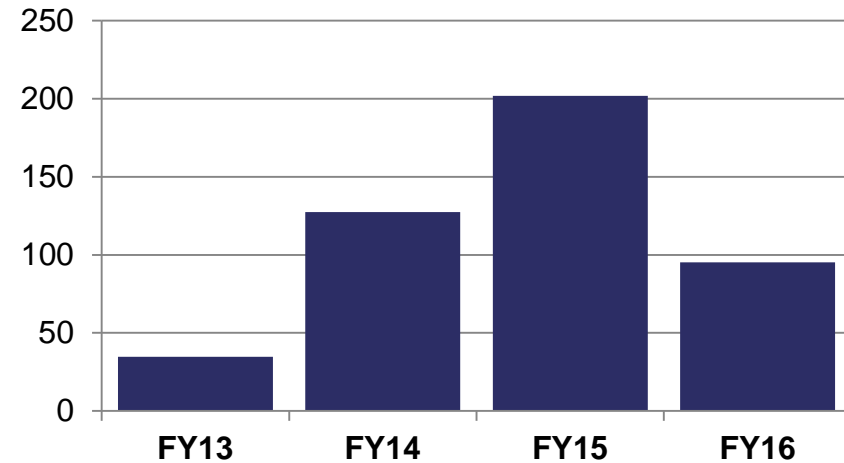
Strong balance sheet with pro-forma net cash of \$49.6M



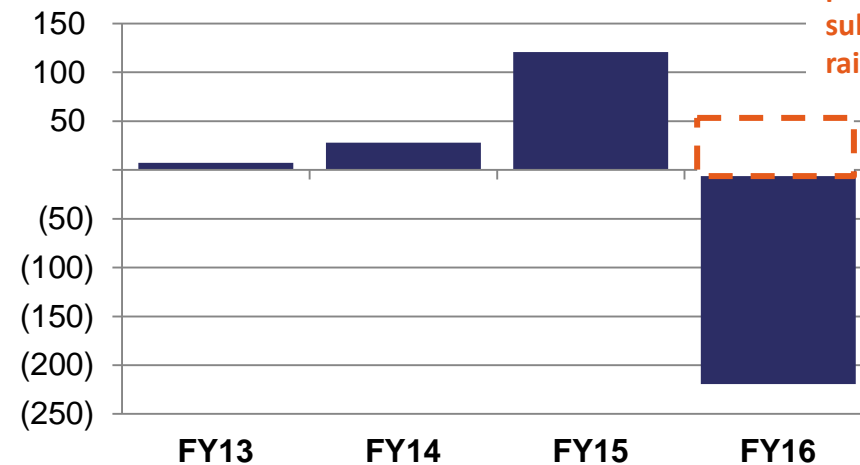
Free Cash Flow (A\$M)⁽¹⁾



Operating Cash Flow (A\$M)



Net Cash at year end (A\$M)



Pro-forma cash position of A\$49.6M subsequent to equity raising⁽²⁾

1) Free Cash Flow comprises Net Cash Flow from Operating Activities and Net cash Flow from Investing Activities. Underlying adjustments exclude proceeds from investment sales and payments for investments. It also excludes net payment for the acquisition of Sirius Resources NL

2) Funds raised through completion of institutional placement and share purchase plan, net of costs totalled A\$274.3M see ASX releases dated 28 July 2016 and 26 August 2016

FY16 operational scorecard and FY17 guidance

	Units	FY16 Guidance ¹	FY16 Results	FY17 Guidance Range
Gold produced (100% basis)	oz	430,000 to 470,000	448,116	390,000 to 430,000
Gold (IGO's 30% share)	oz	129,000 to 141,000	134,435	117,000 to 129,000
Cash cost	A\$/oz Au	680 to 750	730	850 to 950
All-in Sustaining Costs	A\$/oz Au	900 to 950	918	1,150 to 1,250
Sustaining capex	A\$M	14 to 16	6.4	2 to 3
Improvement capex	A\$M		5.9	2 to 3
Capitalised waste stripping	A\$M	18 to 20	16.1	29 to 36
Exploration expenditure	A\$M	9 to 11	7.6	6 to 8

FY16 Highlights

- Successful transition from accelerated mining and grade streaming strategy to balanced mining and processing at LOM Ore Reserve grades
- Transition from diesel to gas fired power generation following completion of gas pipeline in January 2016
- Capital investment to deliver increased milling rates from 5.8Mtpa to 7.5Mtpa
- During the year 100km of framework drilling completed as part of Long Island study
- High grade shoot delineated at Havana South
- Ongoing drilling and technical work as part of the Long Island study with initial results expected H1FY17

