

INDEPENDENCE GROUP NL

Euroz Securities – Rottnest Island Conference

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ASX:IGO / ADR:IIDDY

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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.
- 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.
- 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.

Competent Person's Statements

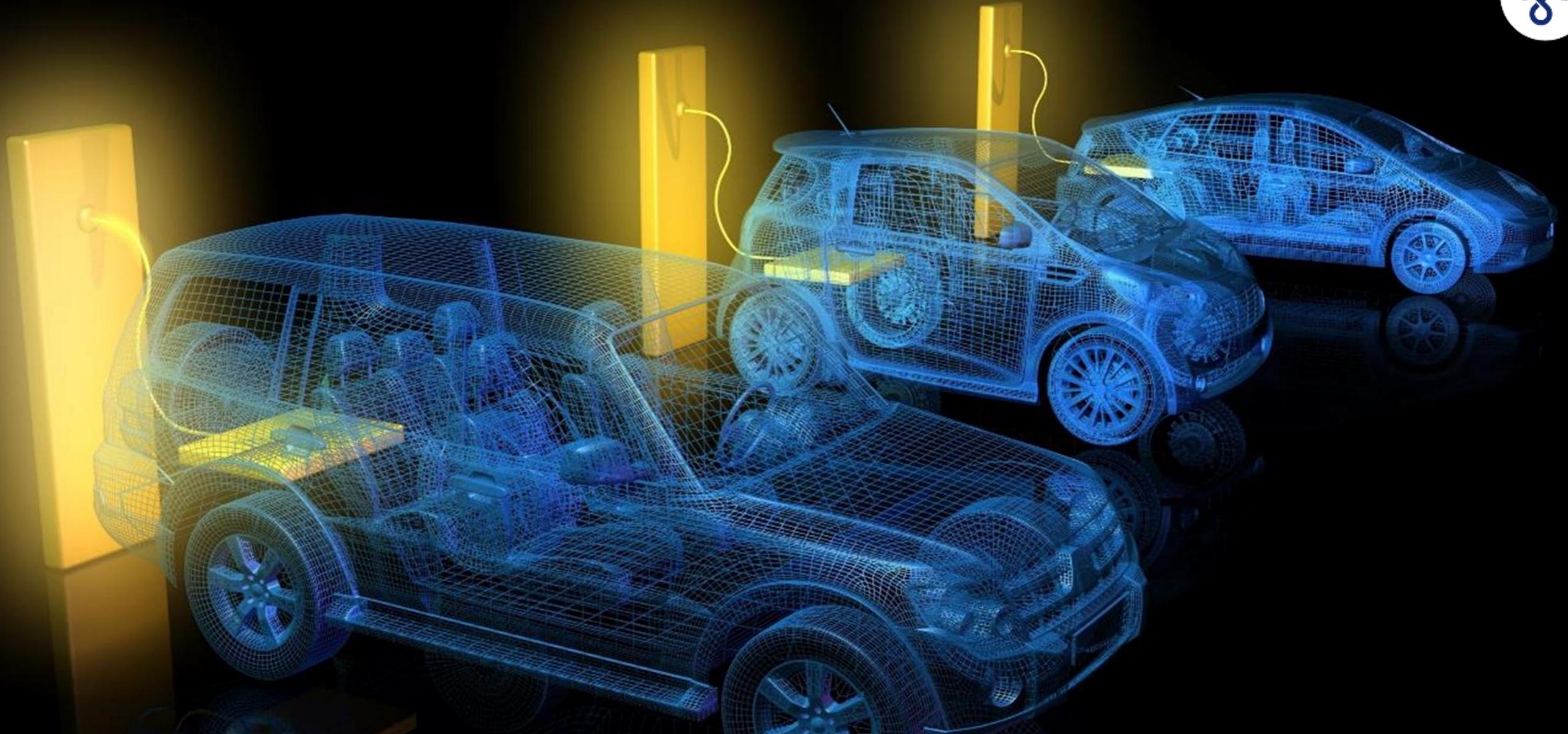
- Any references to IGO Mineral Resource and Ore Reserve estimates should be read in conjunction with IGO's Annual Update of Exploration Results, Mineral Resources and Ore Reserves dated 20 February 2019 (Annual Statement) and lodged with the ASX for which Competent Person's consents were obtained, which is also available on the IGO website.
- The information in this presentation that relates to the Boston Shaker Pre-Feasibility Study is extracted from the ASX announcement dated 20 December 2018 entitled "Pre-Feasibility Study Confirms Potential for Underground Mine at Tropicana" and for which a Competent Person consent was obtained. A portion of the production target referred to in this announcement is based on Inferred Mineral Resources. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target will be realised.
- The information in this presentation that relates to Exploration Results is extracted from the Prodigy Gold (PRX) ASX release dated 26 July 2018 entitled "Lake Mackay JV: Exploration Update"; the Prodigy Gold ASX release dated 20 February 2019 entitled "Lake Mackay JV: 63 AEM targets and Ni-Co prospect defined"; and for which Competent Person's consents were 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 26 July 2018, 20 December 2018 and 20 February 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.



Our focus for 2019

- **Continue strong operational performance at Nova and Tropicana**
 - Deliver on production guidance
 - Maintain leading safety and ESG performance
- **Continue to generate strong free cash flow and build the balance sheet**
- **Progress transformational growth initiatives including downstream processing opportunity**
- **Execute extensive exploration program to test multiple high priority targets**





Leveraging Opportunity

Our Purpose is *Making a Difference* by aligning the business to the structural shift to clean energy



Globally relevant
supplier of metals that are critical to
energy storage and renewable
energy



Quality Products
desired by end users made safely,
ethically, sustainably and reliably



Vertically Integrated
to produce battery grade chemicals
and cathode precursors



Proactively Green
using renewables, energy storage
and EV mining equipment to reduce
carbon footprint



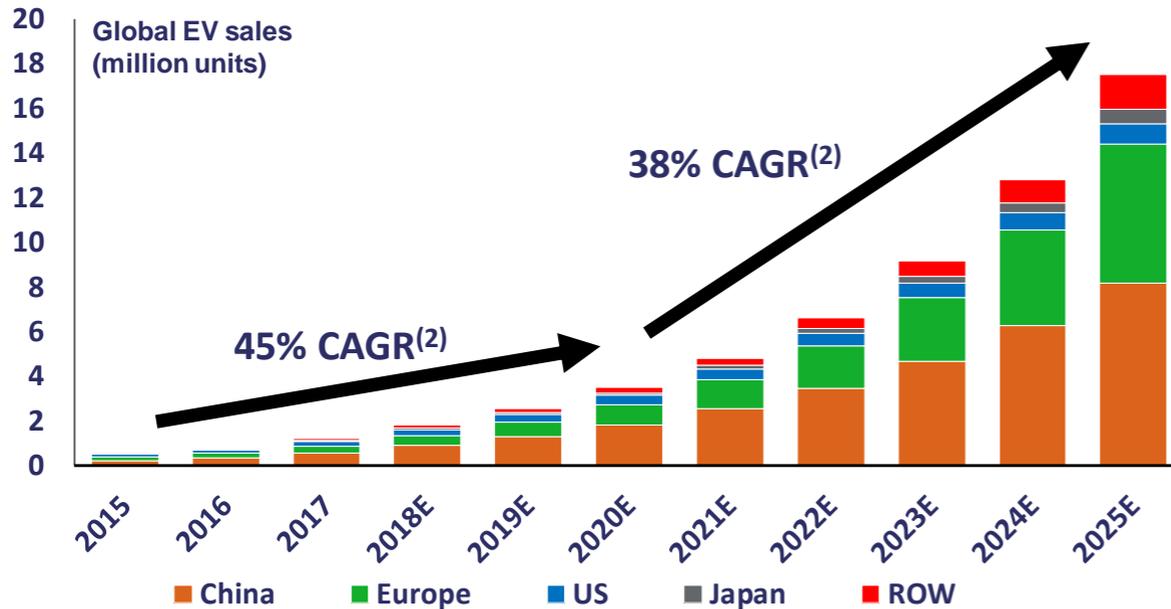
**Delivered by people who are bold, passionate, fearless and fun
– a smarter, kinder, more innovative team**

A clear global trend toward renewable energy

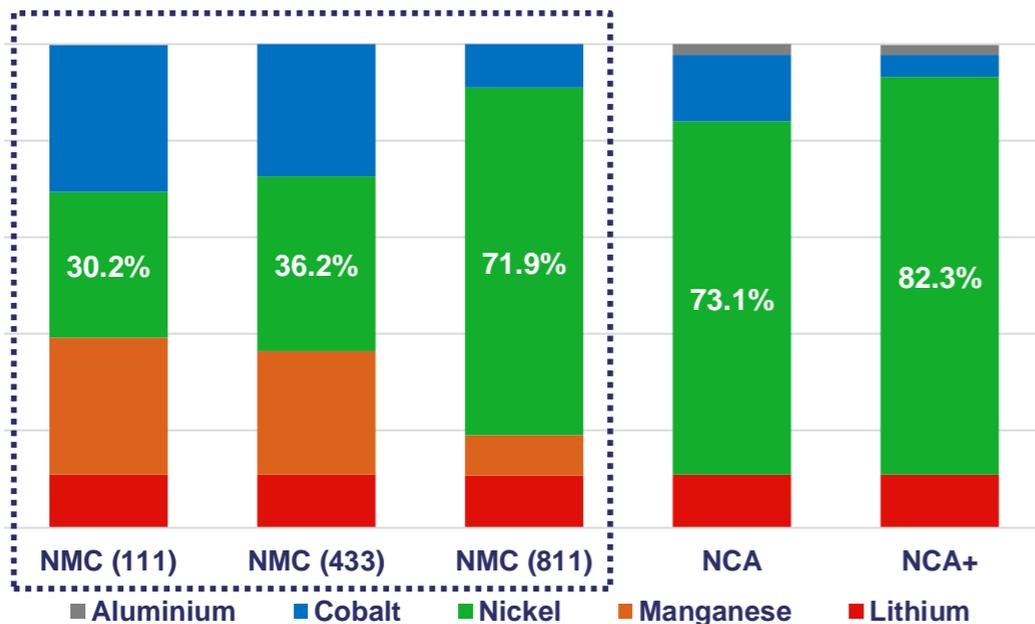
- **Strong government support globally for mass adoption of EVs and energy storage**
 - Bans on conventional ICE vehicles
 - Subsidies, tax exemptions & rebates
 - Substantial investments in recharge infrastructure
- **Battery pack costs are falling**
 - 2010: ~US\$1,000/kwh⁽¹⁾
 - 2019: ~US\$140/kwh⁽¹⁾
- **EV cost parity with ICE vehicles estimated by 2023⁽²⁾**

