



# INDEPENDENCE GROUP

## **GROWING A GREAT COMPANY BY MINERAL DISCOVERIES & MINE DEVELOPMENT**

INVESTOR UPDATE  
October 2010

Chris Bonwick – Managing Director



# FORWARD LOOKING STATEMENTS

Certain oral and written statements contained or incorporated by reference in this presentation, including information as to the future financial or operating performance of the Company and its projects, constitute forward-looking statements. All statement, other than statements of historical fact, are forward-looking statements. The words “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “intend”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” and similar expressions identify forward-looking statements.

Forward-looking statements include, among other things, statements regarding targets, estimates and assumptions in respect of nickel, gold or other metal production and prices, operating costs and results, capital expenditures, mineral reserves and mineral resources and anticipated grades and recovery rates. Forward-looking statements are necessarily based upon a number of estimates and assumptions related to future business, economic, market, political, social and other conditions that, while considered reasonable by the Company, are inherently subject to significant uncertainties and contingencies. Many known and unknown factors could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Such factors include, but are not limited to: competition; mineral prices; ability to meet additional funding requirements; exploration, development and operating risks; uninsurable risks; uncertainties inherent in ore reserve and resource estimates; dependence on third party smelting facilities; environmental regulation and liability; currency risks; effects of inflation on results of operations; factors relating to title to properties; native title and aboriginal heritage issues; dependence on key personnel; and share price volatility and also include unanticipated and unusual events, many of which are beyond the Company’s ability to control or predict.

The Company disclaims any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. All forward-looking statement made in this presentation are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and, accordingly, not to put undue reliance on such statements.



# INDEPENDENCE OVERVIEW - CORPORATE

*Tight share structure, cashed up and no debt*

## Capital Structure:

ASX 200 Code: IGO  
114.1M shares & 0.8M staff options  
Market Cap. (7/7/10): A\$730M  
Daily turnover (6 month average) – 0.4M

## Substantial shareholders:

JF Capital	11.6M shares
Orion	7.1M shares
NAB	6.8M shares

Aus Inst : 47%, OS Inst : 17%  
56 Institutions in top 100

## Financials:

2009/10 Profit:	A\$28.7M
2009/10 EPS (dil.)	A25.3c
Cash & Net Receivables:	A\$148.4M
Debt:	Nil
Dividends paid 2009/10:	2c interim + 3c final



# INDEPENDENCE OVERVIEW - ASSETS

## Multiple growth opportunities

### LONG NICKEL MINE

✓ Production



2009/10 Cash Costs without royalty: A\$4.01/lb Ni

with royalty: A\$4.44/lb Ni

2009/10 Revenue: A\$9.60/lb Ni

Jun 10 Resources: 91,500t Ni @ 5.4% Ni

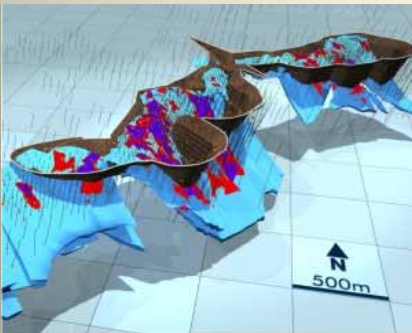
Jun 10 Reserves: 53,400t Ni @ 4.1% Ni

*Extending mine life – New Moran discovery*

*Jun 2010 resource: 546,000t @ 7.2% Ni (39,400 t Ni)*

### TROPICANA

✓ Near Term Growth



Initial Open Cut Resource: 30% of 5.01M oz Au

Open Cut Reserve: 30% of 45Mt @ 2.3g/t Au (3.3M oz Au)

*Significant underground & regional potential*

### REGIONAL EXPLORATION

✓ Growth



7 high quality Ni, Au and Cu-Pb-Zn exploration projects.  
292,000 sample Australian geochemical database.

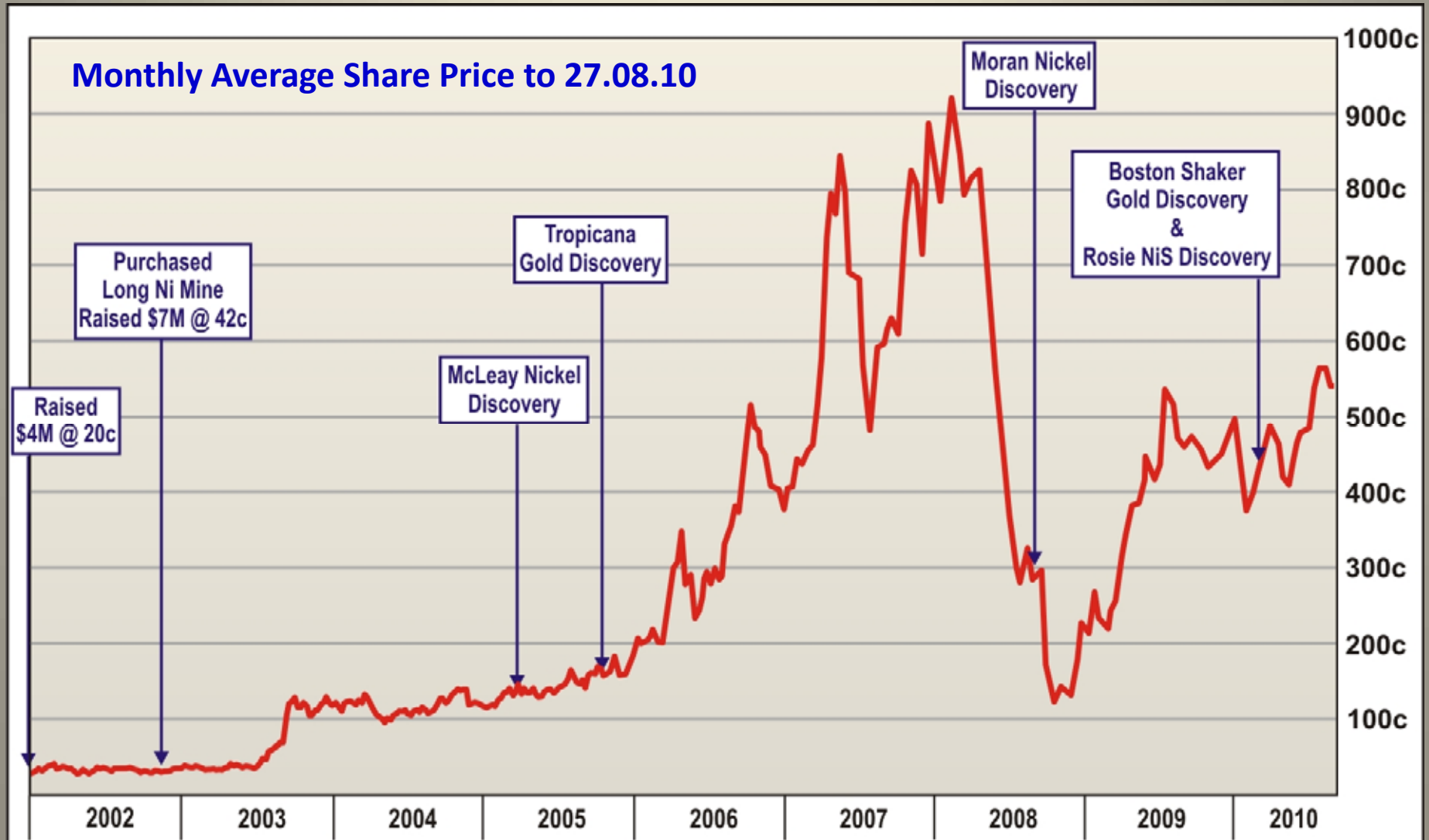
*Unique exploration targeting & technology*





# IGO HISTORY AND SHARE PRICE

*Only one capital raising since floating*





## LONG NICKEL MINE

### *IGO'S CURRENT CASH PRODUCING ASSET*

**2002 Purchase price = A\$15M      IGO Profit to date = A\$274M**  
**Australia's lowest cost nickel sulphide mine**



**1979-1999**  
**WMC Production:**  
**203,184t Ni**

**2002-2010**  
**IGO Production:**  
**64,109t Ni**



# LONG NICKEL MINE – IGO 100%

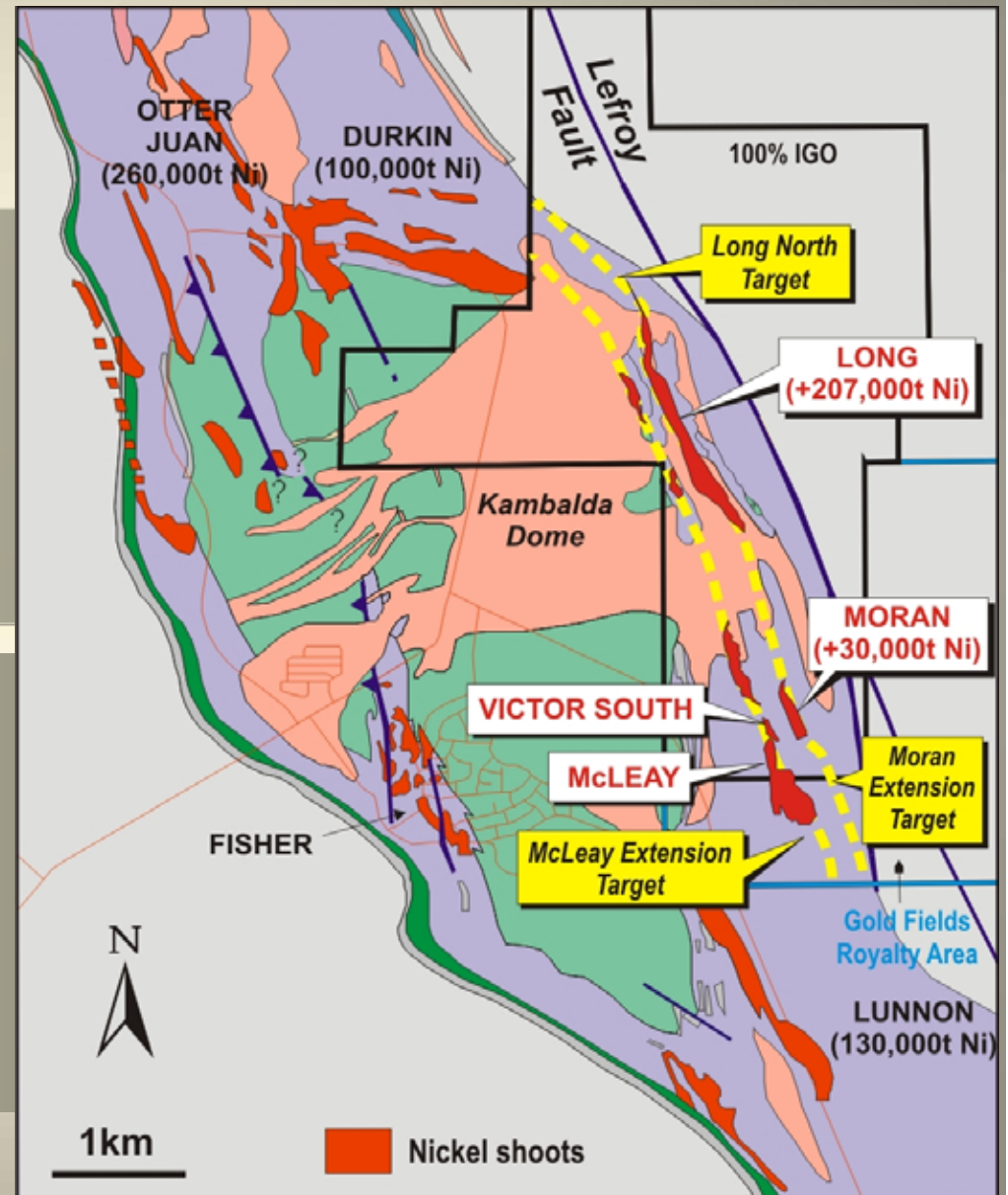
*Consistently increasing Reserves*

## HISTORY

- IGO Starting Reserve = 26,800 Ni t
- IGO Production to date = 64,109 Ni t
- June 2010 Resource = 91,500 Ni t
- June 2010 Reserves = 53,400 Ni t

## GOALS

- Sustainable 9,000t Ni pa in bottom 3rd of world-wide nickel production cash costs.
- Australia's lowest nickel cash costs.
- New Reserves to increase mine life.





# PRODUCTION FORECAST & HEDGING

## *History of exceeding production guidance*

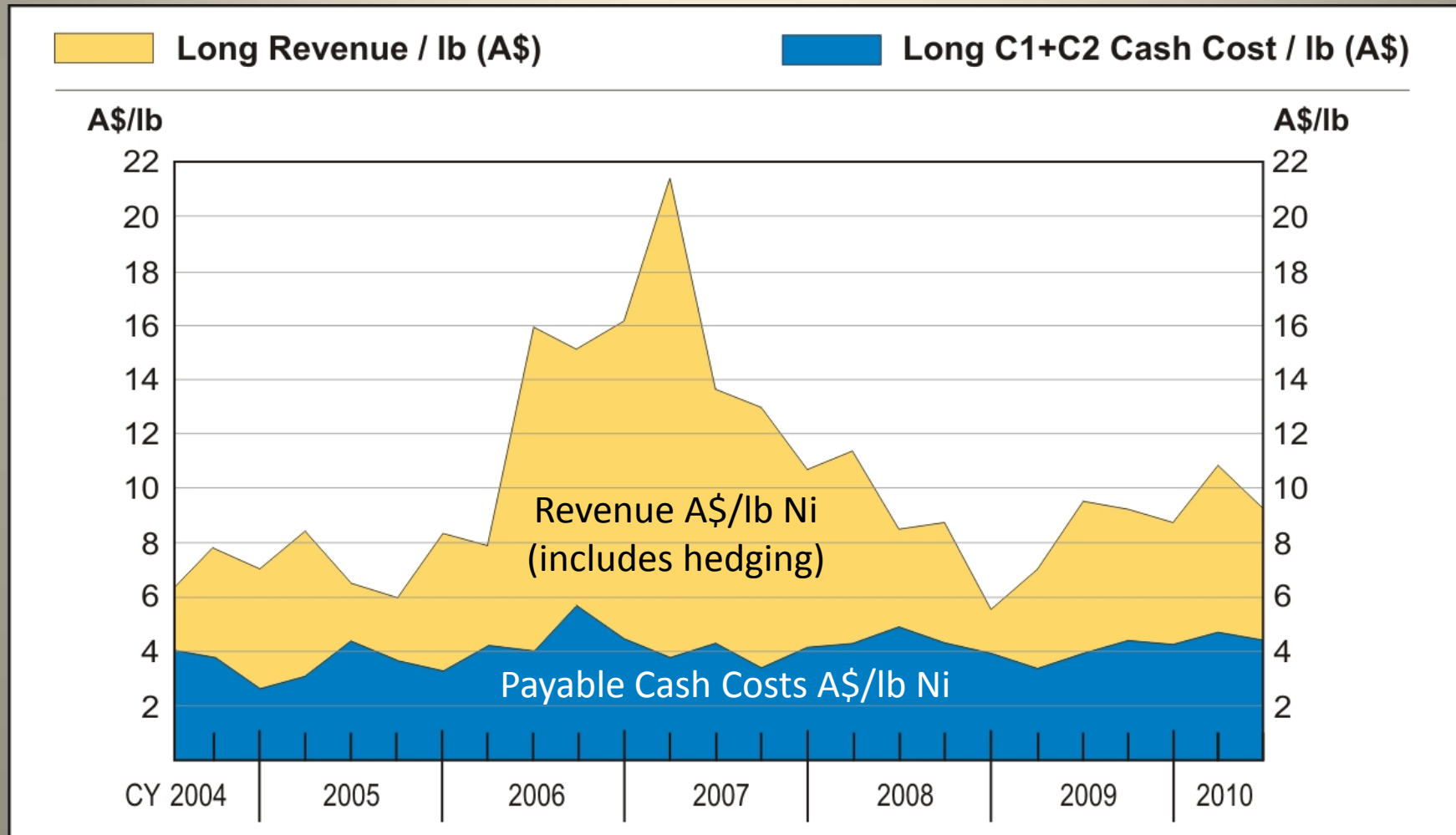
	2009/10 Guidance	2009/10 Actual
• Production	8,000-8,400 Ni t	8,615 Ni t
• Grade	4.0% Ni	4.25% Ni
• Cash Costs (payable) - with royalty	A\$4.20-4.40/lb Ni	A\$4.44/lb Ni
- without royalty	A\$3.90-4.10/lb Ni	A\$4.01/lb Ni

	20010/11 Guidance
• Production	8,800-9,200 Ni t
• Grade	4.1% Ni
• Cash Costs (payable) - with royalty	A\$4.40-4.60/lb Ni
- without royalty	A\$4.00-4.20/lb Ni
• Hedging Oct 2010 - Jun 2013	5,160 Ni t @ A \$22,464/t (A\$10.19/lb)



# QUARTERLY CASH COSTS & REVENUE

*High operating margins  
and consistent low cash costs over 6 years*







# MINE GEOPHYSICS - TEM EQUIPMENT

*Innovative research and development*



*High powered TEM transmitter*

**\*\*Exclusive to IGO\*\***

- 10 x more powerful than current systems.
- Doubles search radius detection up to 200m.
- Cleaner data.
- More accurate targeting.
- Mark III in development.



