

INDEPENDENCE GROUP NL

4Q19 Results Presentation

Operational outperformance from Nova; strong finish from Tropicana



31 July 2019

ASX:IGO / ADR:IIDDY



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- All currency amounts in Australian Dollars unless otherwise noted.
- Quarterly Financial Results are unaudited.
- 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.
- 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.

Competent Person's Statements



- Any references to IGO Mineral Resource and Ore Reserve estimates should be read in conjunction with IGO's Annual Update of Exploration Results, Mineral Resources and Ore Reserves dated 20 February 2019 (Annual Statement) and lodged with the ASX for which Competent Person's consents were obtained, which is also available on the IGO website.
- The information in this presentation that relates to the Nickel Sulphate Pre-Feasibility Study is extracted from the ASX announcement dated 2 April 2019 entitled "Downstream Nickel Sulphate Study Update".
- The information in this presentation that relates to the Boston Shaker Feasibility Study is extracted from the ASX announcement dated 28 March 2019 entitled "Tropicana JV Approves Boston Shaker Underground" and for which a Competent Person consent was obtained.
- The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcements released 20 February 2019, 28 March 2019 and 1 July 2019, and, (i) in the case of estimates or Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the original ASX announcement continue to apply and have not materially changed, (ii) the Competent Person's consents remain in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent, and (iii) the form and context in which the Competent Person's findings are presented have not been materially modified from the original ASX announcement.



FY19 and 4Q19 Highlights



Operational outperformance from Nova and strong finish from Tropicana

Operations

Nova metal production exceeded FY19 production guidance

Tropicana continued to deliver high margin gold production

Growth

Boston Shaker Underground mine development commenced

Substantial exploration activity across the IGO portfolio with a “*best in class*” team

Financial

Solid underlying free cash flow generation
4Q19 A\$77M
FY19 A\$278M

Continued balance sheet growth
Net Cash: A\$263M

Financial Results



Strong operating cash flow generation continues despite lower sales revenue

	Units	3Q19	4Q19	QoQ	FY19 ⁽³⁾
Revenue and Other Income	A\$M	232.8	204.1	(12%)	792.9
Underlying EBITDA ⁽¹⁾	A\$M	116.6	93.6	(20%)	340.7
Profit After Tax	A\$M	45.1	30.1	(33%)	76.1
Net Cash from Operating Activities	A\$M	106.3	103.0	(3%)	372.3
Underlying Free Cash Flow ⁽²⁾	A\$M	89.2	77.0	(14%)	277.6
Cash	A\$M	257.2	348.2	35%	348.2
Debt	A\$M	85.7	85.7	-	85.7
Net Cash	A\$M	171.5	262.5	53%	262.5

- Financial performance impacted QoQ by timing of payable metal sales from Nova⁽⁴⁾
- Group EBITDA margins sustained at a strong 46%
- Prices received for nickel, copper and cobalt in line with prior quarter, while realised gold price was higher
- Balance sheet continues to build with closing net cash of A\$262.5M

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

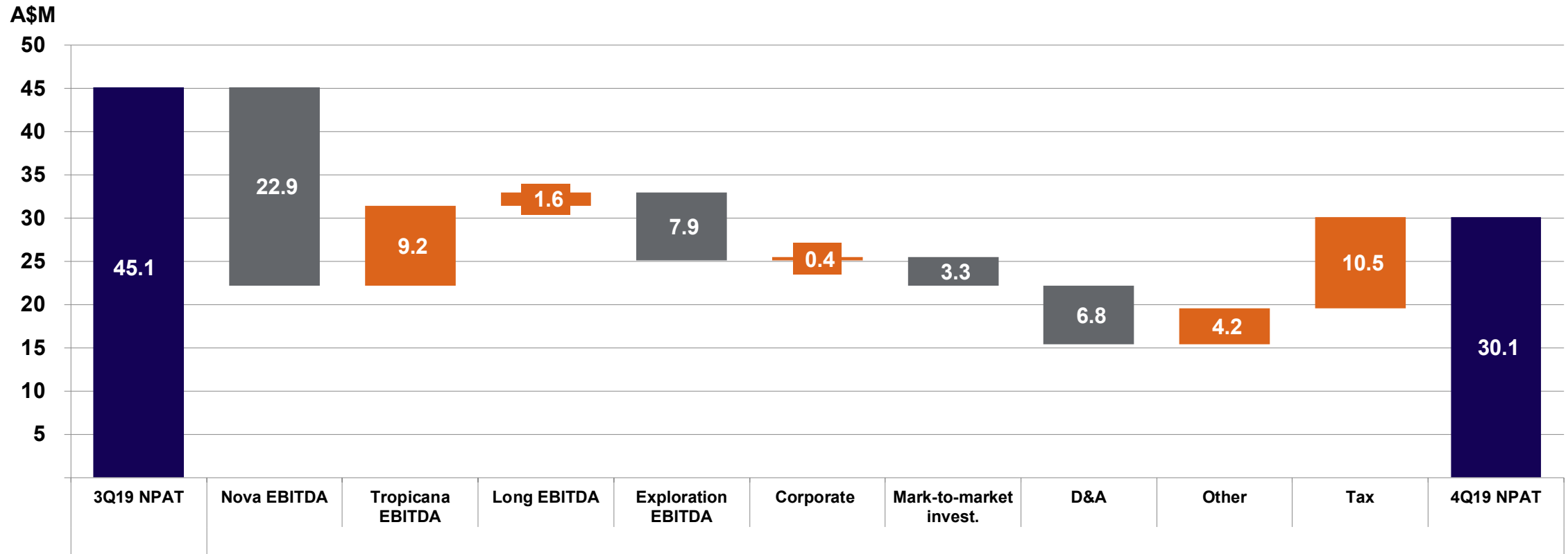
3) Unaudited FY19 Results

4) 3Q19 benefited from sale of 2Q19 production

Net Profit After Tax



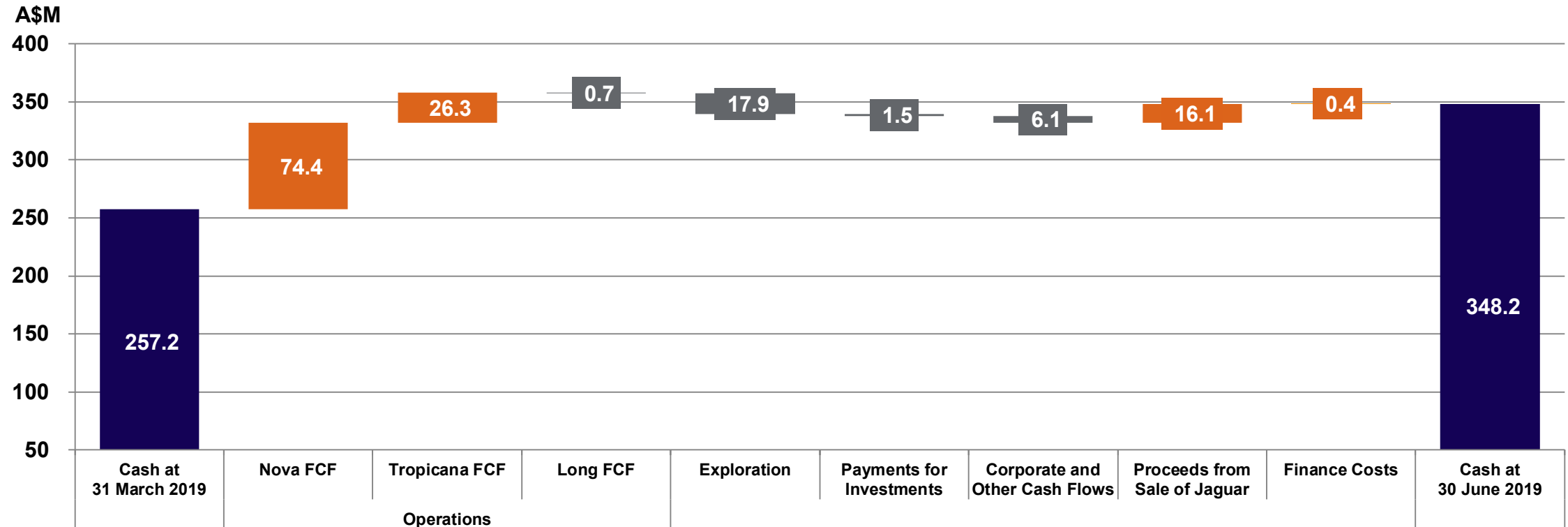
QoQ change in NPAT driven by Nova sales and higher amortisation charges