1) IGO Research
2) Source: Bernstein

EV sales forecast⁽¹⁾



EV batteries becoming more nickel intensive⁽³⁾



Nickel demand to be driven by strong battery demand and evolution of battery chemistry

- EV demand to be led by China and Europe
- Industry trend toward NCA and NCM (811) chemistry
 - Higher nickel intensity improves energy density
 - NCM 811 to account for 65% NCM demand by 2030⁽¹⁾

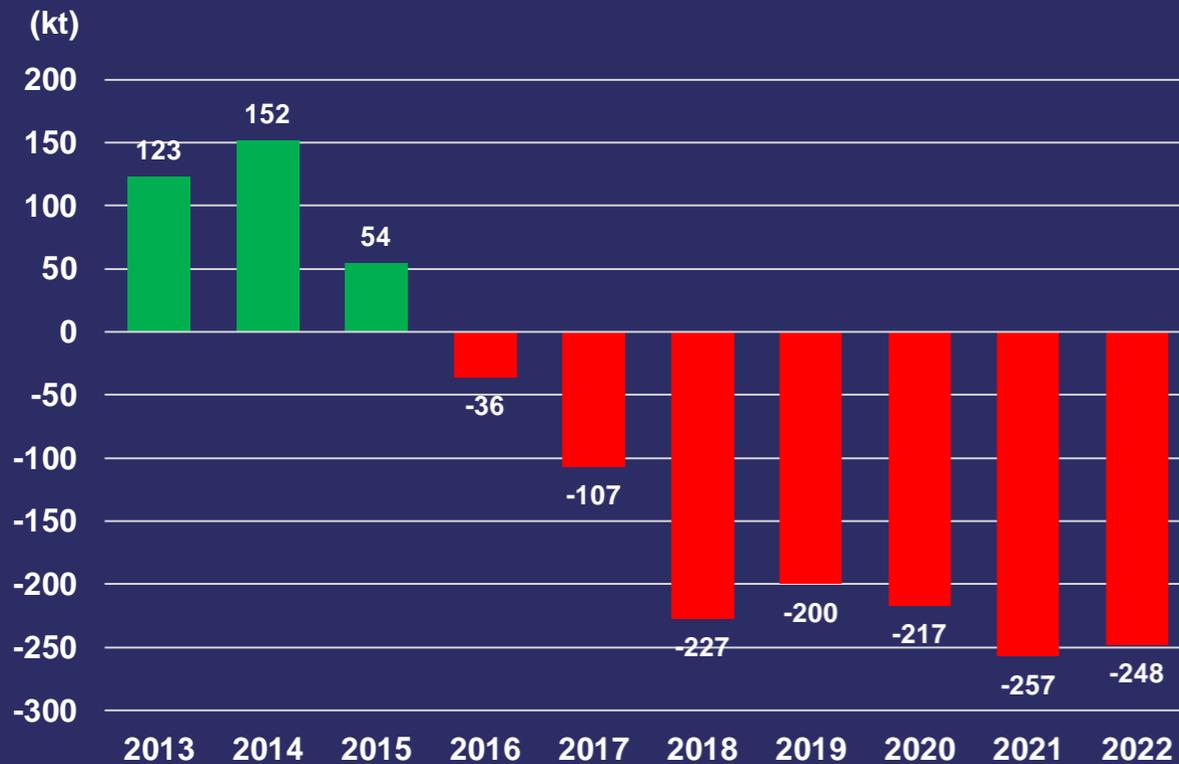
1) Source: UBS Research, November 2018

2) CAGR means Compound Annual Growth Rate

3) Proportion of metals in EV battery cathodes for different battery chemistries

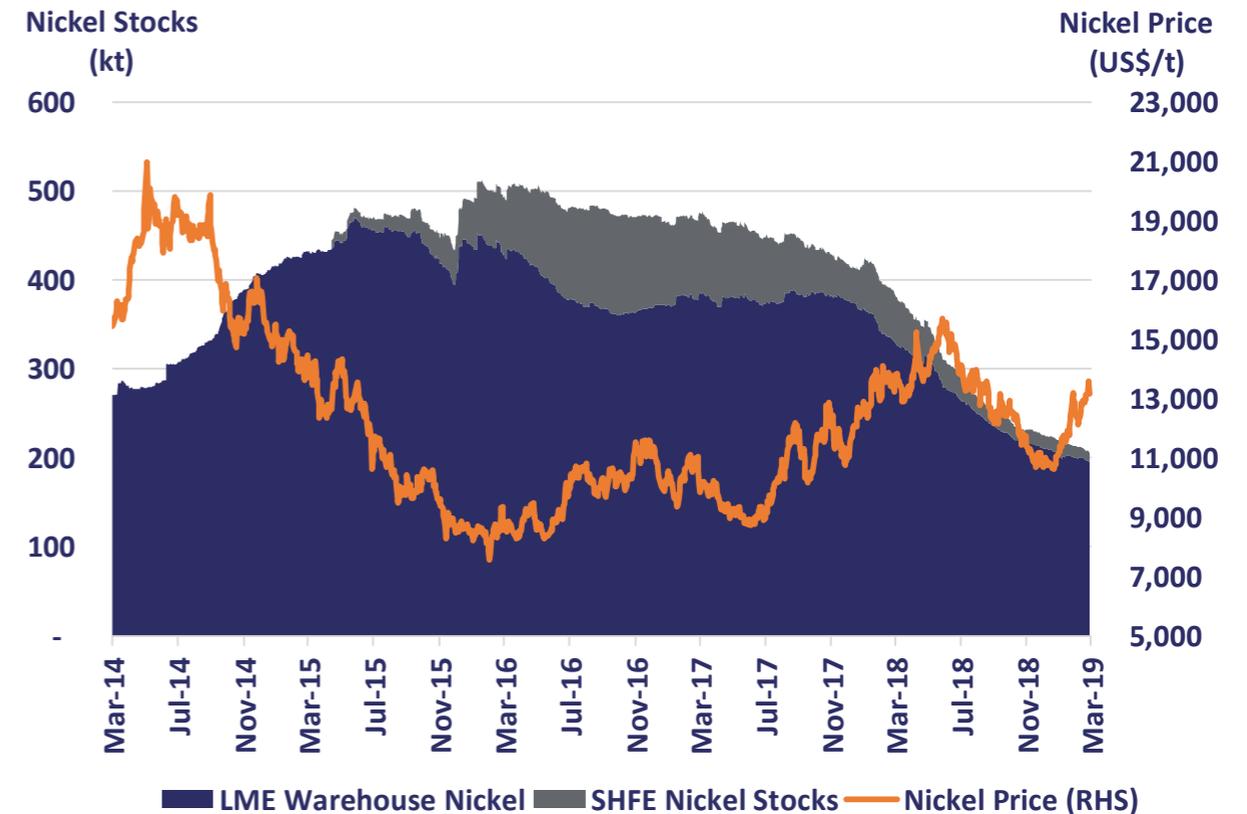
EV battery demand disruption expected to require 300-900kt of additional nickel by 2025⁽¹⁾

Nickel Market Supply/Demand Balance Outlook⁽²⁾



Decreasing nickel stockpiles and stainless steel demand growth to maintain market supply deficit

Official Nickel Exchange Stockpiles and Price⁽³⁾



1) Source: UBS Research 28 Jun 2018: UBS Global I/O: Miner's Price Review, Still Got It
 2) Source: UBS Research 22 Nov 2018: UBS Global I/O: What does EV Battery Tear-Down imply for battery raw materials; 2019 - 2022 are forecasts
 3) Source: Bloomberg