*Down hole TEM probe*

- 200m search radius.
- 3D visualisation of massive NiS targets.



*Underground Down hole TEM surveying*

- More accurate drill targeting, reduced discovery and ore definition costs.





# LONG MINE NICKEL DEPOSITS & TARGETS

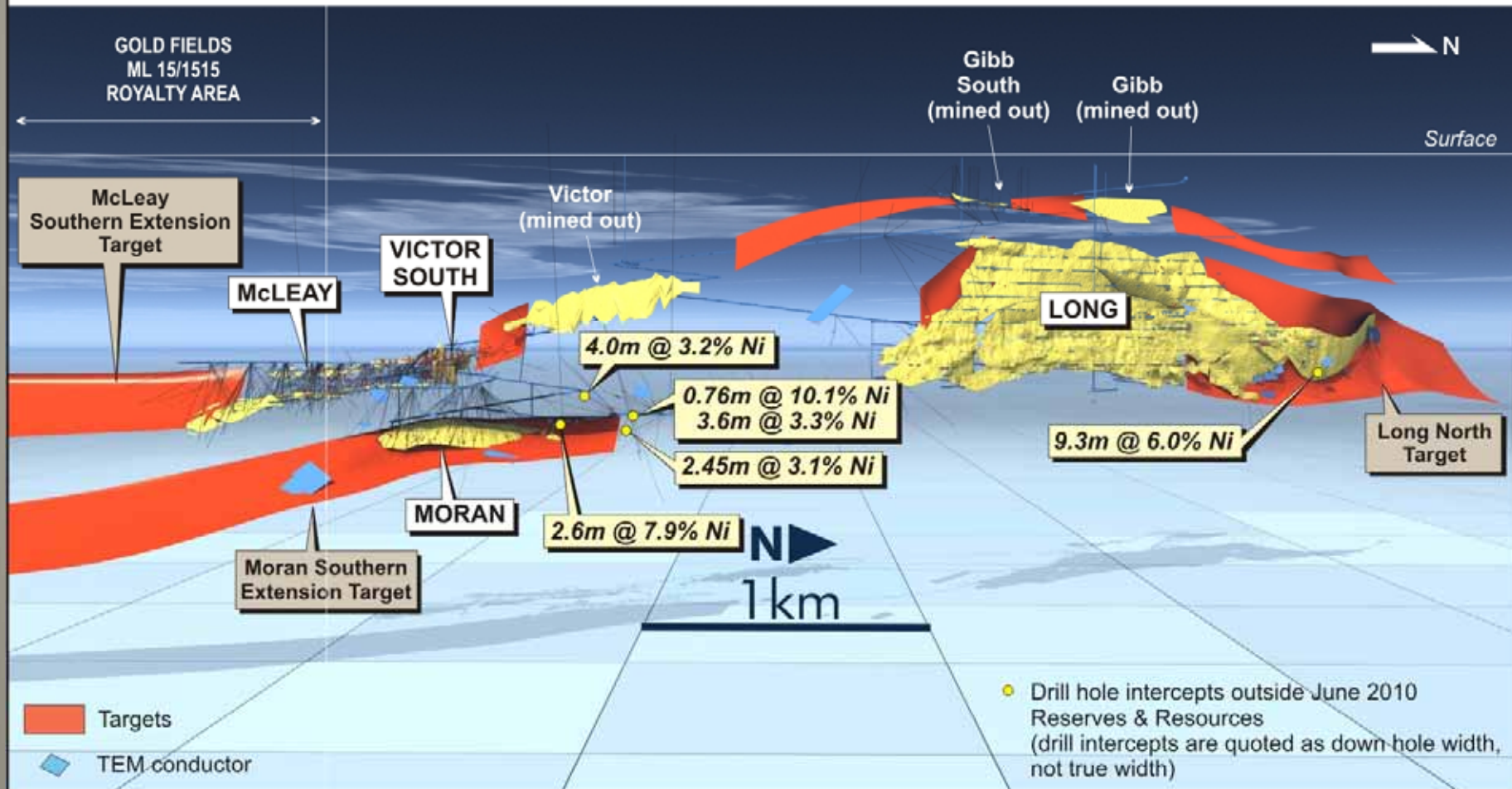
## LONGITUDINAL PROJECTION

*Largest Reserve since IGO reopened the mine (+5 year mine life)*

June 2010 Mineral Resources\*: 1,702,000t @ 5.4% Ni (91,500t Ni)

June 2010 Ore Reserves: 1,315,000t @ 4.1% Ni (53,400t Ni)

\* Resource Ni t are inclusive of Reserves



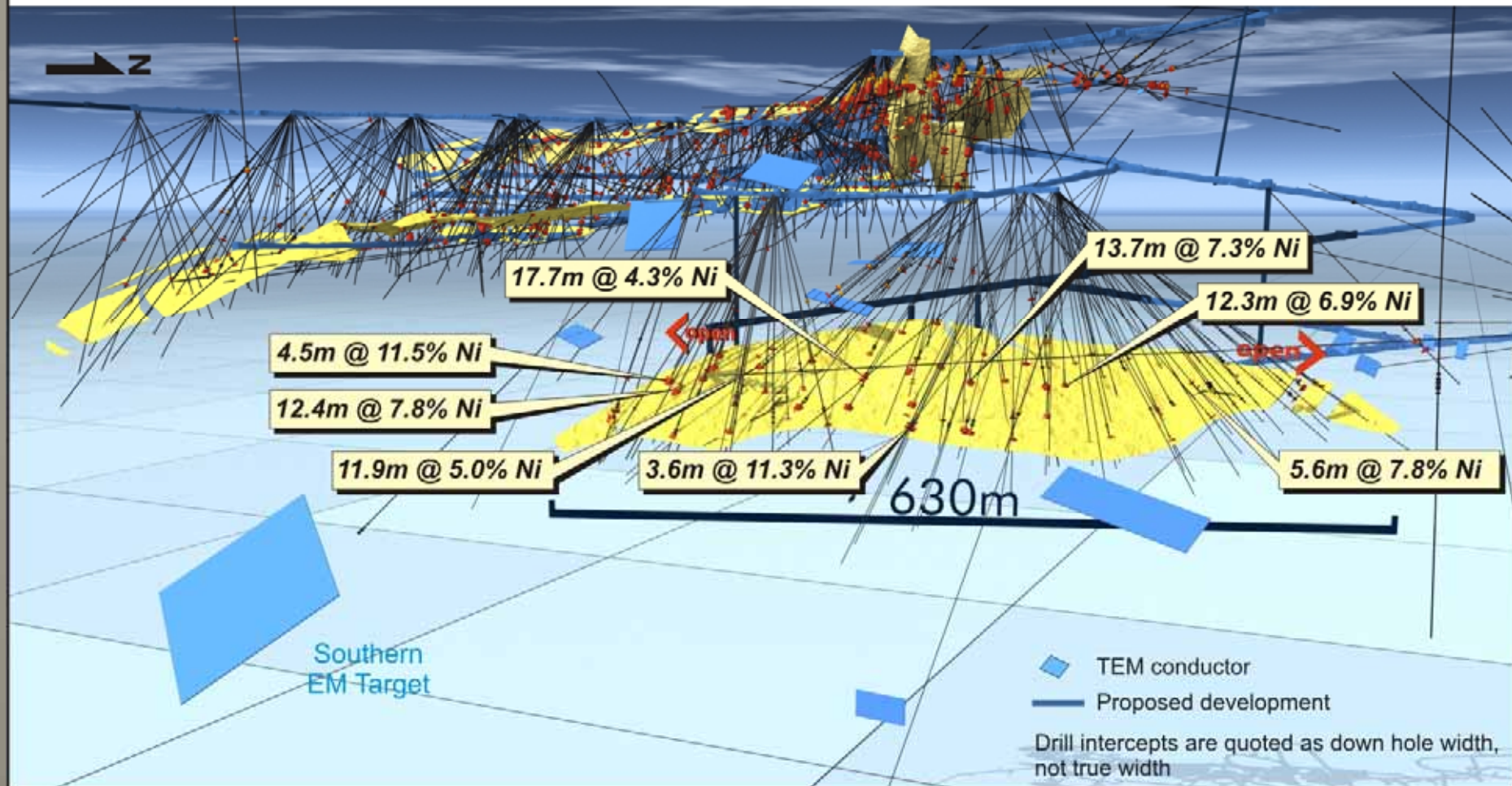


# MORAN NICKEL DEPOSIT

*Open to the south east*

June 2010 Mineral Resources\*: 546,000t @ 7.2% Ni (39,400t Ni)  
June 2010 Ore Reserves: 739,000t @ 4.4% Ni (32,700t Ni)

\* Resource Ni t are inclusive of Reserves







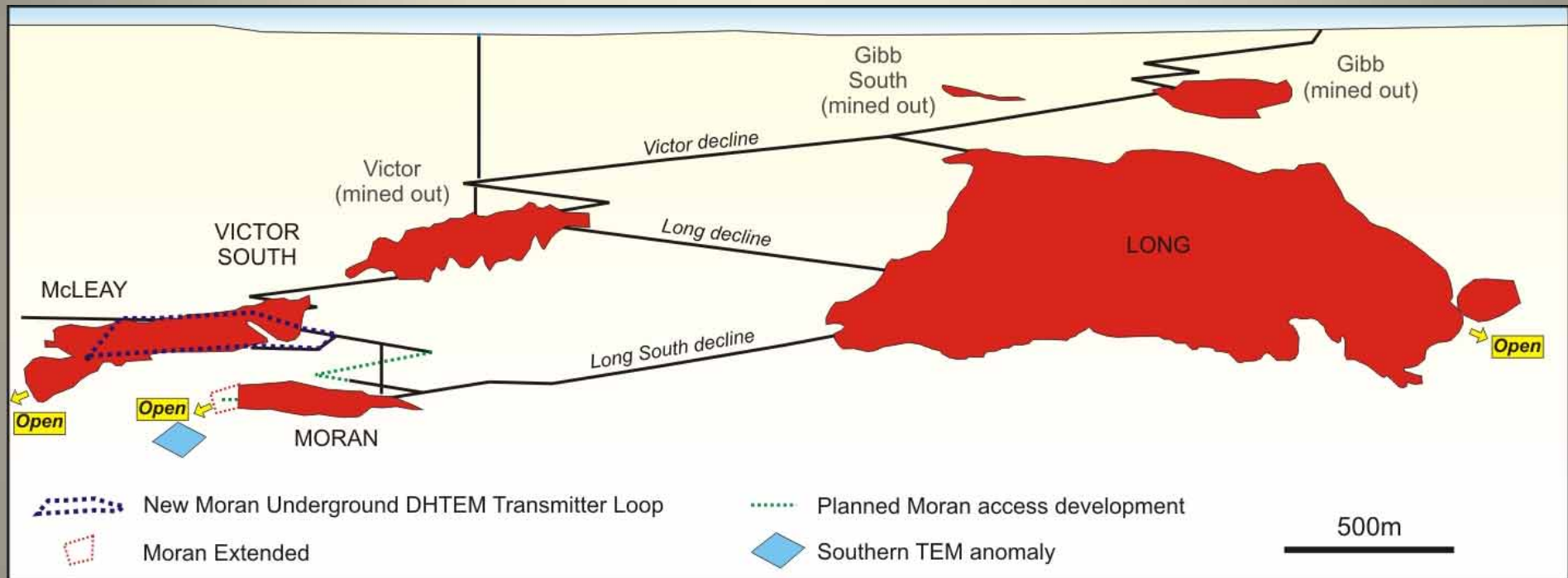
# MORAN DEPOSIT HIGH-GRADE MASSIVE NICKEL SULPHIDES





# MORAN DEVELOPMENT

## Potential for Moran, McLeay and Long ore body extensions







# LONG NORTH

*3D Isometric Model Showing Nickel shoots, Drill-Holes, TEM Conductors, Proposed Development and significant Intercepts*