- Lower Nova EBITDA due to 3Q19 benefiting from sales of 2Q19 production, together with 6% lower 4Q19 production
- Strong Tropicana EBITDA margin at 64% due to higher milled grade and recoveries, resulting in 15% higher gold sold
- Exploration expense increased QoQ as activity ramps up across the portfolio
- Full Year NPAT of A\$76.1M up 44.6% YoY (FY18: A\$52.7M)

4Q19 Cash Flow Reconciliation

Record cash balance of A\$348M at year end



- Net cash flow for 4Q19 was A\$91.0M, including a A\$16.1M payment received as part of the deferred consideration from the sale of the Jaguar Operation in May 2018
- Cash outflows for exploration increased by 63% QoQ (3Q19: A\$11M)
- Payment for mineral interests relates to IGO's subscription to a capital raising conducted by Mincor Resources Limited, connected with the sale of the Long Operation during 4Q19



Nova

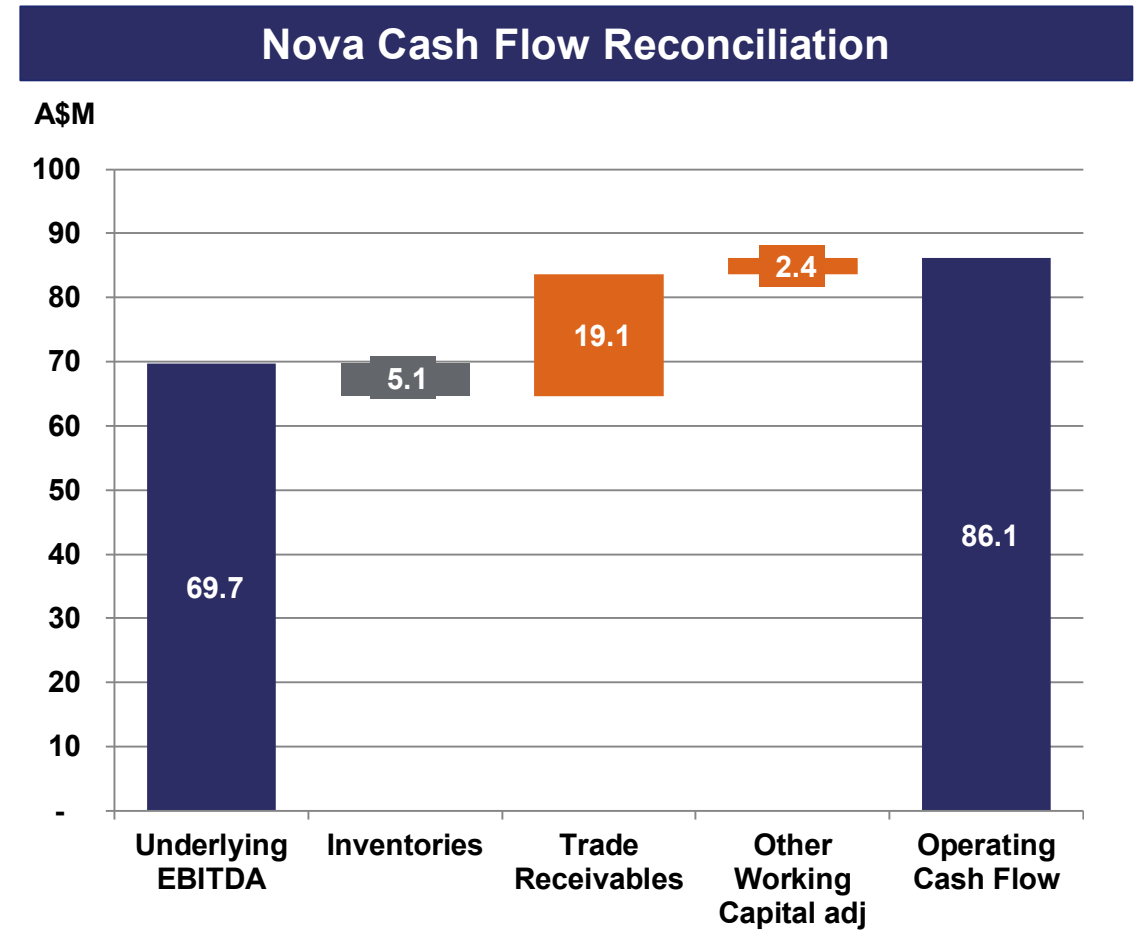
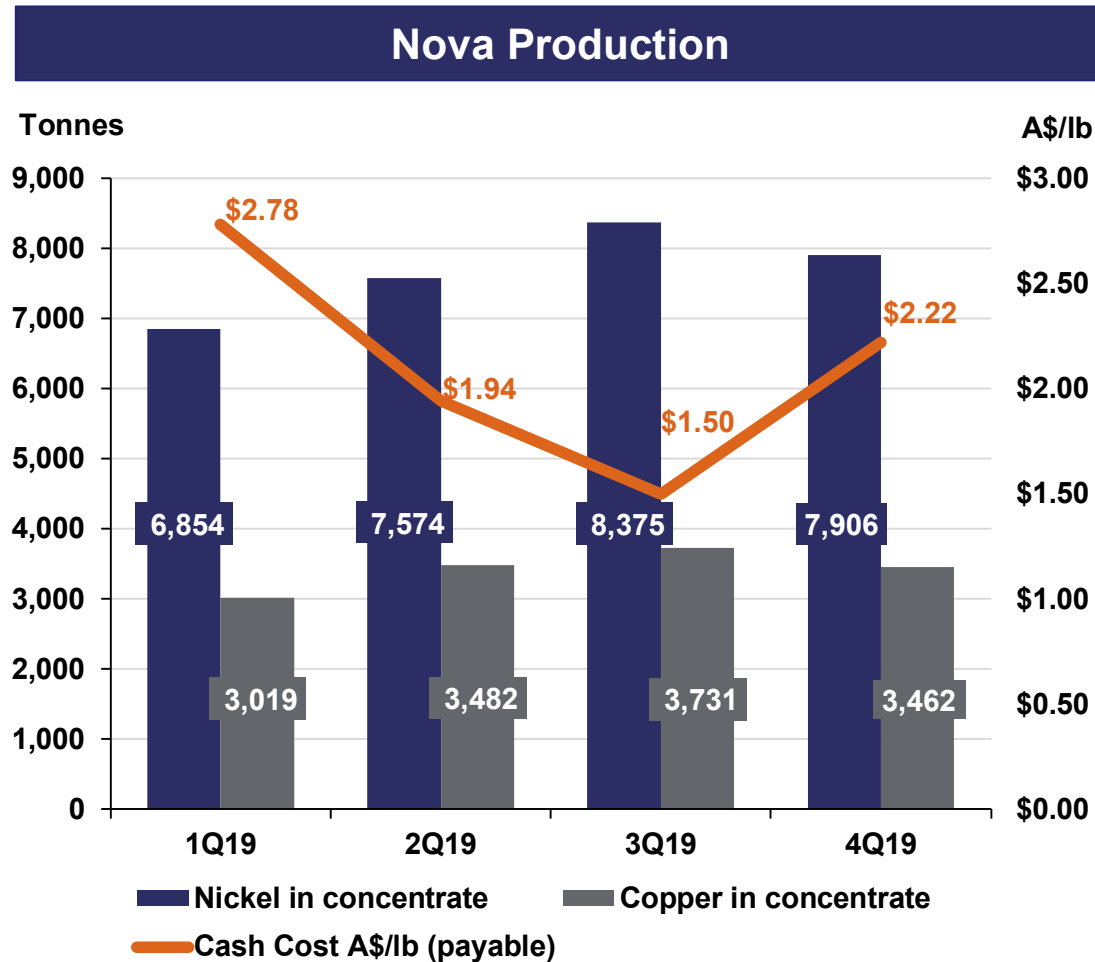