Nova

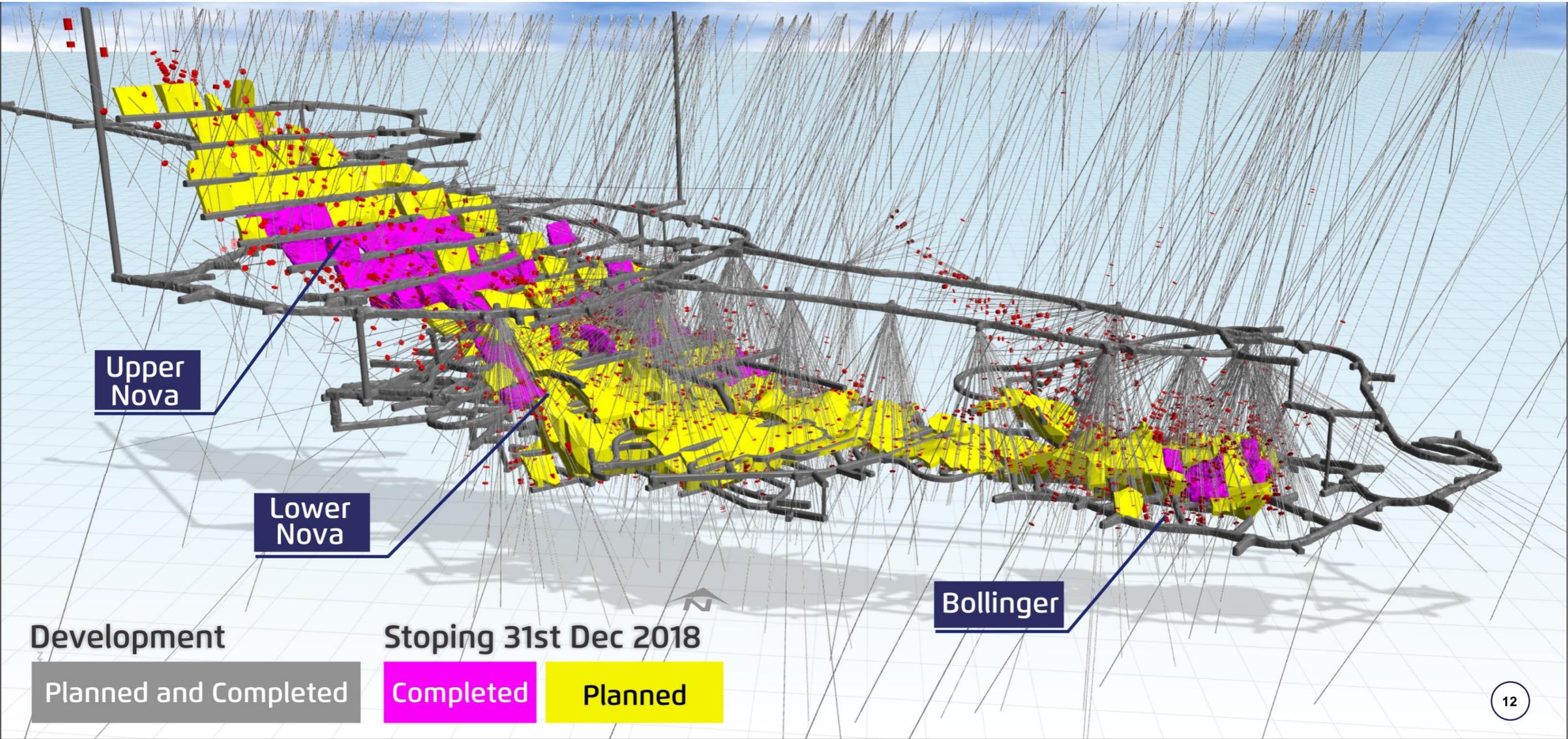




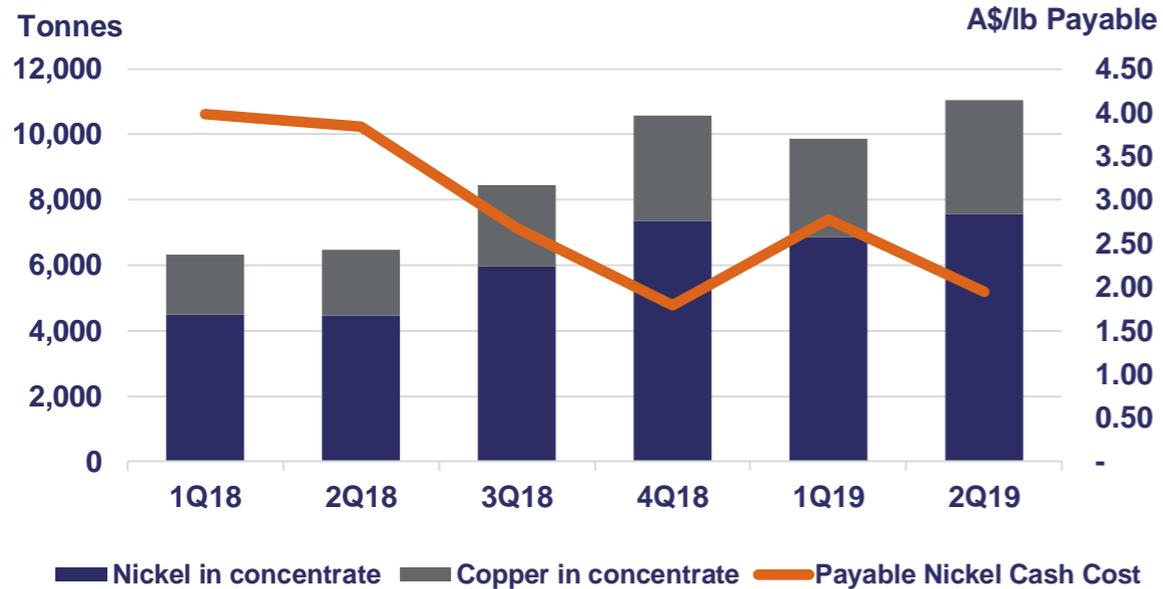
Nova de-risked

- **Successful first six quarters of commercial production**
 - 1.5Mtpa nameplate exceeded
 - Record production during 1H19
 - Cash costs trending down
- **Mine life sustained at 8 years with reserve marginally higher**
- **Grade control drilling and underground capital development complete**

Nova Underground Mine Design & Drilling



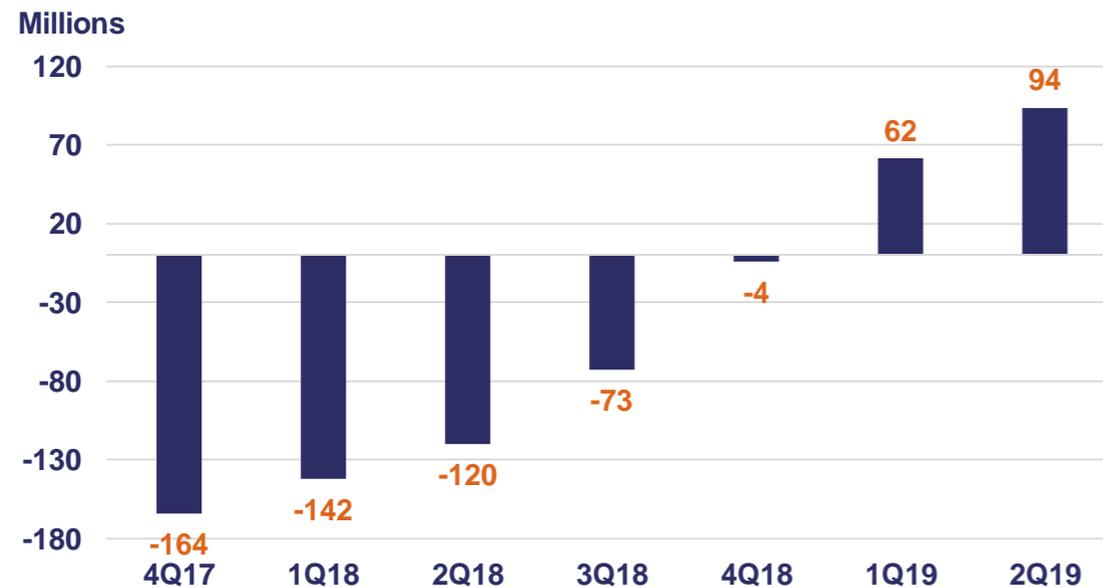
Nova Metal Production



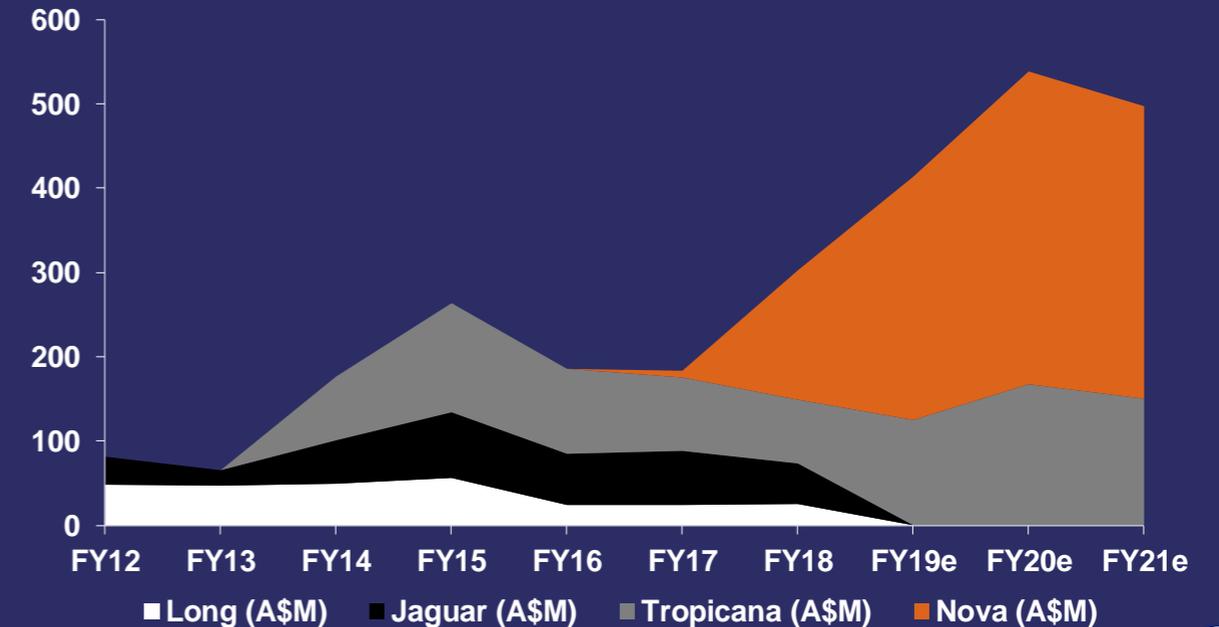
Nova is performing

- Increasing metal production and falling cash costs
- Strong contribution to cash build since Nova production commenced in June 2017