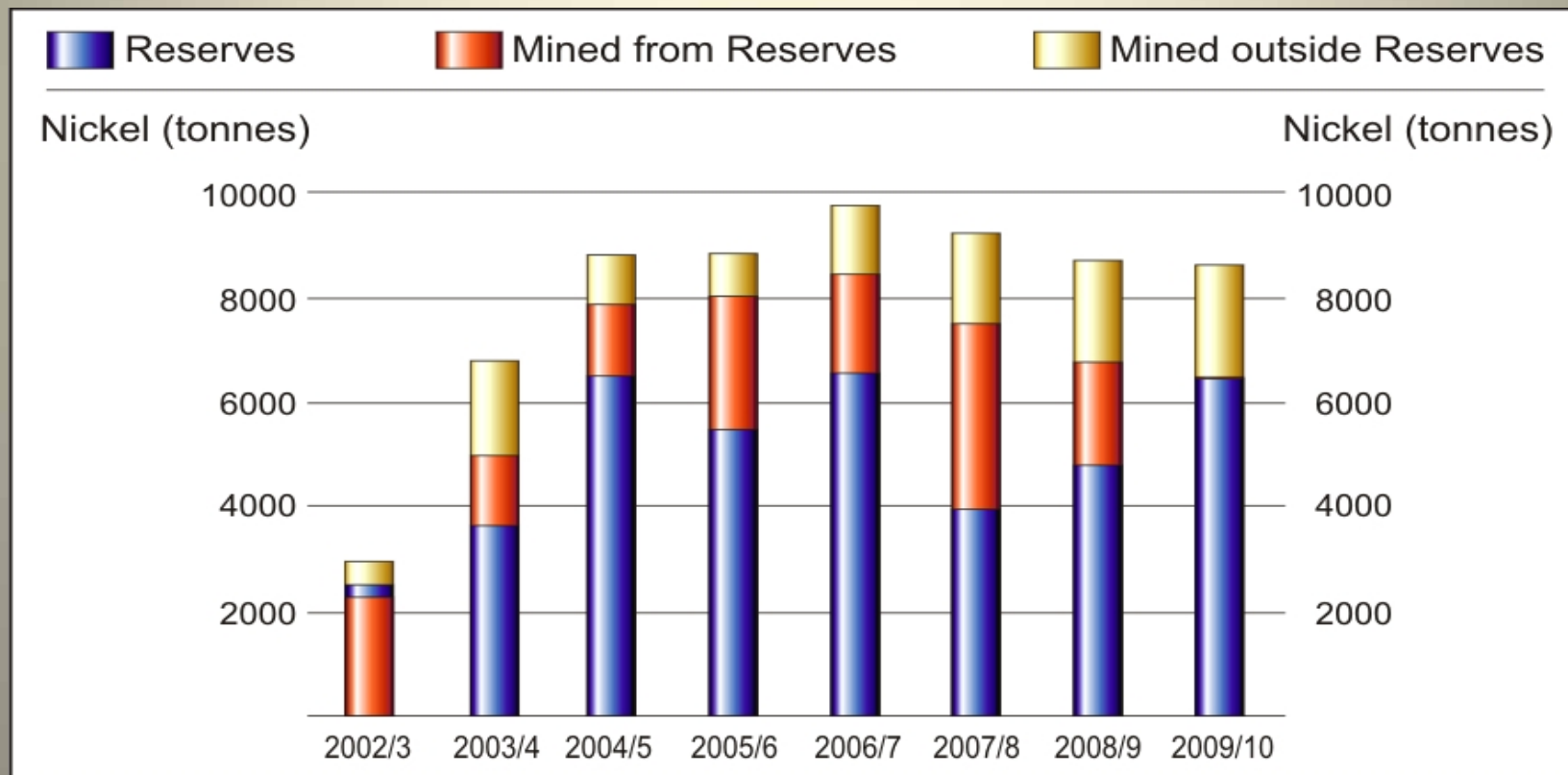


# LONG MINE COMPLEX PRODUCTION / ORE RESERVE COMPARISON

*Consistently mining more nickel than Reserve estimate*

## Oct 2002 – Jun 2010 PRODUCTION SUMMARY

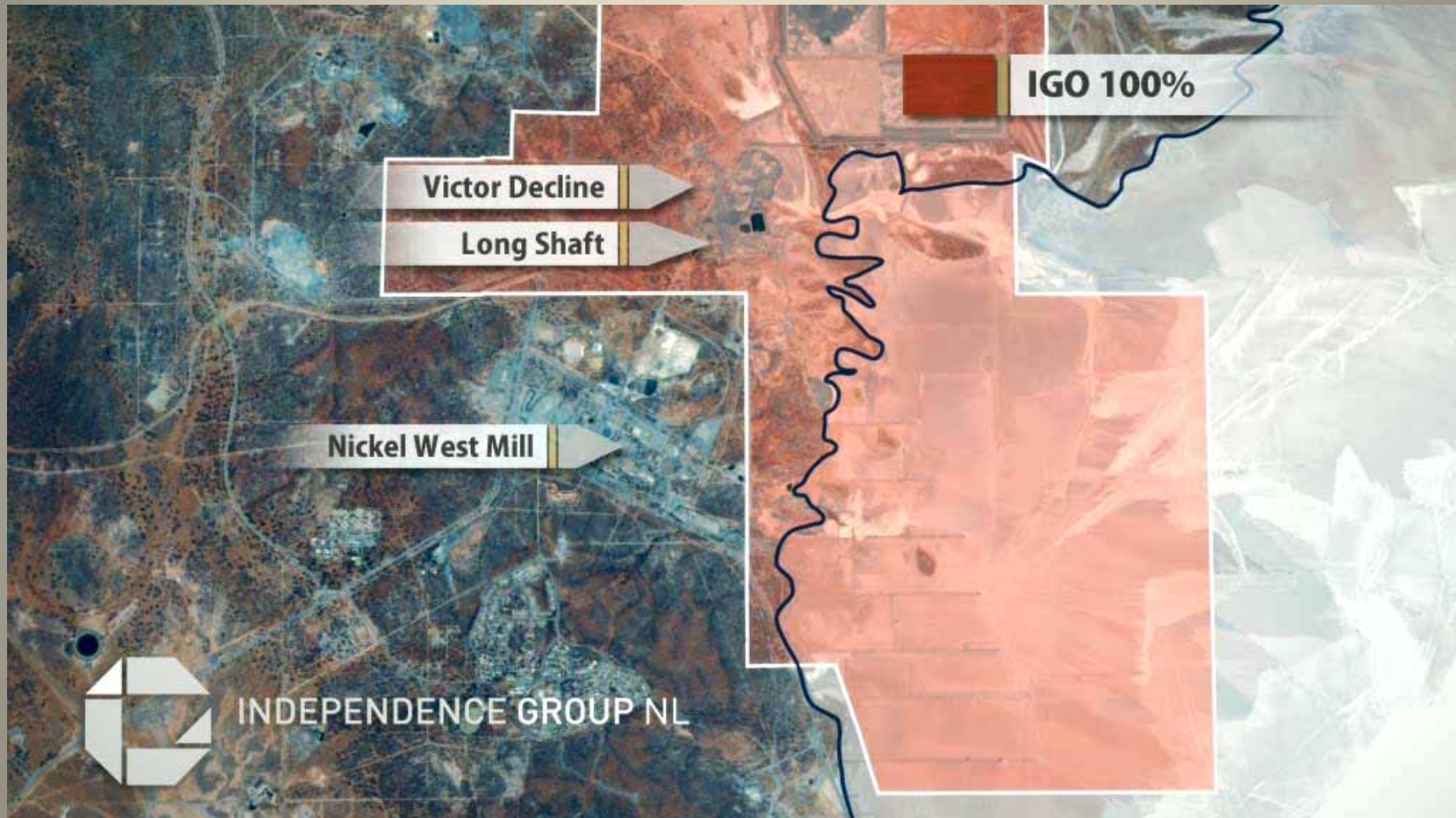
<b>Initial Ore Reserve Estimate:</b>	<b>40,373 Ni t</b>
<b>Mined from Ore Reserve:</b>	<b>52,665 Ni t (+30%)</b>
<b><u>Mined outside Ore Reserve:</u></b>	<b>11,444 Ni t (+28%)</b>
<b>TOTAL:</b>	<b>64,109 Ni t (+58%)</b>







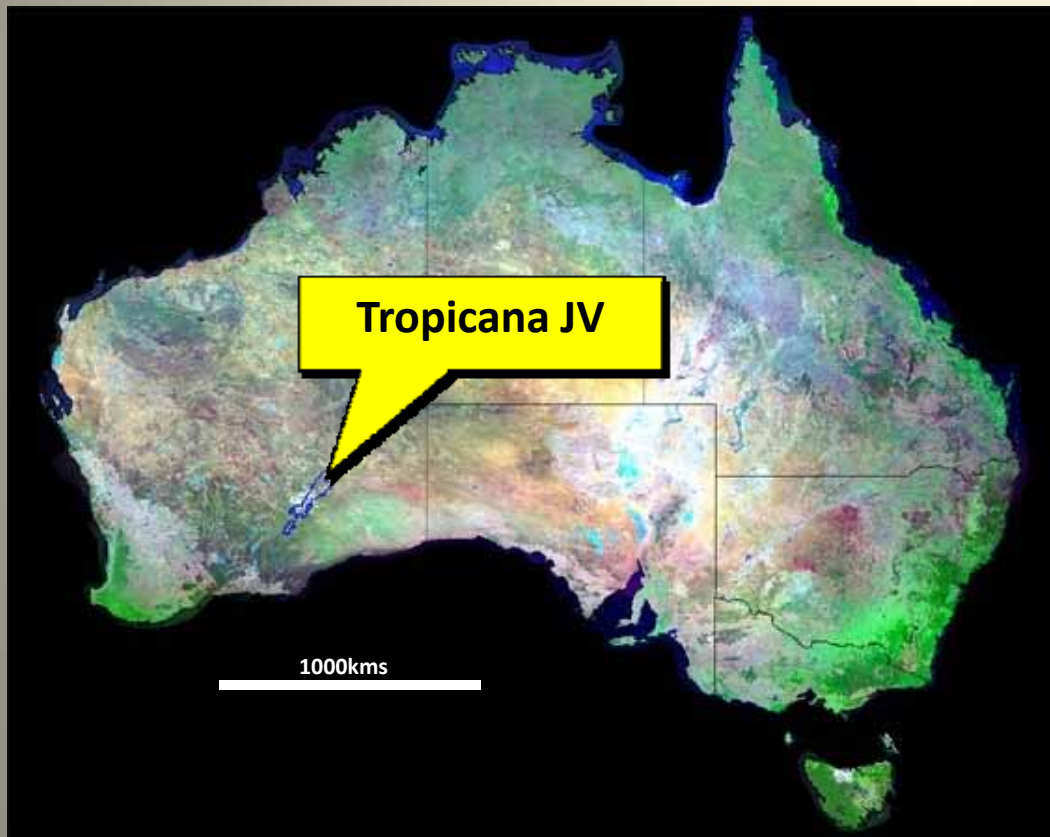
# LONG MINE FLY THROUGH





# TROPICANA JV - NEW GOLD PROVINCE IGO'S SECOND POTENTIAL CASH GENERATOR

AngloGold Ashanti – 70% (Manager)  
Independence Group – 30%



“New Gold Province under sand”

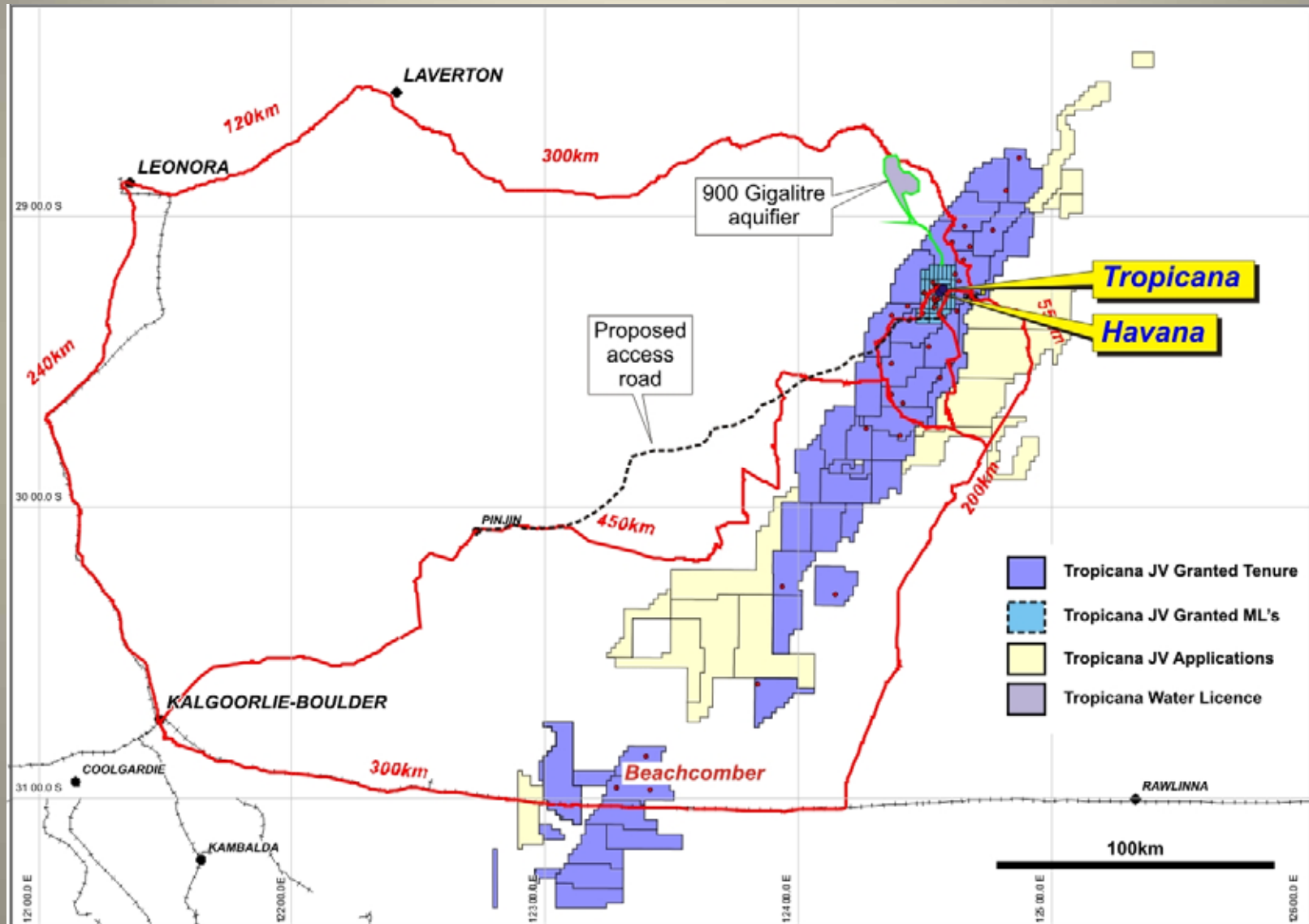






# TROPICANA JV TENEMENTS

*JV tenure – 396km strike length & 15,000 km<sup>2</sup> area (granted & application ML's & EL's)*