Metal production performance exceeds FY19 guidance

Metric	Units	3Q19	4Q19	FY19	FY19 Guidance
Nickel in concentrate	t	8,375	7,906	30,708	27,000 – 30,000
Copper in concentrate	t	3,731	3,462	13,693	11,000 – 12,500
Cobalt in concentrate	t	297	280	1,090	850 – 950
Cash cost (payable)	A\$/lb Ni	1.50	2.22	2.07	1.65 – 2.00
Sustaining/ improvement Capex	A\$M	2.0	4.7	11.2	21 – 24
Development Capex	A\$M	6.7	3.9	23.0	25 – 28

- **Full year production exceeded guidance while costs finished slightly higher than the top end of guidance**
- **Increase in cash costs QoQ related to;**
 - 6% lower payable metal production
 - lower lateral development during the quarter, resulting in lower mining costs being classified as capital
 - additional stope firings
- **4Q19 mill throughput of 387kt (1.55 Mtpa rate), including a record 147kt (1.7Mtpa rate) throughput in May 2019**
- **Optimisation work has led to improved Nickel recoveries of 89.0% with Copper recoveries of 86.4%**

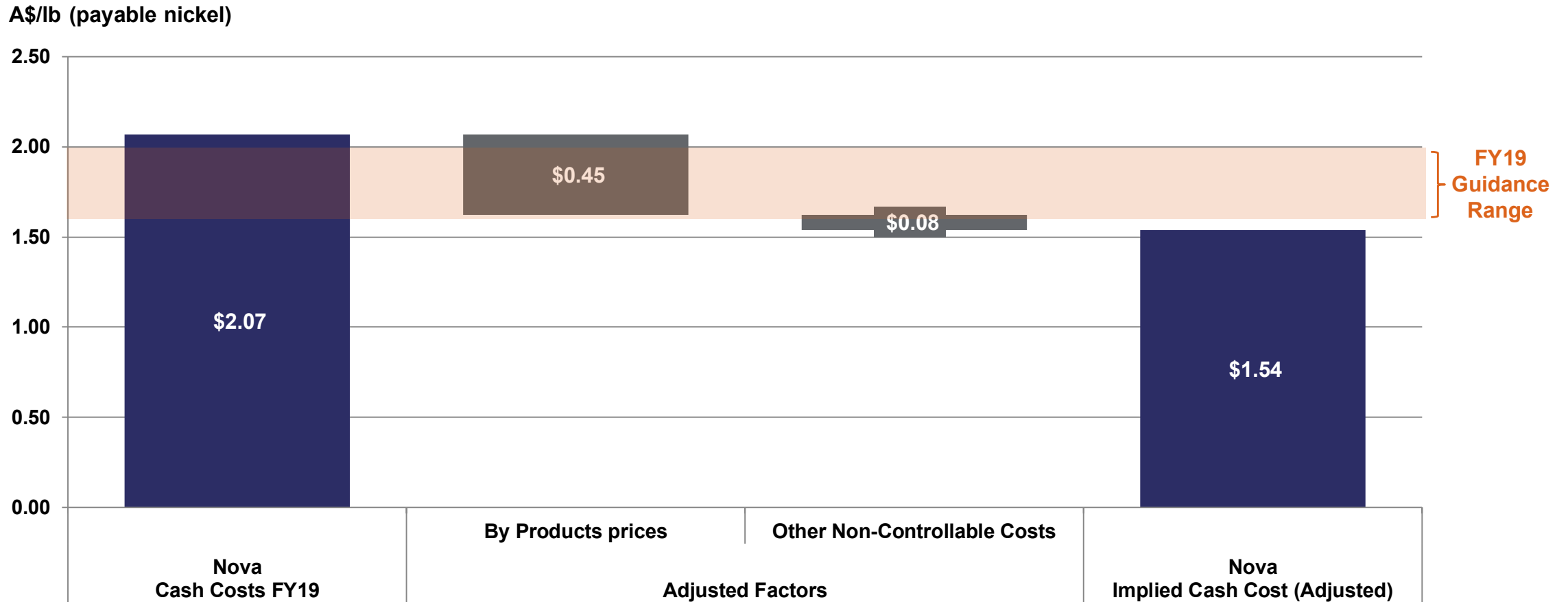
EBITDA margin of 57% maintained, while FCF margin increased to 61%



Nova Cash Cost Analysis



Full year cash costs impacted by lower by-product prices than forecast



FY20 Nova Guidance⁽¹⁾



Consistent performance and high margin projected into FY20

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

- **FY20 production forecast in line with FY19 guidance**
- **Cash costs projected to be marginally higher YoY due to:**
 - Lower production & development capital vs FY19
 - Forecast increase in shipping costs in FY20
 - Lower diesel hedge gains in FY20
- **Significantly lower development capex forecast reflects completion of the majority of underground development during FY19**

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





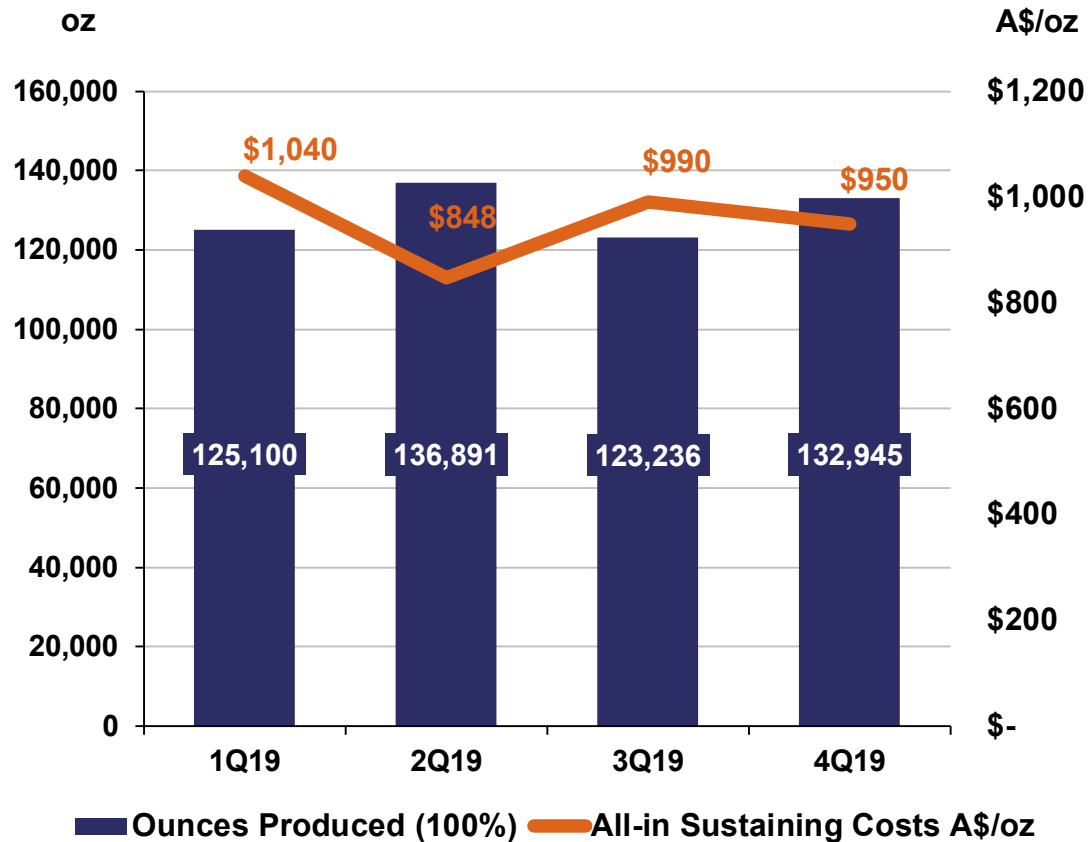
Tropicana

Metric	Units	3Q19	4Q19	FY19	FY19 Guidance
Gold produced (100%)	koz	123.2	132.9	518.2	500 – 550
Gold Sold (IGO 30%)	koz	35.8	40.5	154.4	150 – 165
Cash cost	A\$/oz	722	684	680	635 – 705
AISC	A\$/oz	990	950	951	890 – 980
Sustaining/improvement ⁽¹⁾	A\$M	1.4	2.1	15.5	21.0 – 24.0
Waste stripping ⁽¹⁾	A\$M	7.4	8.8	36.1	32.0 – 36.0

