

INDEPENDENCE GROUP NL

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13th China Nickel Conference

May 2016



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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, except the Nova Ore Reserve should be read in conjunction with IGO’s 2015 Mineral Resource and Ore Reserve announcement dated 28 October 2015 and lodged with the ASX, which are available on the IGO website. The Nova Ore Reserve was updated during the optimisation study dated 14 December 2015 and lodged with the ASX, which is available in 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 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, depreciation and amortisation, and once-off transaction costs.

IGO overview

Leading Australian diversified mining company



ASX listed (IGO)

- Based in Perth, Western Australia

Diversified portfolio of high margin assets

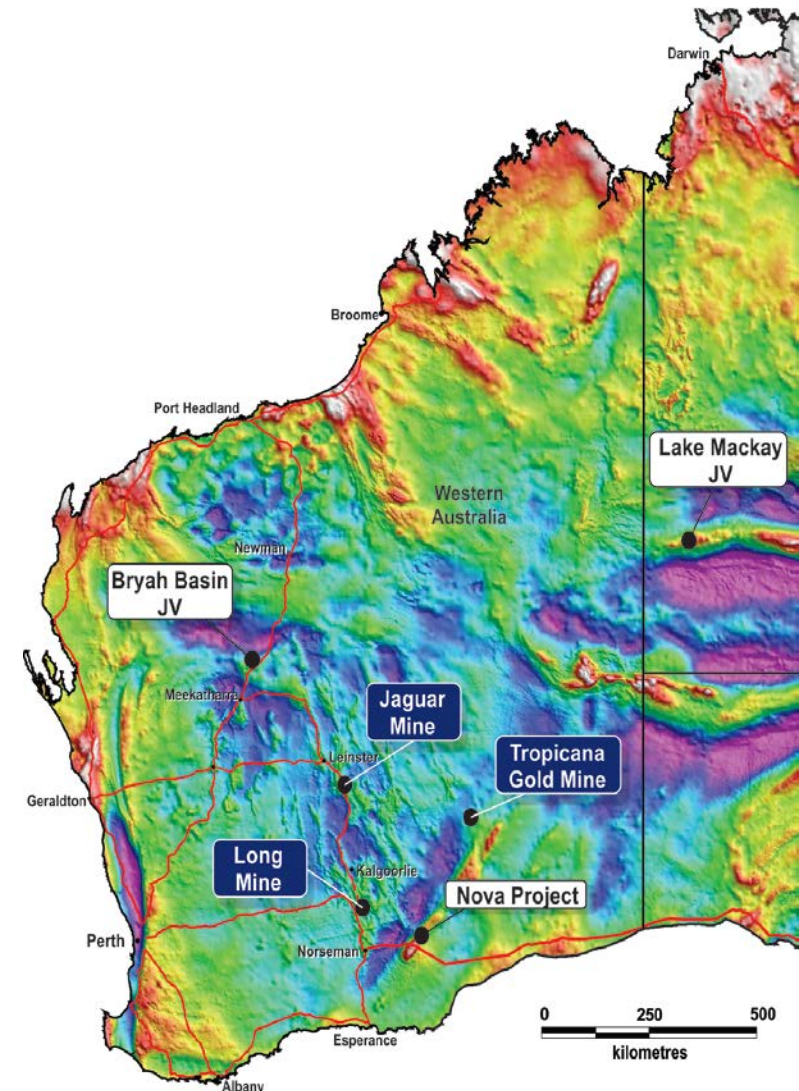
- 3 operating mines and 1 under construction
- All located in Western Australia
- Gold, Nickel, Zinc, Copper, Cobalt, Silver

Strong track record of delivery

- Strong cash flow
- Strong balance sheet
- Strong management

Fully financed growth

- Tropicana mill expansion and resource extension
- Nova Nickel/Copper Project construction
- Belt scale exploration targets in Australia



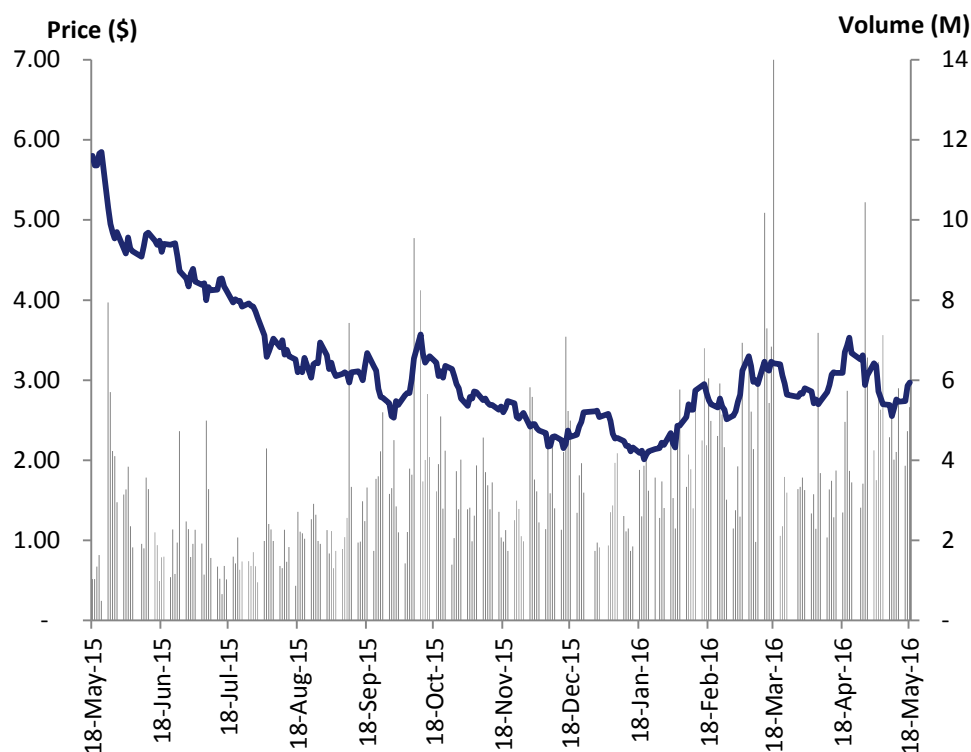
Market profile & share ownership



Strong domestic institutional and retail support

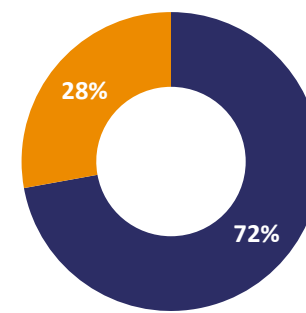
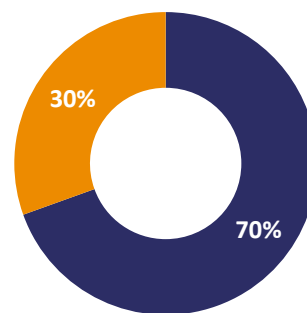
Market profile

- \$1.5 billion (US\$ 1.1 billion⁽¹⁾) market capitalisation at \$2.97/share⁽²⁾
- Share price 52 Week Range
 - Low \$1.98 20 January 2016
 - High \$6.21 5 May 2015



Share ownership

- Substantial holders⁽³⁾
 - Mark Creasy 18.88%
 - FIL Limited 9.92%
 - Van Eck 6.15%
 - Australian Super 6.04%
- Institutional ownership⁽²⁾
 - Australia 72%
 - USA & Canada 19%
 - UK & Europe 6%
 - Rest 3%



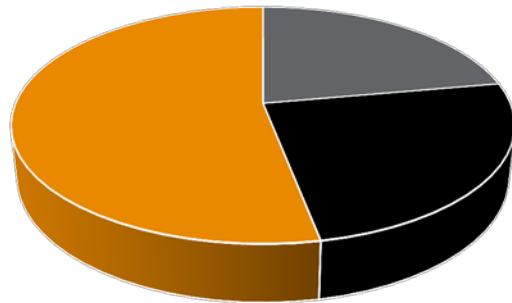
1) Conversion of A\$ to US\$ using 0.72 exchange rate
 2) As at market close 18 May 2016
 3) As at 13 May 2016

IGO asset portfolio

Company in transition

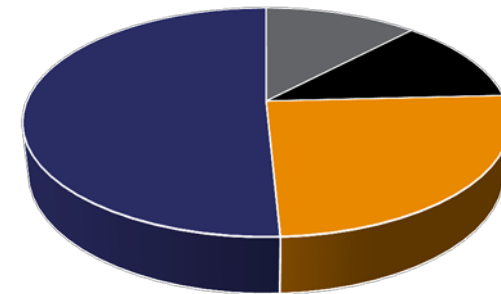


Macquarie Research: IGO
EBITDA - FY15

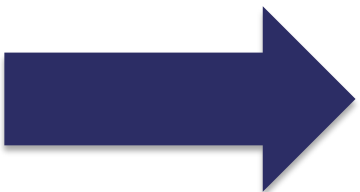


■ Long ■ Jaguar ■ Tropicana

Macquarie Research: IGO
EBITDA - FY18e



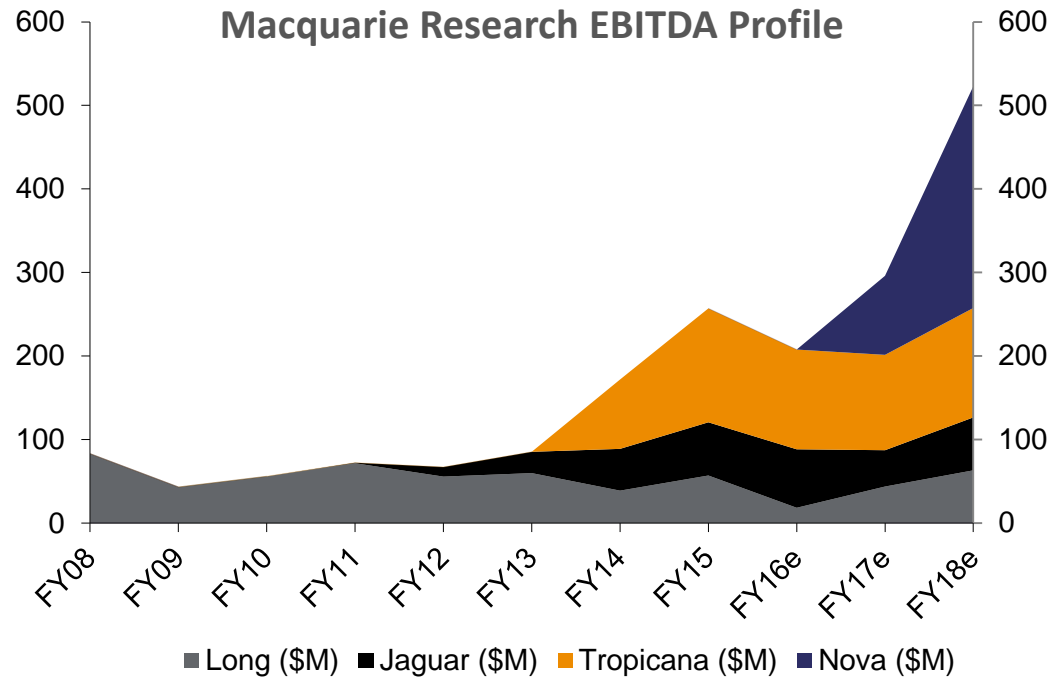
■ Long ■ Jaguar ■ Tropicana ■ Nova



Unlocking Value

- Development of world class Nova project
- Tropicana growth
 - Process plant throughput rate +21%
 - Long Island Study
- Exploring belt scale opportunities for tier 1 assets

