

INDEPENDENCE GROUP NL

FY19 Results Presentation

Record financial results driven by outstanding operational performance



29 August 2019

ASX:IGO / ADR:IIDDY

FY19 Highlights

Nova and Tropicana operational performance underpins strong result



Nova metal production exceeded FY19 production guidance

Tropicana continued to deliver high margin gold production

Focus on exploration & downstream processing to deliver organic growth

**Record NPAT result
A\$76M**

**Cash build continues
Net Cash: A\$263M**

**Record FY19 Dividends
A\$59M**

ESG Performance

Parallel focus on non-financial performance, *because we care*



High levels of employee engagement and lower turnover rates

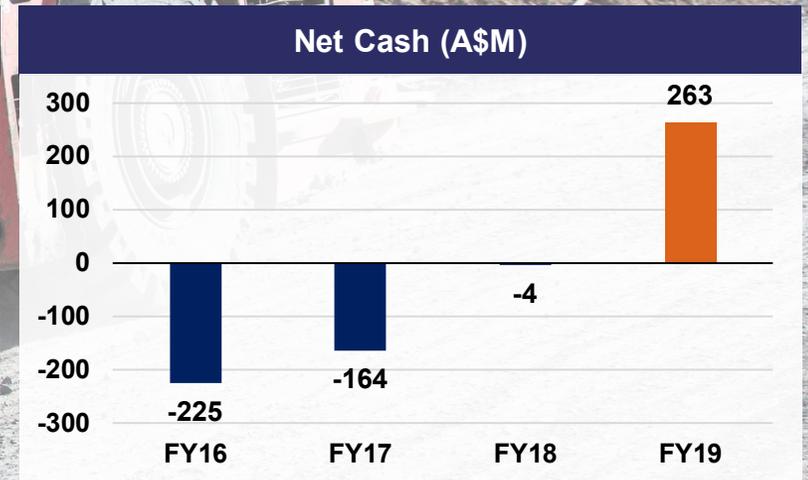
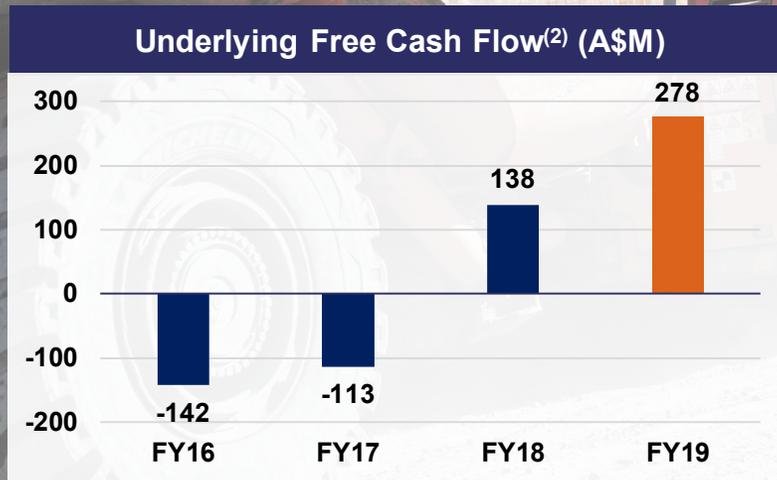
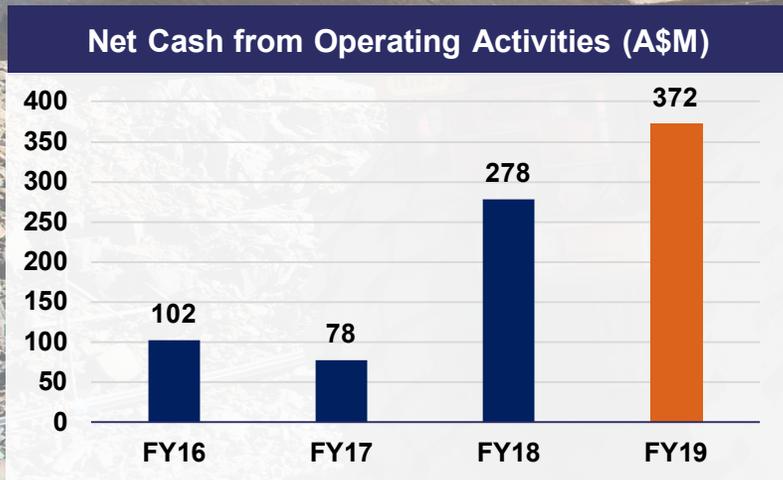
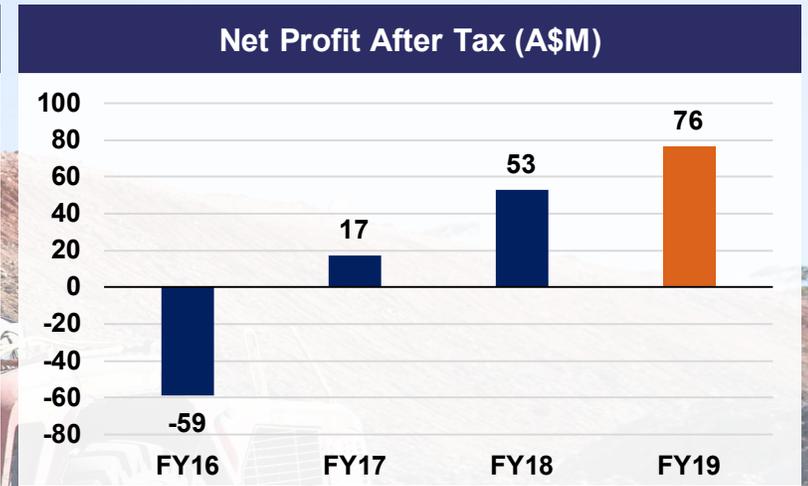
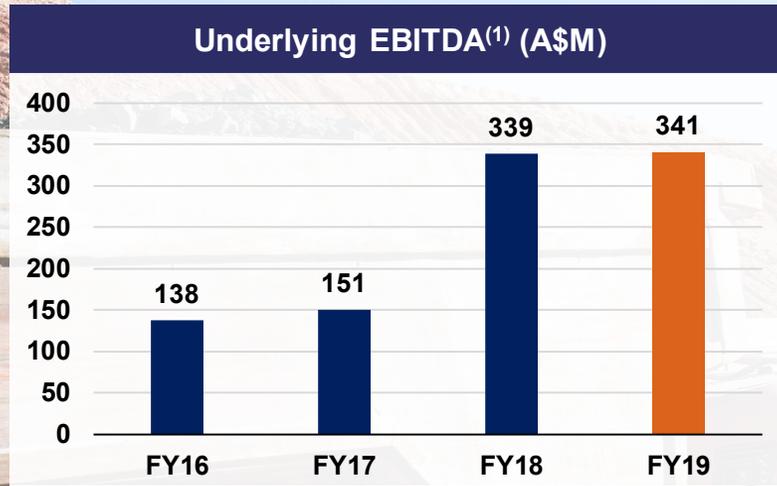
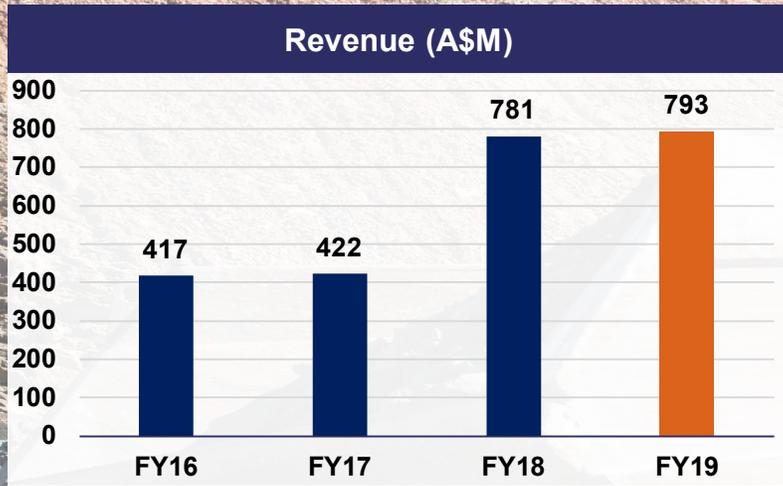
Community engagement and corporate giving programs delivering tangible benefits