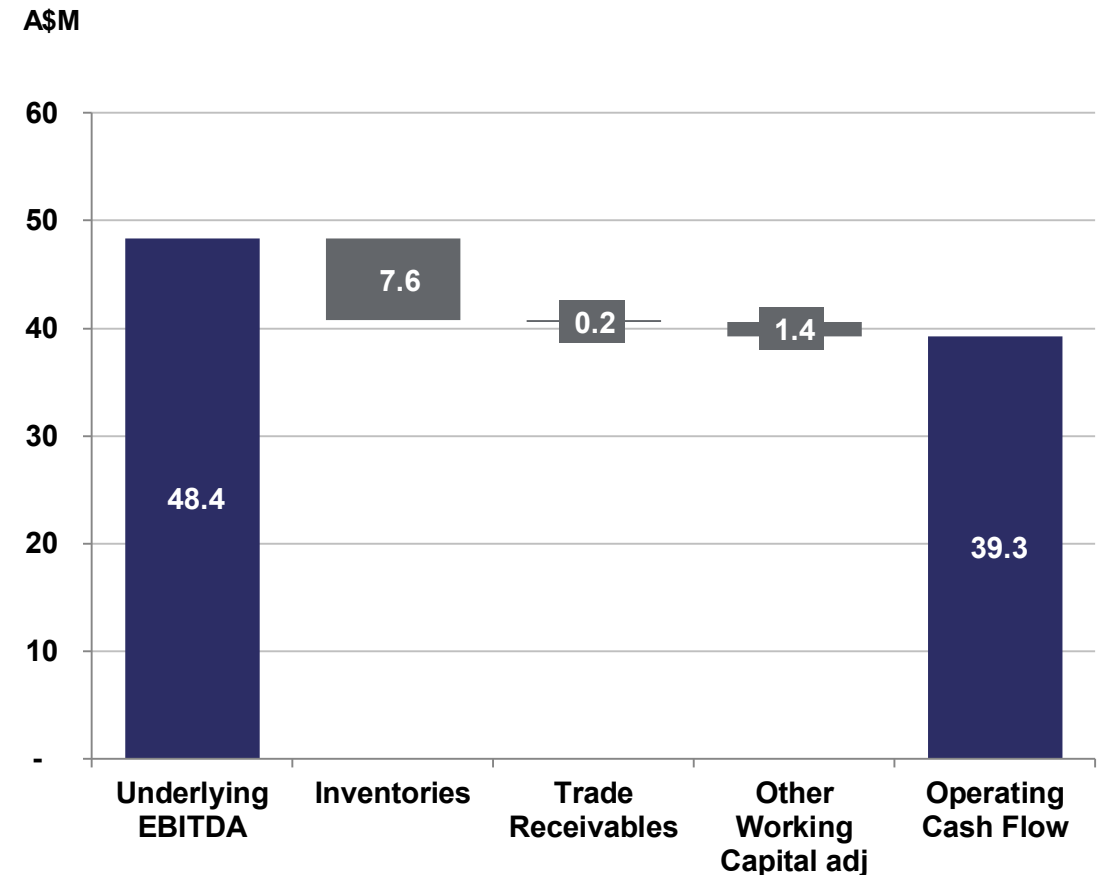
- **FY19 cash costs and AISC delivered within guidance range**
- **4Q19 gold production was higher driven by higher average milled grade of 2.17g/t (3Q19: 2.04g/t Au) and marginally higher gold recoveries of 90.1% (3Q19: 89.6%)**
- **4Q19 gold sales revenue was A\$75.5M representing an average gold price of A\$1,867/oz (3Q19: A\$1,839/oz)**

1) Total of sustaining/improvement and development costs represent total capital costs

Tropicana Production (100%) and AISC



Tropicana Cash Flow Reconciliation



Boston Shaker Underground

Decline development progressing on schedule



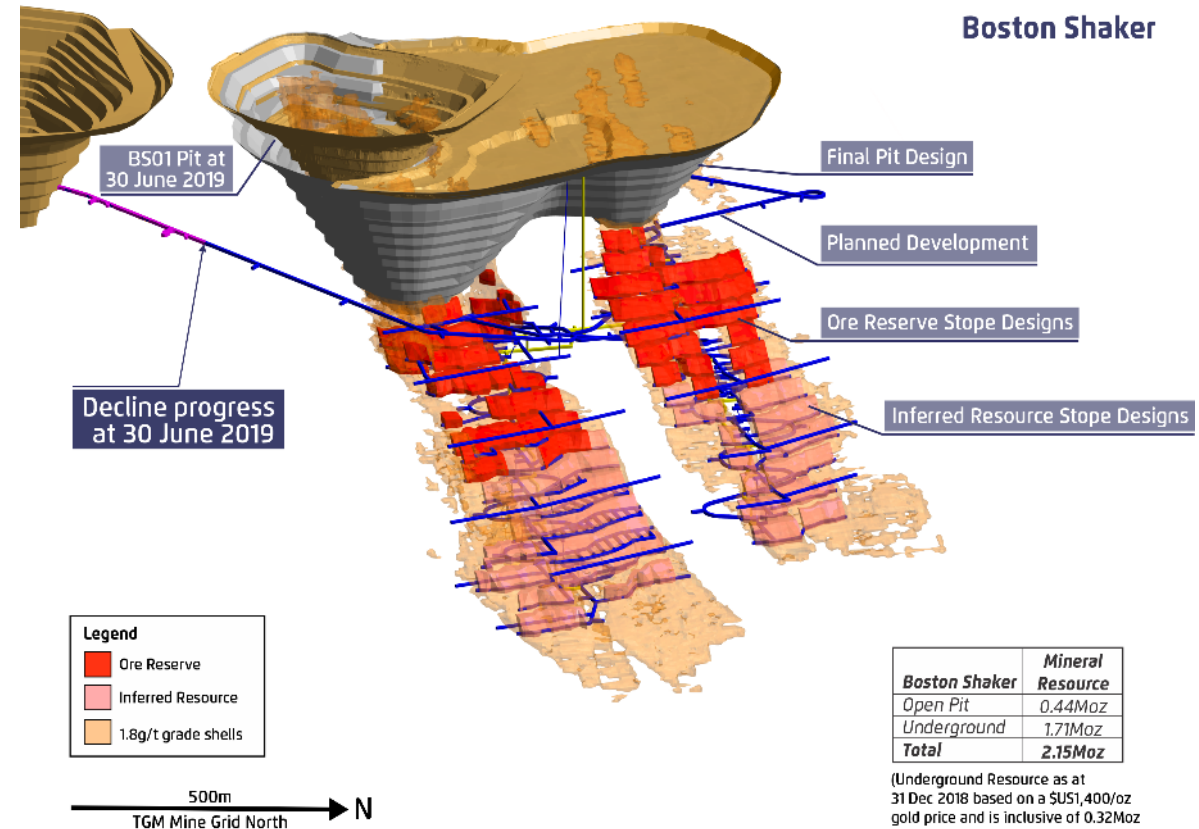
- Key value enhancement project to improve gold production profile via high grade underground mineralisation
- Decline development commenced in early May 2019 and making good progress
- First gold production expected during 1Q21

Project Parameters

Capital Cost (100%)	A\$105M
Capital Cost (IGO 30% share)	A\$32M
Operating Cost ⁽¹⁾	A\$95/t
Production	~100koz/year
Mine Life	7 years

1) Underground production costs, inclusive of development capital, processing costs and G&A
 2) Refer to ASX release dated 28 March 2019: Tropicana Joint Venture Approves Boston Shaker Underground Development

Boston Shaker Underground Development Layout⁽²⁾



FY20 Tropicana Guidance⁽¹⁾

Consistent high margin production projected in FY20



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

- Lower metal production year-on-year, driven by lower milled grade as forecast in the mine plan
- Higher AISC driven by lower production, additional sustaining capex and waste stripping as relatively more production transitions from the Havana pit to the Boston Shaker pit
- Majority of Boston Shaker total underground capex (~A\$32M) expected to be spent during FY20, prior to first production during 1Q21