IGO Net Cash Position

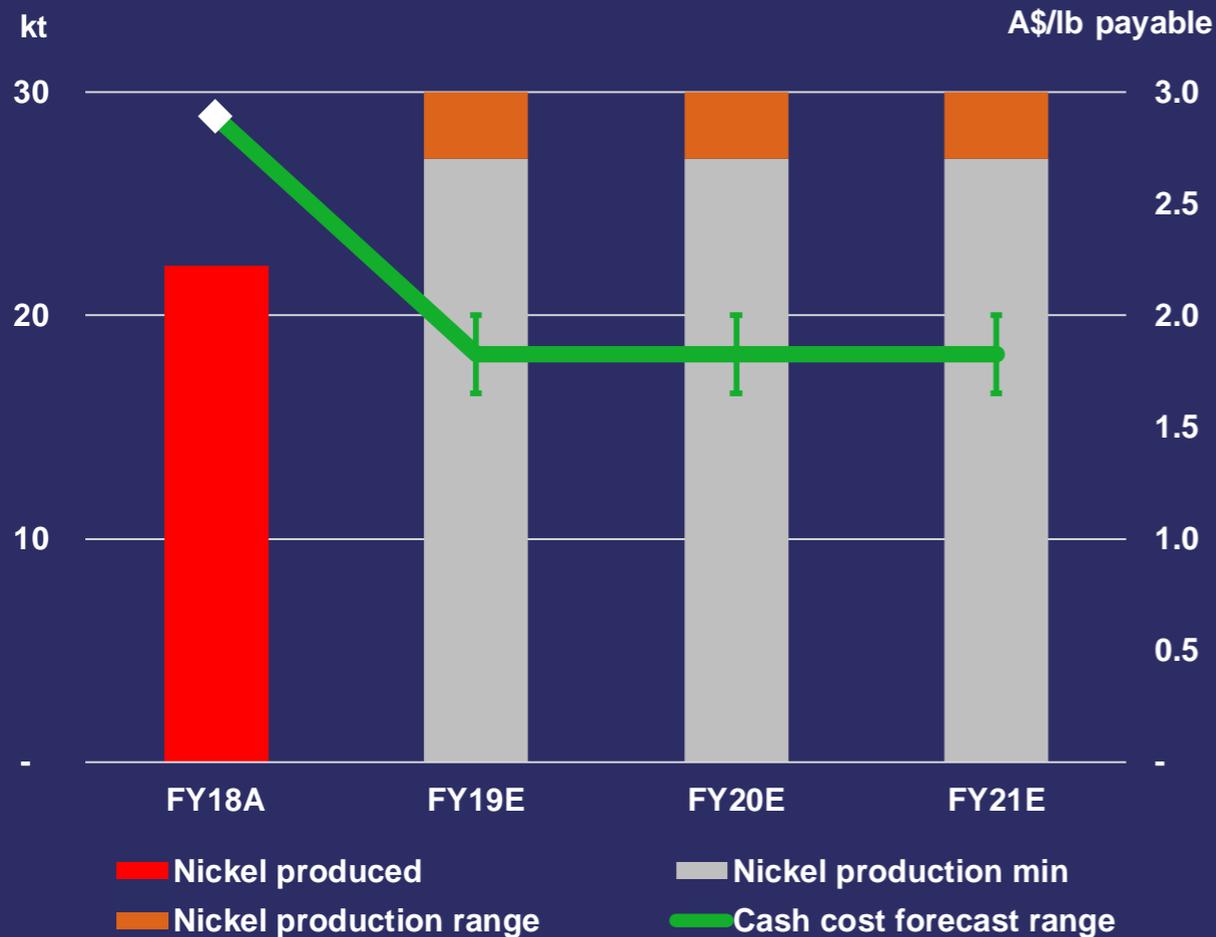


IGO EBITDA Profile⁽¹⁾



1) Source: Euroz Securities

Directional Production and Cash Costs



Strong outlook for Nova

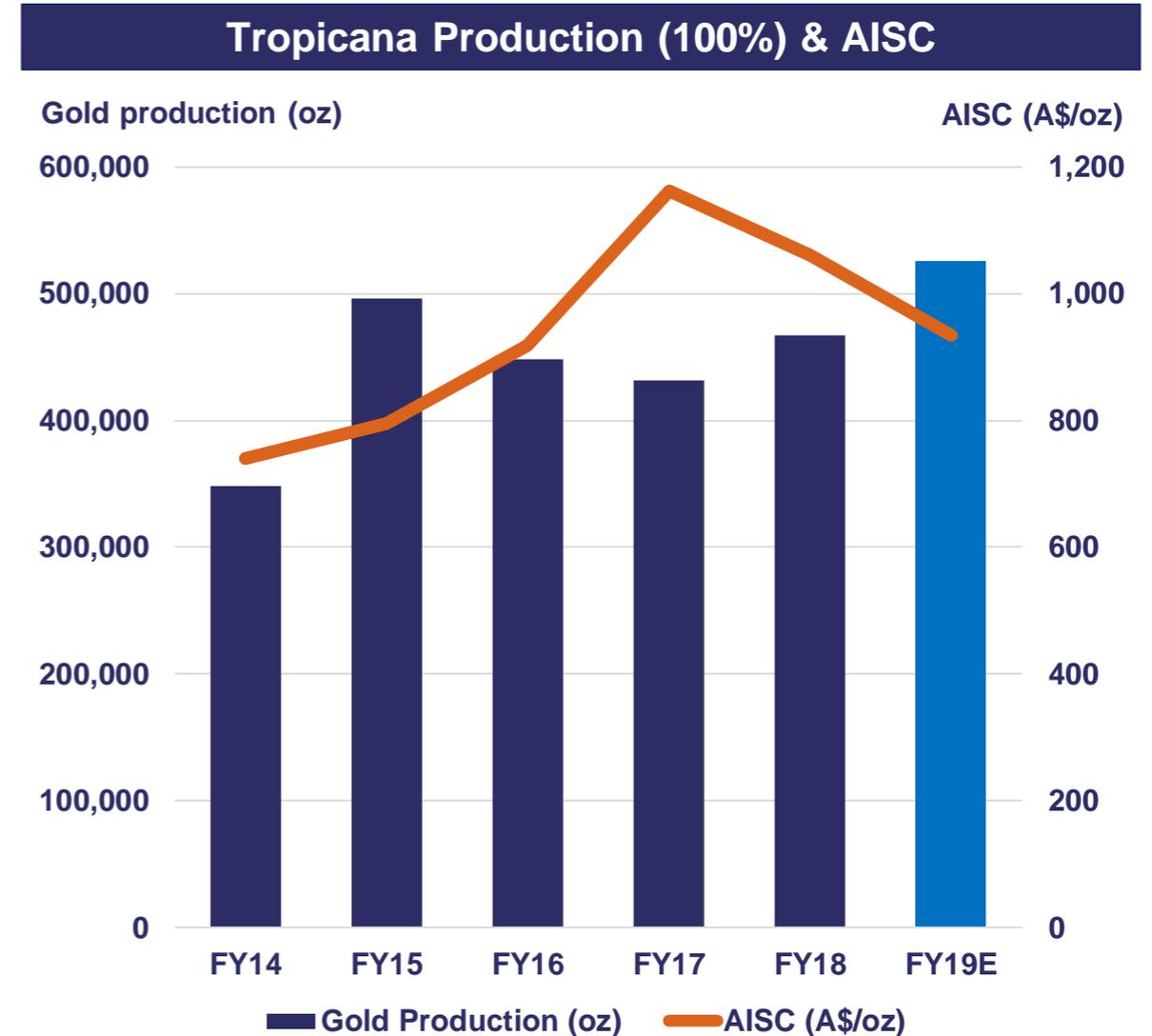
- Consistent and higher production rate expected next three years
- Main driver is higher grade stopes in core of Nova and Bollinger
- Assumes:
 - 1.5Mtpa mining/processing rate
 - 89% nickel recovery and 85% copper recovery
 - Commodity price for by-product credits of A\$4.08/lb for copper and A\$50/lb for cobalt

Tropicana



Tropicana: increased production and lower costs in FY19

- 30% IGO & 70% AngloGold Ashanti (managers)
- 8.0Mtpa annualised processing rate achieved in 1H19
- 1H19 production of 262koz (100% basis) at AISC of A\$934/oz
- 8 year mine life remaining
- Value enhancement projects being delivered



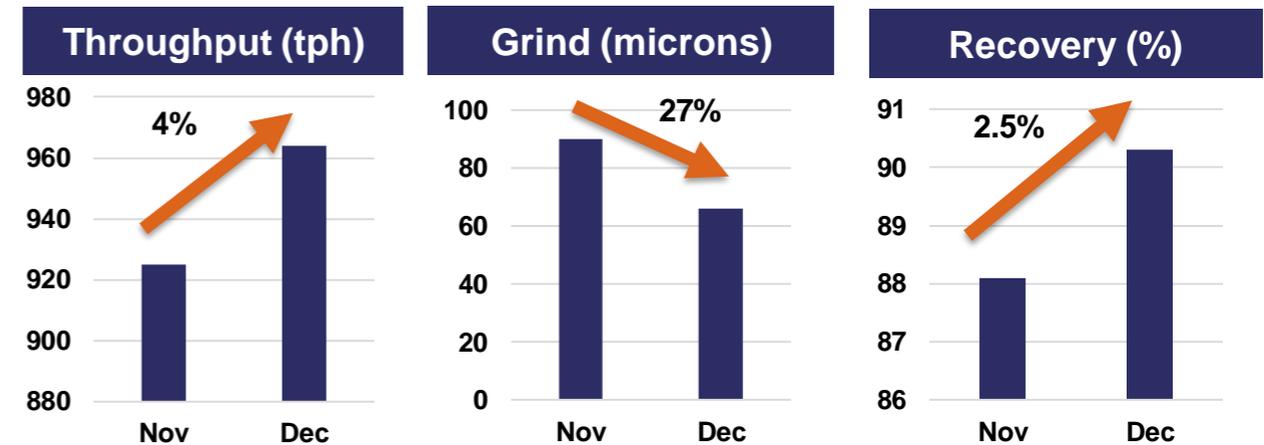
1) Refer to IGO annual reports for FY14 to FY18

2) FY19E is the midpoint of guidance for FY19. Refer ASX Release dated 29 July 2018 – Guidance Range of 500,000 to 550,000oz gold production at AISC of A\$890/oz to A\$980/oz gold sold



Tropicana Optimisation: Second ball mill delivering as planned

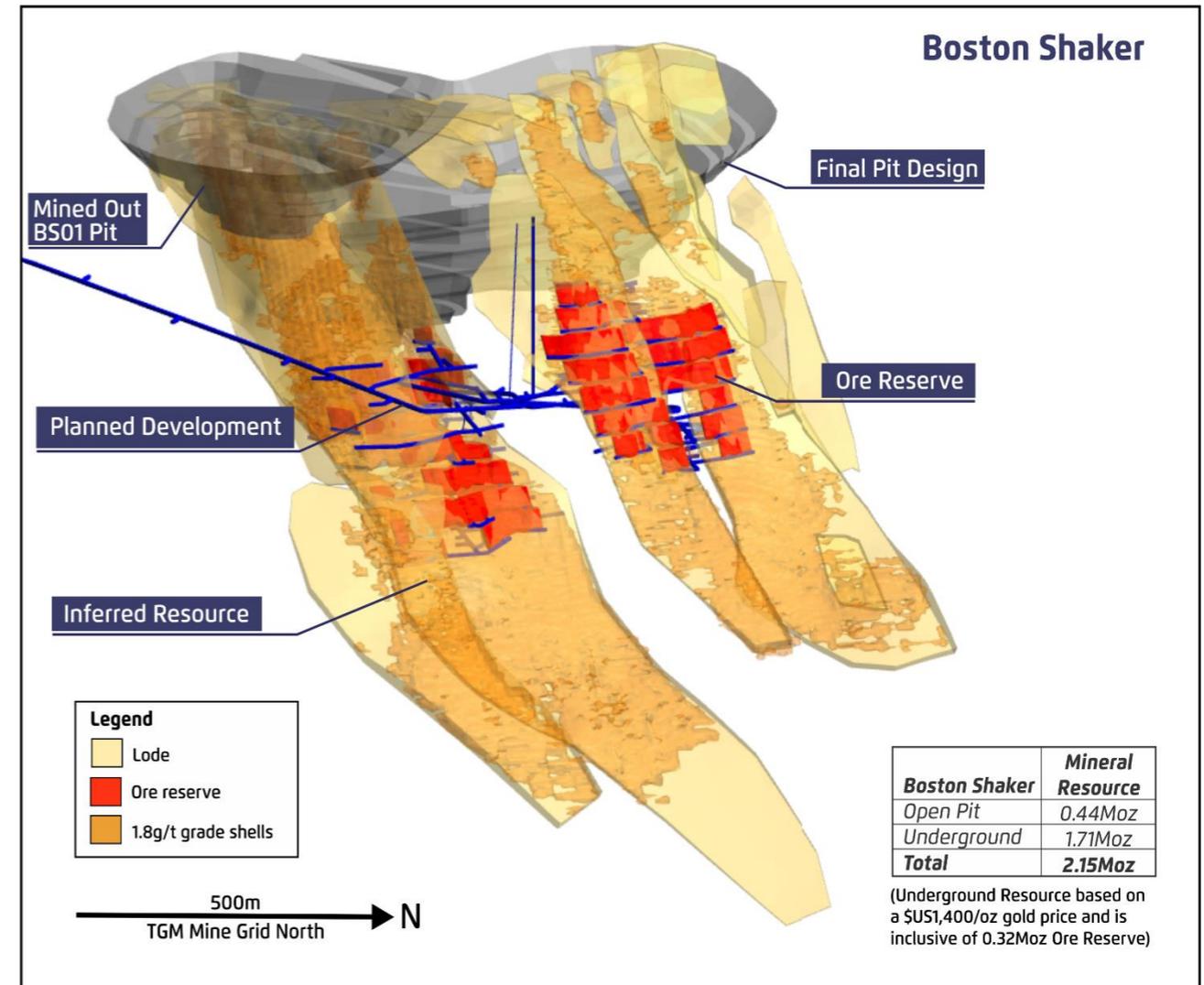
- Project successfully commissioned in 2Q19 as guided
- Immediate increase in throughput rate and improvement in grind, resulting in improved gold recovery