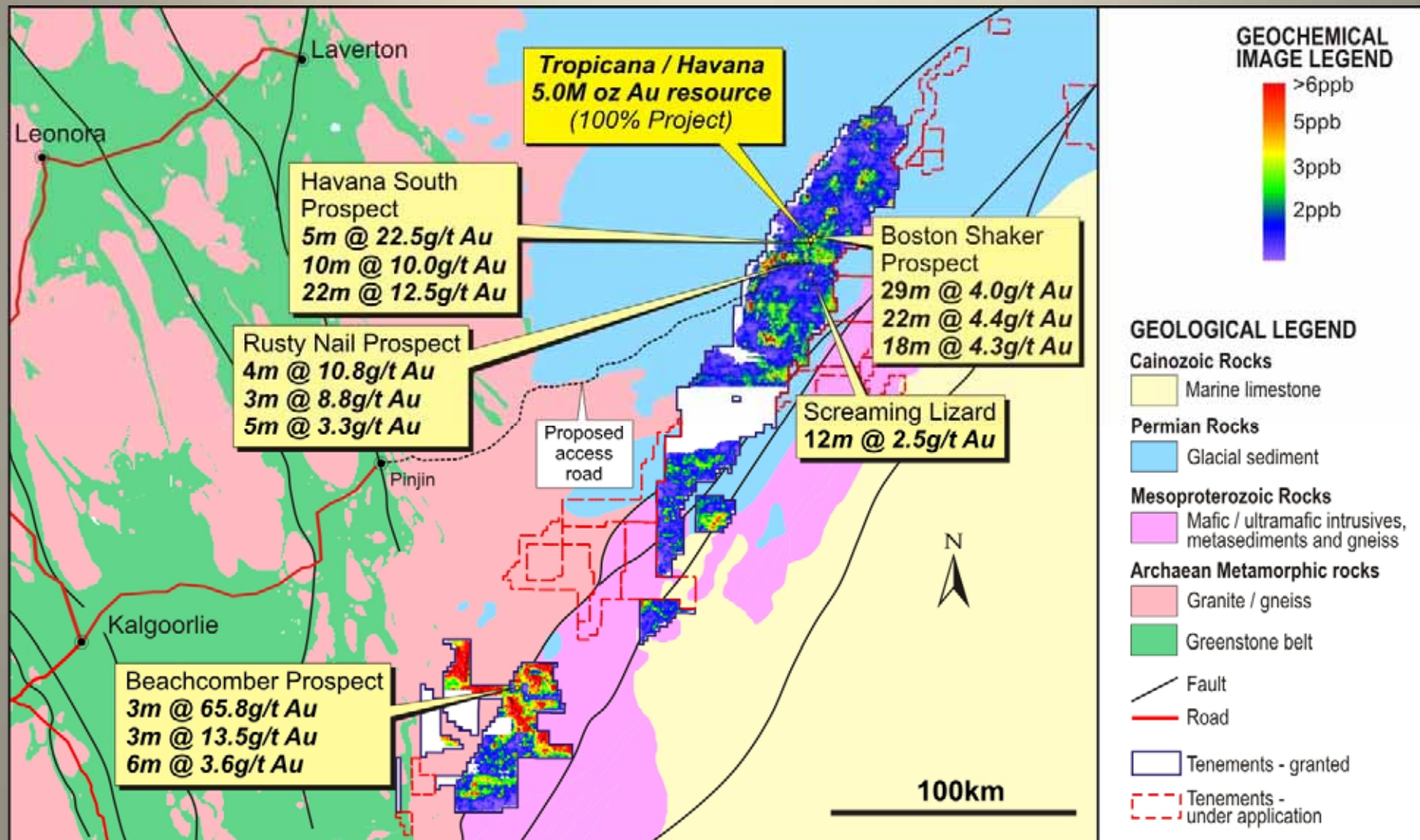




# TROPICANA JV

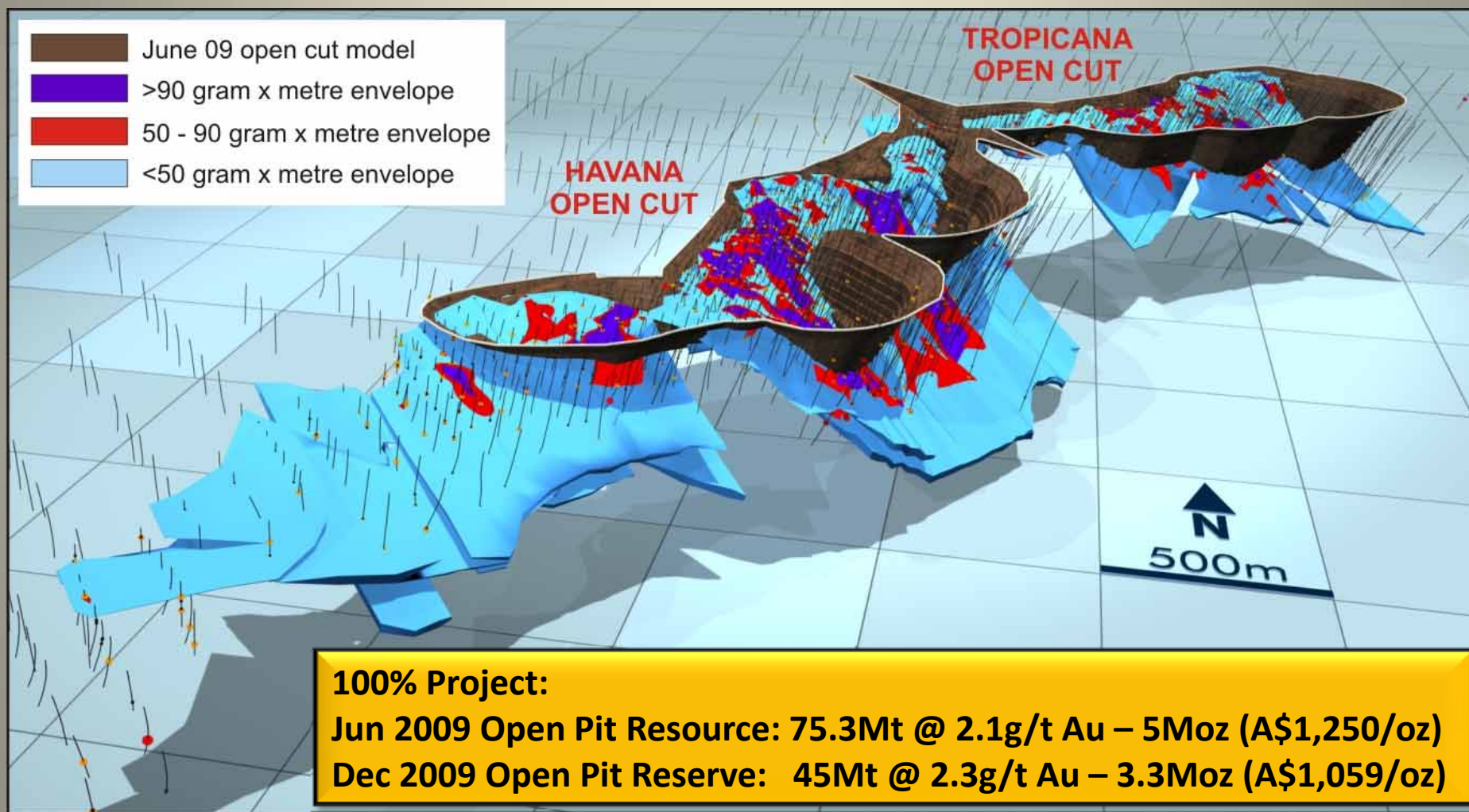
## SIGNIFICANT DISCOVERIES TO DATE

*Numerous gold anomalies and potential for other gold discoveries*





# TROPICANA JV PRE-FEASIBILITY RESOURCE & RESERVE

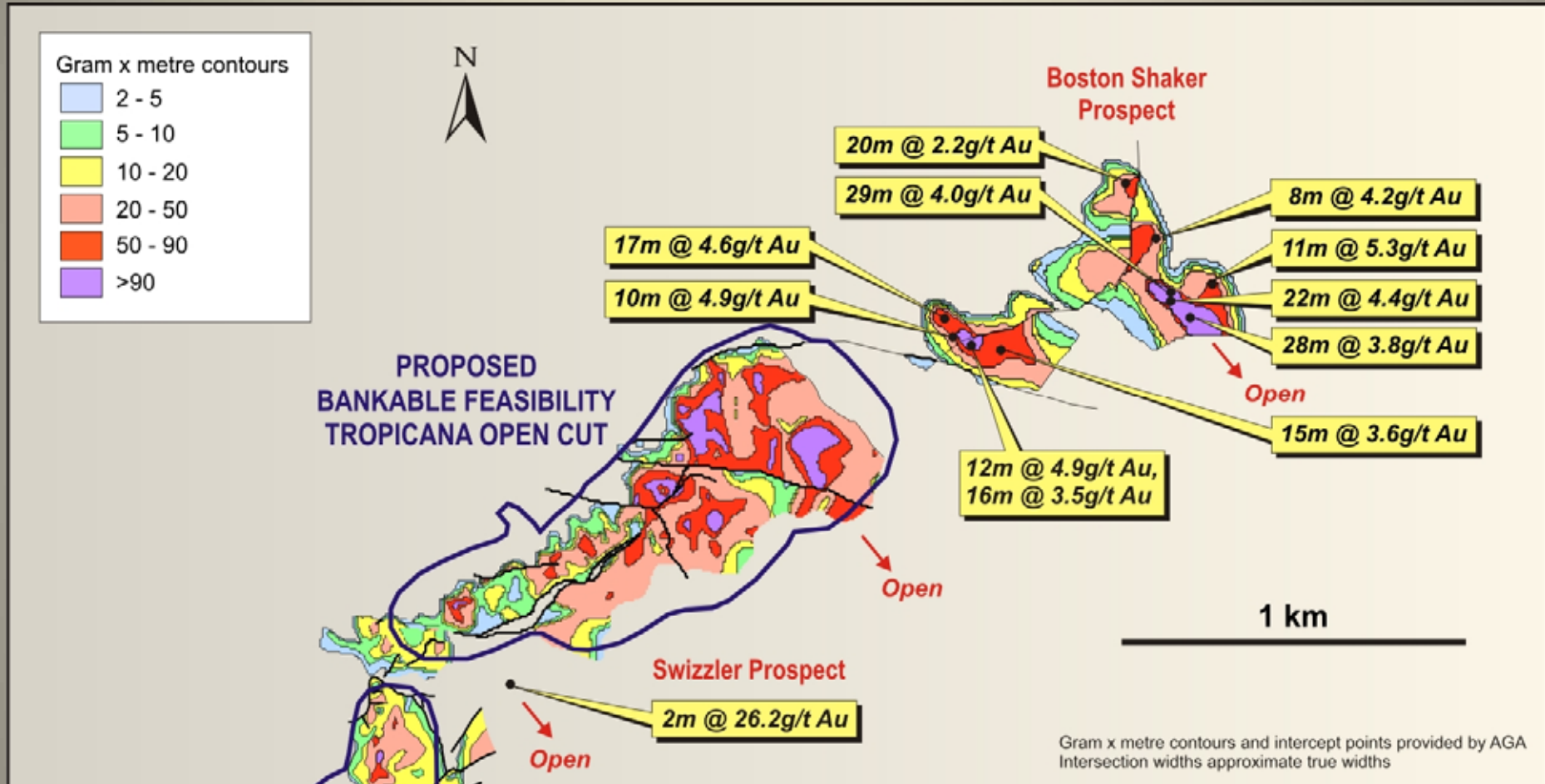






# TROPICANA JV NEW BOSTON SHAKER DISCOVERY

*Boston Shaker will not be included in BFS*



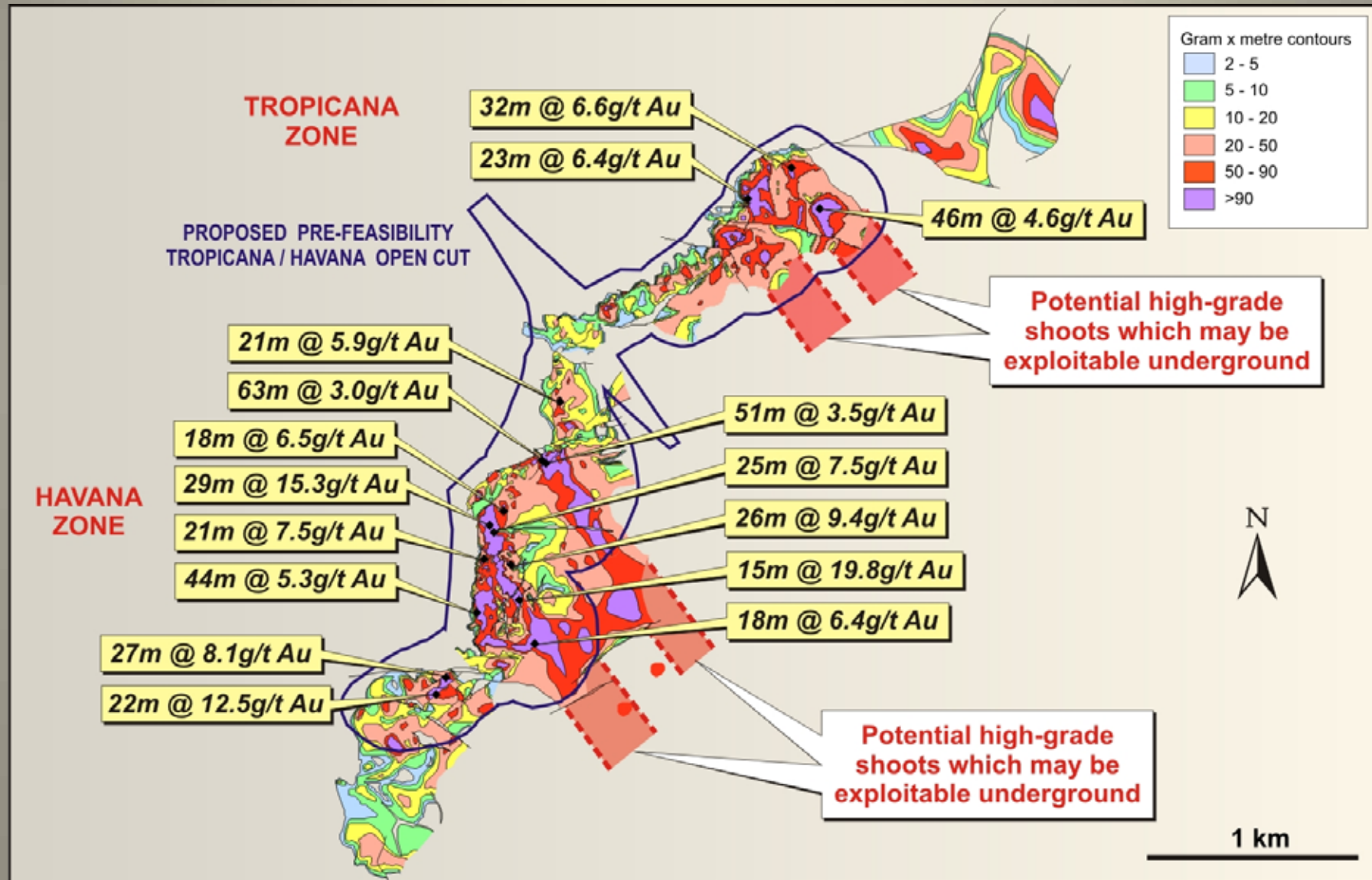
**Tropicana gold system  
still growing  
along-strike and down-dip.**





# TROPICANA JV UNDERGROUND POTENTIAL

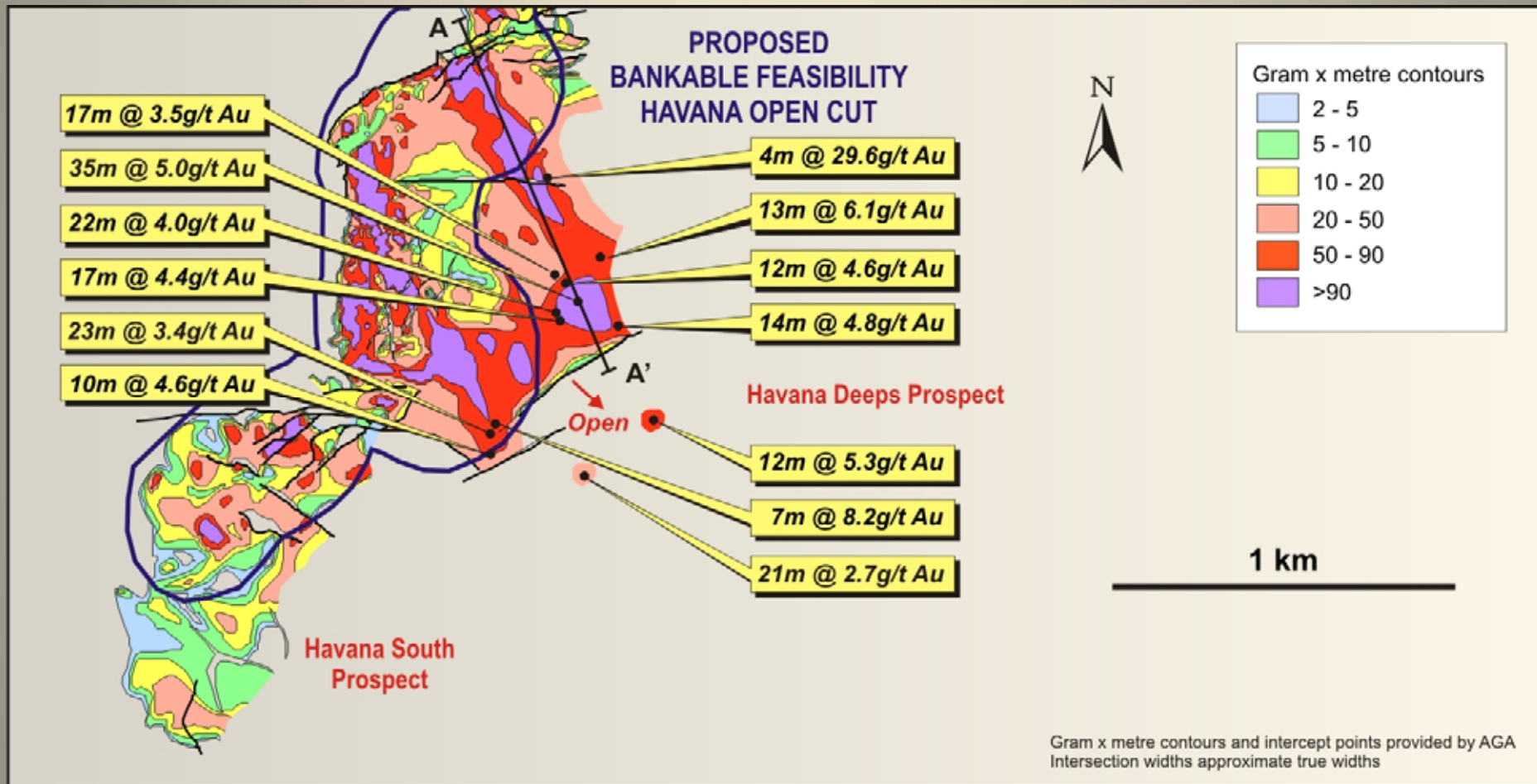
*High-grade, true width in-pit gold intercepts suggest underground potential*