Macquarie Research EBITDA Profile



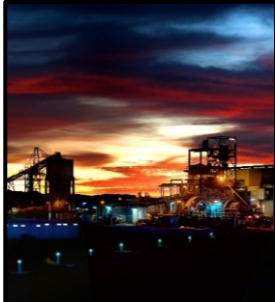





1) Source Data: Macquarie Research

IGO asset portfolio

Portfolio of 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⁾	39,000t Zn + 6,750t Cu ⁽¹⁾	26,000t Ni + 11,500t Cu ⁽³⁾	15,000t Cu + 26,000t Zn ⁽⁵⁾	Au, Ni, Cu, Zn
\$715/oz ⁽¹⁾⁽²⁾ (US\$515/oz) ⁽⁷⁾	\$3.75/lb Ni ⁽¹⁾⁽²⁾ (US\$2.70/lb Ni) ⁽⁷⁾	\$0.65/lb Zn ⁽¹⁾⁽²⁾ (US\$0.47/lb Zn) ⁽⁷⁾	\$1.21/lb Ni ⁽⁴⁾ (US\$0.87/lb Ni) ⁽⁷⁾	\$1.30/lb Cu ⁽²⁾⁽⁵⁾ (US\$0.94/lb Cu) ⁽⁷⁾	
			\$200M capex ⁽⁶⁾	\$202M capex ⁽⁵⁾	

1) FY16 guidance range mid-point

2) Cash costs are inclusive of royalties and net of by-product credits per unit of payable metal

3) Nova production average LOM production from Definitive Feasibility Study (refer to Sirius ASX release dated 14 July 2014)

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

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

6) Nova total CAPEX \$443M with \$200M remaining as at 31 March 2016 (refer to ASX release dated 28 April 2016)

7) Conversion of A\$ to US\$ using 0.72 exchange rate

Balance sheet and funding

Existing operations continue to deliver robust free cash flow



\$200M remaining construction capex at Nova⁽¹⁾

Free cash flow from operating activities

\$41M cash and bullion⁽¹⁾

\$310M of \$550M debt facilities undrawn⁽¹⁾

1) At 31 March 2016

Tropicana overview

Transition to higher process rates

30% IGO and 70% AngloGold Ashanti

- Located 370km East NE of Kalgoorlie

Low cost and long mine life

- 3 Moz Ore Reserves⁽¹⁾ contained within 7 Moz Resources⁽¹⁾
- Open Pit mining with remaining LOM strip ratio of 5.7⁽¹⁾

Scale

- 5.8 Mtpa nameplate processing plant
- Potential to debottleneck to +7.0 Mtpa
- 400,000 oz/yr sustainable production rate⁽²⁾

FY16 guidance

- 135,000oz⁽³⁾ (IGO share)
- Cash cost of \$715/oz⁽³⁾ (US\$515/oz⁽⁴⁾)
- AISC of \$925/oz⁽³⁾ or US\$666/oz⁽⁴⁾

1) As at 30 June 2015, refer to ASX release 28 October 2015 Mineral Resource and Ore Reserve Update
2) Based on ~7.0 Mtpa throughput, 2 g/t average reserve grade and 90% average recovery
3) Mid-point of guidance range, refer ASX release 28 April 2016 titled March 2016 quarterly report
4) Conversion of A\$ to US\$ using 0.72 exchange rate



Tropicana upside

Significant potential to extend mine life beyond initial 10 years



Gas project well progressed

- 292km pipeline completed ahead of plan
- Powerhouse conversion underway 10 of 17 gas fired engines commissioned

Process plant debottlenecking ongoing

- Increase throughput from 5.8Mtpa to +7.0Mtpa

Resource extension drilling underway

- Targets generated by 3D seismic survey
- Encouraging results⁽¹⁾ indicating potential to extend mineralisation
 - HSD016: 19m @ 3.76g/t Au
 - SWD005A: 17m @ 4.29g/t Au
 - TPD456: 35m @ 2.41g/t Au

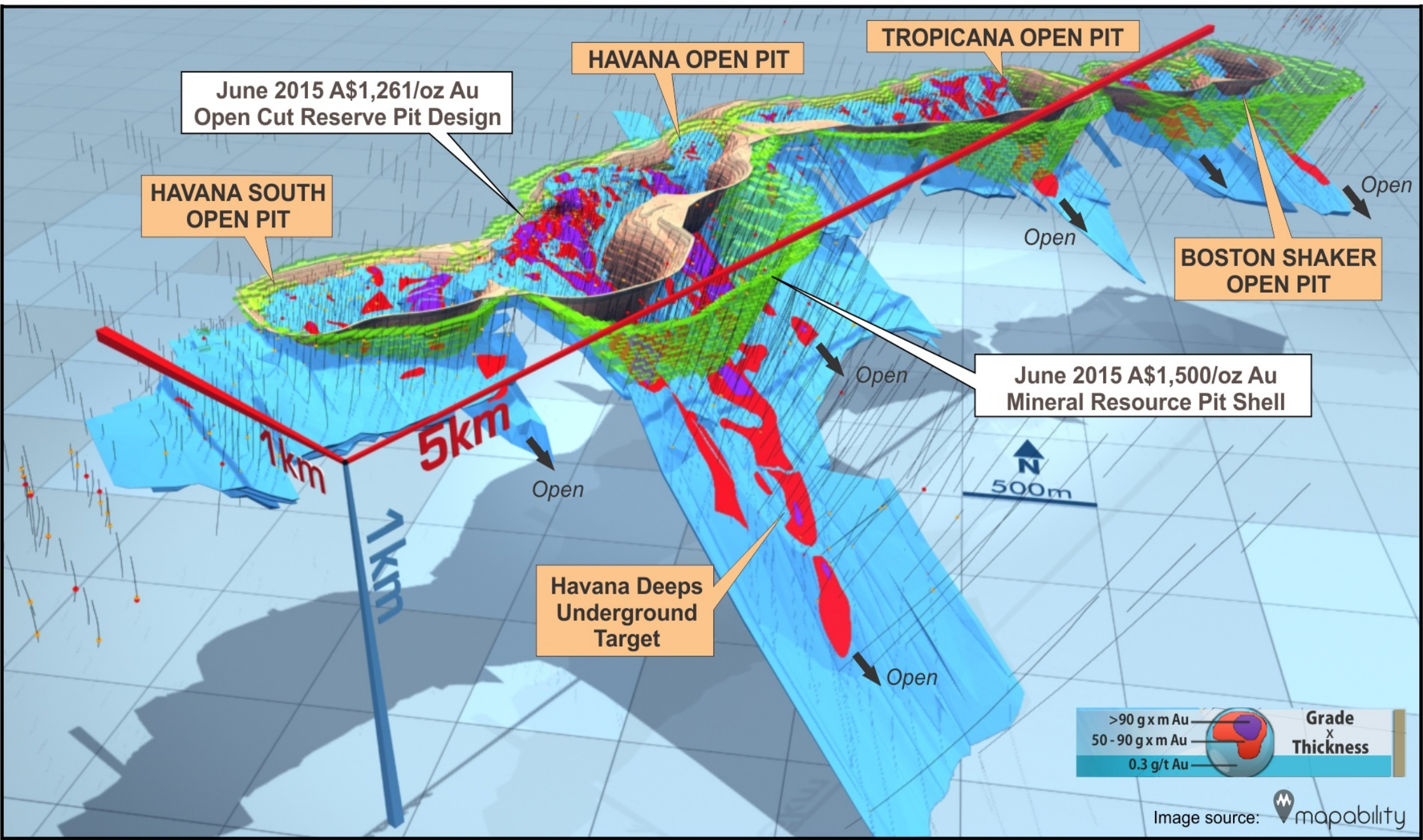
Studies underway to incorporate ~3 Moz of existing resource outside current reserves into mine plan

- Aim to maintain current operating margin and extend mine life

1) For Tropicana exploration results refer ASX release dated 29 February 2016 titled Tropicana Gold Mine Exploration Updated

Tropicana pits

Four contiguous pits extending over a five kilometre strike



Long overview



History of consistent low cost production and exploration success

High grade underground nickel

- Located in Kambalda, 60km south of Kalgoorlie

35 year operating history

- Acquired by IGO in 2002
- Average grade project to date of 3.8% Ni
- Owner operated underground mining
- Consistent low cost producer with history of exploration success

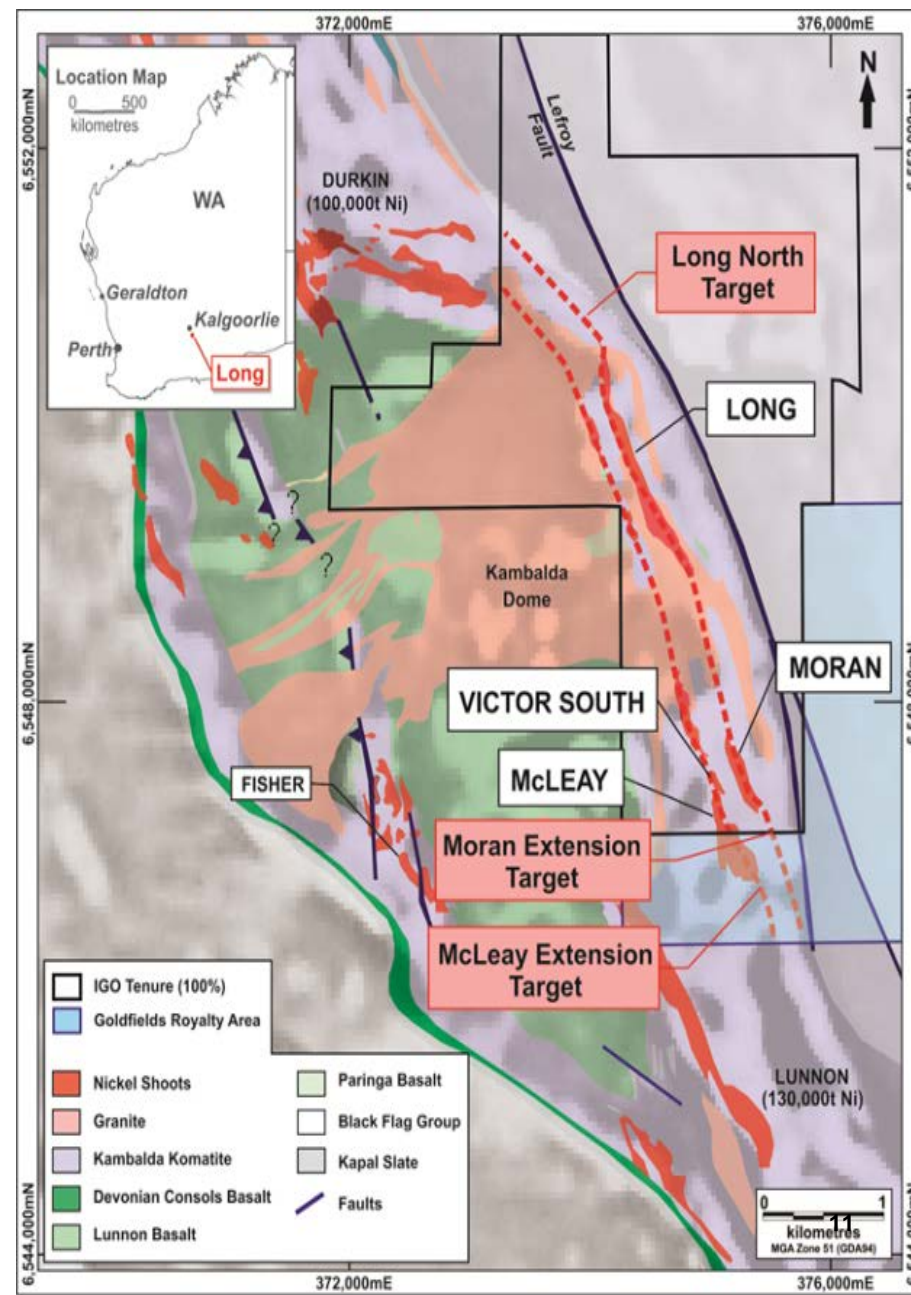
FY16 guidance⁽¹⁾

- 8,750t nickel at \$3.75/lb⁽²⁾ or US\$2.70/lb⁽³⁾
- Positive reserve call factor

BHP Nickel West relationship

- Toll processing of ore
- Concentrate offtake agreement

1) FY16 guidance range mid-point, refer ASX release 28 April 2016 titled March 2016 quarterly report
2) Cash costs are inclusive of royalties and net of by-product credits per unit of payable metal
3) Conversion of A\$ to US\$ using 0.72 exchange rate