Boston Shaker decline development commenced in May



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



Exploration

Nova System



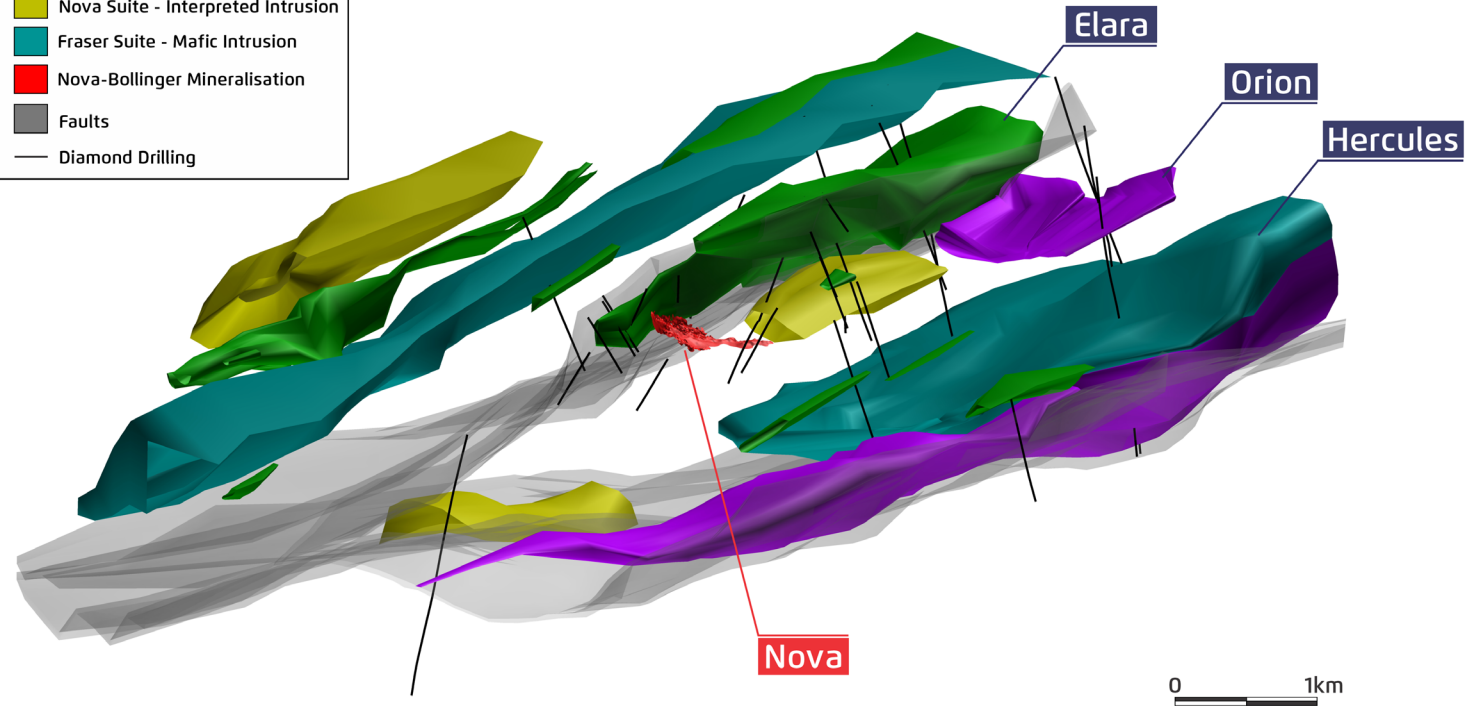
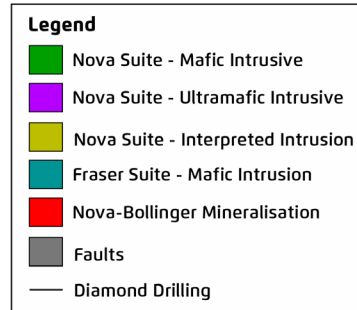
Nova intrusive system now understood to be larger than originally apparent

Drilling of 3D Seismic targets has confirmed a larger, live mineralised system

Corridor of stacked intrusions identified through Nova mining lease

Accelerated drilling program in FY20 to test multiple targets

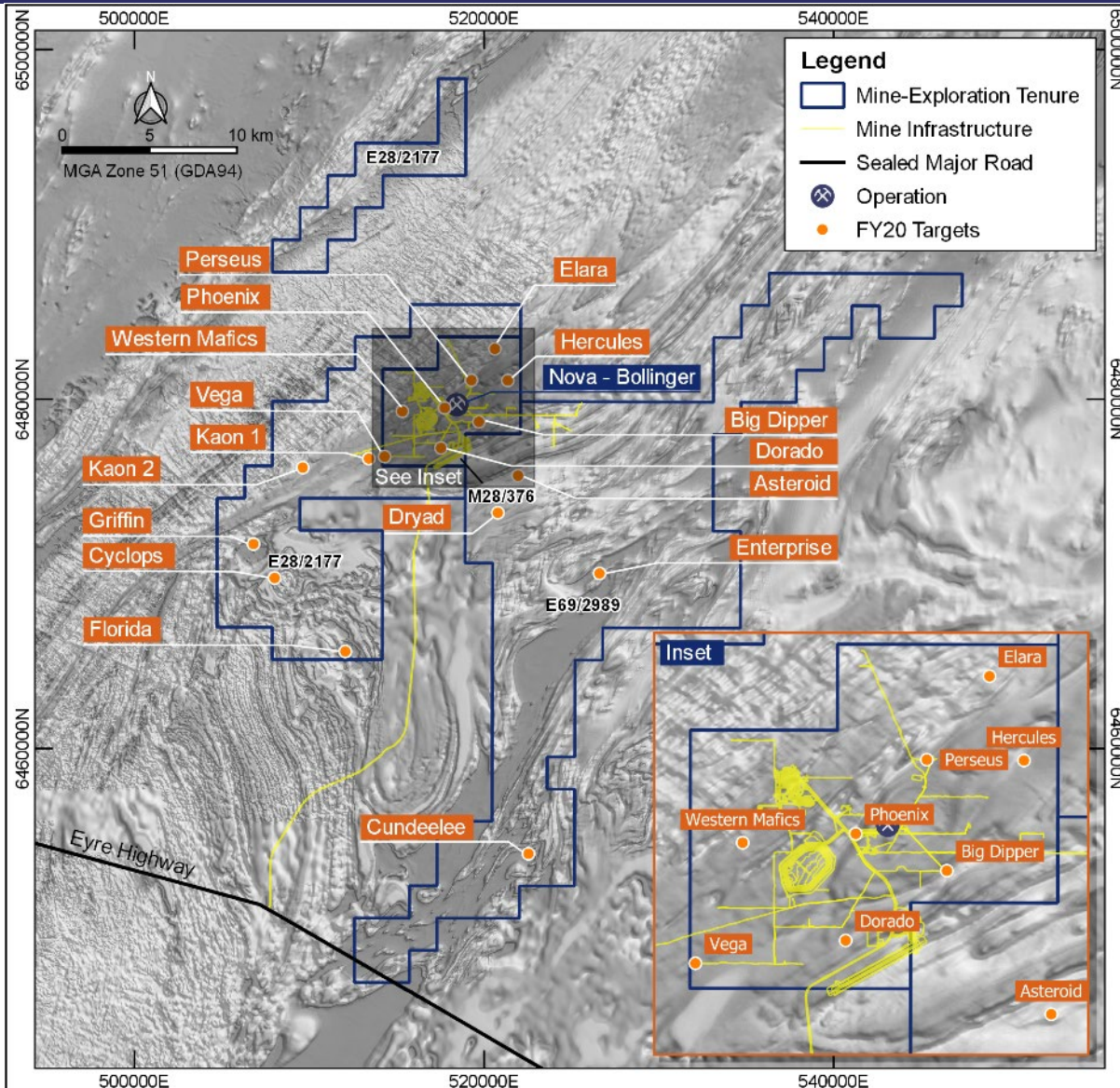
Interpreted magmatic intrusions over the Nova mining lease