1) March 2016 Quarterly Report

2) For detailed results on the Havana South ore shoot see ASX release Tropicana Gold Mine – Delineation of New High Grade Shoot dated 25 July 2016

FY16 operational scorecard and FY17 guidance

	Units	FY16 Guidance ¹	FY16 Results	FY17 Guidance Range
Nickel (contained metal)	tonnes	8,500 to 9,000	8,483	7,400 to 8,200
Cash Cost (payable)	A\$/lb Ni	3.50 to 4.00	3.68	3.50 to 3.90
Sustaining capex	A\$M	2 to 3	1.7	1
Exploration expenditure	A\$M	8 to 9	7.1	2 to 3

FY16 Highlights

- Operations restructured in response to challenging nickel prices during the year
- Successfully transitioned to new operating plan
- Consistently delivering higher operating margins and improved productivity
- In mine exploration opportunities under review with a plan to recommence in mine exploration in FY17

1) March 2016 Quarterly Report

	Units	FY16 Guidance ¹	FY16 Results	FY17 Guidance Range
Zinc in concentrate	tonnes	38,000 to 40,000	39,335	39,000 to 43,000
Copper in concentrate	tonnes	6,500 to 7,000	7,412	4,600 to 5,100
Cash cost (payable)	A\$/lb Zn	0.60 to 0.70	0.53	0.70 to 0.80
Sustaining capex	A\$M	2 to 3	1.8	8 to 9
Development capex	A\$M	11 to 13	12.8	12 to 13
Exploration expenditure	A\$M	9 to 10	8.9	3 to 4

FY16 Highlights

- Record mining and milling rates achieved in FY16 since inception of the operation
- Infill drilling of Flying Spur Inferred Mineral Resource completed
- Bentley Mineral Resources remain open down plunge
- Opportunities to extend and test new areas of prospective stratigraphy identified

1) March 2016 Quarterly Report

Nova Project overview



Project remains on schedule and on budget

Substantial on-site progress

- Overall project is on schedule reaching 93.4% completion at 30 June 2016
- First development ore mined during the June 2016 quarter
- Three grade control drilling rigs onsite
- Project remains on track for commissioning in late 2016 and for production of first concentrates in December 2016

Infrastructure

- All infrastructure complete excluding the staged development of the power station

Optimised project and accelerated Bollinger development

- First optimisation study successfully completed in December 2015⁽¹⁾
- Accelerating decline development to access the Bollinger orebody⁽²⁾ within initial capital cost estimate
- Significant value unlocked and improved operational flexibility

Process plant construction

- Overall construction of the process plant is ahead of schedule, 86% complete at 30 June 2016
- Piping and electrical installation ahead of schedule
- Focus is now shifting to operational readiness

1) For Nova Optimisation Study results see ASX release Nova Optimisation Study Presentation dated 14 December 2015

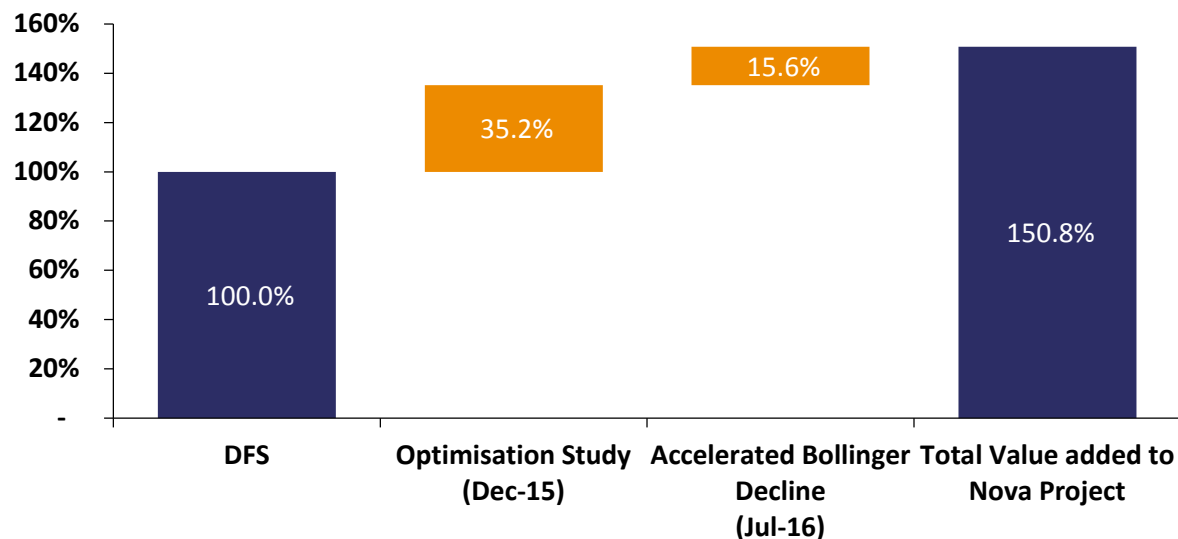
2) For Accelerated Bollinger Development results see ASX release Accelerated Bollinger Decline at Nova Project dated 21 July 2016.