Jaguar overview

High grade Zn-Cu VMS camp



High grade underground Zn-Cu-Ag-Au VMS deposit

- Located 300km north of Kalgoorlie via sealed road, fly in – fly out from Perth

Significant improvement in operation over last 1-2 years

- Acquired by IGO in 2011
- Owner operated underground mining
- 450 to 500ktpa processing plant producing zinc and copper concentrates

FY16 guidance⁽¹⁾

- 39kt zinc & 6,750t copper at \$0.65/lb Zn⁽²⁾ or US\$0.47/lb Zn⁽³⁾
- Known VMS camp with significant exploration upside
- In-mine resource extension potential with recently completed drilling of Flying Spur lens and Bentley Deeps
- Near-mine potential with Triumph discovery
- Regional exploration potential with over 50km of known strike along prospective corridor

1) FY16 guidance range mid-point, refer ASX release 28 April 2016 titled March 2016 quarterly report

2) Cash costs are inclusive of royalties and net of by-product credits per unit of payable metal

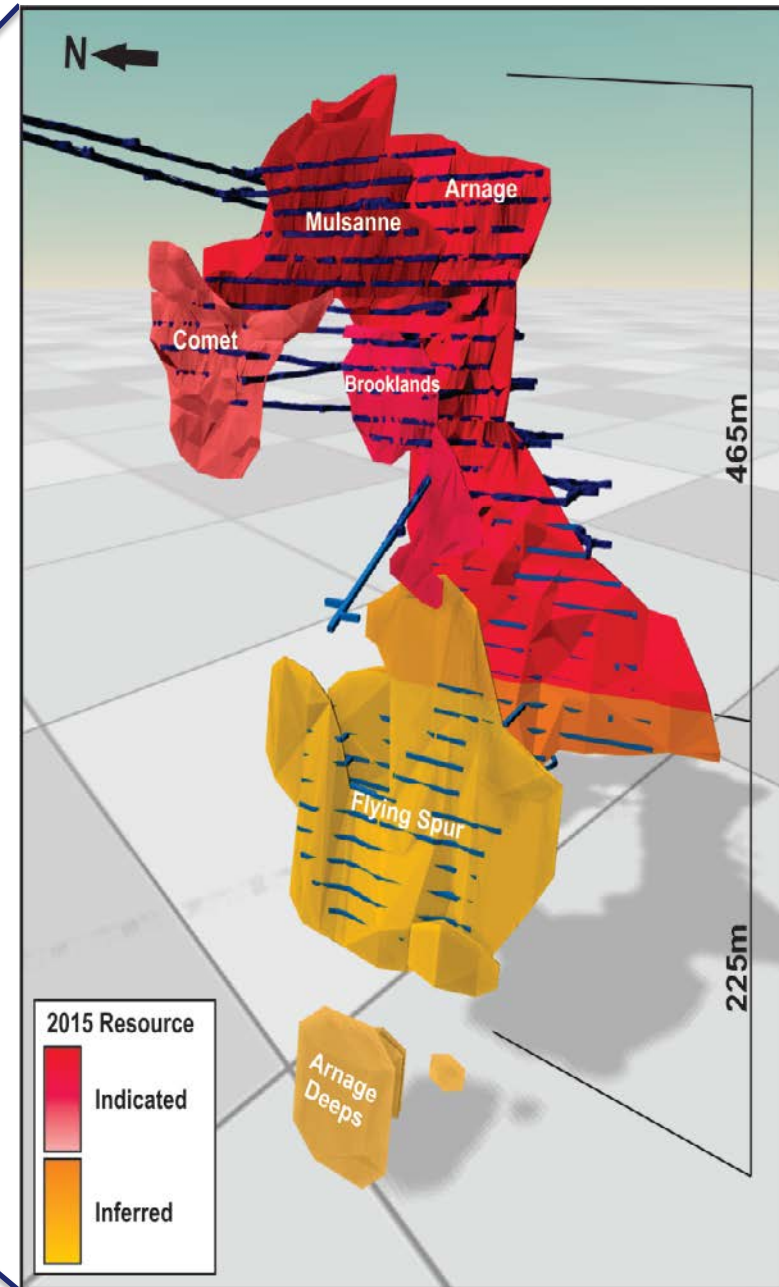
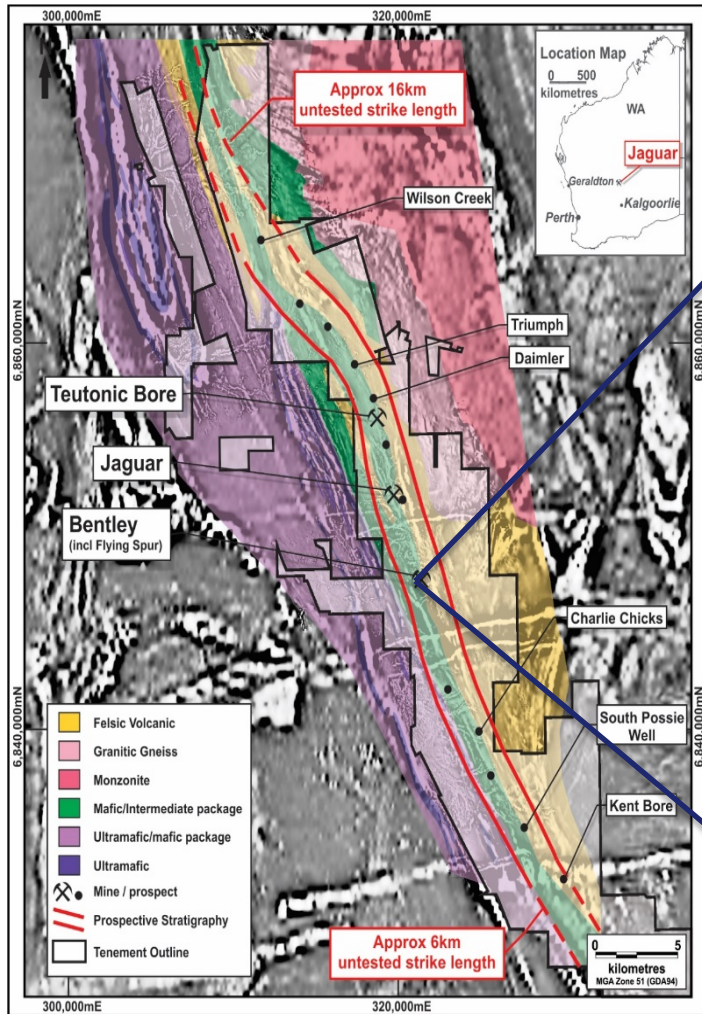
3) Conversion of A\$ to US\$ using 0.72 exchange rate



Jaguar in-mine resource extension



Drilling recently completed at Flying Spur



Nova overview

World class, low cost magmatic nickel-copper project



Fully funded underground Ni-Cu-Co project in construction

- Located in highly prospective Fraser Range, Western Australia
- 350km SE of Kalgoorlie and 350km from port of Esperance
- Acquired by IGO in 2015⁽¹⁾

Project timeline is a testament to project quality

- Discovered in July 2012
- Feasibility study completed in July 2014
- Construction commenced in January 2015 and now 85% complete⁽²⁾
- Project remains on schedule for production of first concentrate in December 2016

World class project

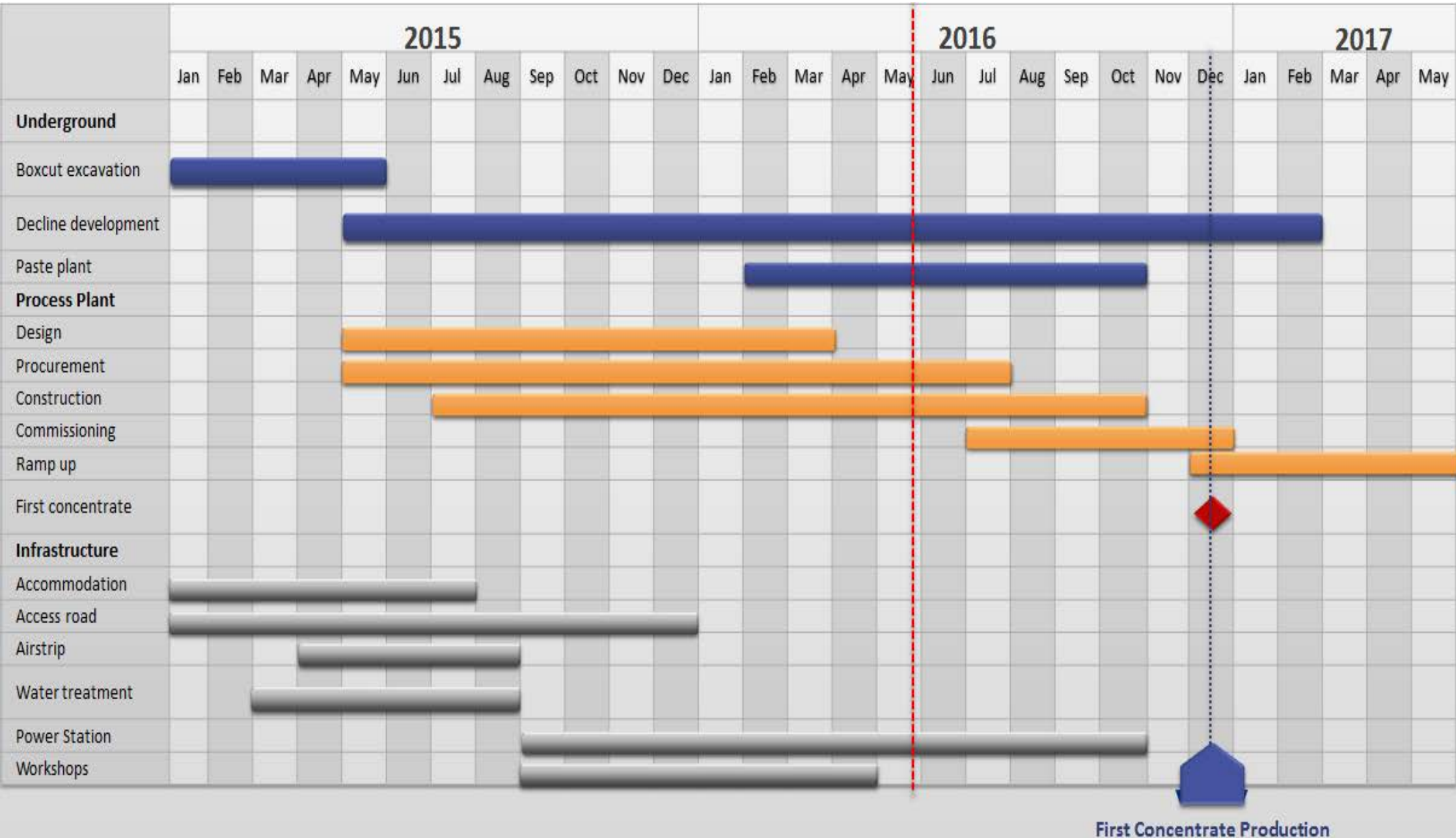
- High margin (low cost and high payability)
- Scale (average 26ktpa nickel and 11.5ktpa copper)
- Long mine life (initial 10 years)
- Significant exploration upside in emerging province