Nova Exploration



3D Seismic has proven to be an invaluable tool in understanding the Nova system

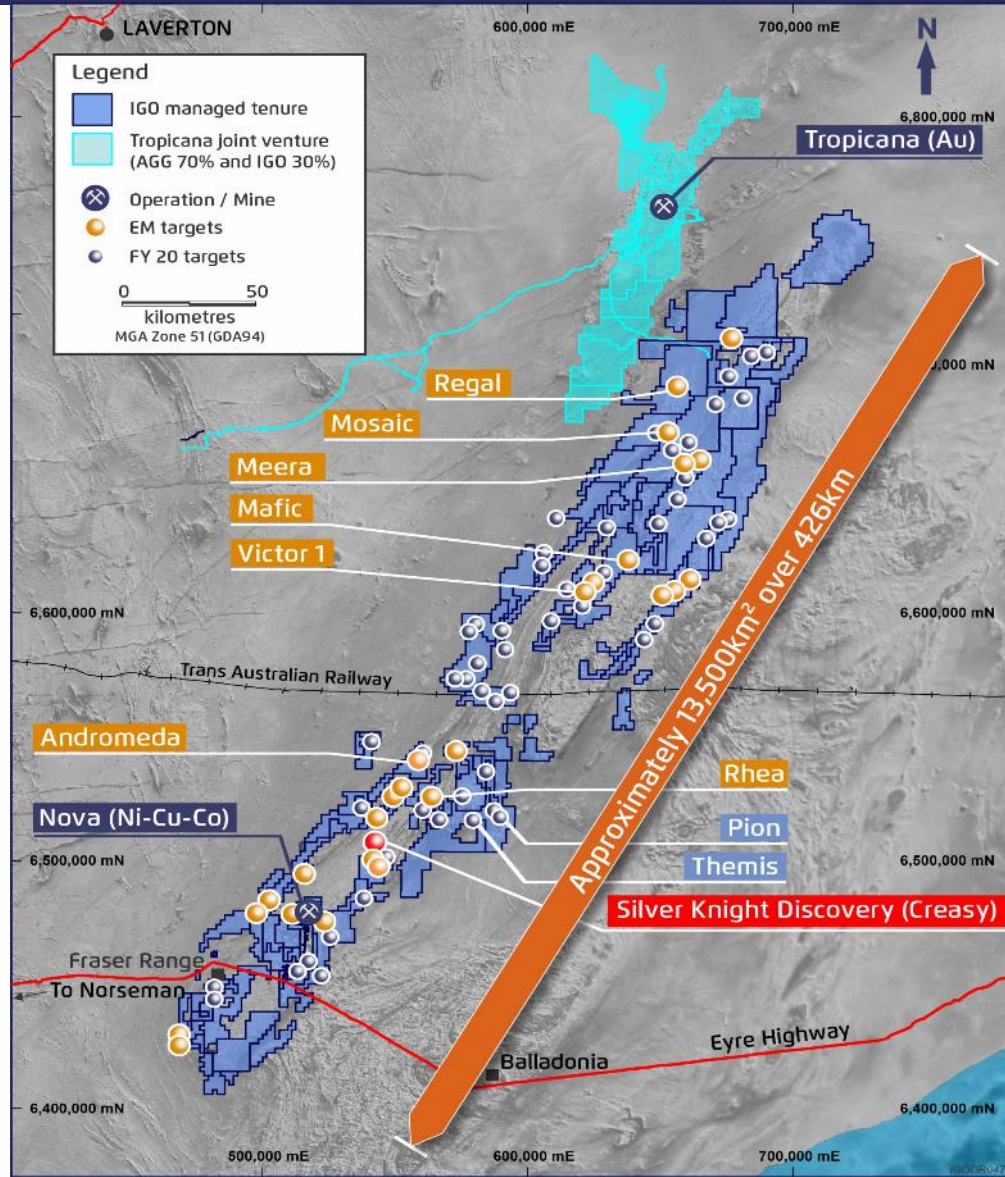


- Three diamond drill rigs active from surface and underground during 4Q19
- 6 holes targeting 3D seismic features intersected mafic-ultramafic rocks with disseminated nickel and copper sulphides
- Intrusions identified at Elara and Hercules have many similarities to the Upper Nova intrusion
- IGO's deepest drill hole (2,506m) completed at Hercules to test an interpreted M-UM intrusive complex from seismic data
- Underground drilling continues to extend C5 mineralisation at Nova

Fraser Range Regional Exploration



RC and diamond drilling continuing to test high priority targets



- Spectrem Airborne EM survey completed with new targets identified at Regal, Rhea and Meera
- Prospects defined at Themis and Pion⁽¹⁾
 - Themis: 25m @ 2.4g/t Au
 - Pion: 4m @ 3.8g/t Au
- Visible copper-zinc sulphide mineralisation intersected 250m up dip from Andromeda
- Drilling at other prospects has intersected disseminated to semi-massive pyrrhotite-dominated sulphides
- Follow up drilling required at Victor 1, Mafic and Mosaic where mafic-ultramafic rocks have been identified with unexplained off-hole conductors

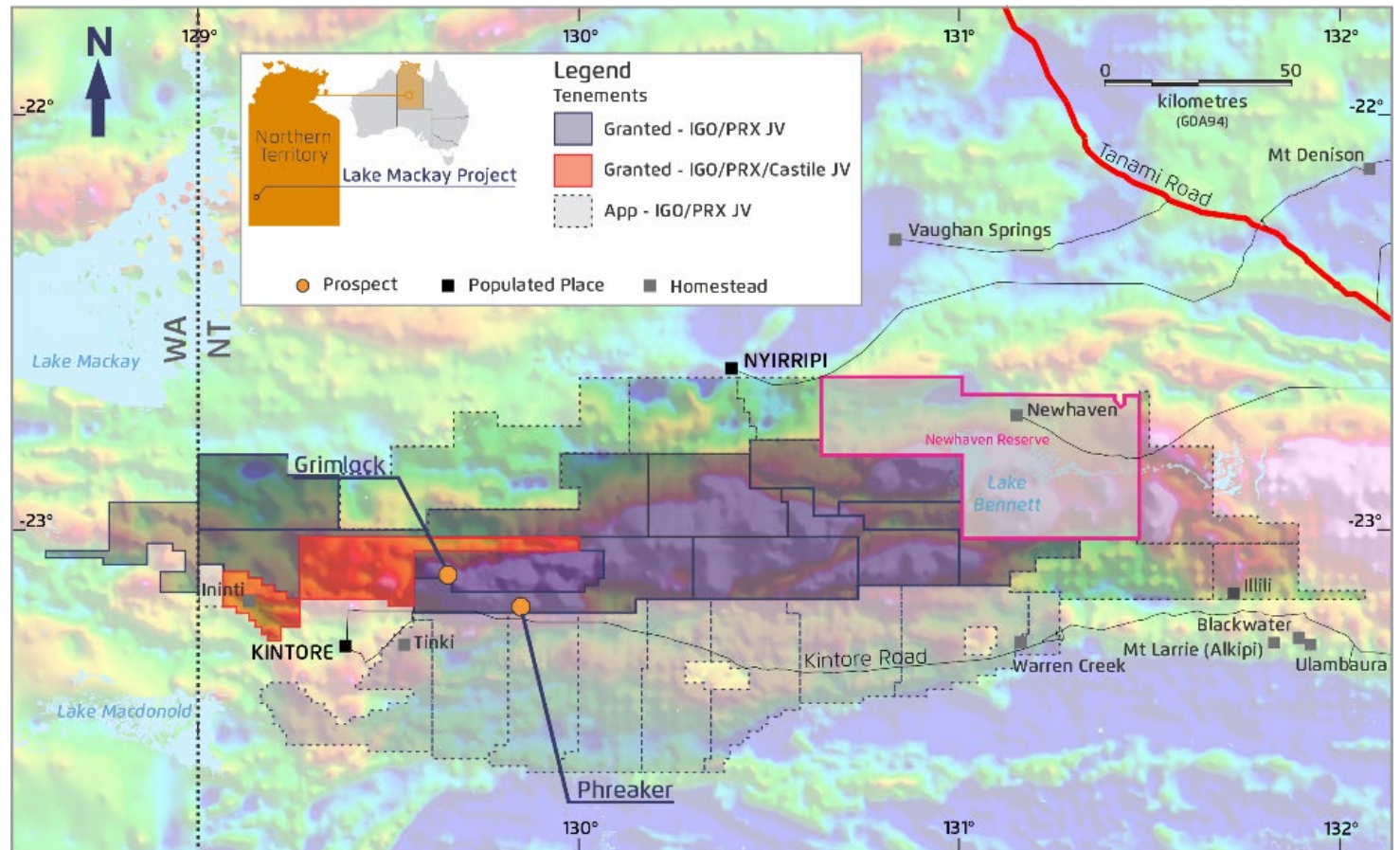
1) Themis and Pion are held in a Joint venture with Rumble Resources Ltd. See Rumble Resources ASX announcement from 1 July 2019