Tropicana Underground Potential

- **Boston Shaker PFS completed in December 2018⁽¹⁾ - confirmed technical and financial viability of an underground development**
 - Mining ~1Mtpa to produce ~100koz/year over a 7 year mine life
 - Capex estimate of A\$95M⁽²⁾
 - Operating cost of A\$102/t inclusive of underground capital development costs post first gold production
- **Feasibility Study underway, expected to be completed in 2H19**

Boston Shaker Underground Development Layout⁽³⁾

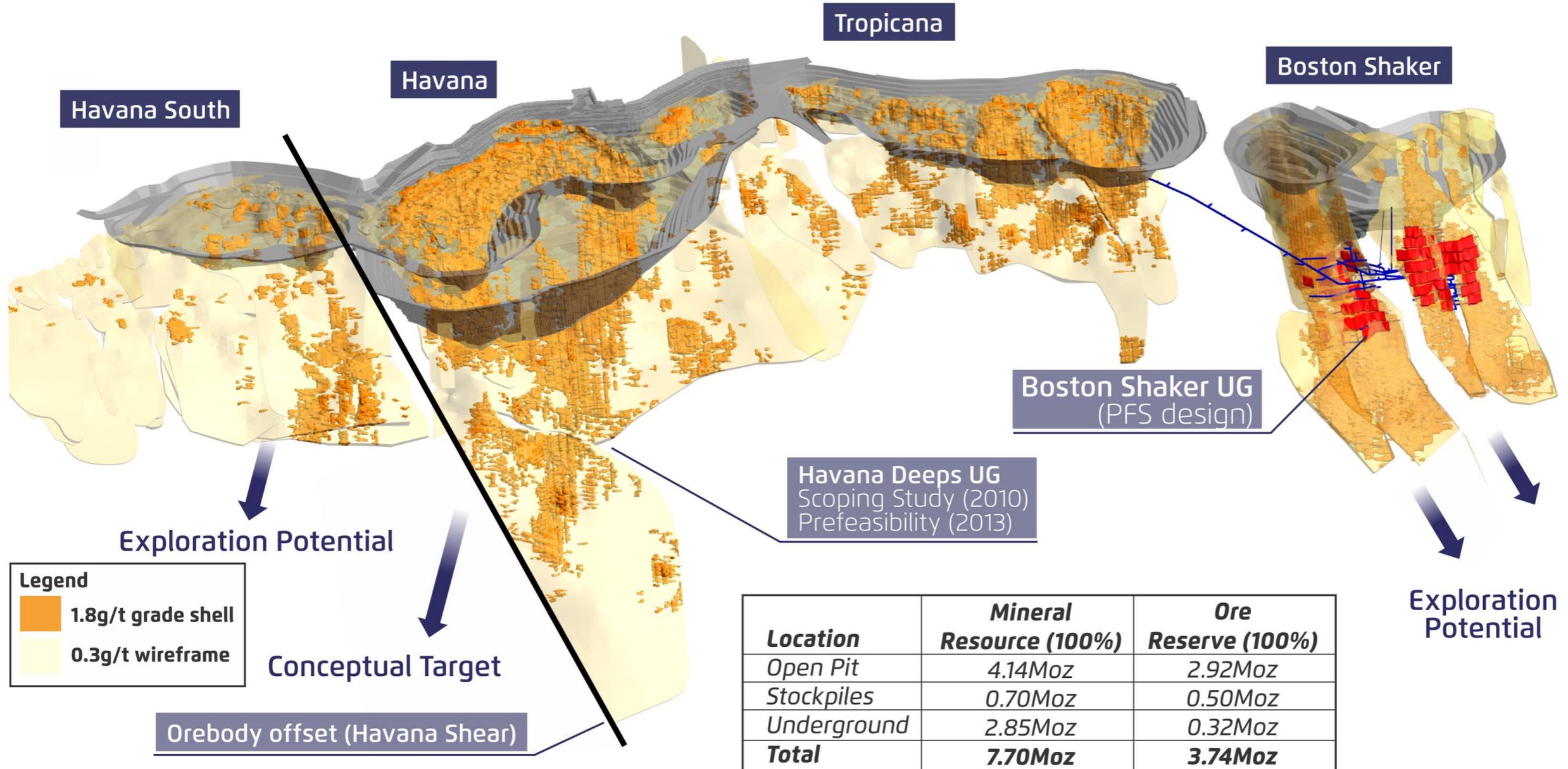


1) Refer to ASX release dated 20 Dec 2018: Pre-Feasibility Study Confirms Potential for Underground Mine at Tropicana

2) 100% basis

3) Refer to ASX release dated 20 Feb 2019: CY18 Mineral Resource & Ore Reserve Statement

Tropicana mineralised system



1) Refer to IGO ASX release dated 20 Feb 2019: CY18 Mineral Resource & Ore Reserve Statement

Growth Initiatives



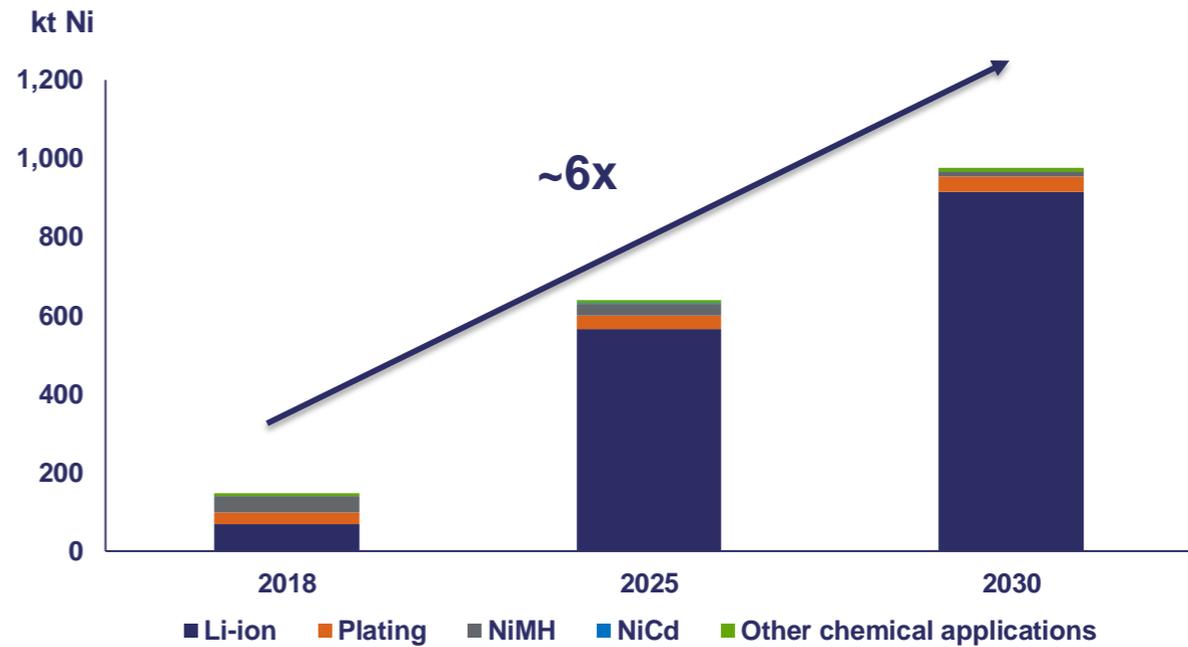


Downstream Processing

Nickel sulphate for EV batteries

- Produce nickel sulphate direct from Nova nickel concentrate
- Technical feasibility confirmed with continuous pilot plant testwork
- Delivers potential for:
 - Higher payability
 - Premium price
 - Broadens appeal to wider range of investors
- **Pre-feasibility Study to be completed during 2H19**