1) Transaction completion 22 September 2015

2) As at 30 April 2016

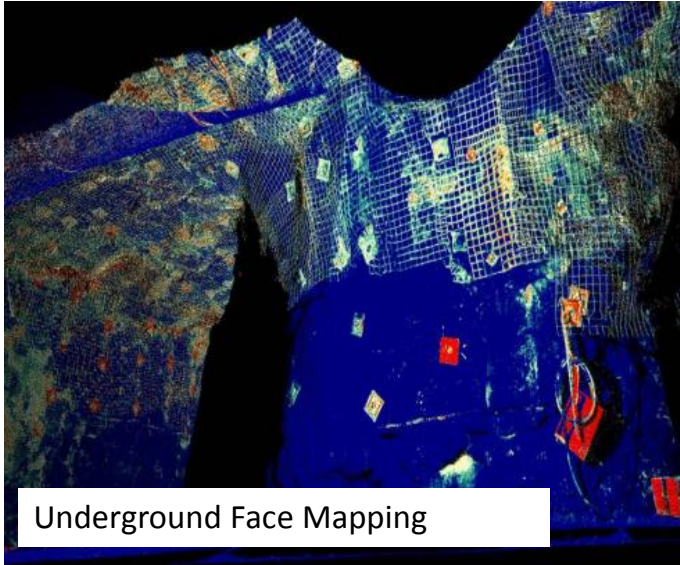
Nova on schedule and on budget

Overall project now 85% complete



Nova progress

All major long lead items now on site



Underground Face Mapping



Underground Equipment Workshop



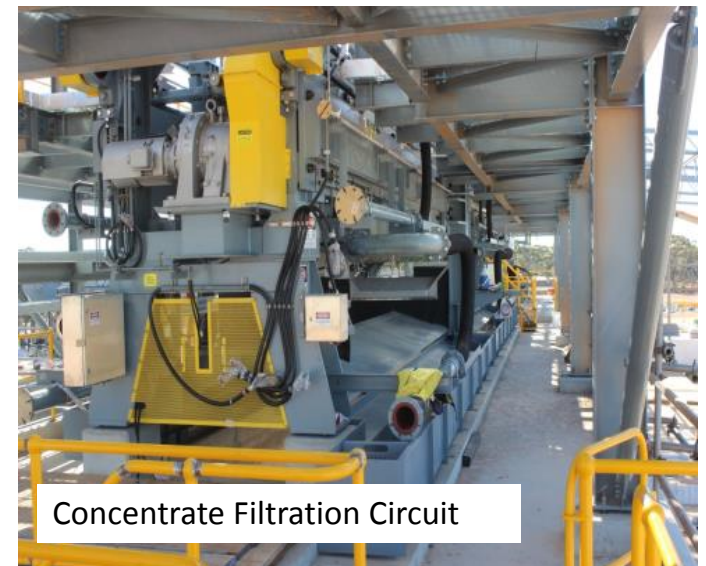
Crushing Circuit



Grinding Circuit



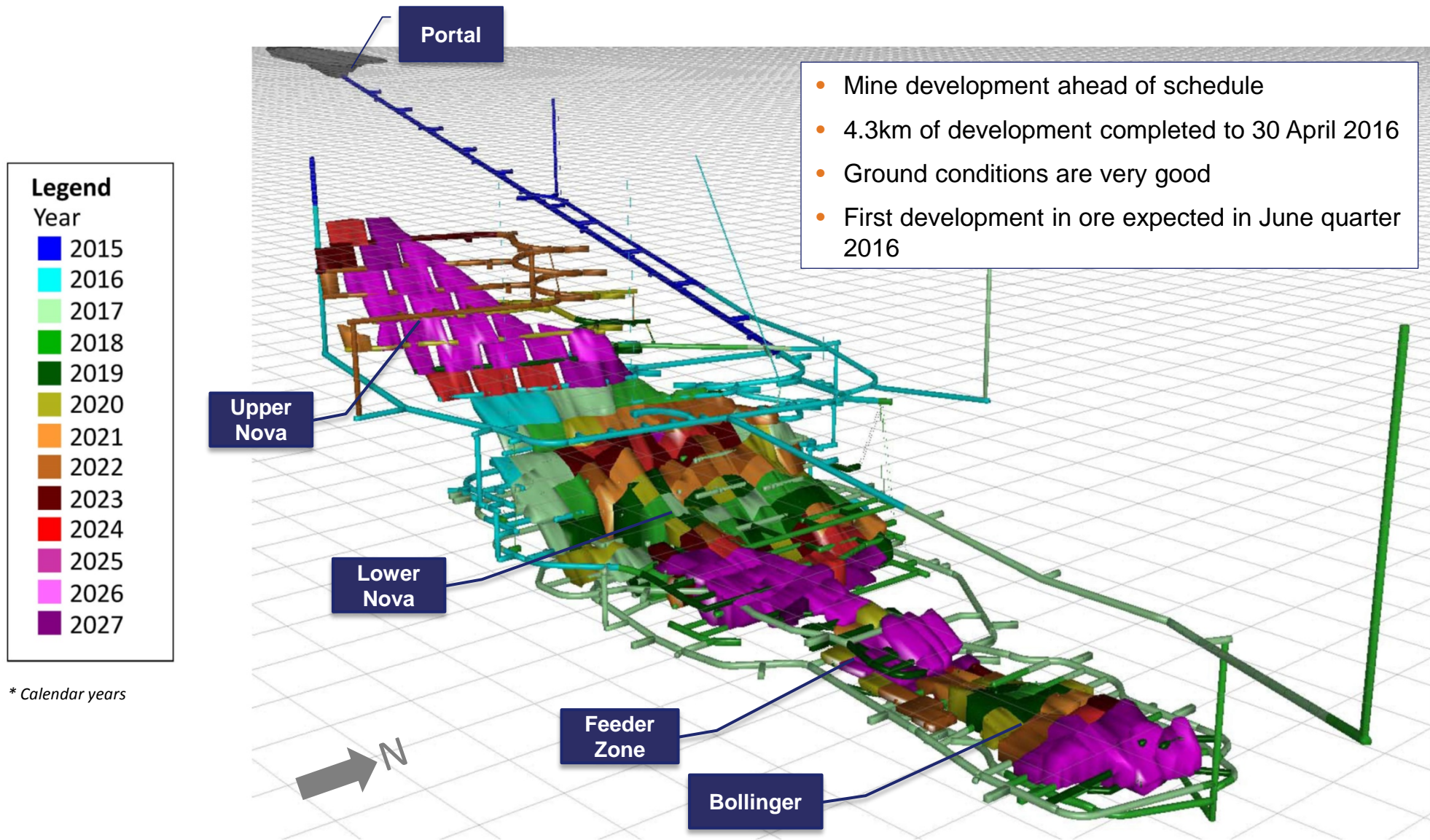
Flotation Circuit



Concentrate Filtration Circuit

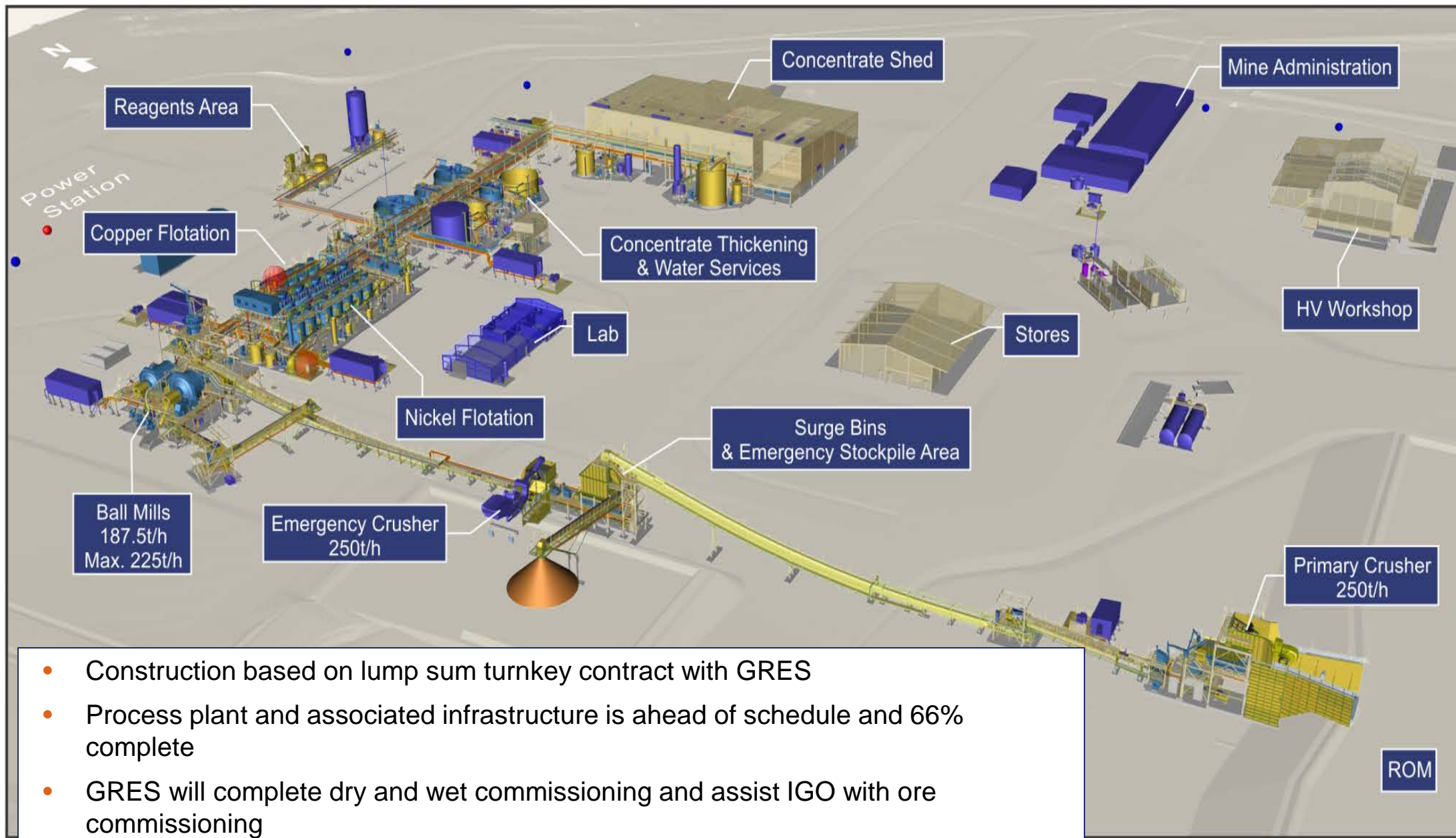
Nova mine layout

Designed for flexibility and productivity



1.5Mtpa Nova processing plant

Conventional design with best in class components



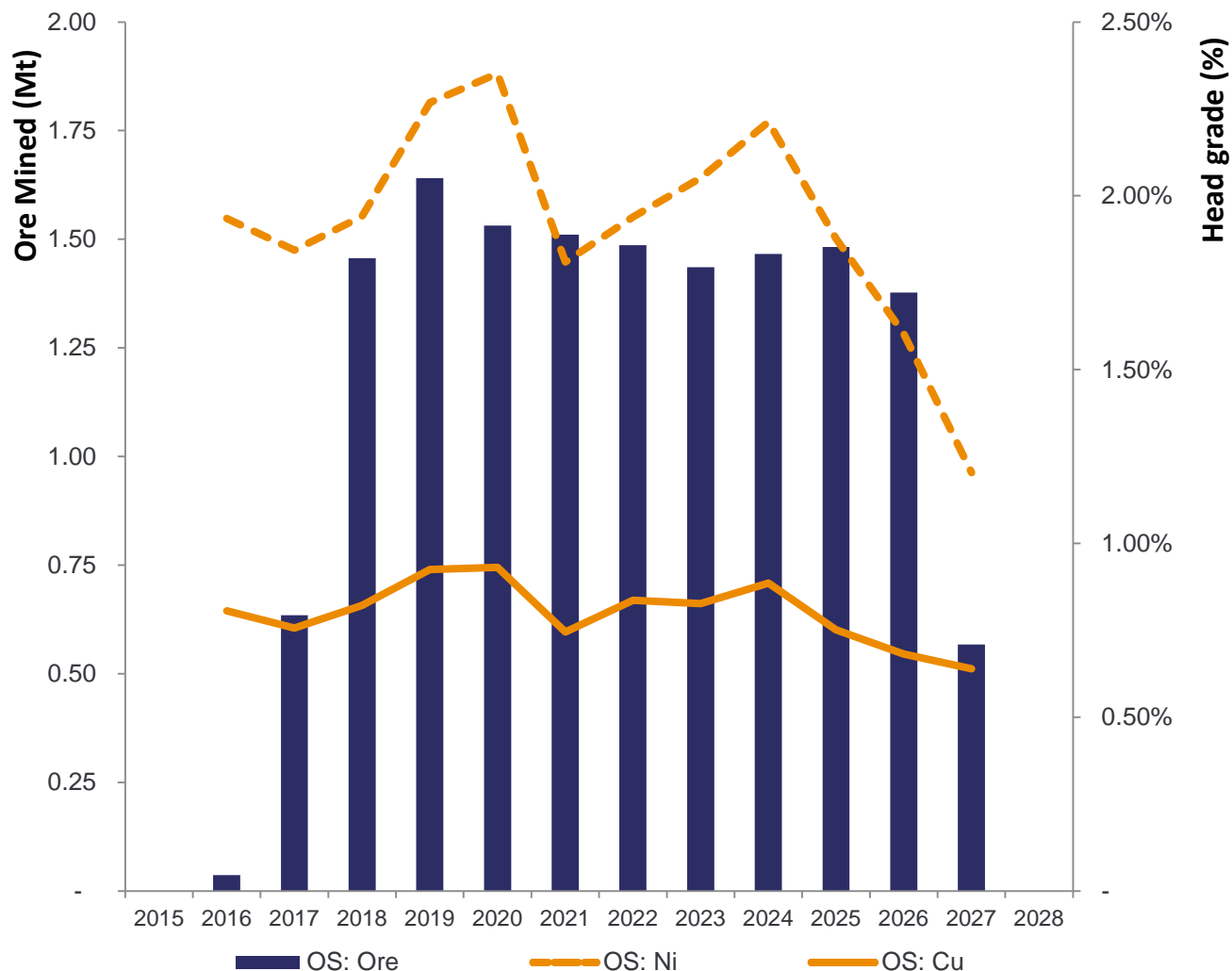
- Construction based on lump sum turnkey contract with GRES
- Process plant and associated infrastructure is ahead of schedule and 66% complete
- GRES will complete dry and wet commissioning and assist IGO with ore commissioning

Improved mine schedule adds value

Updated mining sequence improved project NPV by 26%⁽¹⁾



Production Schedule⁽²⁾



Updated production delivers:

- Accelerated ramp-up to 1.5Mtpa in FY17 & FY18
- Consistent 1.5Mtpa production profile
- High NSR ore brought forward early in the LOM



Results in improved early cash flow and additional project value

1) Refer to ASX release dated 14 December 2015 Nova Optimisation Study Presentation

2) Financial years