# TROPICANA JV HAVANA DEEPS INTERCEPTS

*Havana Deeps will not be included in BFS*

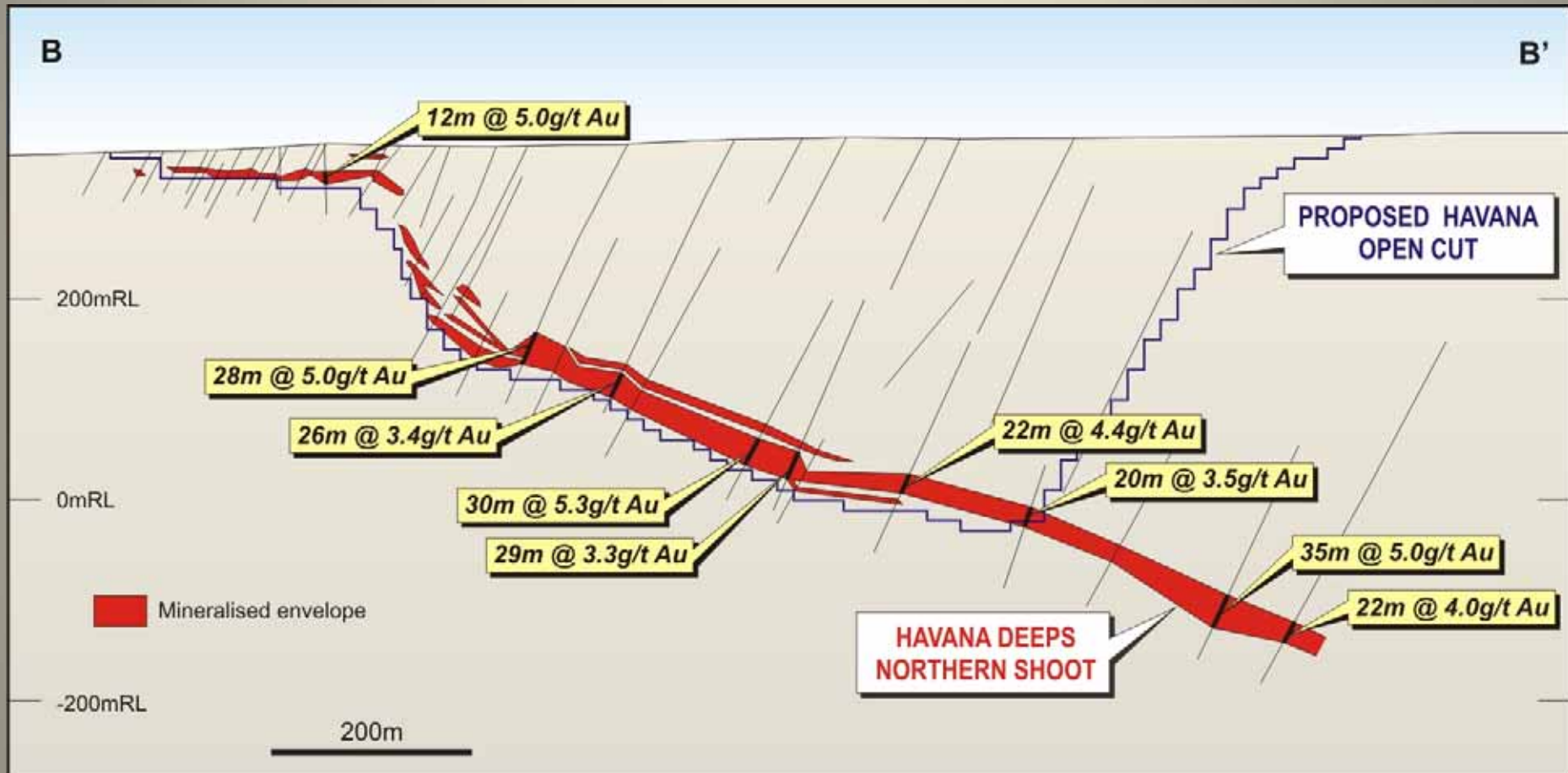


**Tropicana gold system  
still growing  
along-strike and down-dip.**



# TROPICANA JV HAVANA DEEPS CROSS-SECTION

*High-grade gold shoots open down plunge*







# TROPICANA JV CURRENT PROPOSED PLANT LAYOUT





## TROPICANA JV PRE-FEASIBILITY OUTCOME (100% PROJECT)

<b>Open-cut Resource:</b>	75.3 Mt @ 2.07g/t Au (5.01 M oz Au) at June 2009
<b>Mining Reserve:</b>	45 Mt @ 2.3g/t Au (3.3 M oz Au) <i>(A\$1059/oz Au, US\$103/barrel oil &amp; 15% discount rate assumptions)</i>
<b>Mill:</b>	5.5 Mt p/a (plant & infrastructure capital A\$500-540M includes 15% contingency)
<b>Metallurgy:</b>	Free milling - 90% recovery
<b>Gold Production:</b>	330,000 - 410,000 oz Au pa (recovered) over 8-10 years
<b>Water:</b>	900 Gigalitre aquifer located
<b>Indicative Timetable:</b>	
- BFS Completion:	October 2010
- Decision to proceed	November 2010
- Road commencement	First quarter 2011
- First gold pour	First half 2013



# TROPICANA FLY THROUGH



ANGLOGOLD ASHANTI  
AUSTRALIA

## Tropicana JV

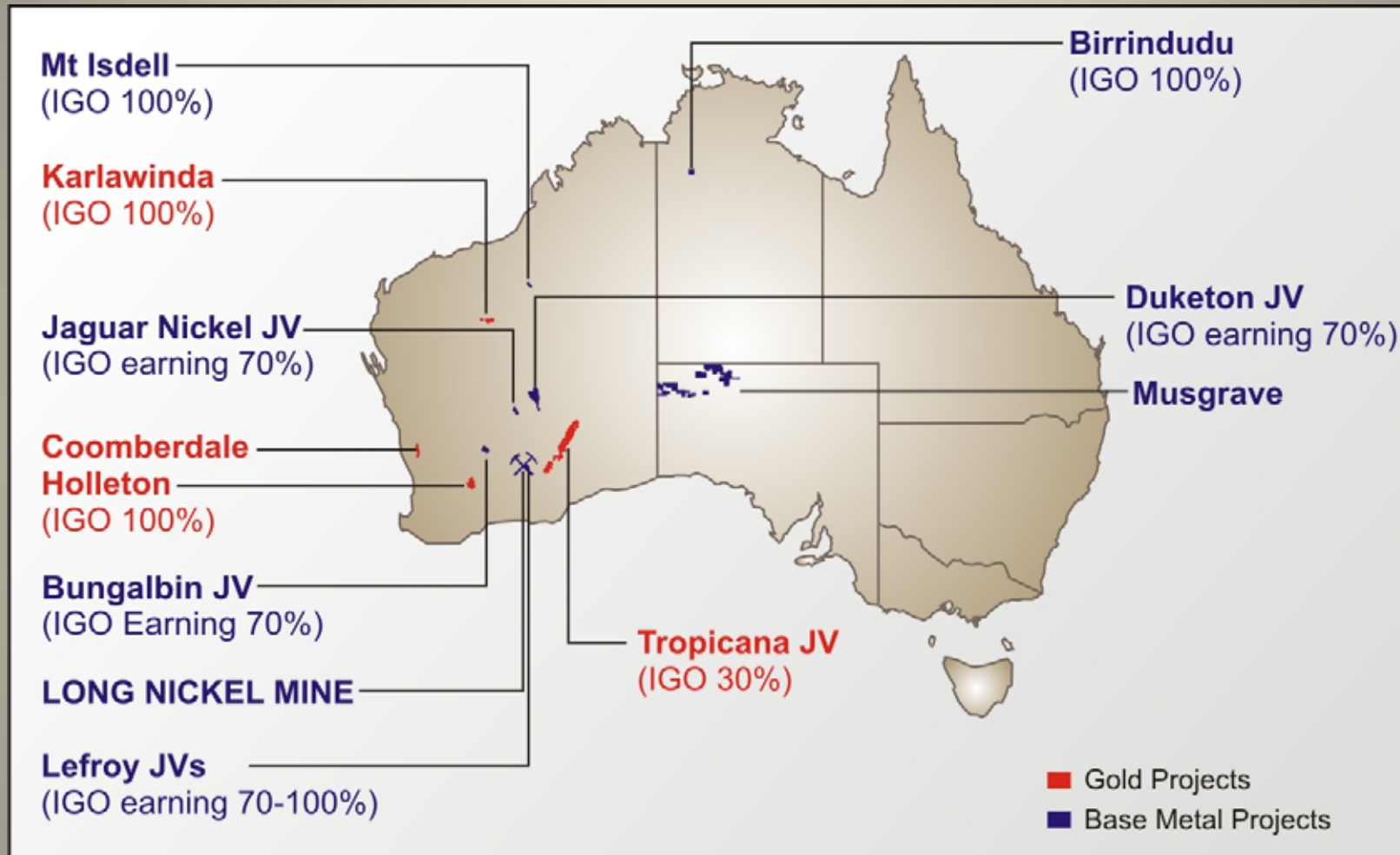


INDEPENDENCE GROUP NL





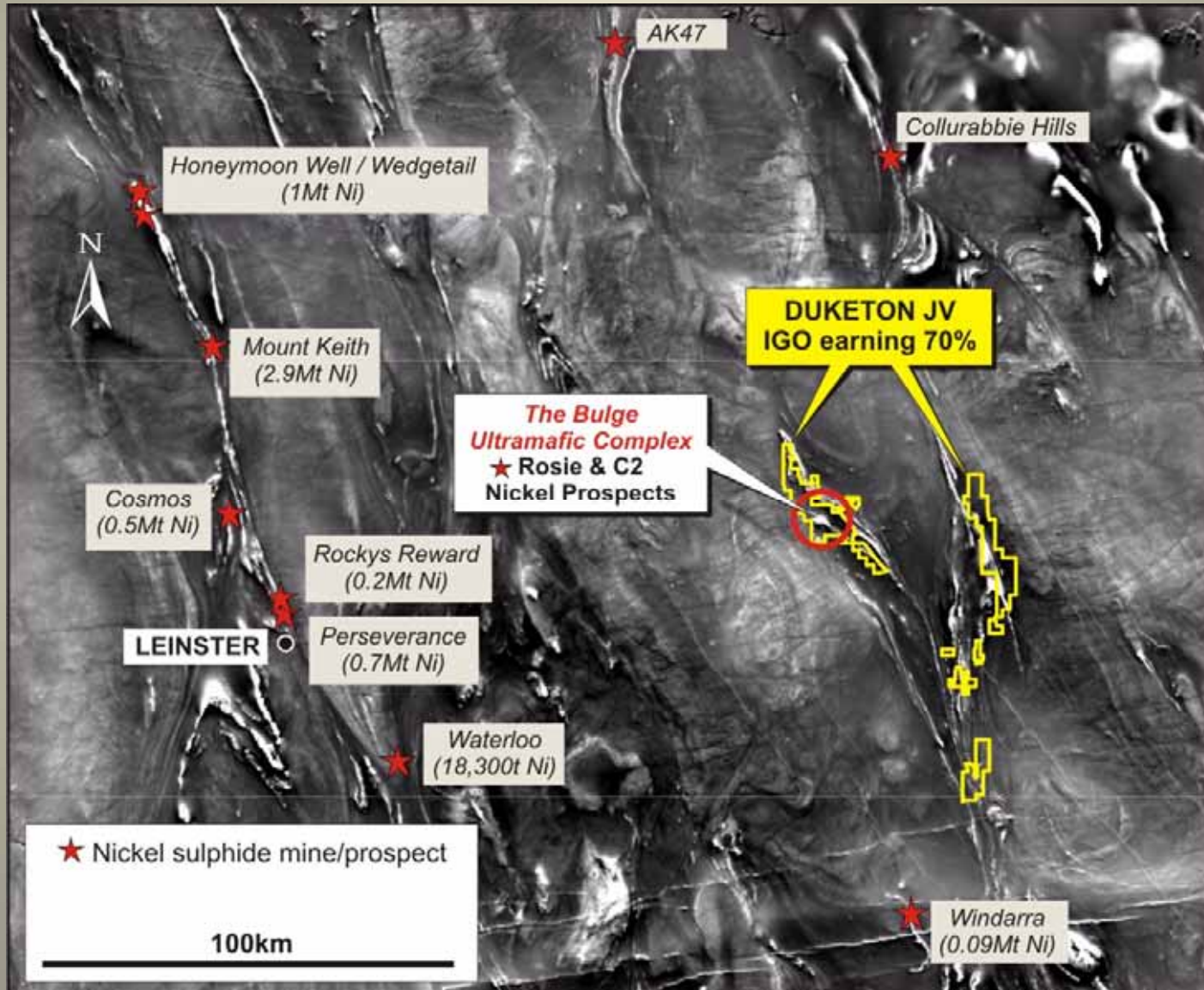
# IGO GOLD & BASE METAL EXPLORATION PROJECTS