Ongoing improvement in lead and lag safety metrics

Financial Results Summary



Operational outperformance delivered record financial results in FY19



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

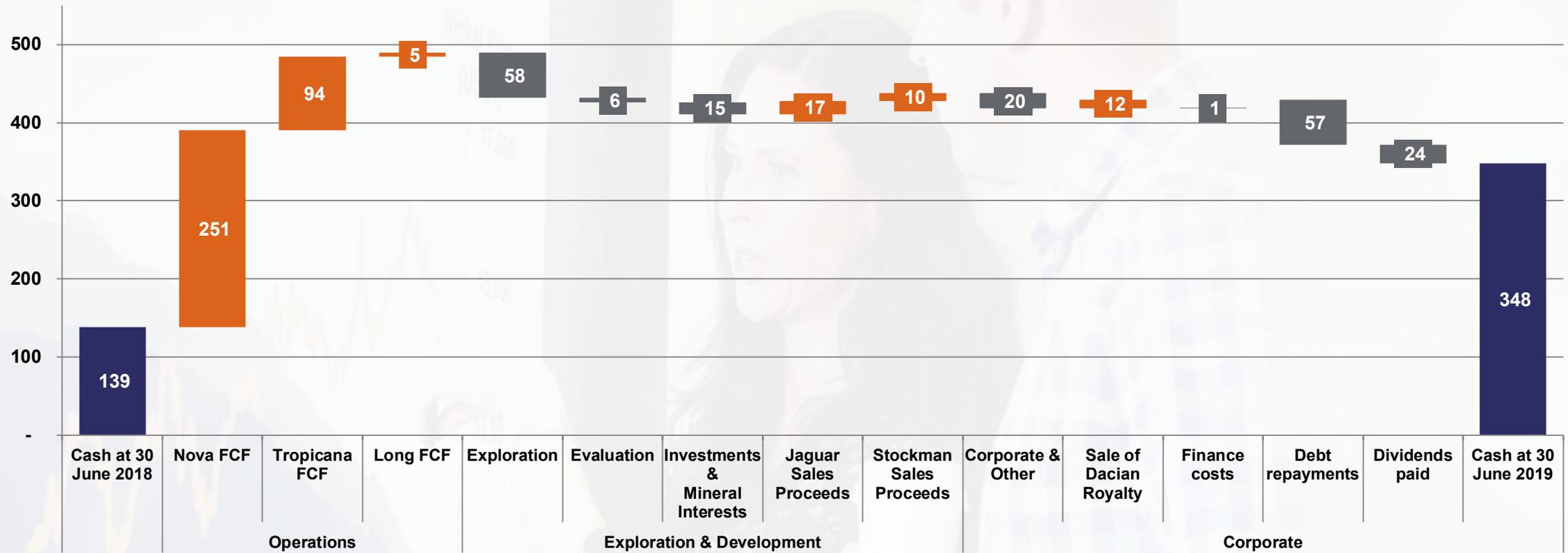
2) Free Cash Flow comprises Net Cash Flow from Operating Activities and Net cash Flow from Investing Activities. Refer to Disclaimer page for "Underlying" adjustments

FY19 Cash Flow



Nova cash generation drove 151% YoY increase in cash to A\$348M

Cash Flow Reconciliation (A\$M)