Lake Mackay



RC drilling testing targets identified during prior quarters

- 42 RC holes completed for approx. 8,500m of drilling
- Ground moving-loop EM conducted over 30 anomalies
- Phreaker prospect identified with results including:
 - 14m @ 0.84% Cu, 0.15g/t Au, 4.1 g/t Ag from 353m⁽²⁾
 - 11m @ 1.15% Cu, 0.07g/t Au, 7.9g/t Ag from 189m⁽²⁾
- Drilling at Grimlock nickel-cobalt laterite returned elevated cobalt across all 10 holes



1) Lake Mackay tenements are held variously in joint venture with Prodigy Gold NL and Castile Resources Pty Ltd

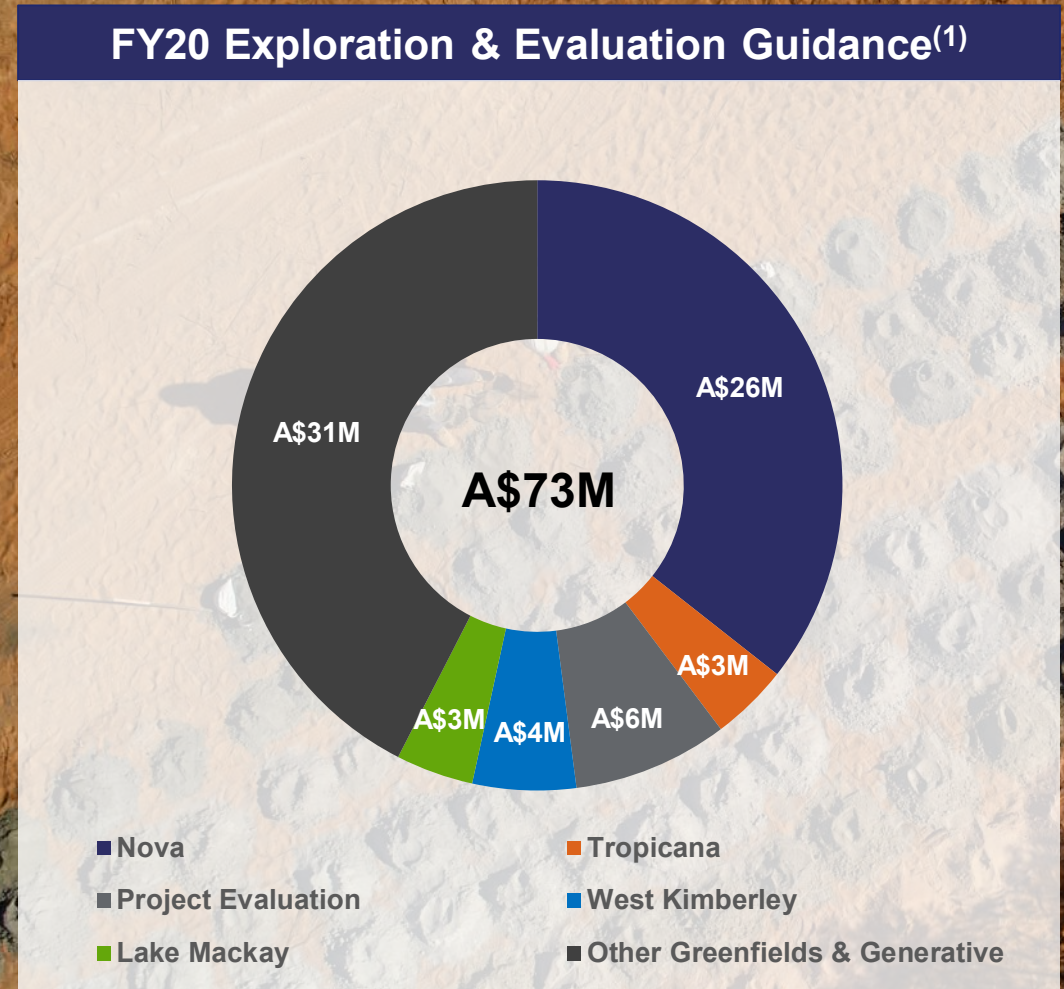
2) Refer to ASX announcement from Prodigy Gold NL (ASX:PRX) released on 17 July 2019

Exploration and Evaluation Guidance



Increased financial commitment to discovery in FY20

- **Increased exploration budget YoY to accelerate activity at and proximal to Nova**
 - Primarily to accelerate drilling on the Nova mining lease following recent encouraging drilling
- **Over 70% of overall expenditure at Nova, Fraser Range, Tropicana and Lake Mackay will be for drilling**
- **Commitment to broader Fraser Range exploration maintained**
- **Project evaluation includes ongoing downstream processing nickel sulphate study**



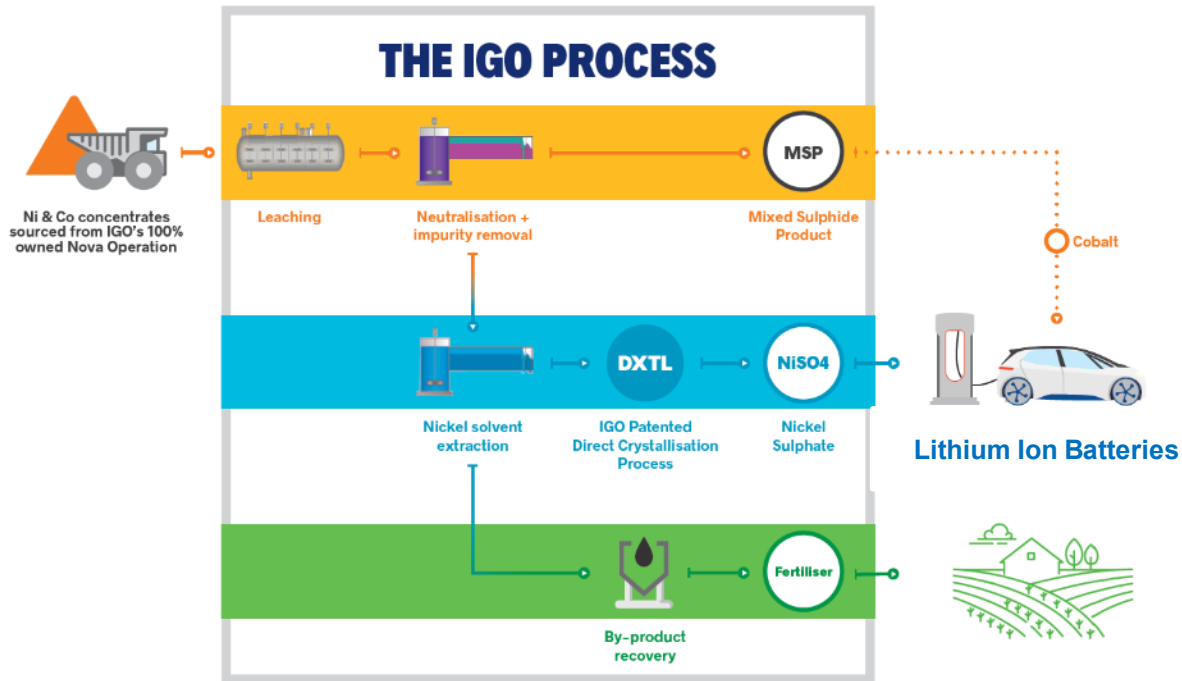
1) Amounts represent the midpoint of FY20 Guidance

The background image shows two men in orange high-visibility work shirts with 'igo' logos. They are in a laboratory or industrial setting with large glass vessels containing pink liquid. One man is holding a tool, and the other is holding a clipboard. The scene is brightly lit with pinkish-purple ambient lighting.