Nova concentrates

Highly marketable concentrates

Nickel concentrates

- Nickel concentrate grading 13.5% Ni
- No Arsenic
- High Fe to MgO ratio preferred by smelters

Nickel offtake agreements

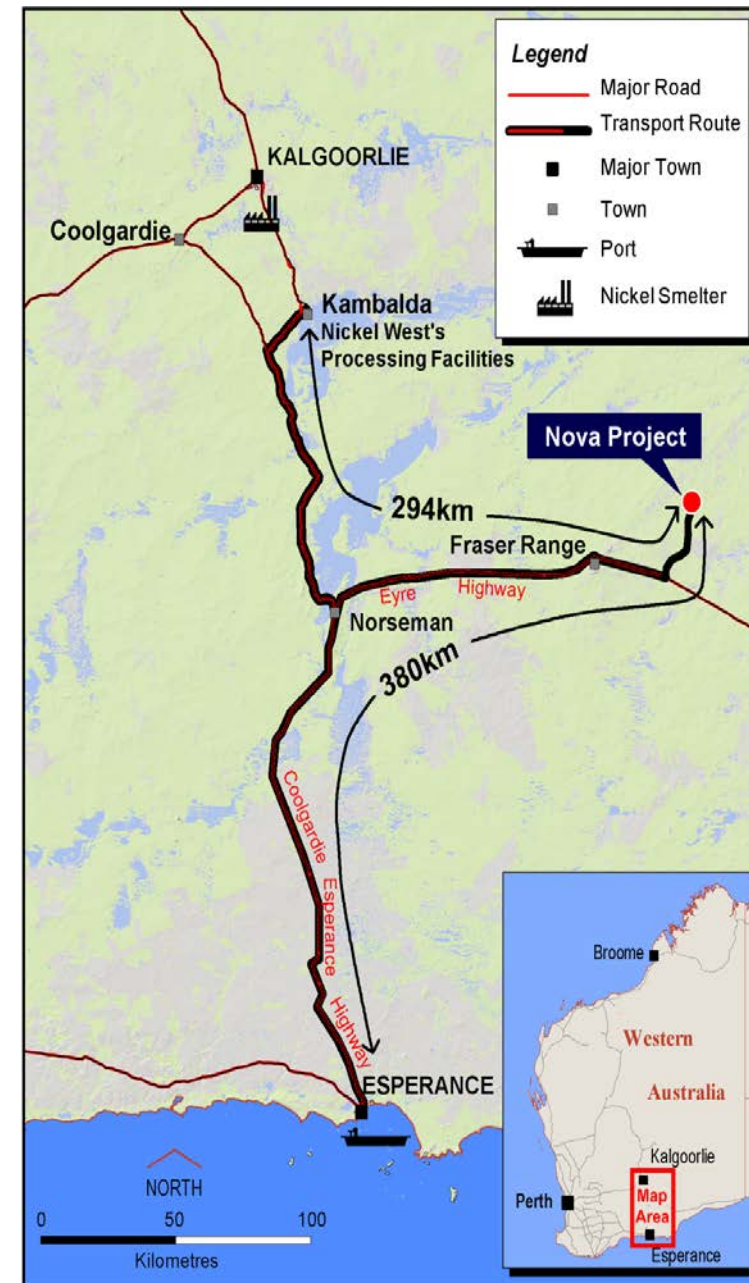
- Three year contract
- 50% contracted with BHPB Nickel West, delivered via road to Kambalda
- 50% contracted with Glencore, exported via port of Esperance

Copper concentrates

- Copper concentrate grading 29%
- No deleterious elements

Copper offtake agreements

- Three year contract
- 100% contracted with Trafigura, exported via port of Esperance



Capital costs reduced

Benefiting from downturn in construction industry



Capital Cost	Unit	Optimisation Study	% Variance to DFS
Initial Capital ⁽¹⁾	\$M	443	6% ↓
Sustaining Capital ⁽²⁾	\$M	148	3% ↓

Initial capital cost revised down to \$443M

- Resulted from increased competitiveness in cost inputs
- Included \$22M contingency

Additional capital costs through scope changes absorbed:

- Upgrade in size of the concentrate filter and concentrate handling area
- Continued acceleration of underground mining rates
- Additional hydrogeological drilling and dewatering
- Commencement of upgrade to the LOM ventilation capacity

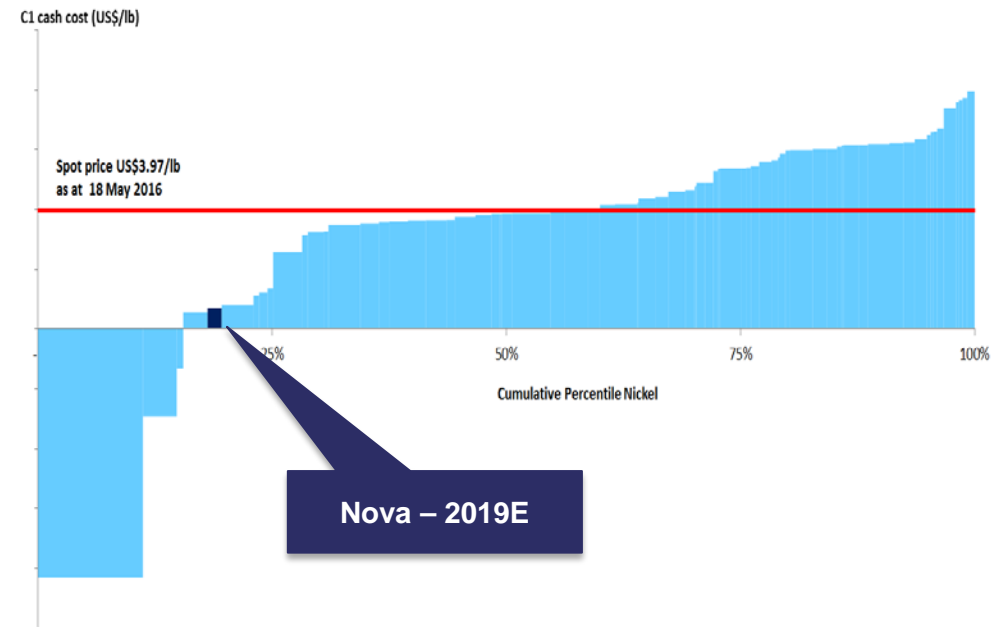
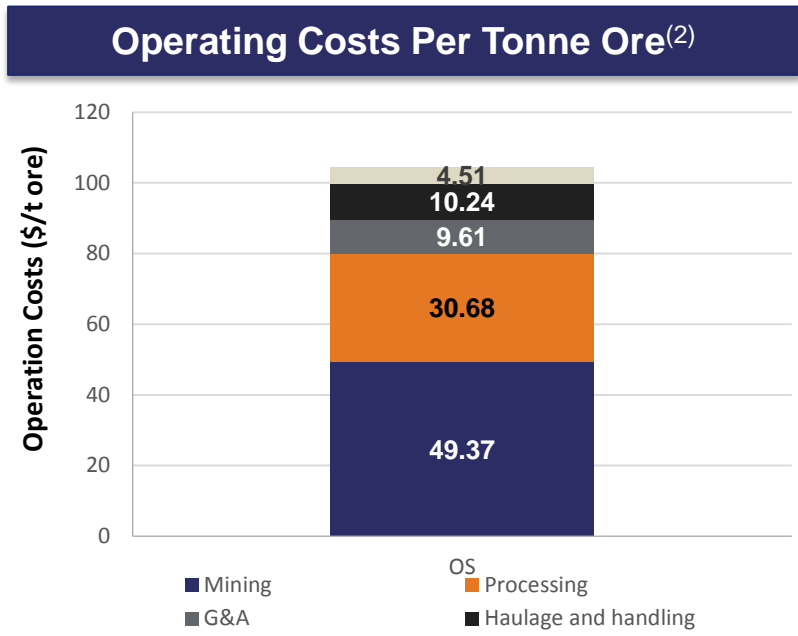
1) The revised Initial Capital Cost was reported on the 27 January 2015.