FY19 Full Year Dividend

Record return to shareholders

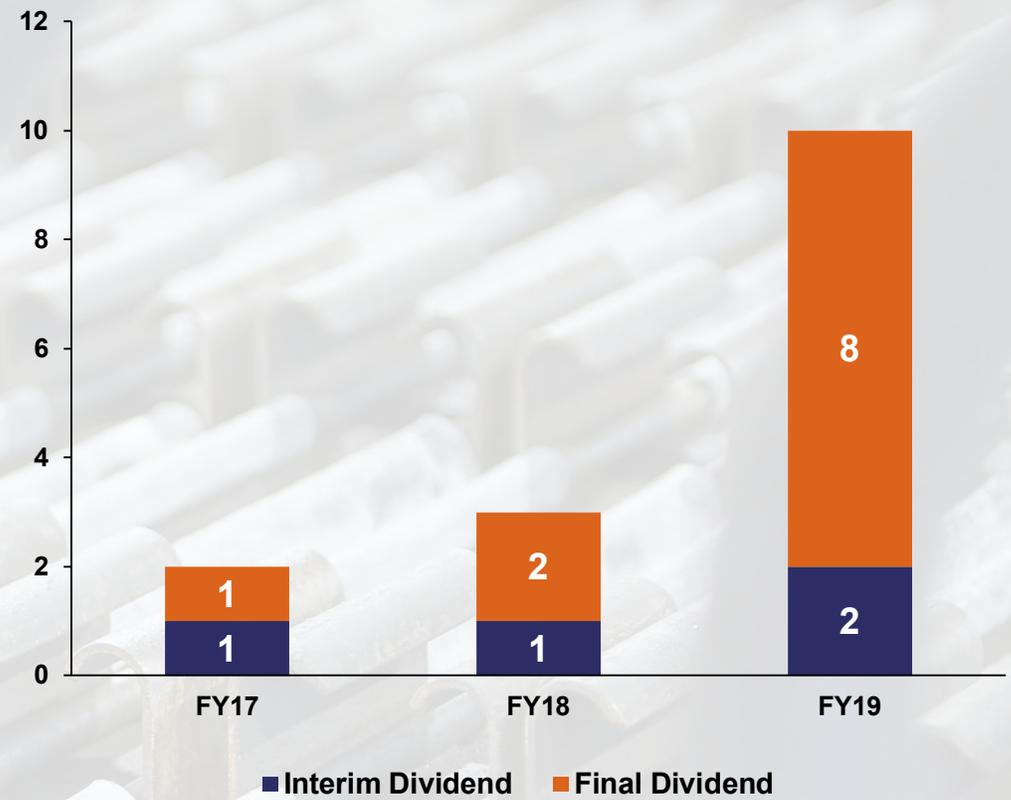


Final Dividend Declared
8c per share (97% franked)

Total FY19 dividend payout
A\$59M – equivalent to 10c/share

Revised Shareholder Return Policy⁽¹⁾
targeting return of
15-25% Free Cash Flow (FCF)

Dividend History (cents per share)



1) Refer to ASX Announcement released 31 January 2019: December 2018 Half-Year Financial Report