Value enhancement of Nova Project



Significant value unlocked with improved mining flexibility

- Further value unlocked at Nova through
 - Optimisation Study, December 2015
 - Accelerated Development of Bollinger, July 2016
- A cumulative 50.8% increase in NPV relative to the DFS¹ was achieved with Capex A\$30M below the original DFS estimate of A\$473M
- Value has been unlocked through:
 - Improved mining schedule and sequencing to prioritise higher-value ore early in the mine life
 - Accelerated ramp-up to fill the processing plant earlier
 - Capturing current contracted rates and forecast operating cost structure



1) For Accelerated Bollinger Development results and detailed parameters see ASX release Accelerated Bollinger Development at Nova Project dated 21 July 2016

2) For Nova Optimisation Study results see ASX release Nova Optimisation Study Presentation dated 14 December 2015

Nova initial operating guidance

Project poised to deliver



- Preliminary operating guidance for Nova provided through to FY19
- Additional opportunities exist to improve mining production and processing rates
- Further enhancements identified which will be pursued following commissioning and ramp up phases

	Units	FY17 ⁽¹⁾	FY18	FY19
Nickel Production	tonnes	9,000 to 10,000	27,000 to 30,000	27,000 to 30,000
Copper Production	tonnes	3,900 to 4,400	12,000 to 13,000	12,000 to 13,000
Cobalt Production	tonnes	280 to 320	900 to 1,000	900 to 1,000
Cash costs (real) ⁽²⁾	A\$/lb Ni	4.00 to 4.50	1.50 to 2.00	1.50 to 2.00
Remaining Initial Capital Cost ⁽³⁾	A\$M	140 to 150	0	0
Sustaining Capex	A\$M	3 to 5	25 to 30 ⁽⁴⁾	5 to 7 ⁽⁴⁾
Development Capex	A\$M	22 to 25		
Exploration expenditure	A\$M	3.5 to 4.5		

1) FY17 excludes production achieved during commissioning.

2) Cash Cost includes royalty per pound of payable nickel (after by-product credits) and applies to ramp-up period following plant commissioning

3) Remaining Initial Capital Costs includes the key capital activities (outstanding from the A\$443M Project Capital Costs) outlined in the company's 28 June release titled "First Ore Mine in Development at Nova" including but not limited to, the power station, plant piping/ electrical, past plant and decline development. The amount also includes capital required for the Bollinger Decline as outlined in this ASX release.

4) Sustaining capex includes Development capex

Note: For further information on Nova production guidance see ASX release Accelerated Bollinger Decline at Nova Project dated 21 July 2016