Demand Outlook for Nickel Sulphate⁽²⁾

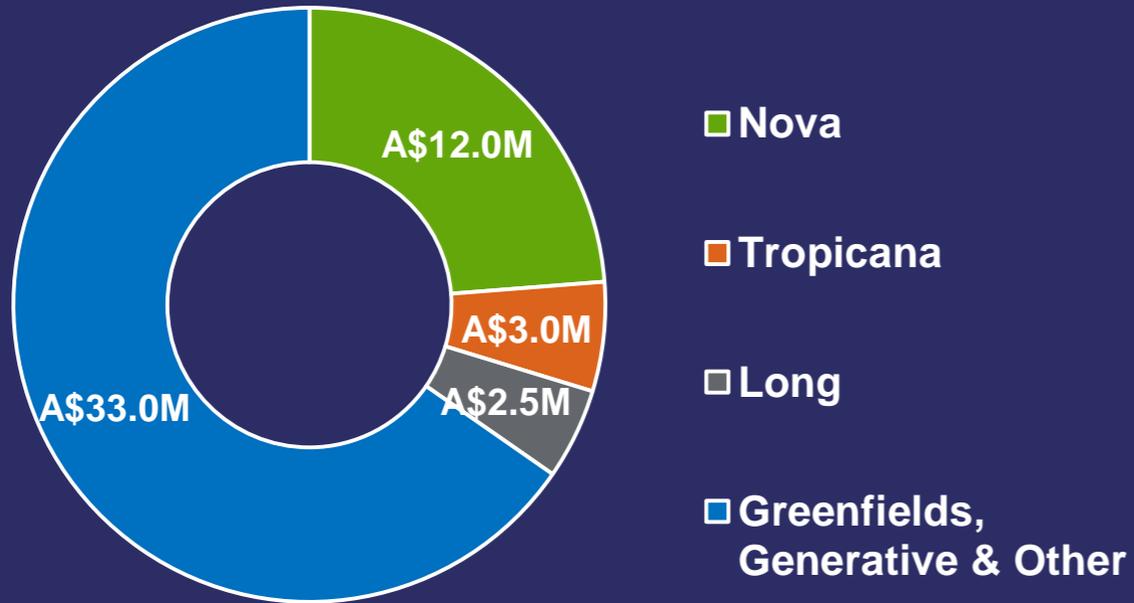


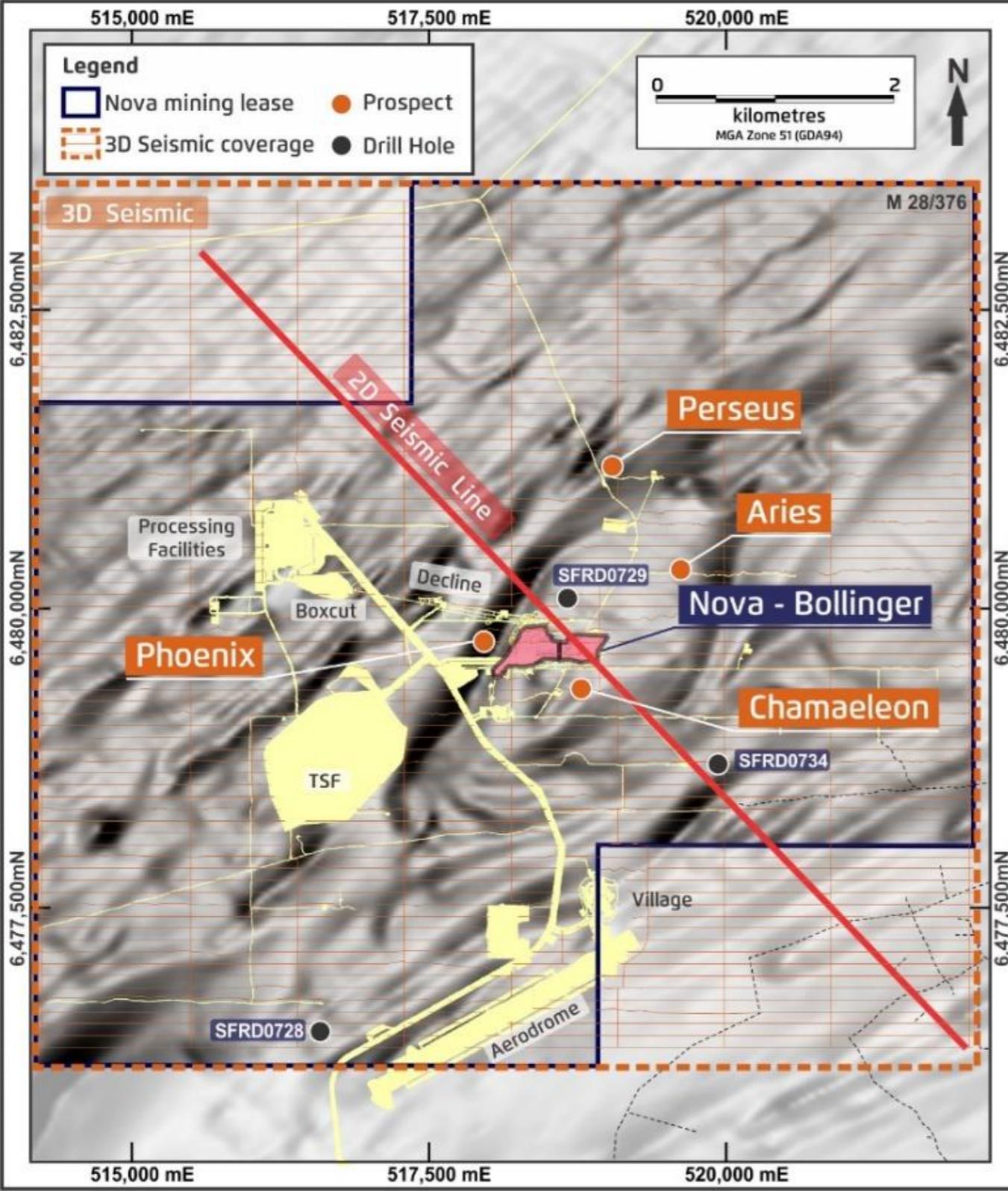
1) Photographs to the RHS are of the 1.6kg of nickel sulphate hexahydrate crystals produced in the metallurgical testwork. Photography by Karel Osten, Wood Plc
 2) Source: Roskill

Exploration & Discovery

A\$51M investment in FY19

- *Best in class* exploration and discovery capability
- Greenfields focus to discover the mines of the future

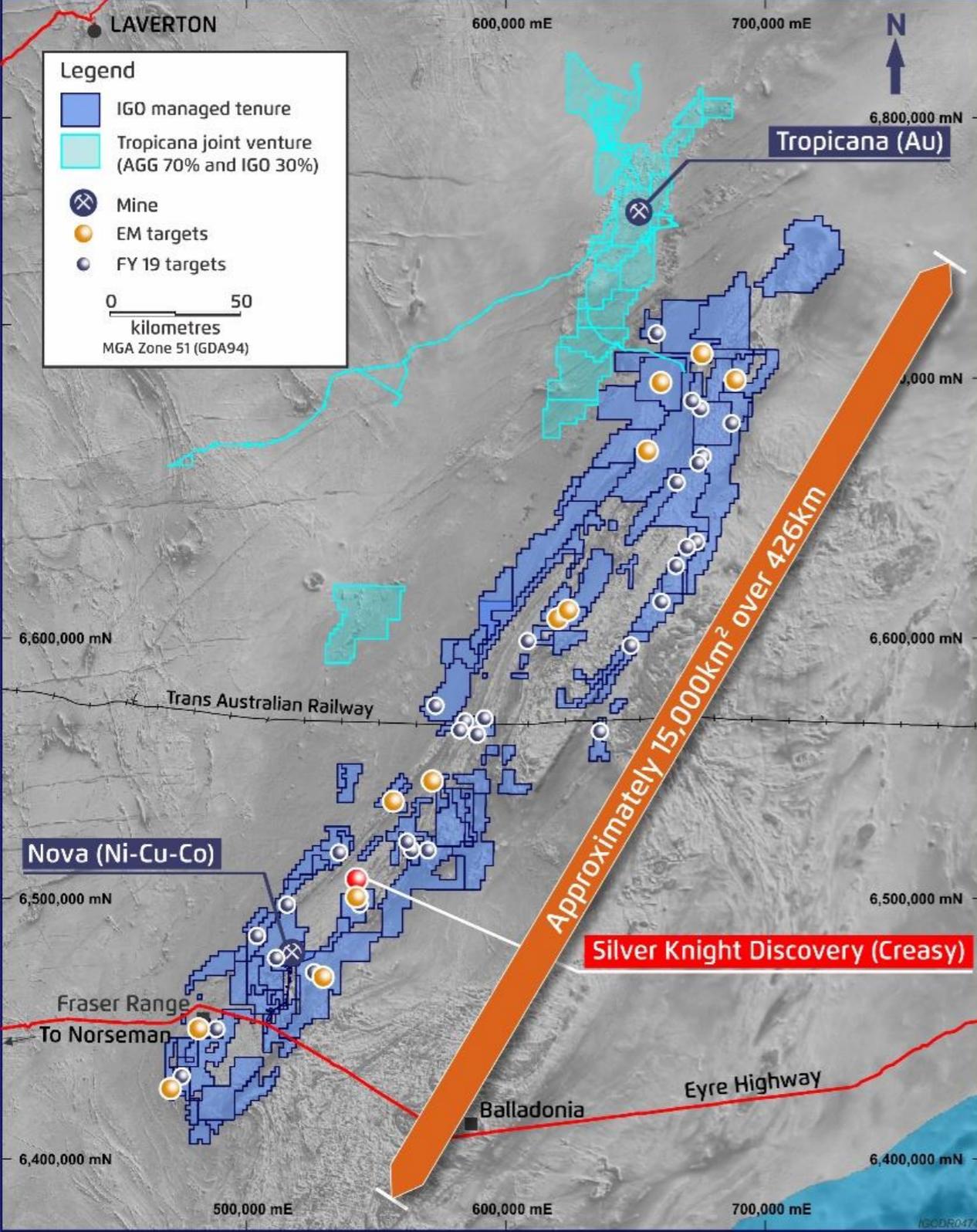




Exploration & Discovery

Nova Near Mine a focus

- A\$12M commitment to exploration within Nova mining lease in FY19
- Potential to discover brownfields extensions to Nova system
- Leveraged multiple geophysical platforms including largest hard rock 3D seismic survey in Australia
- Now drill testing first seismic targets