Nova Results

Strong metal production and high margins in FY19



Metal production exceeded guidance

**Nickel
in Concentrate**

30,708t
▲ 38% YoY

**Copper
in Concentrate**

13,693t
▲ 43% YoY

**Cobalt
in Concentrate**

1,090t
▲ 47% YoY

**Disciplined
operation
delivered high
margins**

Cash Costs

A\$2.07/lb Ni
(payable)
▼ 26% YoY

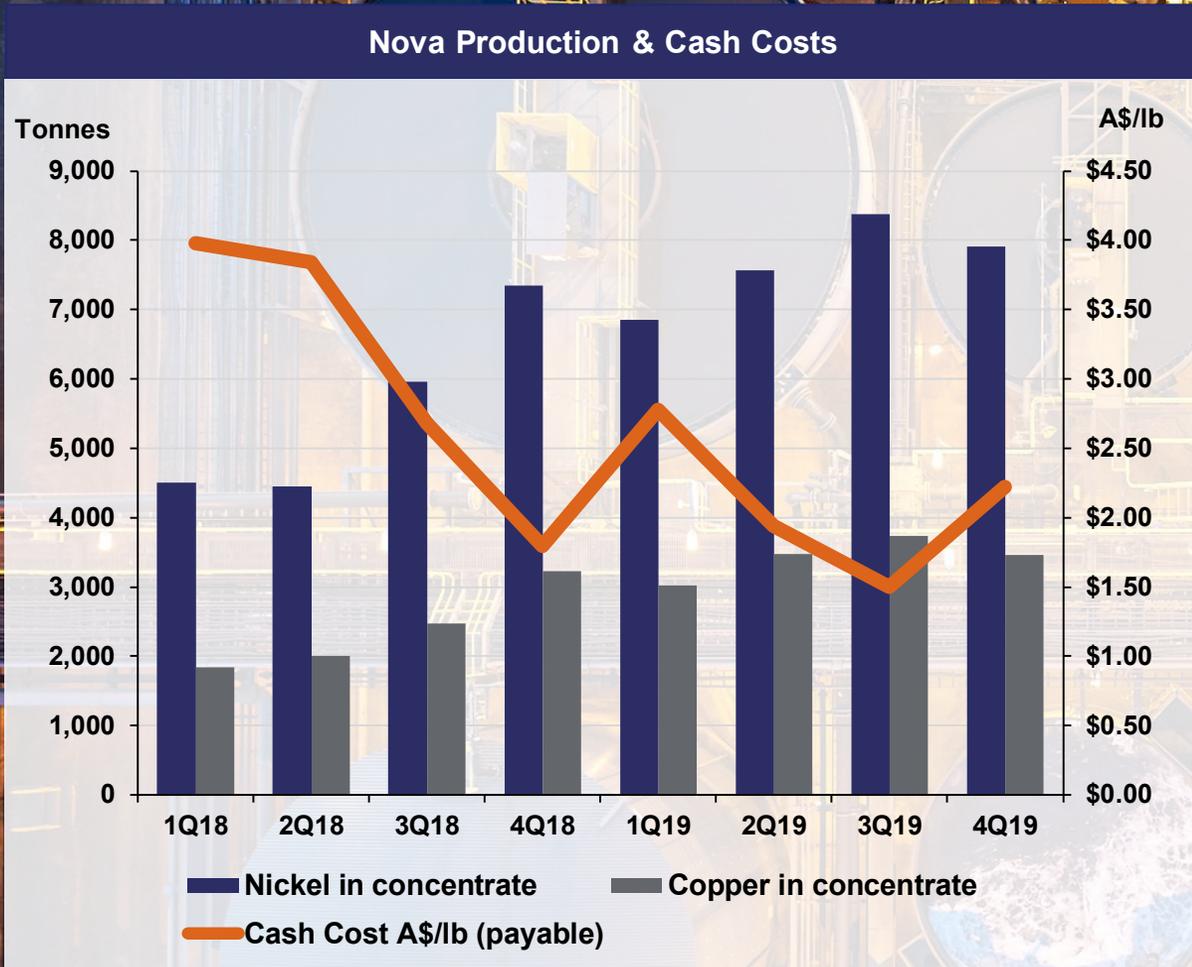
AISC

A\$2.79/lb Ni
▼ 38% YoY

FY19 FCF Margin

50%
▲ 87% YoY

Strong track record of performance since commencement of commercial production



Improving production profile and reducing cash costs

Free Cash Flow generated since start of commercial production
A\$344M

Average EBITDA Margin
53%

Tropicana Results

High margin gold production continued in FY19



Gold production
within guidance

Gold Produced (100%)

518,172oz
▲ 11% YoY

Gold Sold (IGO 30%)