2) Sustaining capital costs includes closure costs estimated at \$25M

Competitive operating costs⁽¹⁾



Optimisation Study added 36% more value - reduced risk - future growth



Operating Cost	Unit	Optimisation Study	% Variance to DFS
C1 cash costs in concentrate ⁽³⁾	\$/lb	1.21	27%
C1 cash costs payable ⁽³⁾	\$/lb	1.65	
AISC in concentrate ⁽⁴⁾	\$/lb	1.83	21%

1) Refer to Nova Optimisation Study ASX release dated 14 December 2015
 2) Shipping costs per tonne of ore assumes 50% of the nickel concentrate treated at BHPB (Nickel West), hence no shipping costs is allocated to this parcel of ore
 3) C1 cash costs are Life of Mine average cash costs and include all operating costs (excluding royalties) and are presented after by product credits
 4) AISC (All-in sustaining cash costs) are Life of Mine average costs and include C1 cash costs plus addition of royalties and sustaining capital costs

Nova in mine exploration



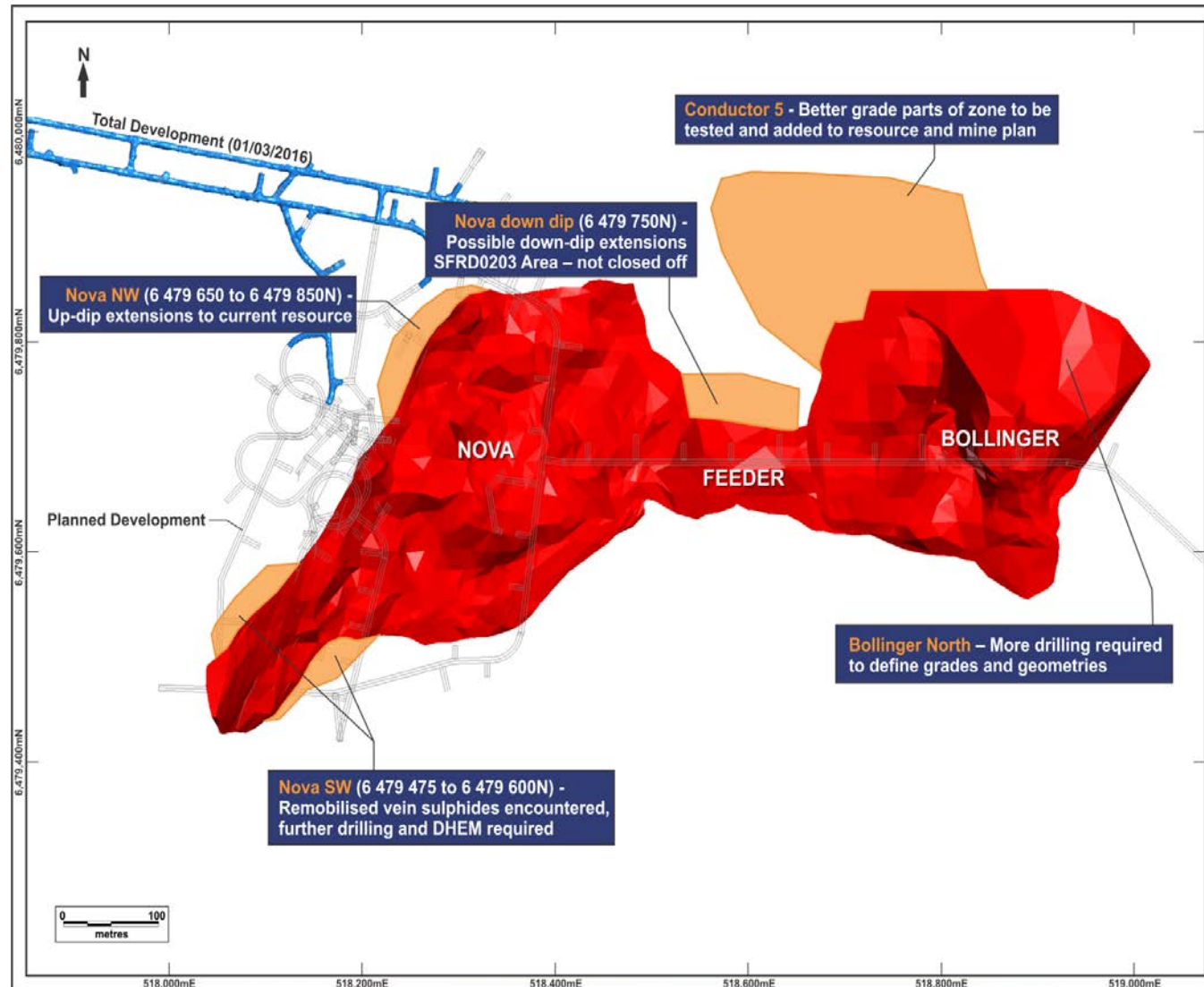
Opportunities for additions to mining inventory prioritised

Current status

- Swick Mining Services awarded underground drilling contract at Nova
- Two drill rigs on site
- Exploration drilling to be dovetailed with stope definition drilling program
- Structural studies suggest preferred remobilised sulphide orientations
- Utilisation of DHEM planned, forward modelling completed

Next steps

- Extensions of selected holes as EM platforms and testing of priority targets



Stockman Project

Feasibility completed and permitting well advanced



Cu-Zn underground VMS project

- Located 460km north-east of Melbourne

Positioned for development

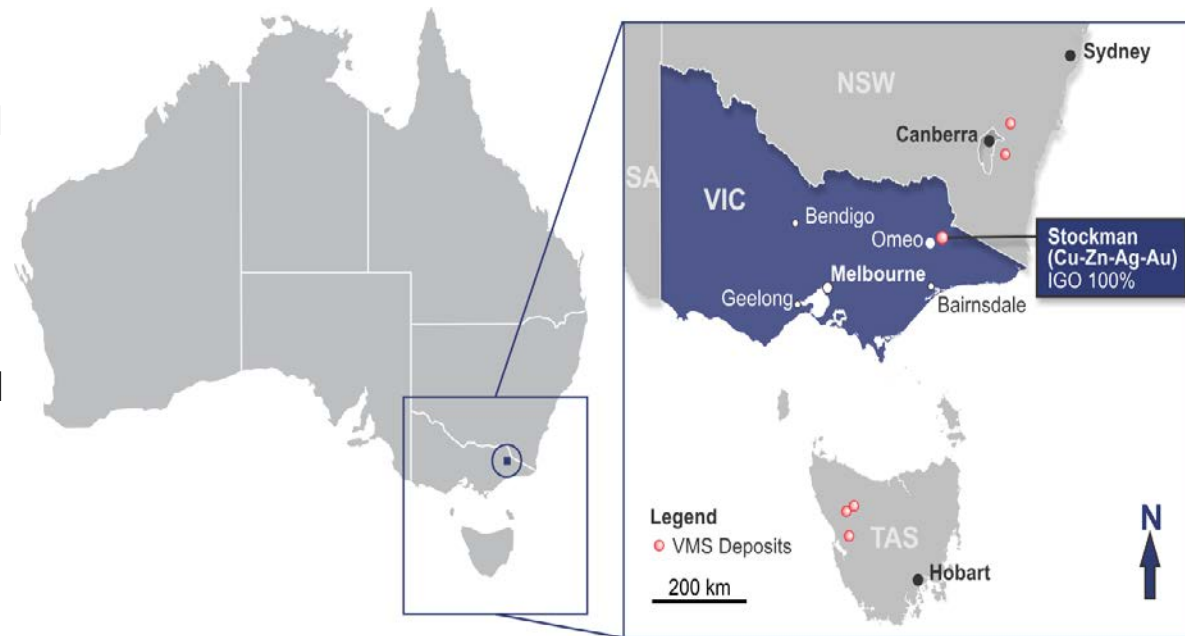
- Feasibility studies completed
- Environmental Effects Statement and Federal EPBC Act approval

Robust financial metrics

- Expected capital cost of \$202M
- Average annual production of 15,000t Cu and 26,000t Zn
- Expected cash costs of \$1.30/lb