Downstream Processing

Downstream Processing

Aligning IGO with the clean energy and energy storage markets



High metal extraction

Lower emissions⁽¹⁾

Lower cost⁽¹⁾

Lower waste⁽¹⁾

1) Compared to existing alternative processes to convert nickel concentrate to nickel sulphate



Battery grade nickel sulphate produced via the IGO Process

Downstream Processing

Highly positive results delivered from testwork

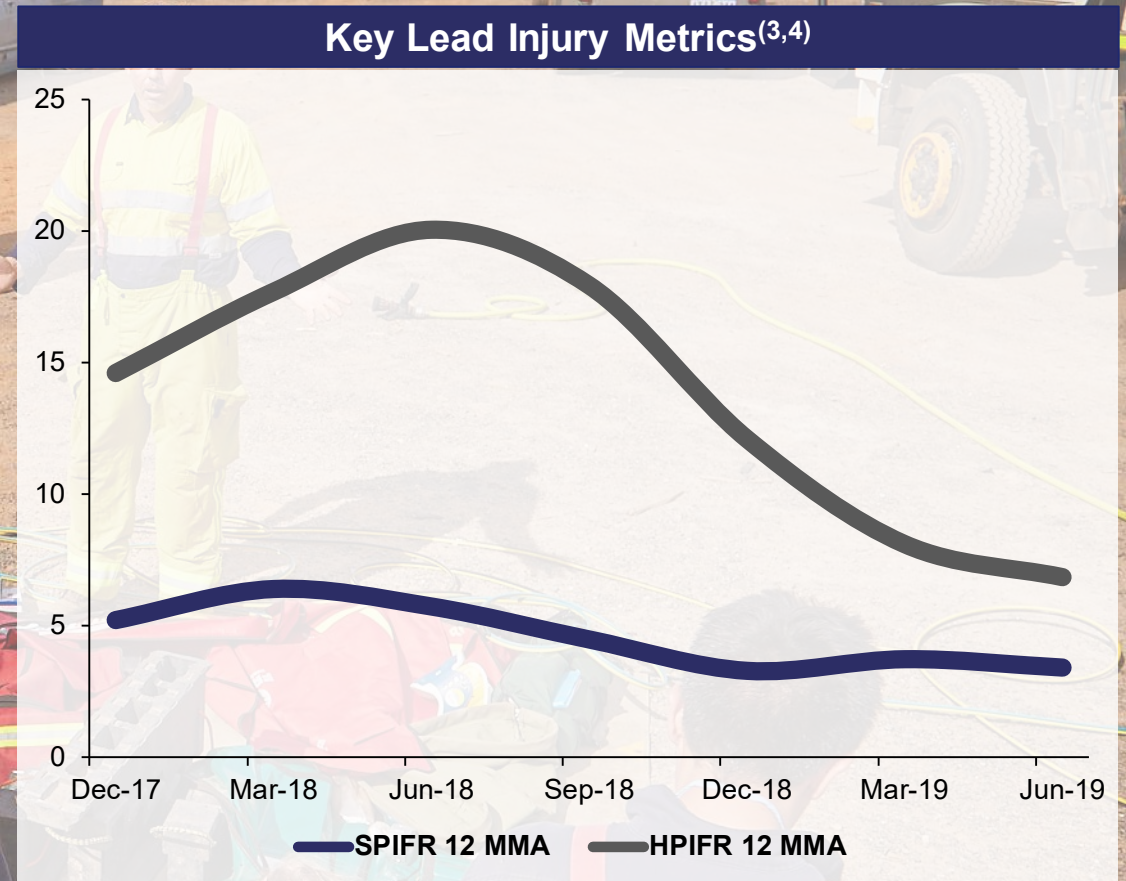
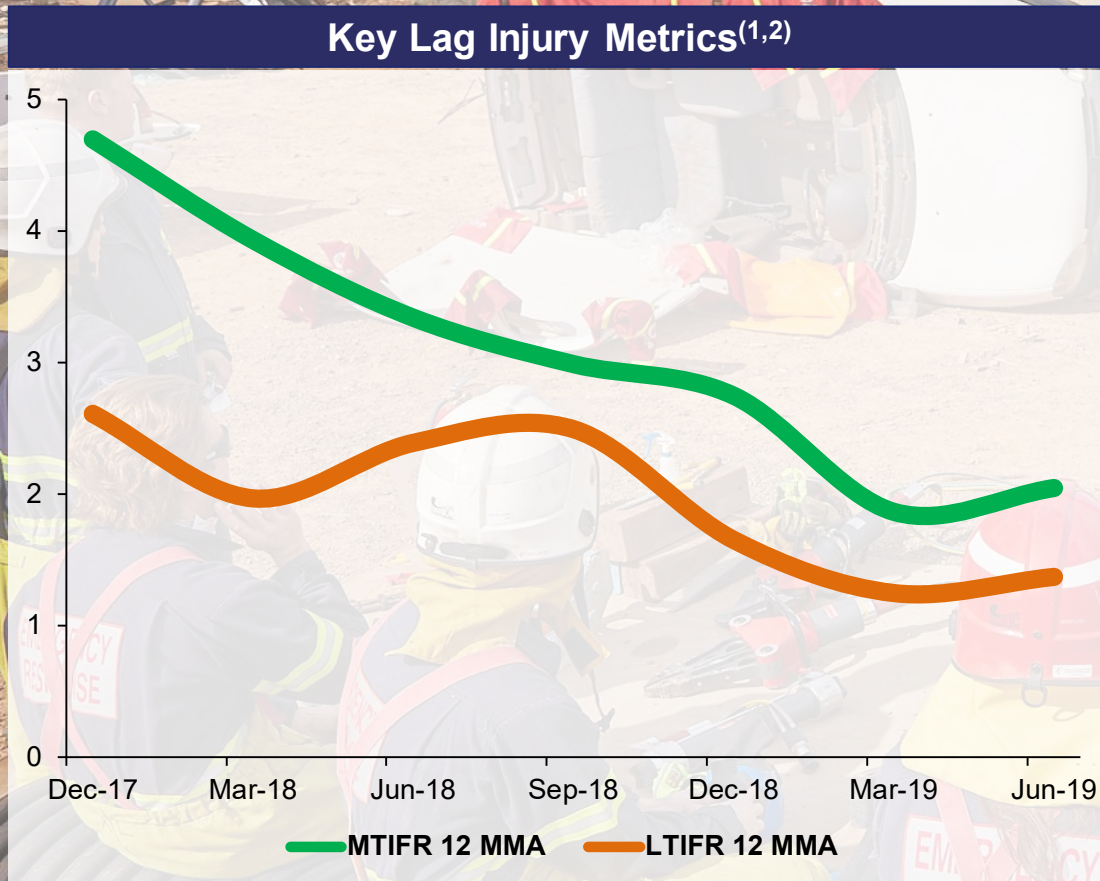


- **Battery grade nickel sulphate with nickel and cobalt extraction rates of +97% produced in testwork**
- **Study work continuing to focus on:**
 - Flow sheet refinement and optimisation
 - Maximising by-product production
 - Site selection trade-off studies
 - Pilot-scale test work
- **Progressing engagement with potential project and offtake partners**
- **Strong interest both domestically and internationally**
- **Study completion expected in 1H20**



ESG

Demonstrable improvement in lead and lag indicators through FY19



- 1) 12 month moving average LTIFR – Lost Time Injury Frequency Rate: calculated as the number of Lost Time injuries x 1,000,000 divided by the total number of hours worked.
- 2) 12 month moving average MTIFR – Medically Treated Injury Frequency Rate: calculated as the number of medically treated injuries x 1,000,000 divided by the total number of hours worked.
- 3) 12 month moving average SPIFR – Serious Potential Incident Frequency Rate: calculated as the number Serious Potential Incidents x 1,000,000 divided by the total number of hours worked. Serious Potential Incidents are near miss events that could credibly have resulted in a fatality. These events are reported to DMIRS.
- 4) 12 month moving average HPIFR – High Potential Incident Frequency Rate: calculated as the number High Potential Incidents x 1,000,000 divided by the total number of hours worked. High Potential Incidents are near miss events that could credibly result in serious injury.

Environment and Community

Committed to doing what is right – because we care



Positive community feedback received from a Social Impact Assessment completed at Nova & Fraser Range

Conclusion of successful community engagement and progressive rehabilitation program at the Long Operation following divestment

No material environmental or community incidents for the Quarter



Concluding Comments



Quarterly performance reflects IGO's commitment to operational excellence and delivery

- **Consistent operational performance at Nova and Tropicana throughout FY19**
 - Nova metal production exceeded FY19 guidance
 - Tropicana delivered within guidance
 - Strong EBITDA and Free Cash Flow margins maintained
- **Free cash generation continues to strengthen the balance sheet**
 - Cash balance increased 35% QoQ to A\$348M
 - Net cash position of A\$263M
- **Sustained focus on growth opportunities through exploration and downstream processing**





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