154,402oz
▲ 11% YoY

Lower YoY cash
costs delivering high
margins

Cash Costs

A\$680/oz
▼ 5% YoY

AISC

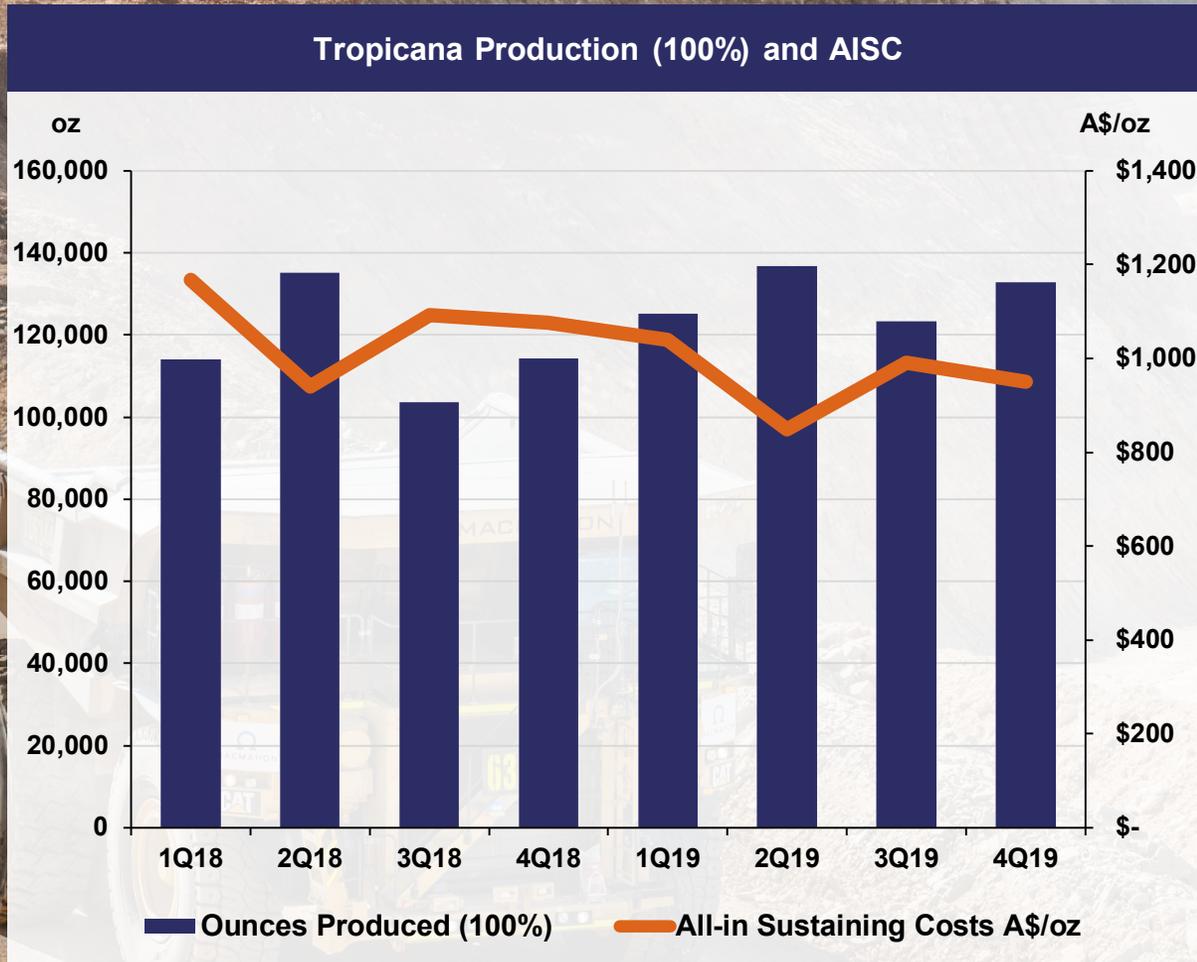
A\$951/oz
▼ 10% YoY

FY19 EBITDA Margin

62%
▲ 6% YoY

Tropicana

Consistent performance from Tropicana continued in FY19



Track record of consistent production and cost performance

Second ball mill successfully commissioned during FY19 delivering immediate benefits

First production from Boston Shaker Underground expected during 1Q21

Production & Cost Guidance⁽¹⁾

FY20 forecast to be another solid year from Nova and Tropicana



Nova		
Metric	Units	FY20 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	2.00 – 2.50
Sustaining/ improvement Capex	A\$M	24 – 26
Development Capex	A\$M	6 – 8

Tropicana		
Metric	Units	FY20 Guidance
Gold produced (100%)	oz	450,000 – 500,000
Gold Sold (IGO 30%)	oz	135,000 – 150,000
Cash cost	A\$/oz	700 – 780
AISC	A\$/oz	1,090 – 1,210
Sustaining/improvement (30%)	A\$M	13 – 15
Waste stripping (30%)	A\$M	42 – 47
Underground capex (30%)	A\$M	26 – 29