# DUKETON JV – PROJECT LOCATION (IGO earning 70%)

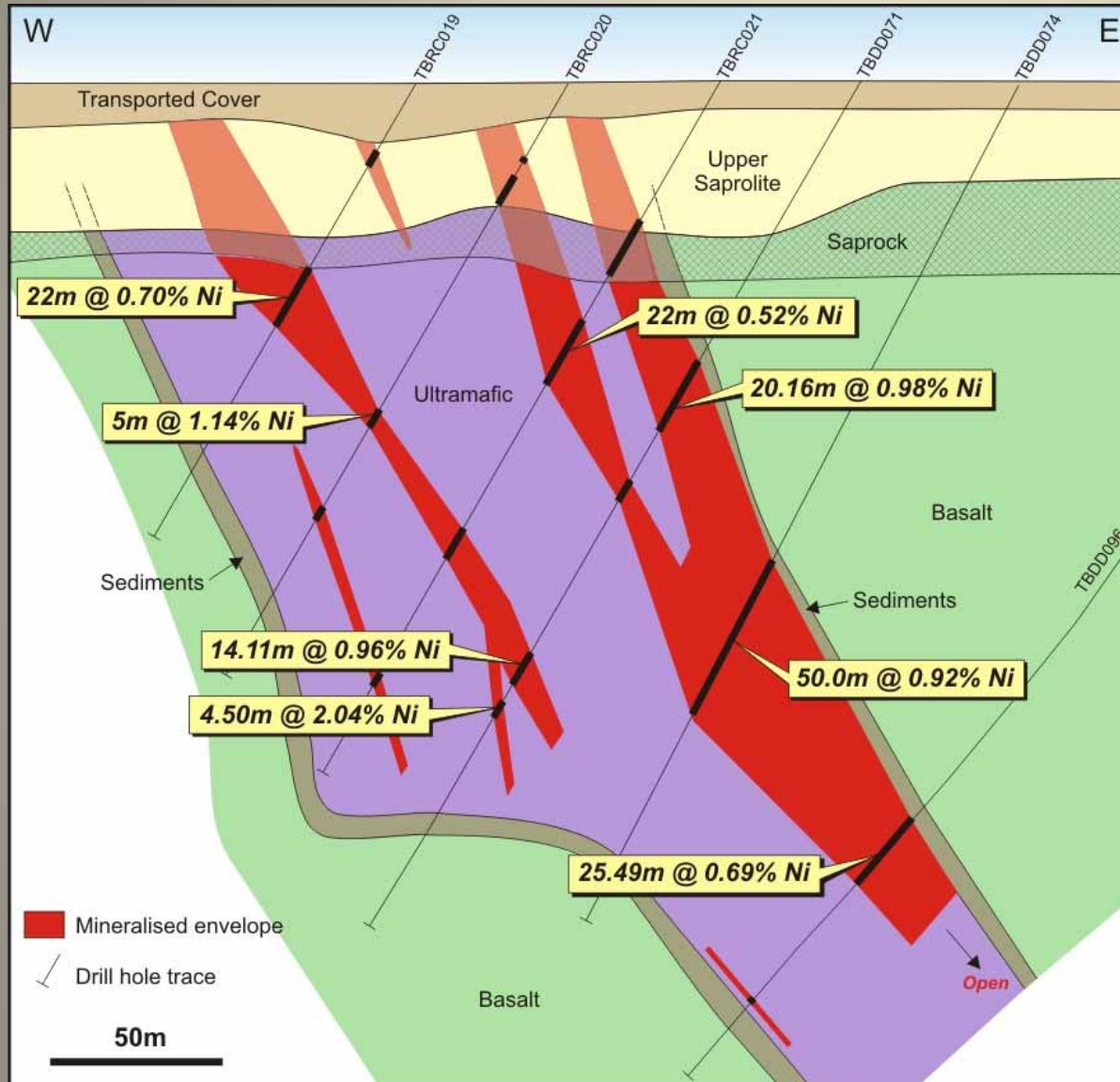
*New nickel province*



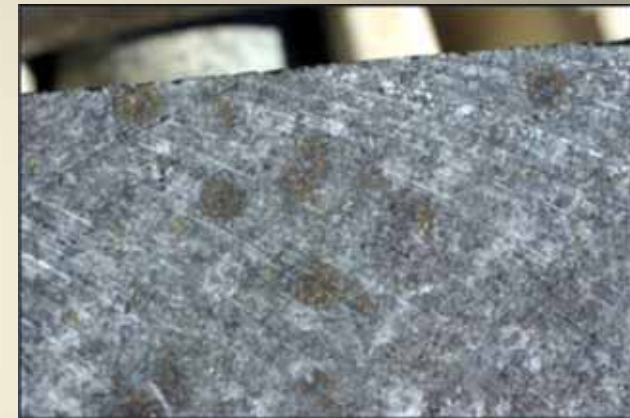


# DUKETON JV – C2 PROSPECT

## DISSEMINATED NICKEL SULPHIDES (IGO earning 70%)



C2 Prospect cross-section



C2 Prospect disseminated NiS



C2 Prospect stringer NiS





# DUKETON JV – ROSIE PROSPECT

## MASSIVE NICKEL SULPHIDES (IGO earning 70%)



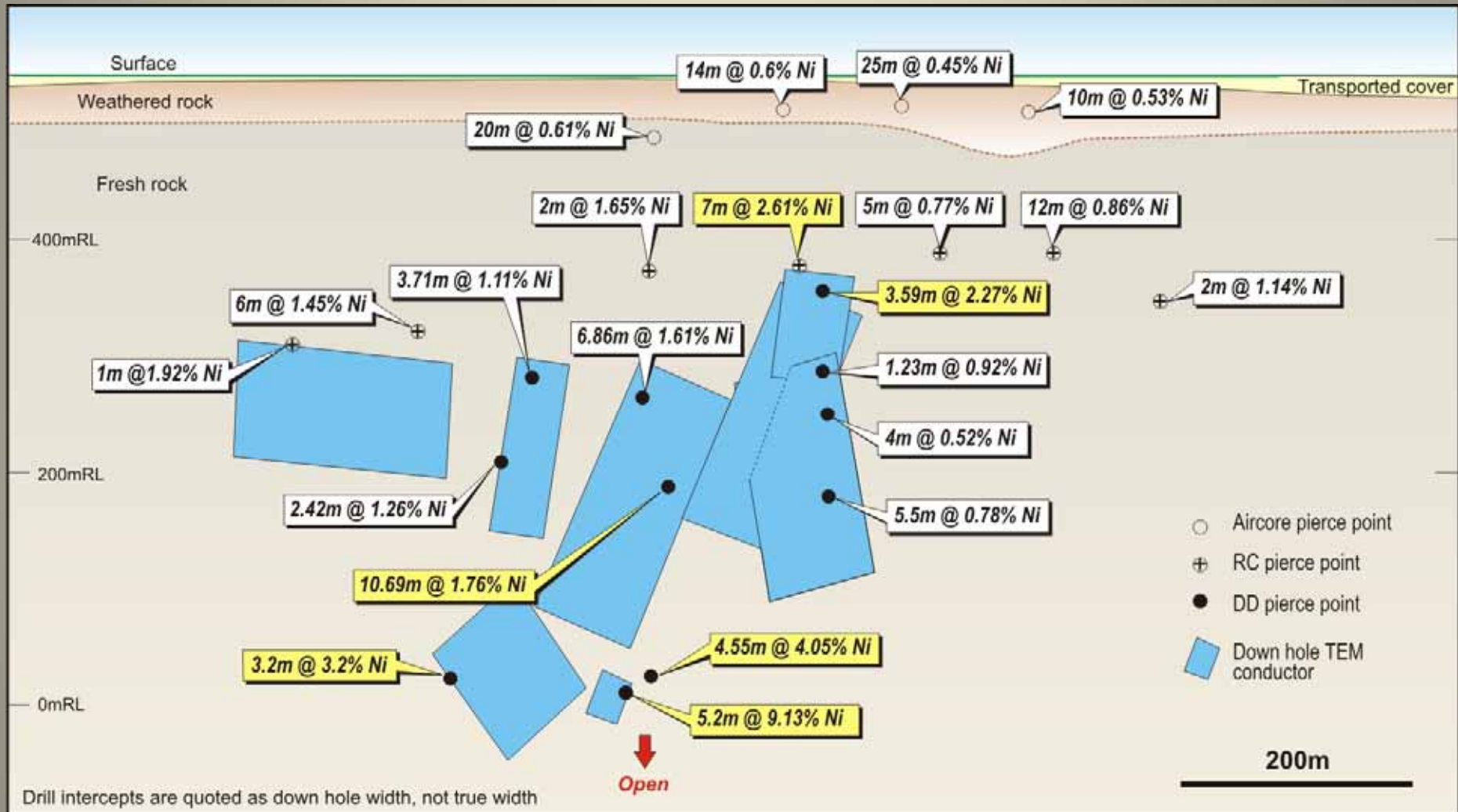
**Rosie Prospect  
massive nickel sulphides  
assaying:**

**5.2m @ 9.1% Ni,  
1.1% Cu,  
0.2% Co,  
7.1g/t PGE's  
(2.2g/t Pt, 1.7g/t Pd,  
1.8g/t Ru & 0.8g/t Rh)**





# DUKETON JV - ROSIE PROSPECT LONGITUDINAL PROJECTION (IGO earning 70%)

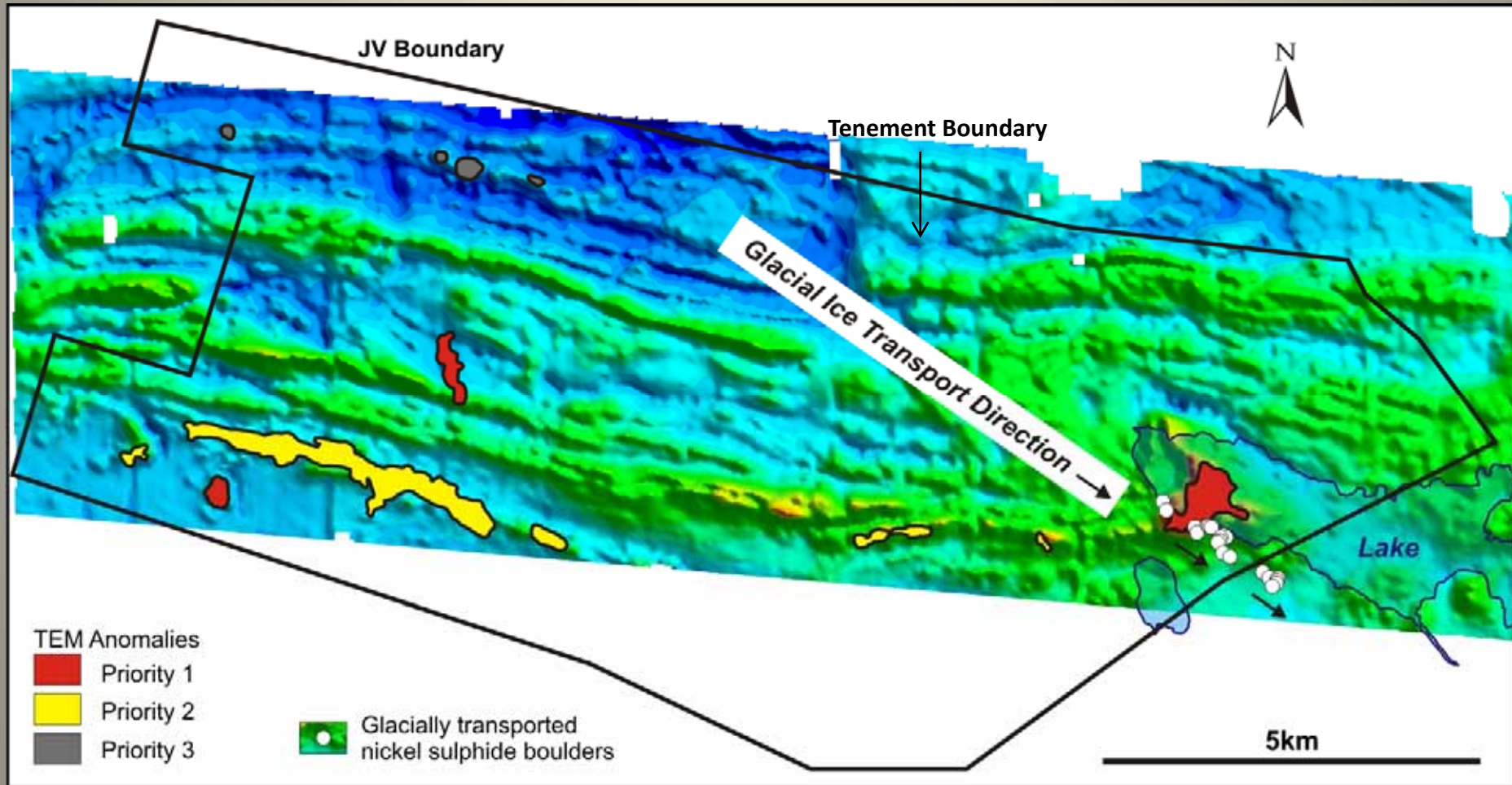




# ORRBACKEN PROJECT - SWEDEN

(JV: IGO EARNING UP TO 73%)

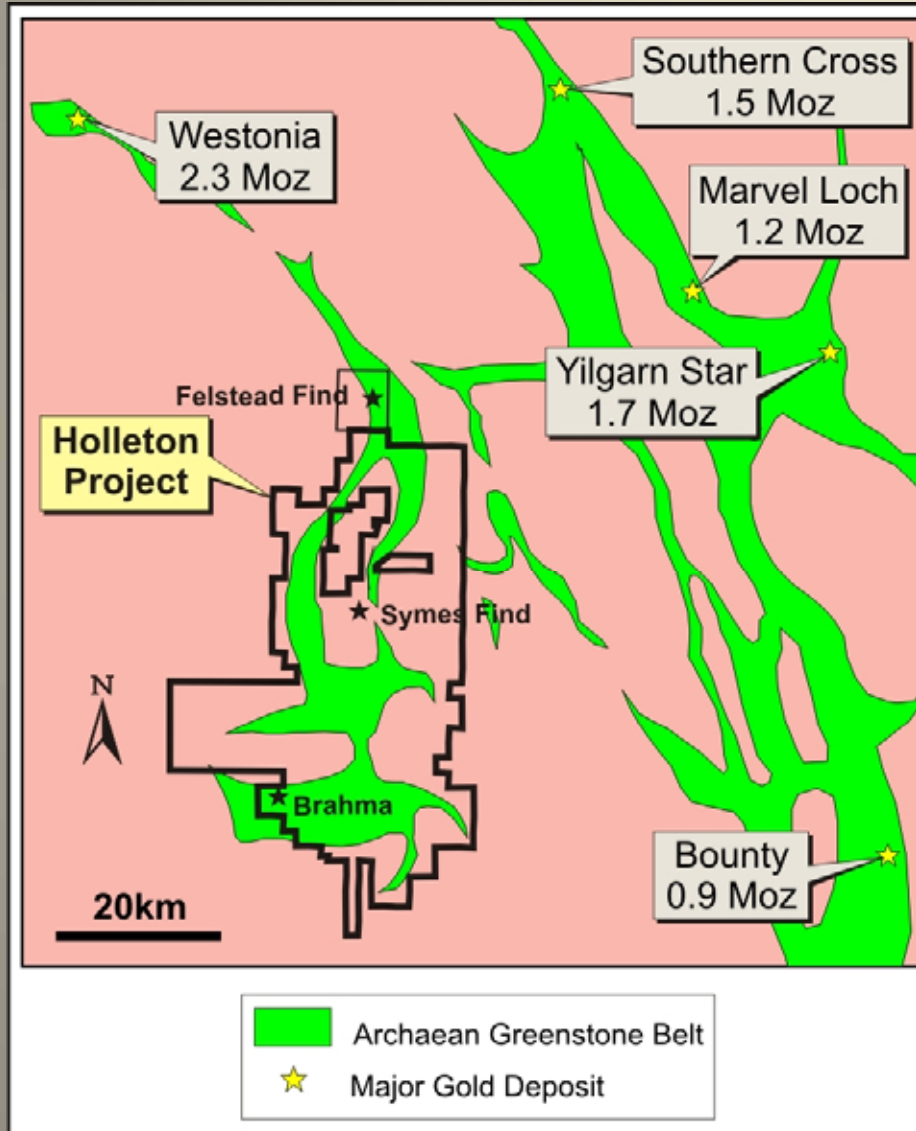
## Airborne EM anomalies over TEM magnetic image