FY17 exploration guidance

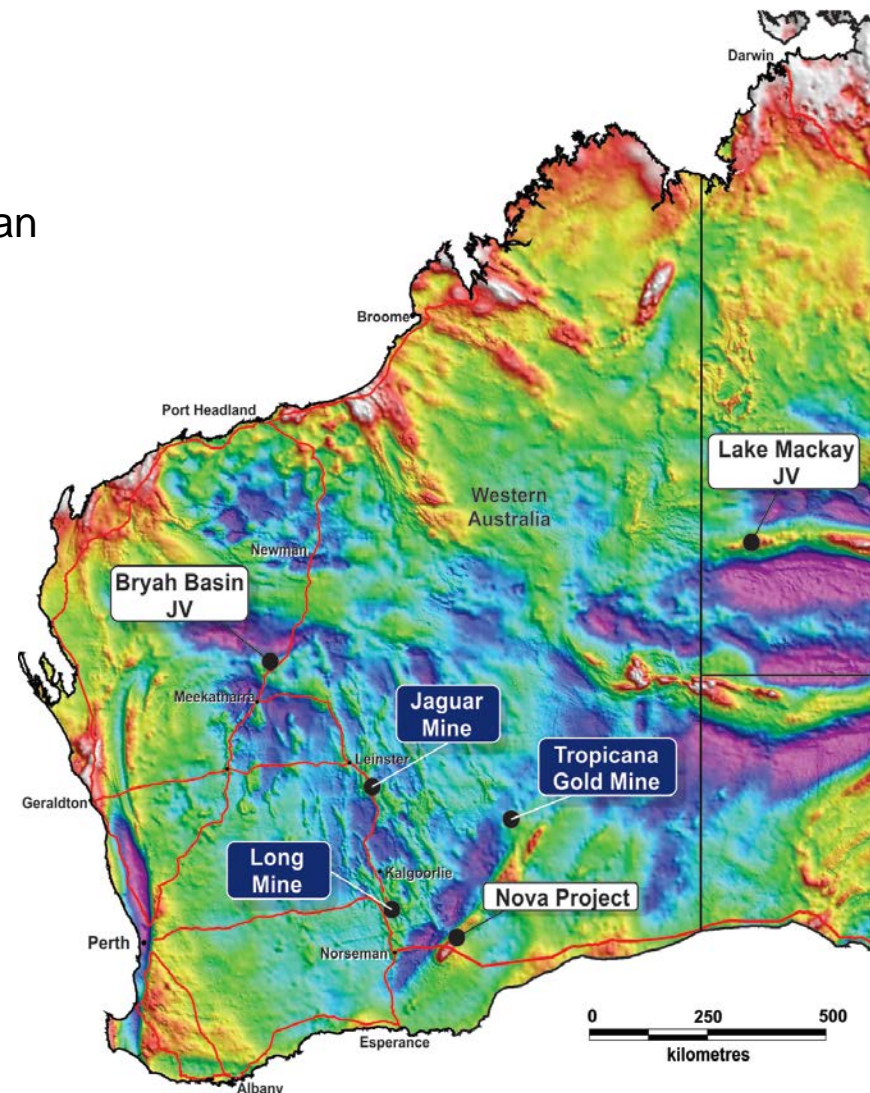
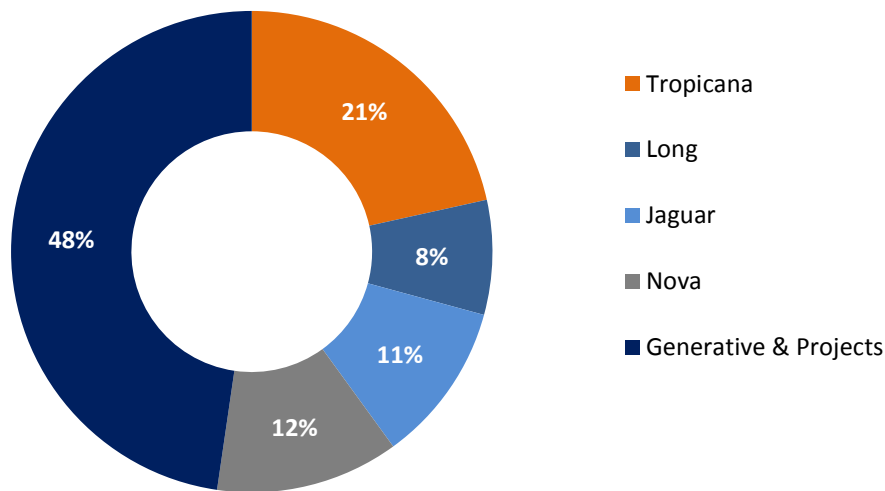
IGO remains committed to delivering growth through discovery



A\$33M exploration budget across portfolio

- Brownfields and greenfields focus
- Greenfields exploration targeting provinces that can deliver multiple gold and base metals projects
- Increasing focus on generative and greenfields projects

FY17 Exploration Budget



Concluding comments

Diversified mining company unlocking future growth



- Challenging conditions across base metals sector
- IGO has delivered measured investment through the cycle to unlock growth
- Substantial value unlocked through accelerated development of Bollinger within original capex budget at Nova
- First development ore mined at Nova with operational readiness advanced
- Significant progress with Tropicana expansion and Mineral Resource extension
- Drilling results from Havana South intersect high grade shoot
- Strong balance sheet with pro-forma \$50M net cash at year end
- 2 cent fully franked dividend declared

Outlook and catalysts for value recognition

- Continued de-risking of the Nova Project in preparation for commissioning
- First concentrate production from Nova in December 2016
- Tropicana processing capacity to reach 7.5Mtpa
- Long Island study results throughout H1FY17
- Access drilling positions to commence in mine exploration around the Nova orebody



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