1) Refer to ASX release dated 31 July 2019: IGO June Quarterly Activities Report

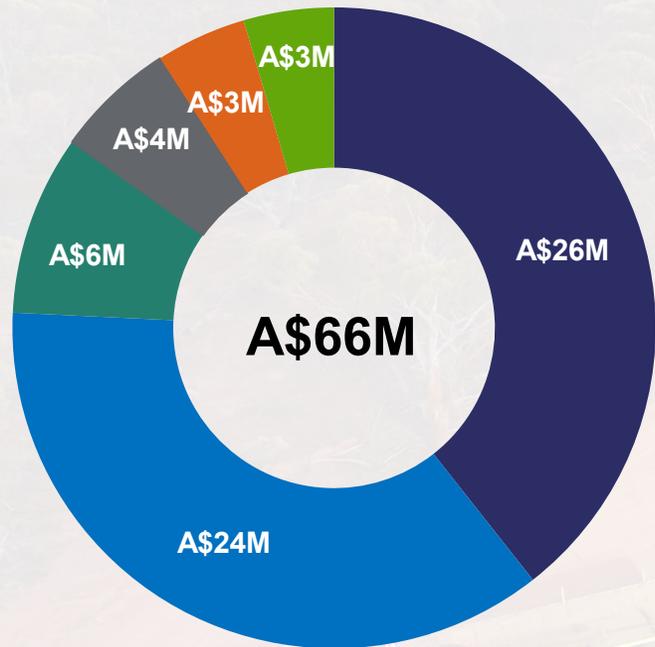
2) Cash cost guidance assumes the following commodity prices for payable metal credits: Copper: A\$4.20/lb; Cobalt: A\$24/lb

FY20 – Exploration Guidance



Enduring commitment to exploration continues into FY20

FY20 Exploration Guidance^(1,2)



- Nova
- Fraser Range
- Other Greenfields & Generative
- West Kimberley
- Tropicana
- Lake Mackay

Exploration a core part of IGO's growth strategy

Increased budget to accelerate drilling at and near Nova

70% of overall expenditure at Nova, Fraser Range, Tropicana and Lake Mackay will be for drilling

1) Refer to ASX release dated 31 July 2019: IGO June Quarterly Activities Report
2) A\$66M excludes A\$6M budget for project evaluation

FY20 Growth Opportunities

Multiple opportunities to generate additional value for shareholders



Optimisation

Leveraging smart solutions to improve productivity and decrease costs

Underground development at Tropicana to continue through FY20

Unlock Nickel Value

Nickel sulphate downstream PFS completion during 2Q20

Concentrate offtake tender process underway in parallel

Exploration

Enduring and significant commitment to exploration and discovery

Increased intensity at Nova and Fraser Range

Concluding Comments

Strong operational performance delivers record FY19 result



Consistent operational performance at Nova and Tropicana throughout FY19

Outstanding free cash generation continues to strengthen the balance sheet

Growth through exploration, M&A and downstream processing



MAKING A DIFFERENCE

We believe in a world where people power makes amazing things happen. Where technology opens up new horizons and clean energy makes the planet a better place for every generation to come.

We are bold, passionate, fearless and fun – a smarter, kinder, more innovative company. Our work is making fundamental changes to the way communities all over the world grow, prosper and stay sustainable.

Our teams are finding and producing the specialist metals that will make energy storage mobile, efficient and effective enough to make long-term improvements to the lifestyle of hundreds of millions of people across the globe.

How? New battery storage technology is finally unleashing the full potential of renewable energy by allowing power produced from sun, wind and other sources to be stored and used when and where it's needed.

This technology will impact future generations in ways we cannot yet imagine, improving people's quality of life and changing the way we live.

We believe in a green energy future and by delivering the metals needed for new age batteries, we are making it happen.

This is the IGO Difference.

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- 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.
- All-in Sustaining Costs per payable pound of nickel for Nova include cash costs, royalties and sustaining capital expenditure.
- 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/loss 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 and mineral interests.