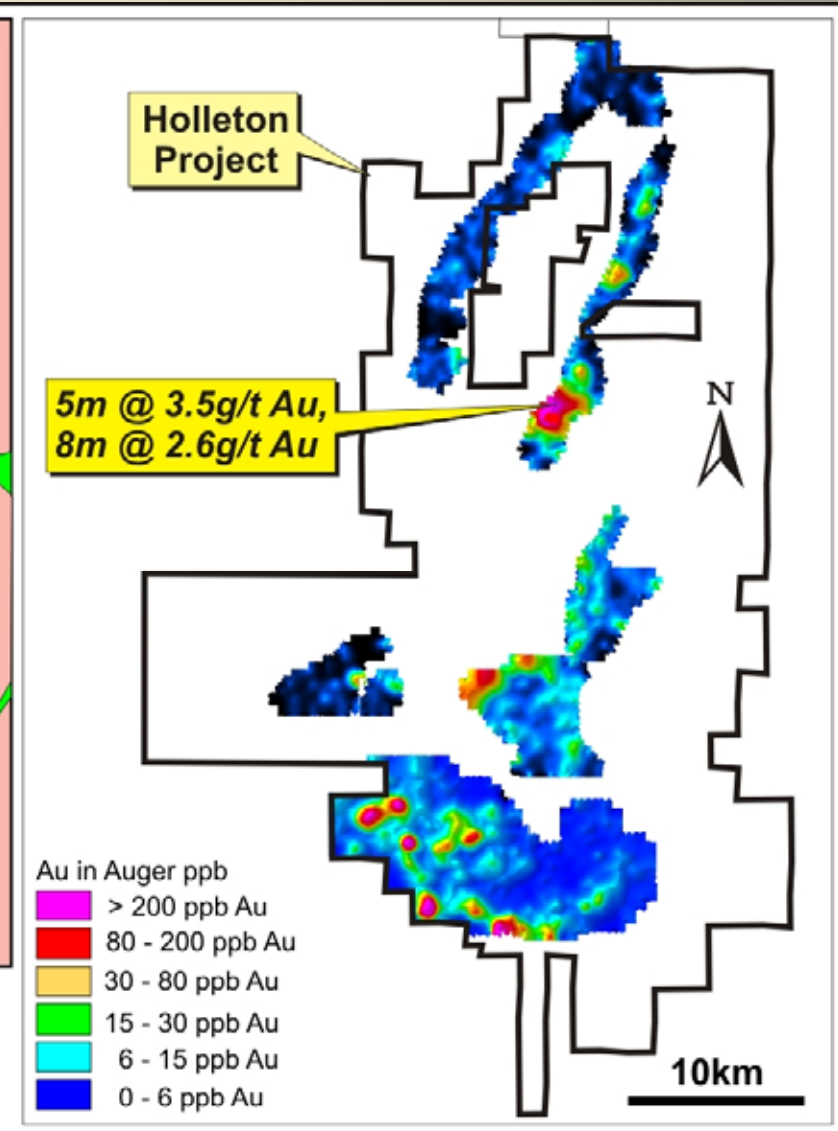


# HOLLETON GOLD PROJECT (IGO 100%) NEW GOLD SYSTEMS DISCOVERED

## REGIONAL GEOLOGY



## GOLD GEOCHEMISTRY

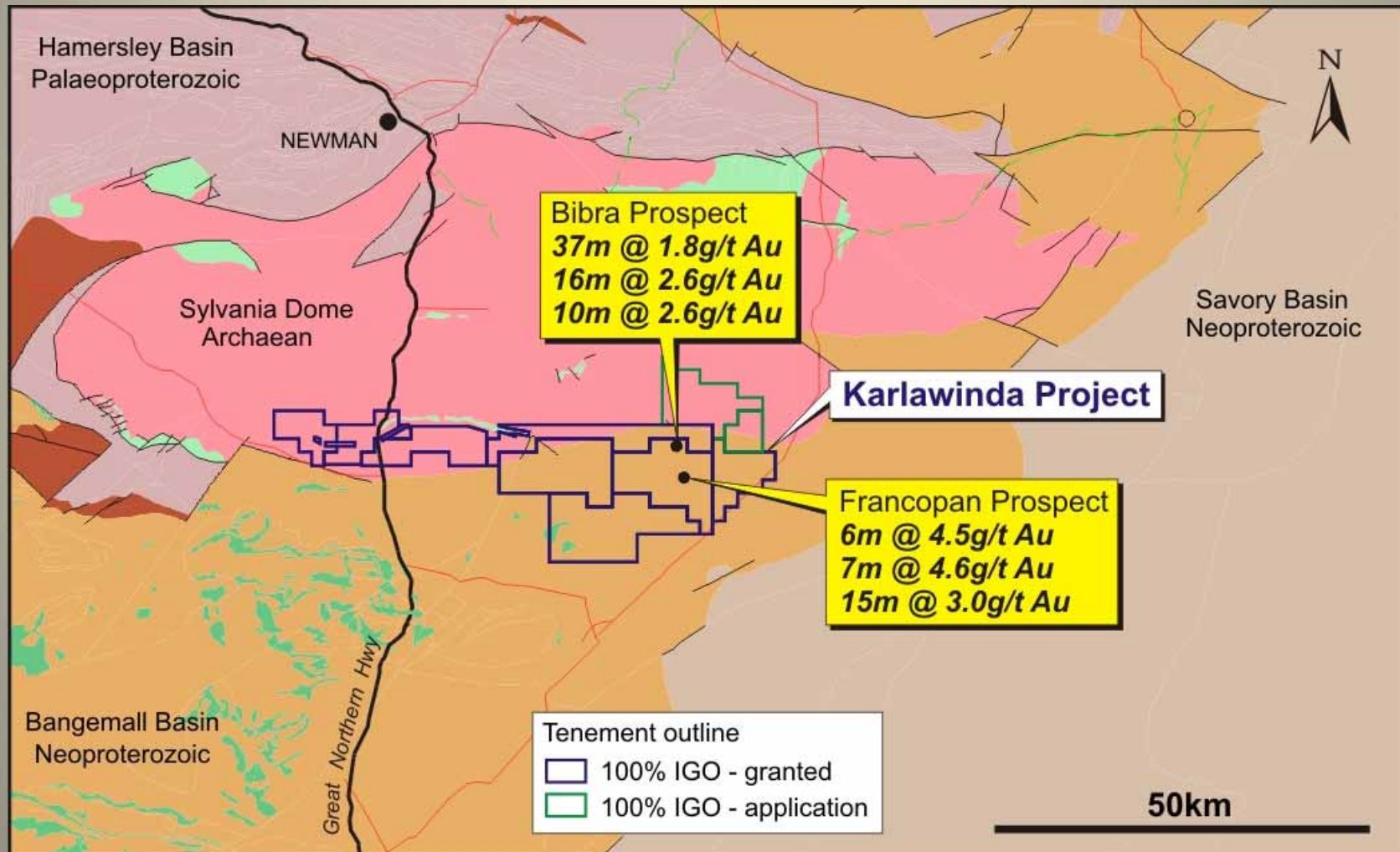






# KARLAWINDA PROJECT LOCATION (IGO 100%)

Large new gold system close to gas pipeline and existing infrastructure

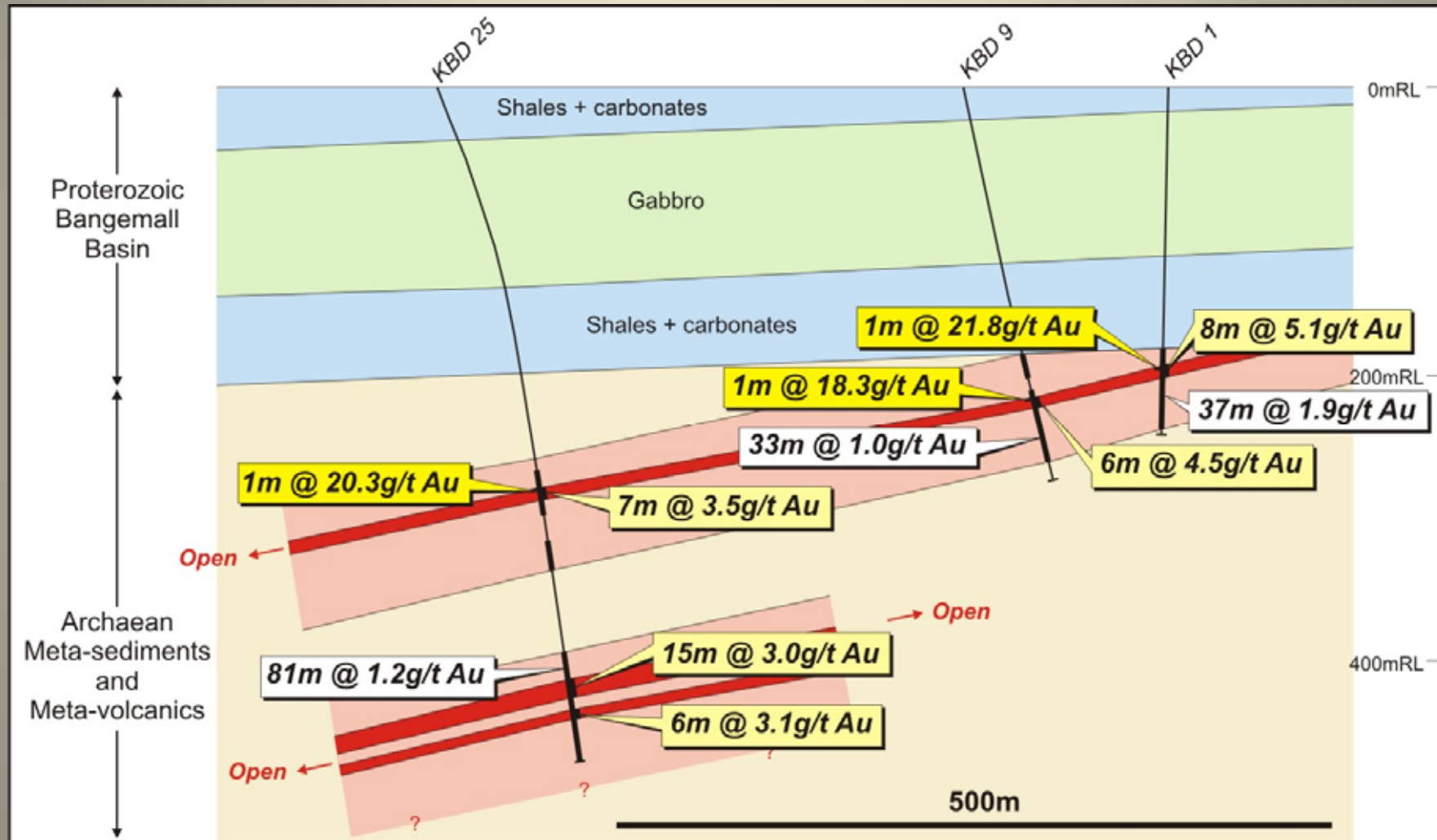






# KARLAWINDA - FRANCO PAN PROSPECT CROSS-SECTION

Very large gold system

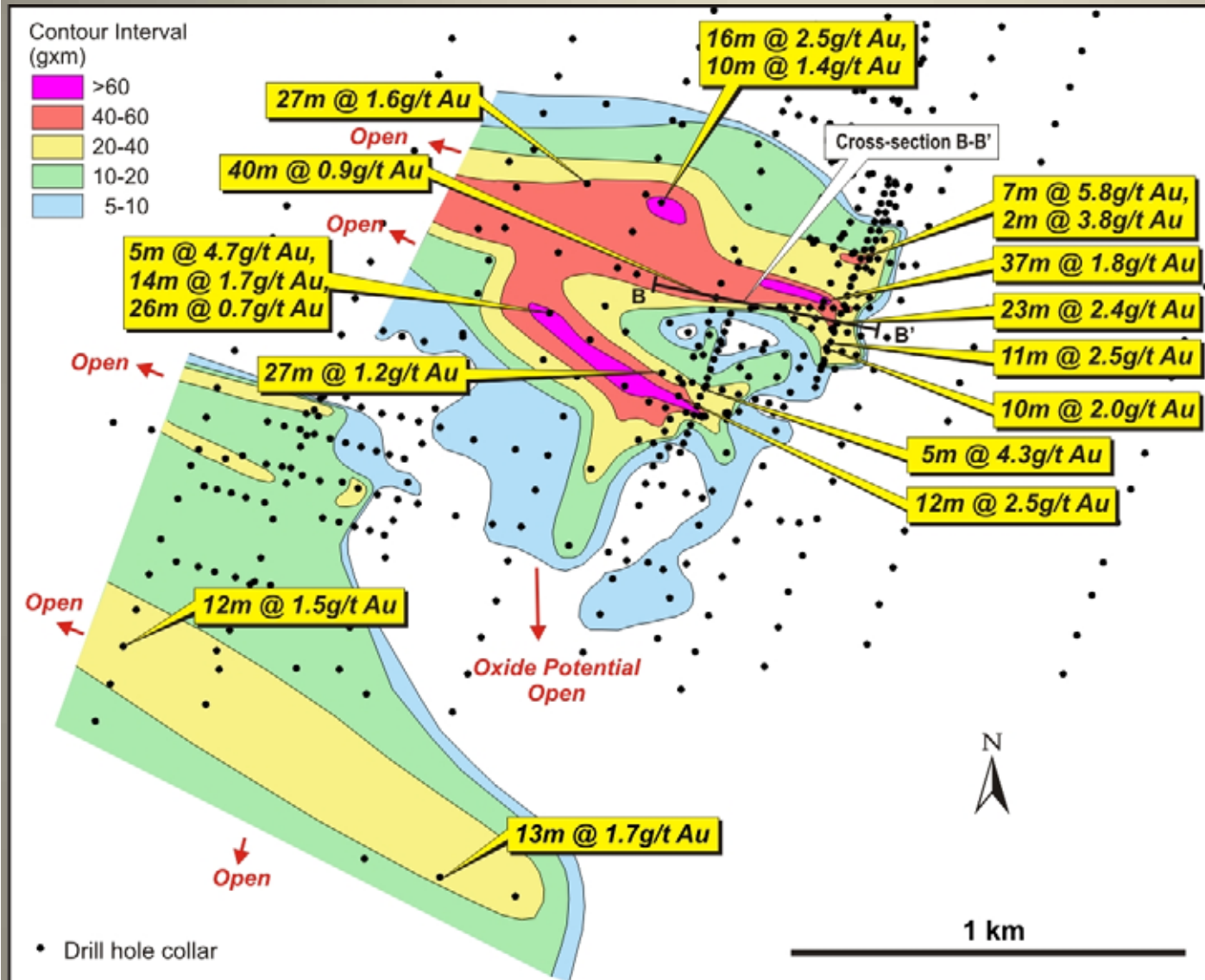




# KARLAWINDA GOLD PROJECT (IGO 100%)

## BIBRA GOLD PROSPECT

### Bibra Primary & Oxide Mineralisation

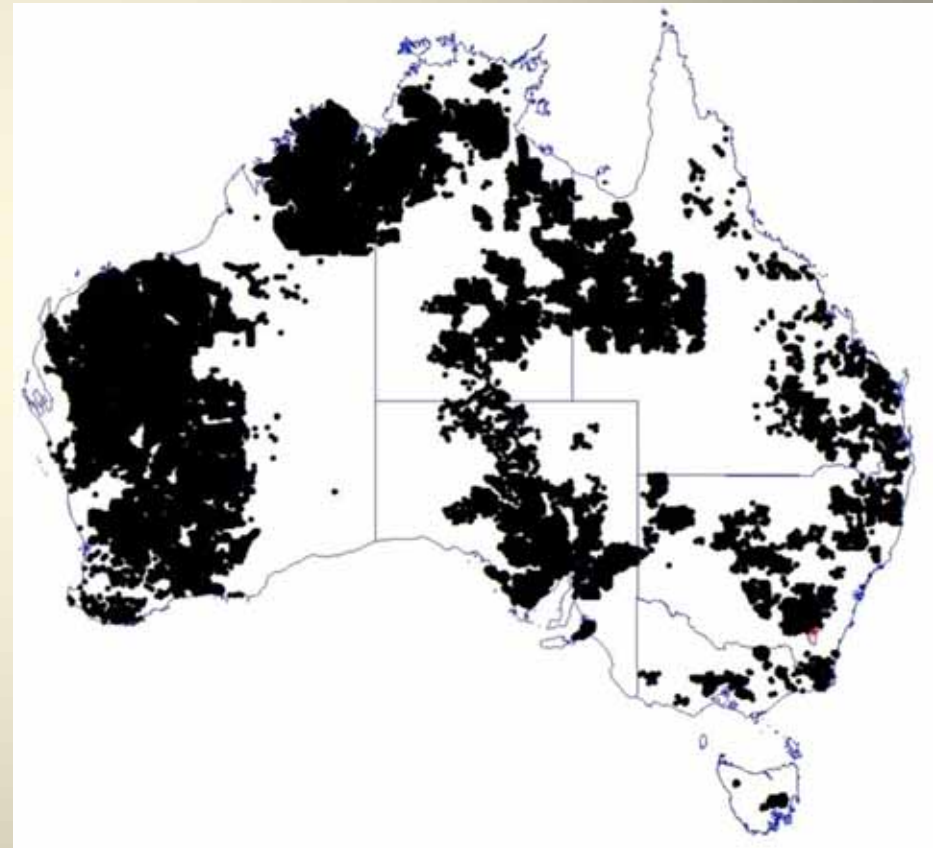




## PROJECT GENERATION DE BEERS DATABASE (IGO 100%)

**100% IGO – NO BUY-BACK OR ROYALTIES ON FUTURE MINERAL DISCOVERIES**

- 103,000 analysed geochemical samples.
- 189,000 unanalysed geochemical samples.
- 2,278 samples reporting visible gold.
- 2,025 geophysical surveys.
- IGO analysing samples for 57 elements including Ni, Cu, Pb, Zn, Au, Ag, Pt, Pd, Ur, rare earths, Sn, Li, K etc.
- Long term exploration asset to find new Australian mineral camps.







# DE BEERS DATABASE STORAGE WAREHOUSE

Preparing geochemical samples for analysis

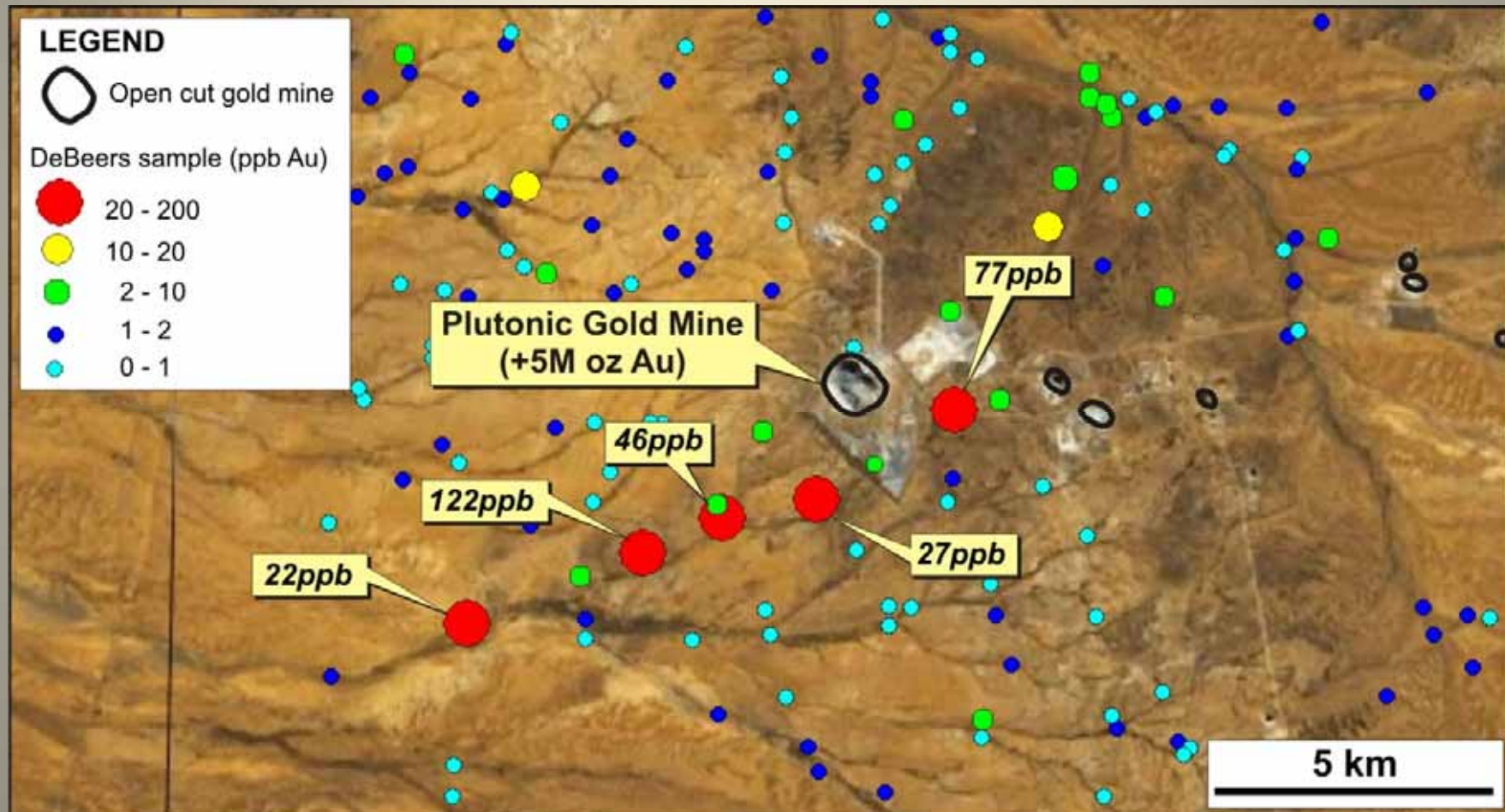






# EXAMPLE: POTENTIAL TO FIND NEW MINES DE BEERS DATABASE (IGO 100%)

IGO 2009 gold analysis of De Beers samples collected before the discovery of the Plutonic Gold Mine (WA)



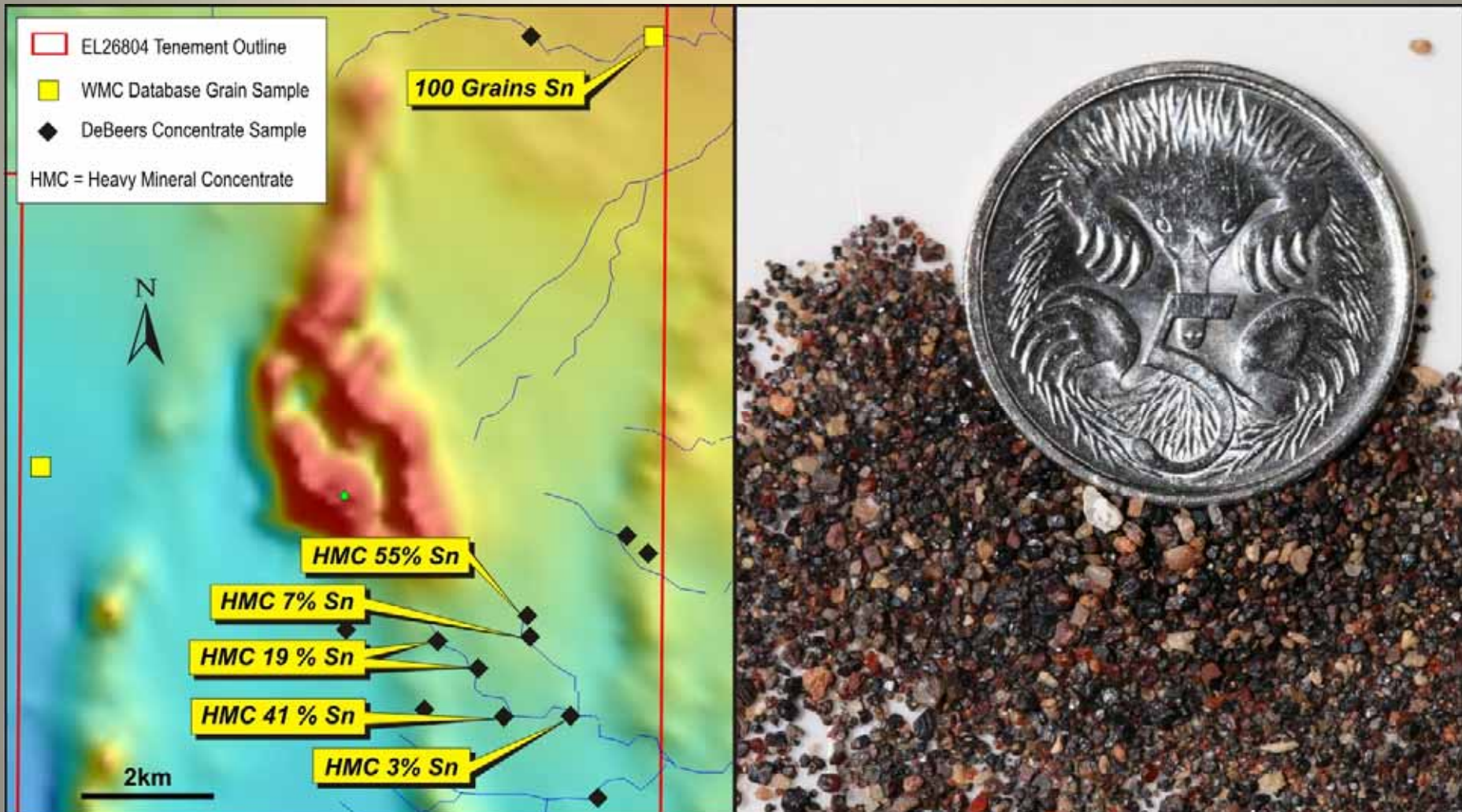


# BIRRINDUDU PROJECT (IGO 100%)

(a) Tin Rich Heavy Mineral Concentrate Location Over Aerial Magnetic Image  
(b) Photograph of Cassiterite Rich Heavy Mineral Concentrates

(a)

(b)







# FY2010-11 PROPOSED GROUP EXPLORATION, DEVELOPMENT & CAPITAL EQUIPMENT BUDGET

**LONG NICKEL MINE**  
Budget: A\$39.6M

Capital equipment	A\$19.4M
Moran development	A\$13.5M
Exploration	A\$6.7M

**TROPICANA JV**  
Budget: A\$27.6M  
(IGO share)

Finalise Bankable Feasibility study	A\$1.5M
Mine Capital development	A\$16.3M
Exploration and Scoping Studies	A\$9.8M

**REGIONAL  
EXPLORATION**  
Budget: A\$12.9M

Duketon JV – Ongoing exploration (excludes resource drilling)  
Karlawinda – Ongoing exploration (excludes resource drilling)  
Holleton – First pass drilling  
De Beers Database – On-going  
analysis and target follow-up

**TOTAL: A\$80.1M**



## INDEPENDENCE CORPORATE GOALS

To improve shareholder returns by growing a highly profitable, multi commodity Australian mining company

**Focus on:**

***Low cash costs***

***Mine longevity***

***Innovative exploration***

***Strong balance sheet***



## IGO CONTACT DETAILS

### **Perth Office**

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Website: [www.igo.com.au](http://www.igo.com.au)

ASX Code: IGO