Marketable concentrates

- 50% Zinc concentrate grade
- 21% Copper concentrate grade



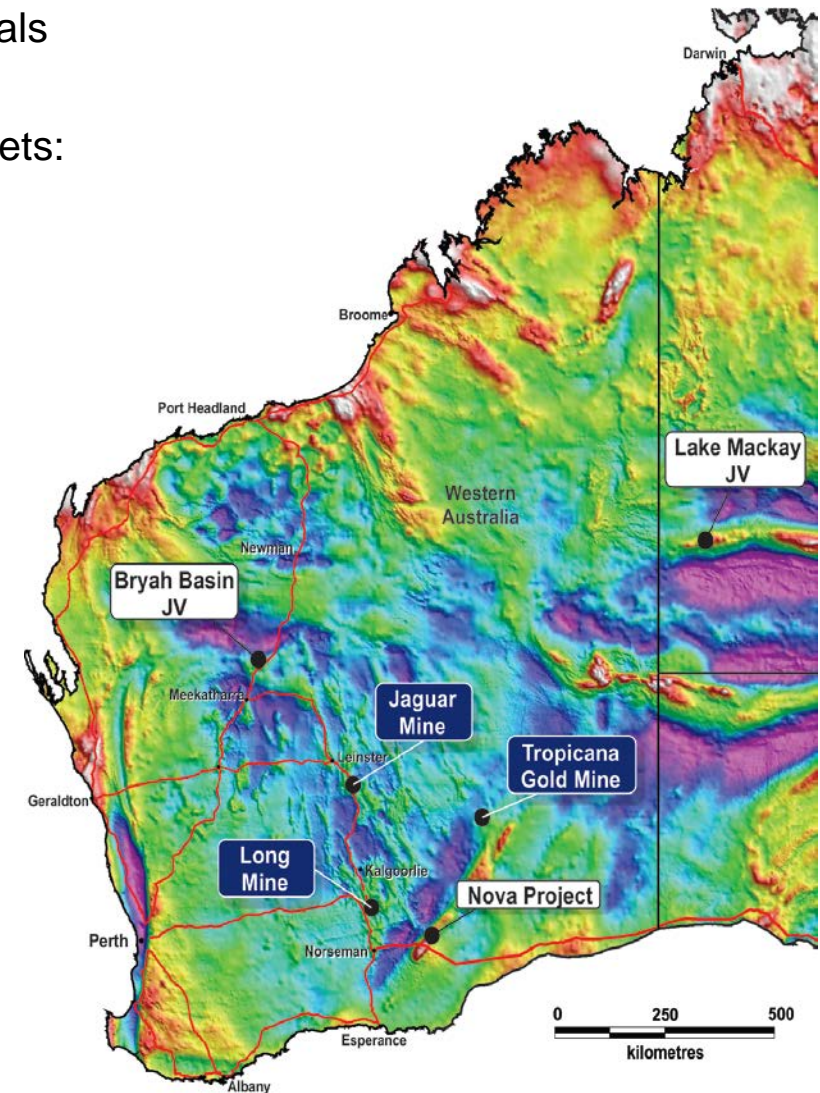
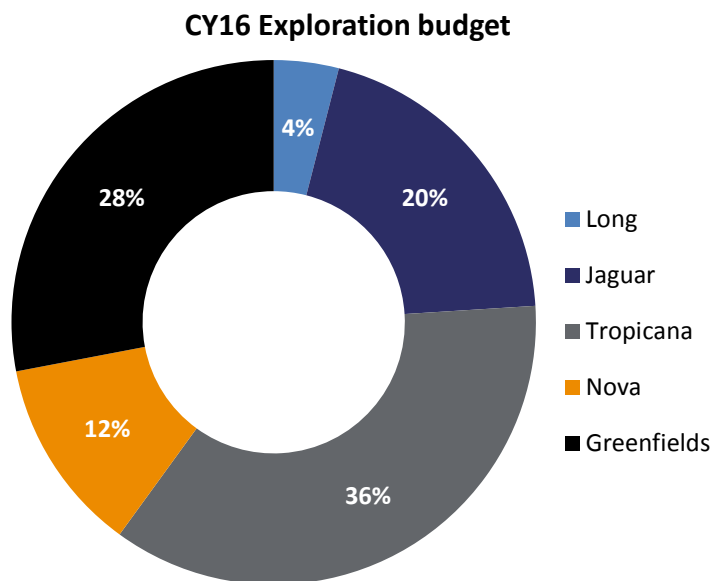
1) For detailed project parameters see ASX release dated 28 November 2014 Independence Delivers Positive Optimisation Study for Stockman Copper-Zinc Project
2) For details of Mineral Resources and Ore Reserves see ASX release dated 28 October 2015 Mineral Resources and Ore Reserves Update

Generative exploration



Long term commitment to delivering organic growth

- Diverse greenfields and brownfields exploration projects
- Targeting provinces that can deliver multiple gold and base metals projects
- Portfolio includes belt scale projects with potential for Tier 1 assets:
 - Nova – Tropicana Belt
 - Lake Mackay JV
 - Bryah Basin JV
- Utilising science to drive area selection
- CY16 Exploration budgeted at \$25M⁽¹⁾