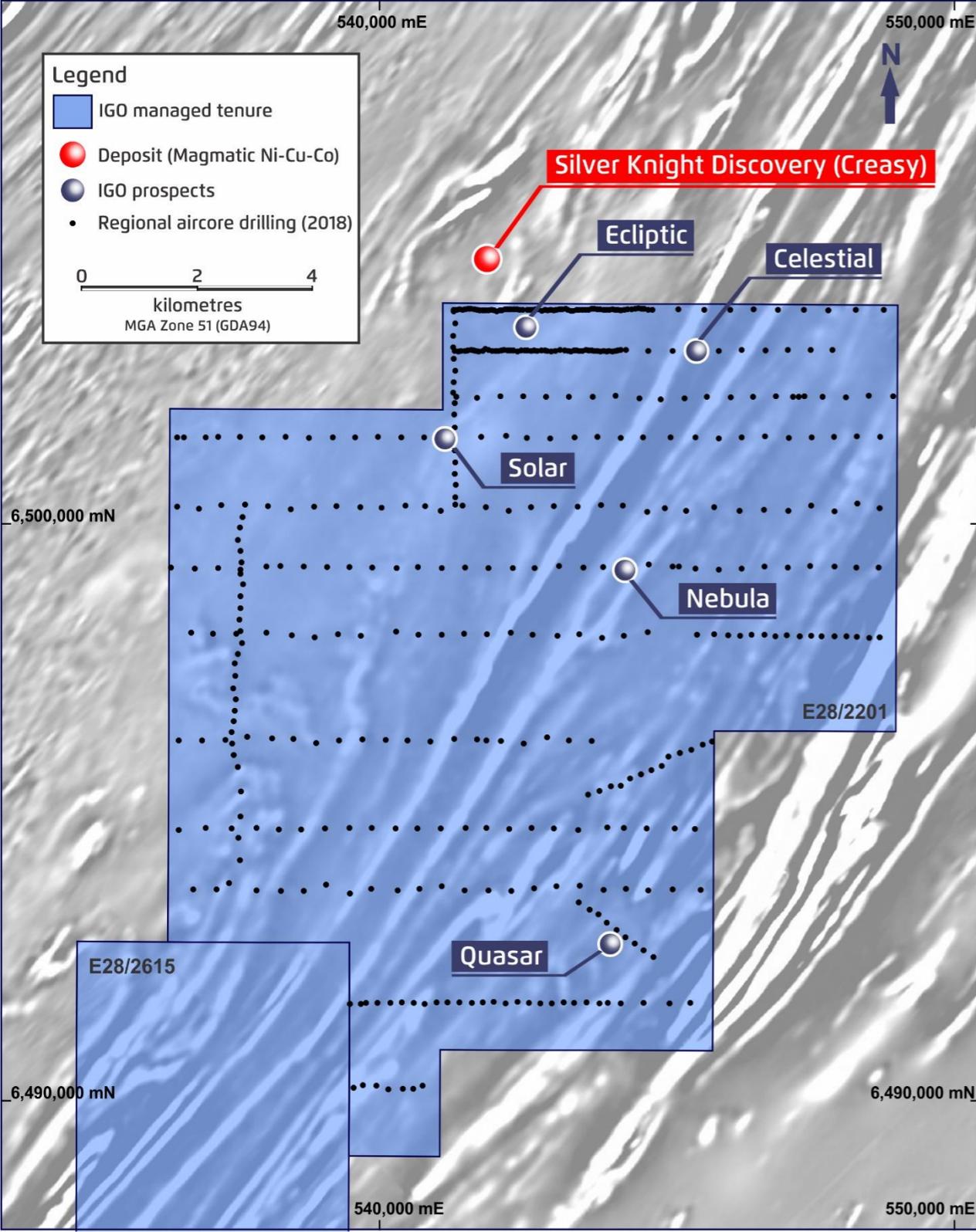


Exploration & Discovery

Fraser Range Targets

- Greenfields exploration targeting Nova style discoveries
- Systematic exploration over ~15,000km²
- 40 targets identified for drilling in CY19
- Technical success at Andromeda with Cu-Zn-Au-Ag discovery

1) www.dmirs.wa.gov.au Online Catalogue



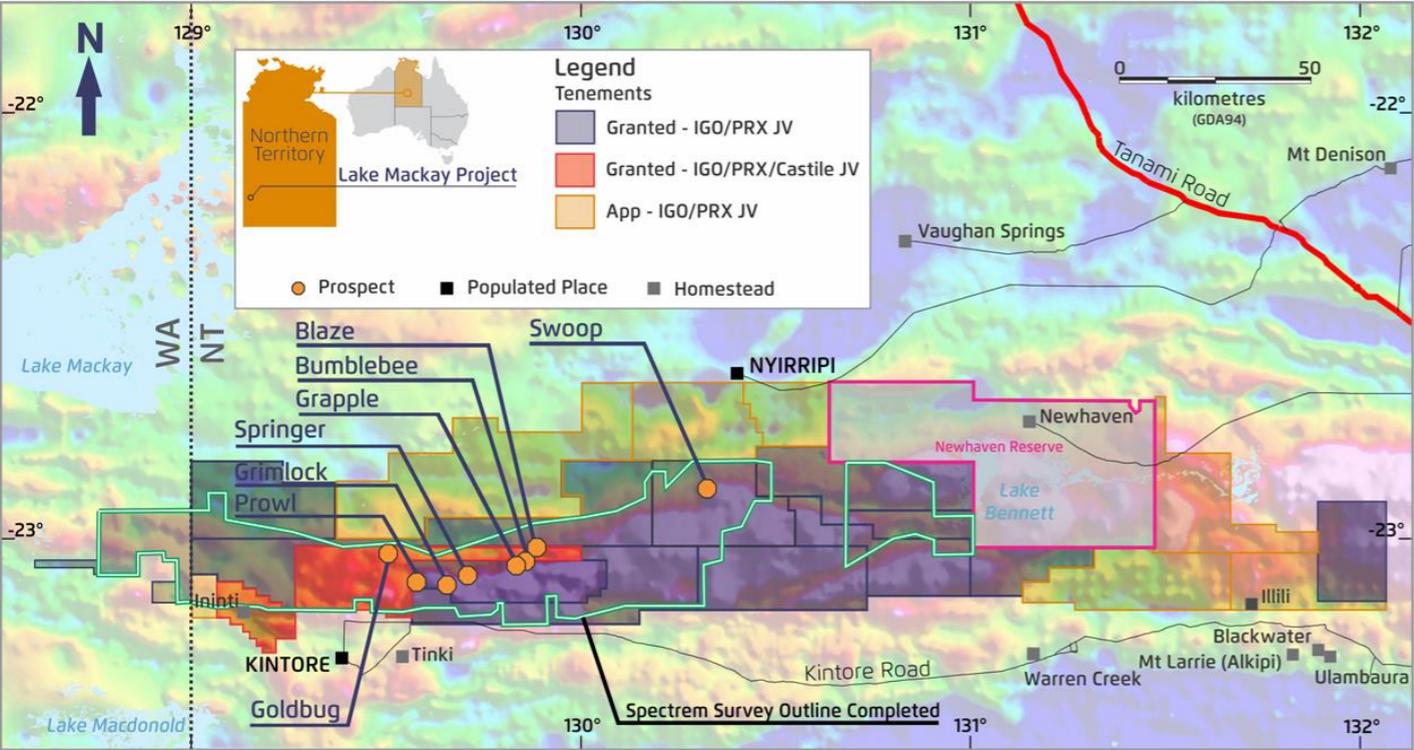
Exploration & Discovery

Widowmaker

- Located immediately South of Silver Knight Discovery⁽²⁾ (30km NE of Nova)
- Five high-priority targets defined using EM and aircore drilling, including:
 - Ecliptic contains disseminated sulphides in aircore drilling
 - Solar is a Squid EM anomaly along strike from Silver Knight
- Drill testing to commence in 3Q19

1) Widowmaker is a joint venture between IGO (90%) and Buxton Resources (10%)

2) www.dmirns.wa.gov.au Online Catalogue



Exploration & Discovery

Lake Mackay is a 12,800km² belt scale greenfields exploration project for IGO

- Polymetallic intersections in drilling at Grapple & Bumblebee
- Spectrem airborne EM survey completed
- Ni and Co in laterite rock chips at Grimlock (2.5% Co, 1.1% Ni⁽¹⁾) and Swoop (2.0% Co, 1.0% Ni⁽²⁾)
- Drill program planned to commence March 2019



1) Refer to PRX ASX release dated 26 Jul 2018: Lake Mackay JV: Exploration Update

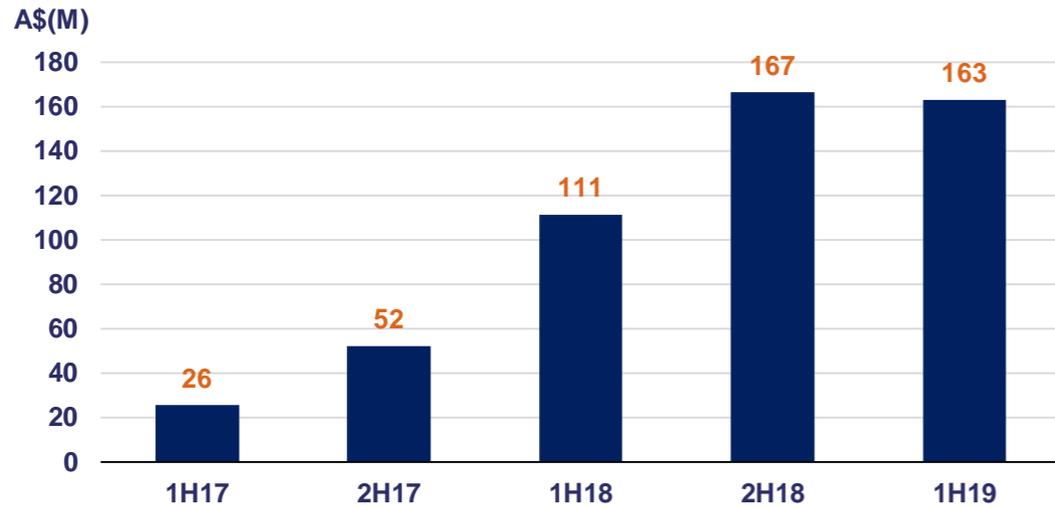
2) Refer to PRX ASX Release dated 20 Feb 2019: Lake Mackay JV: 63 AEM targets and No-Co prospect defined