# COMPETENT PERSON STATEMENT

Note: The information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Christopher M Bonwick who is a full-time employee of the Company and is a member of the Australasian Institute of Mining and Metallurgy. Christopher Bonwick has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Christopher Bonwick consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.



# LONG NICKEL MINE

## JUNE 2010 RESOURCES AND RESERVES

RESOURCES					RESERVES				
Undiluted at 1% Ni Cut-off <sup>1,2</sup>					Mining at Economic Ni Cut-off <sup>1,2</sup>				
as at 30 June 2010					as at 30 June 2010				
		Tonnes	Ni %	Ni Tonnes		Tonnes	Ni %	Ni Tonnes	
LONG	Measured	26,000	5.6	1,500	LONG	Proven	15,000	2.8	400
	Indicated	215,000	4.8	10,300		Probable	98,000	2.9	2,900
	Inferred	105,000	4.4	4,600					
	Sub-Total	346,000	4.7	16,400		Sub-Total	113,000	2.9	3,300
MORAN	Measured	-	-	-	MORAN	Proven	-	-	-
	Indicated	494,000	7.2	35,700		Probable	739,000	4.4	32,700
	Inferred	52,000	7.1	3,700					
	Sub-Total	546,000	7.2	39,400		Sub-Total	739,000	4.4	32,700
VICTOR SOUTH	Measured	17,000	7.0	1,200	VICTOR SOUTH	Proven	24,000	4	1,000
	Indicated	232,000	2.7	6,300		Probable	55,000	5.1	2,800
	Inferred	131,000	1.7	2,200					
	Sub-Total	380,000	2.6	9,700		Sub-Total	79,000	4.8	3,800
McLEAY	Measured	85,000	8.1	6,900	McLEAY	Proven	121,000	3.9	4,700
	Indicated	248,000	5.7	14,200		Probable	261,000	3.4	8,800
	Inferred	94,000	5.1	4,800					
	Sub-Total	427,000	6.1	25,900		Sub-Total	382,000	3.5	13,500
BROKEN STOCKS	Measured	3,000	4.0	100	BROKEN STOCKS	Proven	2,000	3.0	100
	Sub-Total	3,000	4.0	100		Sub-Total	2,000	3.0	100
<b>TOTAL</b>		<b>1,702,000</b>	<b>5.4</b>	<b>91,500</b>	<b>TOTAL</b>	<b>1,315,000</b>	<b>4.1</b>	<b>53,400</b>	

*Reserves are included in resources*

**Notes:**

- 1 The cut-off grade used for the Victor South resource is 0.6% Ni.
- 2 Ore tonnes have been rounded to the nearest thousand tonnes and nickel tonnes have been rounded to the nearest hundred tonnes.



# TROPICANA JV

## 2009 RESOURCES AND RESERVES

### June 2009 Open Pit Resources

	<b>Tonnes (Mt)</b>	<b>Grade (g/t)<sup>1</sup></b>	<b>Contained Gold (Moz)<sup>2</sup></b>
Measured	24.2	2.3	1.79
Indicated	39.8	2.0	2.58
Inferred	11.3	1.8	0.64
<b>TOTAL</b>	<b>75.3</b>	<b>2.1</b>	<b>5.01</b>

### December 2009 Open Pit Reserves

	<b>Tonnes (Mt)</b>	<b>Grade (g/t)<sup>3</sup></b>	<b>Contained Gold (Moz)<sup>4</sup></b>
Proved	22	2.4	1.7
Probable	23	2.1	1.6
<b>TOTAL</b>	<b>45</b>	<b>2.3</b>	<b>3.3</b>

1 Cut-offs: 0.6g/t Au oxide, 0.7g/t Au fresh ore.

2 A\$1,250/oz Au optimisation.

3 Cut-off: 0.7g/t Au oxide ore, 0.8g/t Au fresh ore.

4 A\$1,059/oz optimisation

5 See previous slide for JORC required competent person sign-off.