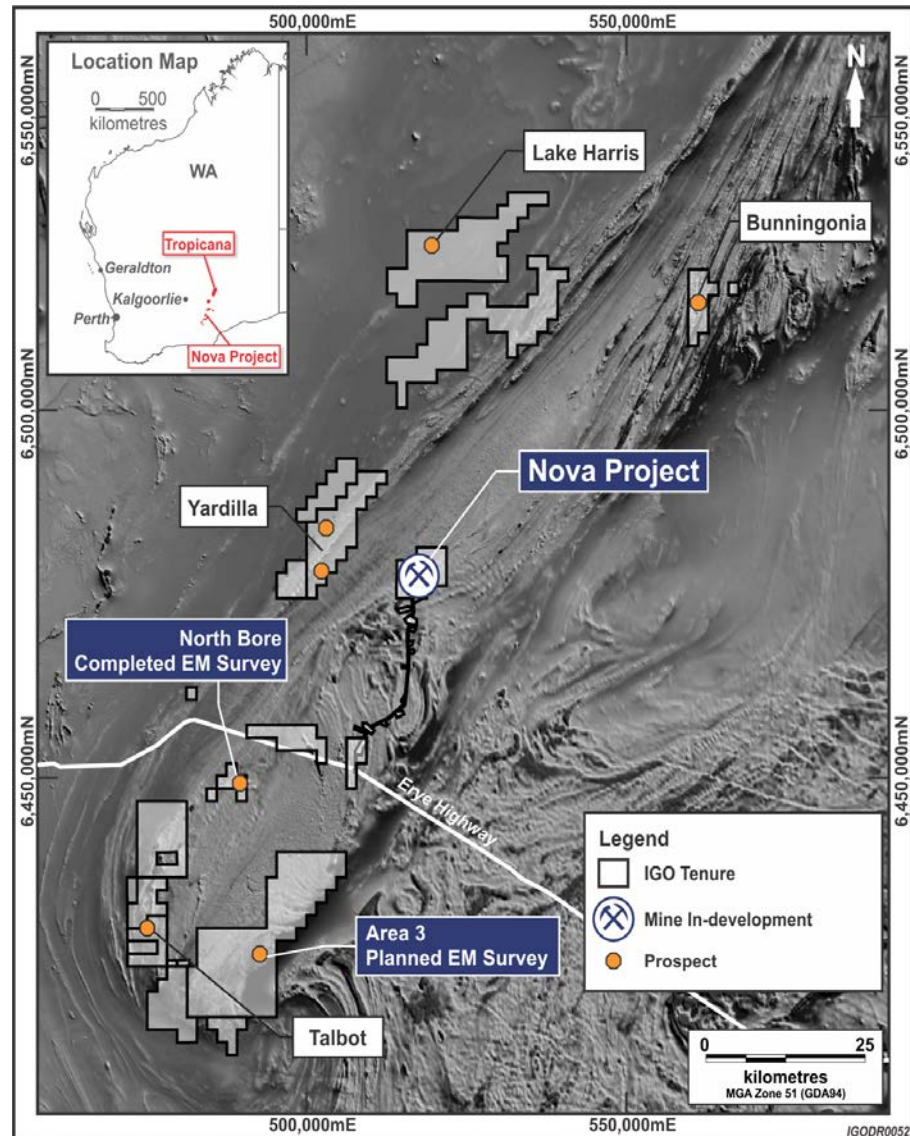
1) Midpoint of CY16 guidance,

Fraser Range – Tropicana exploration

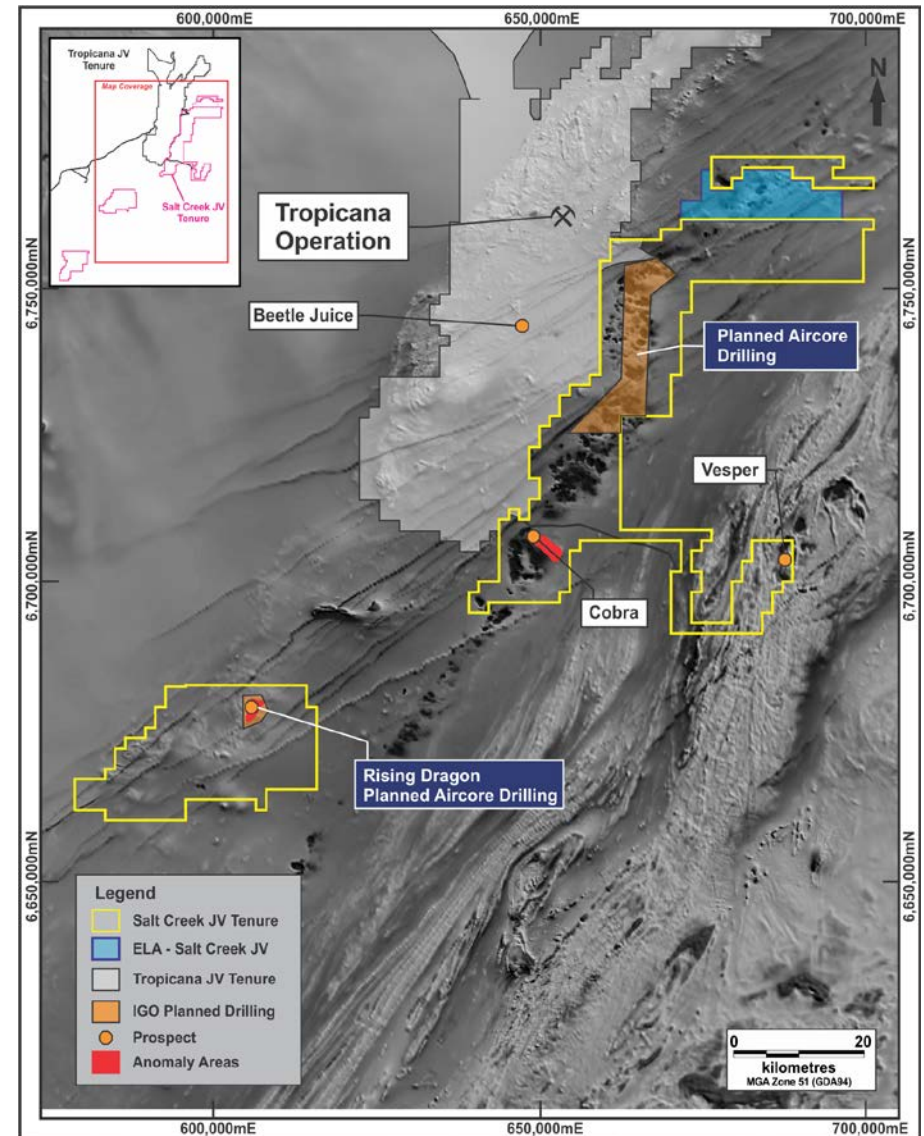


Base metal exploration underway across province

Nova regional



Salt Creek



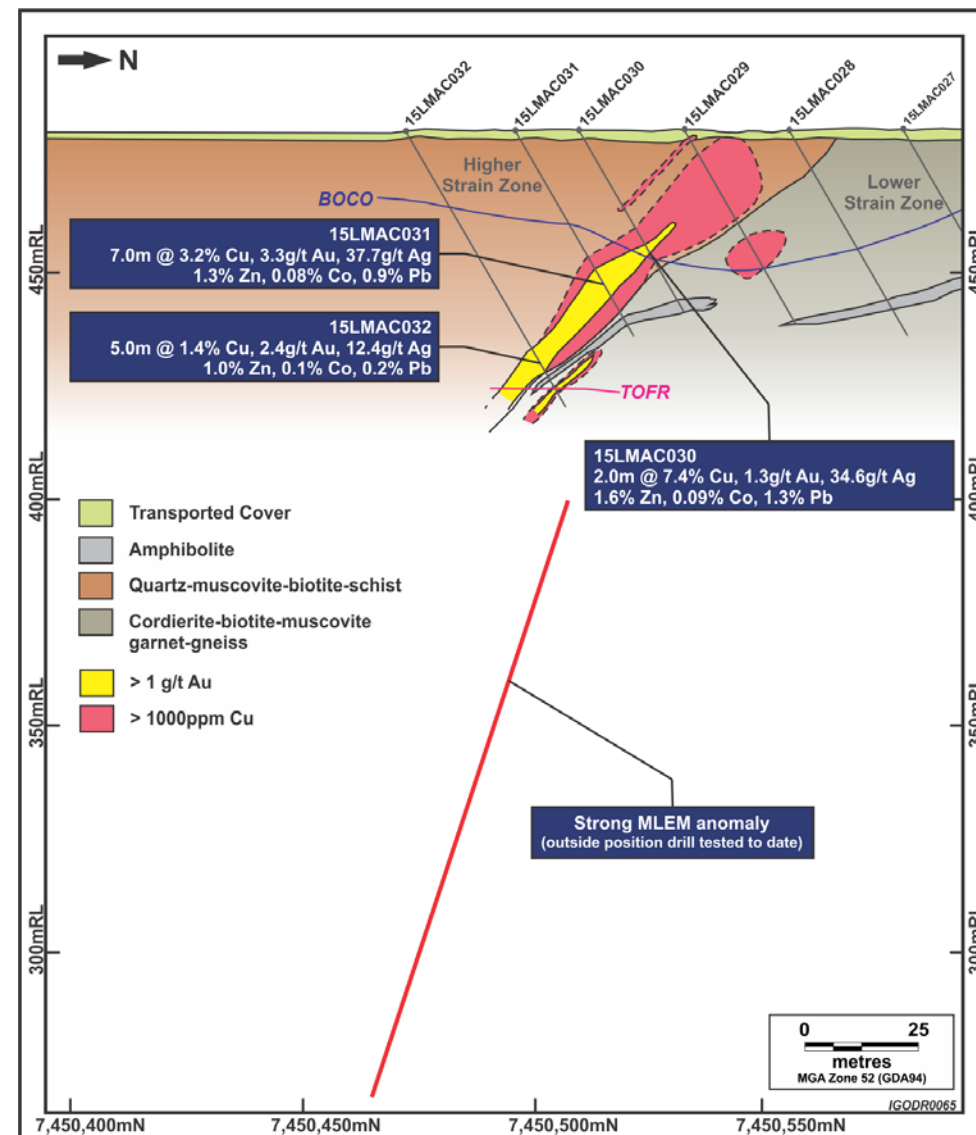
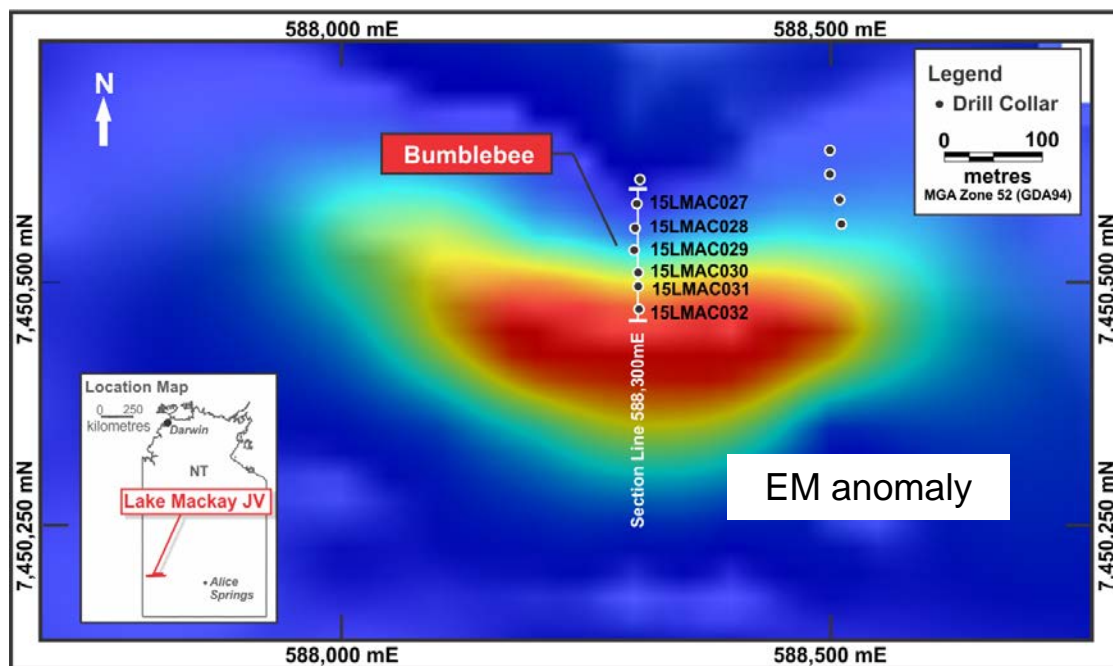
Lake Mackay exploration



Target defined at Bumblebee prospect

Target identified by regional sampling in 2015

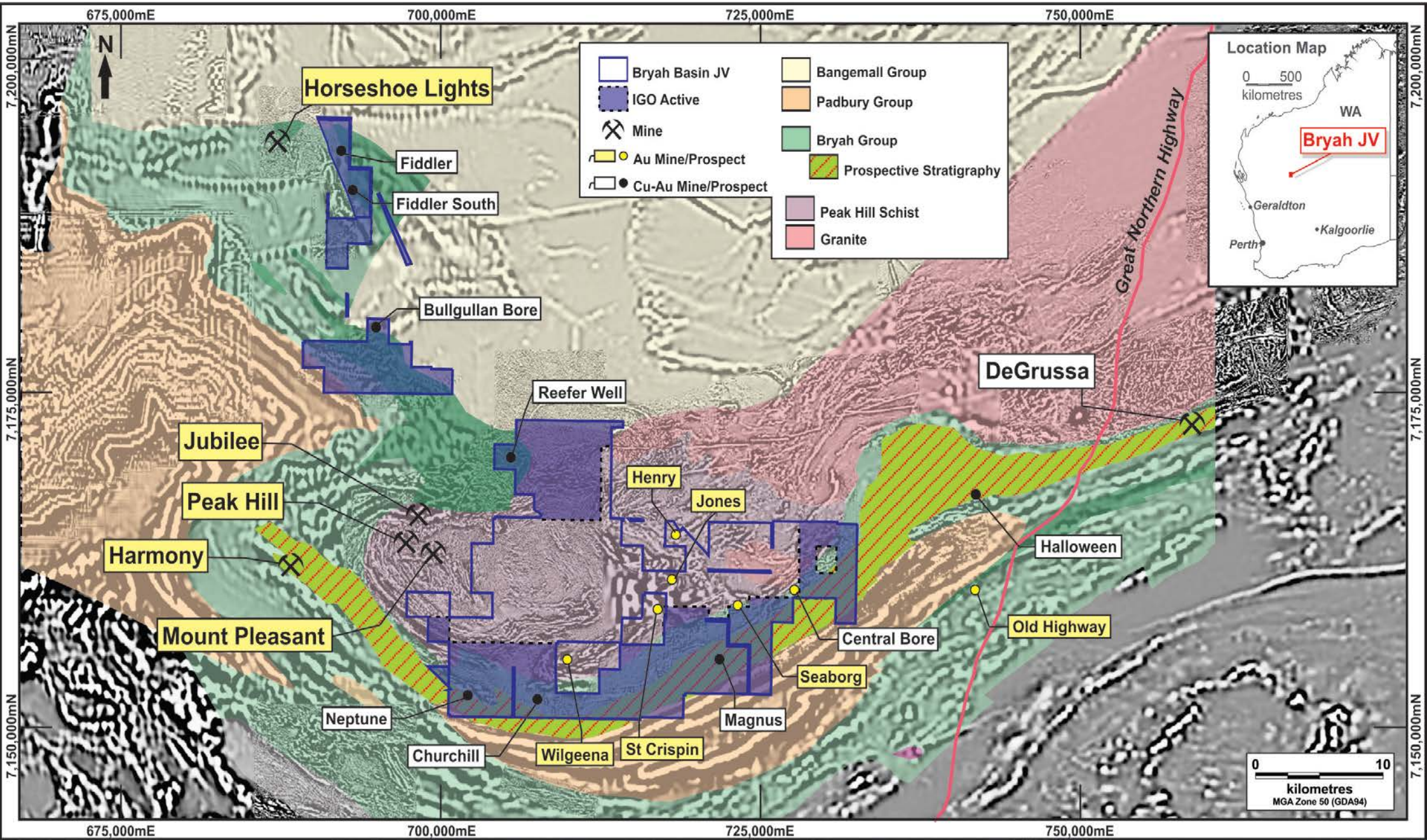
- Bumblebee discovery announced in October 2015
- Moving loop electromagnetic survey identified a conductive target below the Bumblebee prospect in 2016
- RC and diamond drilling in June quarter 2016



1) For details on Bumblebee MLEM survey see ABM Resources ASX release Geophysical Survey Results Enhance Bumblebee Prospect dated 23 March 2016
 2) For details on Bumblebee drilling see ABM Resources ASX release Announcing the Bumblebee Gold-Copper-Silver-Lead-Zinc-Cobalt Discovery dated 6 October 2015

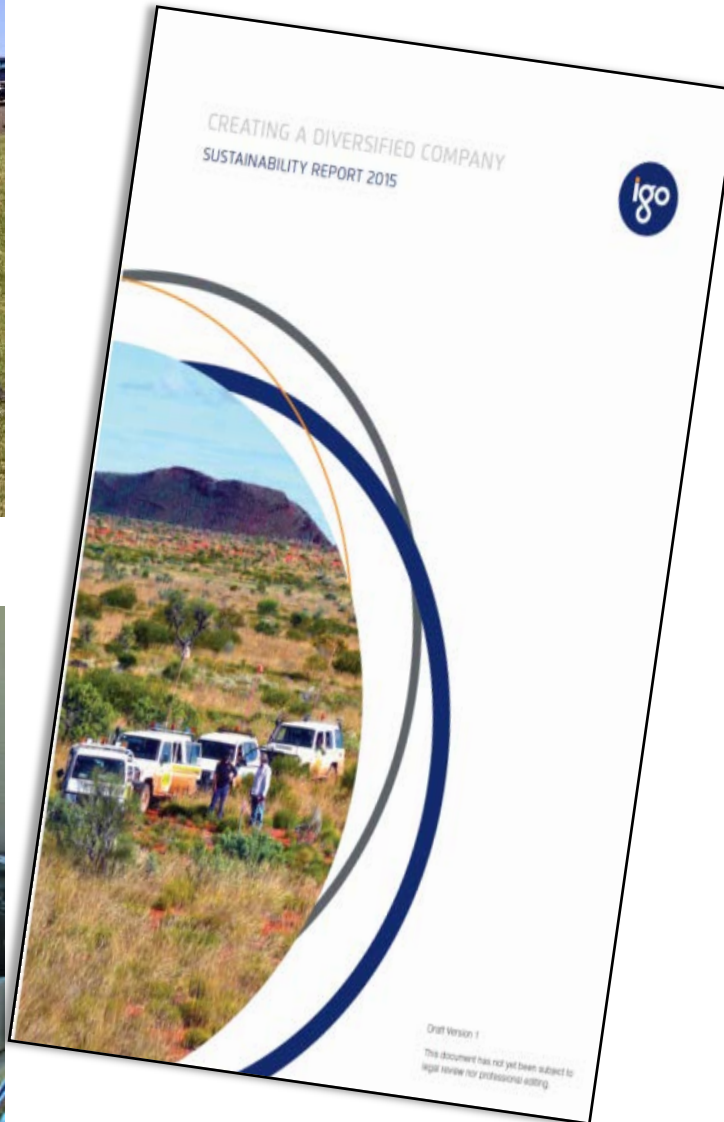
Bryah Basin JV

Targeting De Grussa Style high grade Cu-Au deposits



Sustainability

Continued strengthening and improvement across the business



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 focus on cash management and operational performance

Unlock scale and value at Tropicana throughout 2016

Unlock upside through investment in brownfields and greenfields exploration



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