Corporate & Financial

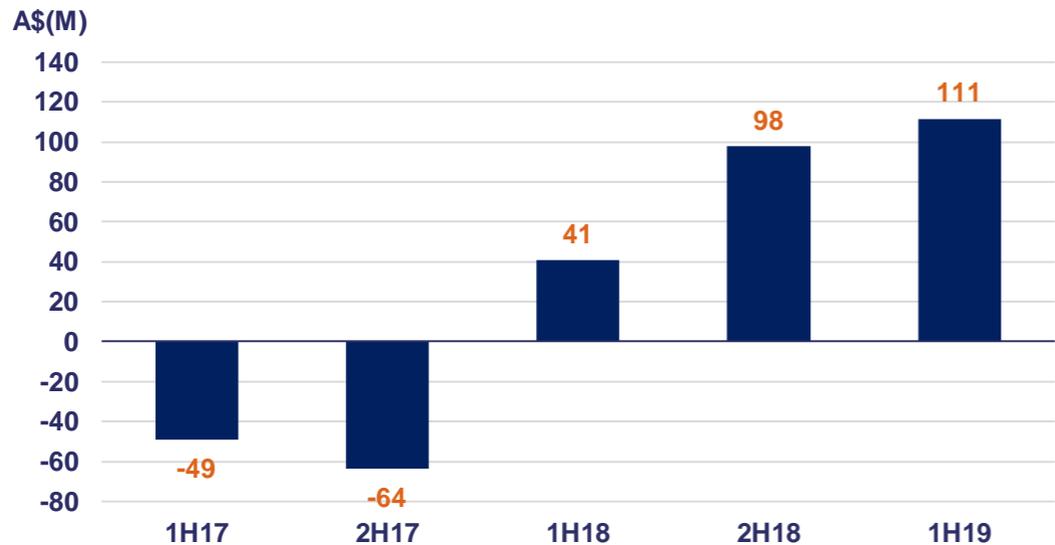


Financial Performance: Building Momentum

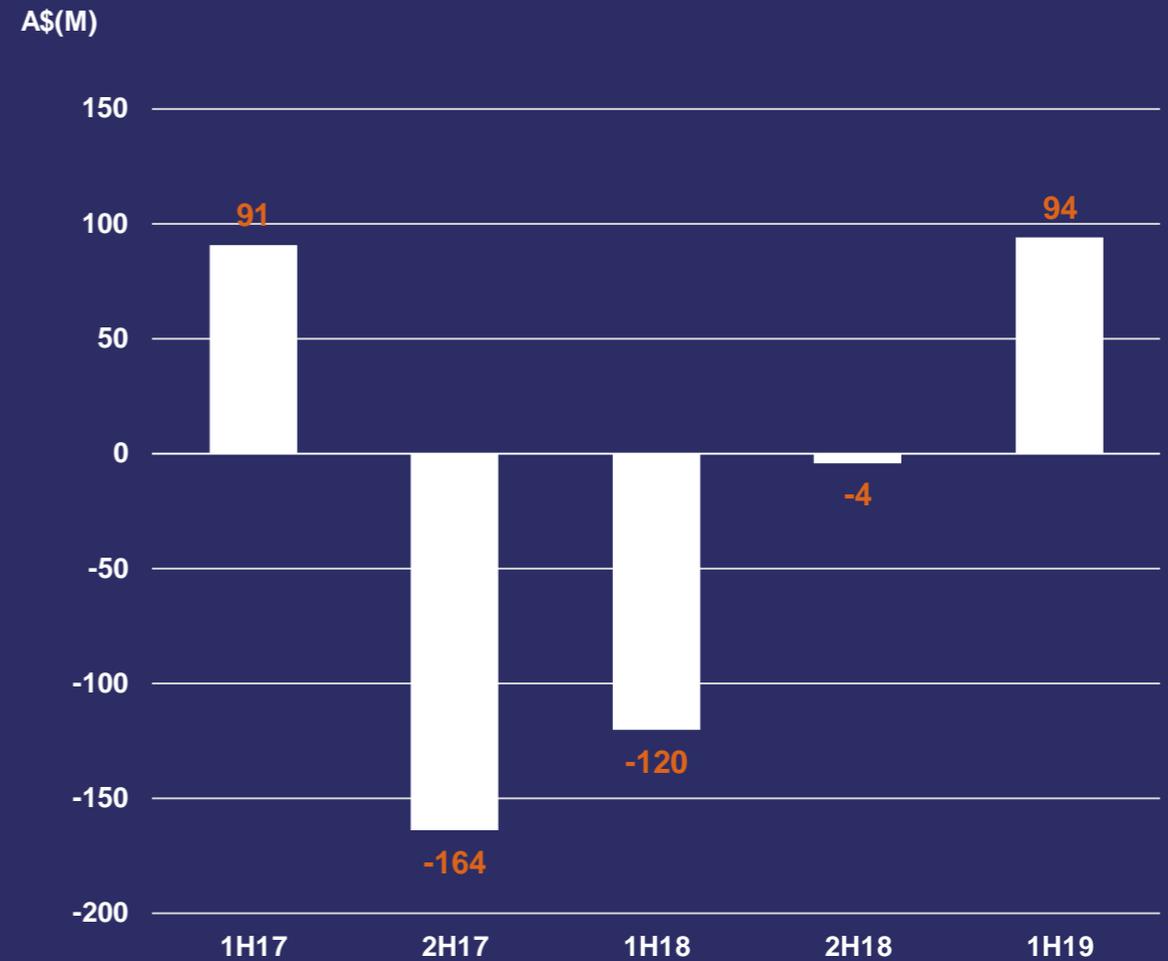
Net Cash from Operating Activities



Underlying Free Cash Flow⁽¹⁾



Net Cash Position



1) Underlying Free Cash Flow comprises Net Cash Flow from Operating Activities and Net cash Flow from Investing Activities, together with certain adjustments. Underlying Free Cash Flow in 1H19 excludes A\$10M final instalment proceeds on divestment of Stockman Project, A\$0.7M net proceeds on sale of Jaguar, A\$6.9M payments for the acquisition of financial assets and A\$6.5M relating to acquisition of Southern Hills tenements (1H18: excludes A\$11M in partial proceeds received from the divestment of the Stockman Project).



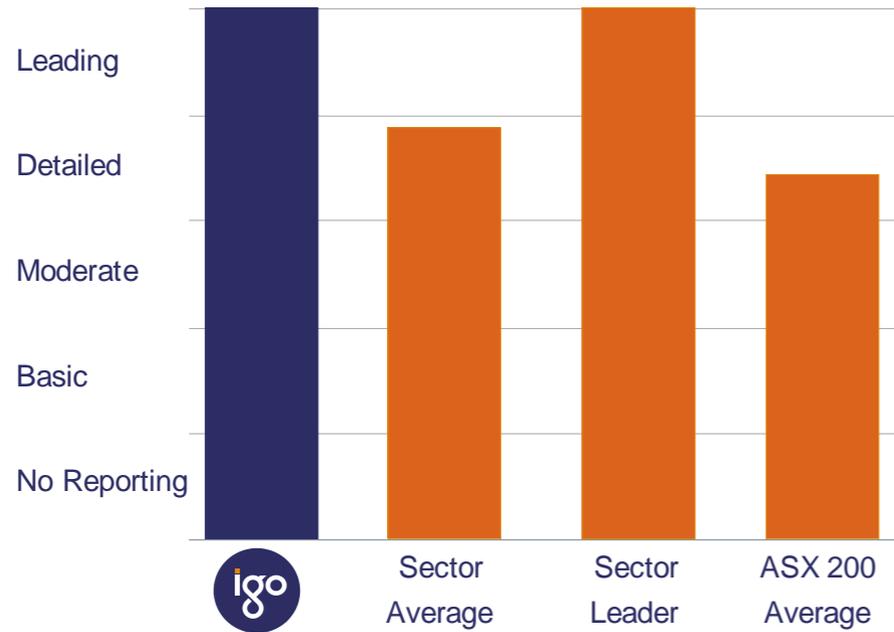
Capital Allocation to balance growth and cash returns to shareholders

- **New policy aligns shareholder interests to cash generation of asset portfolio**
 - Cash return of 15-25% of FCF
 - Strategy incorporates franked or unfranked dividends, special dividends and share buy backs
- **FY19 Interim Dividend of 2 cents per share fully franked paid on 1 March**
- **Approx. 8 cents per share of fully frankable dividends available post interim dividend payment**

ESG Performance



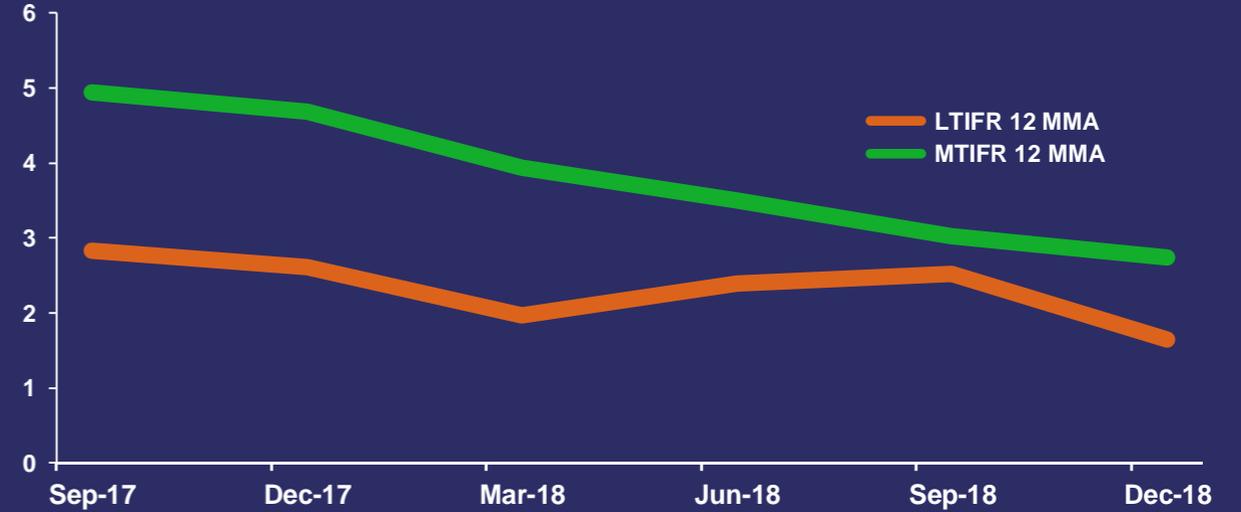
2018 ACSI Rating of ASX200 Sustainability Reporting⁽⁵⁾



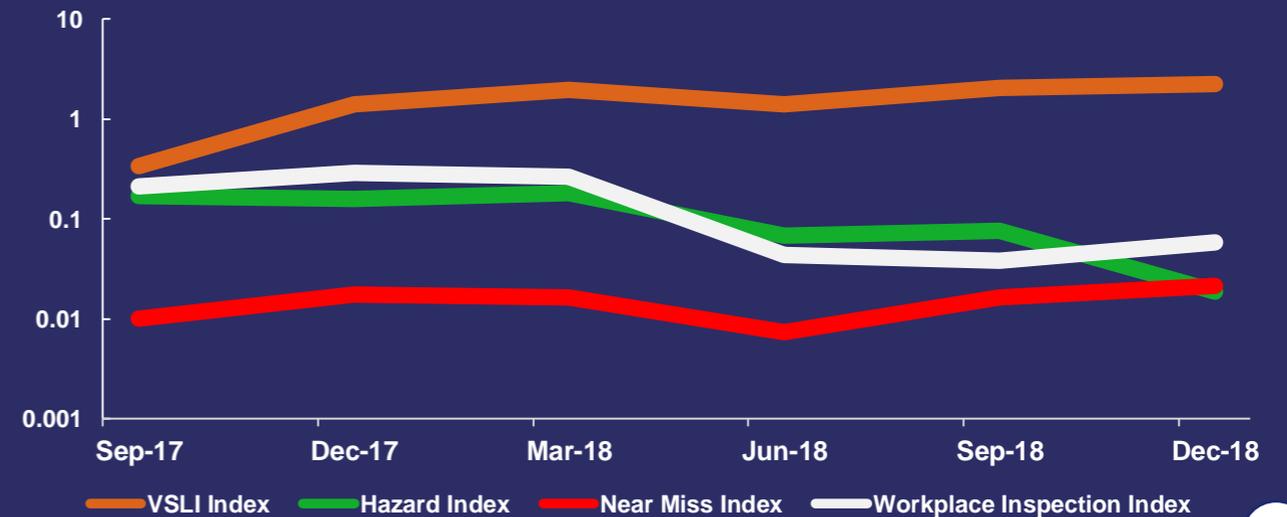
“Leading” rating each of the last three years

- 1) 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
- 2) 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
- 3) VSLI: Visual Safety Leadership Interaction
- 4) Jun-18 LTIFR rate has increased from 1.96 to 2.39 as a result of the reclassification of a single injury from the June 2018 Quarter
- 5) Australian Council of Superannuation Investors (ACSI)

Key Lag Safety Metrics^(1,2,4)



Key Lead Safety Metrics⁽³⁾



Concluding Comments

- Strong free cash generation and strengthening balance sheet
- Nova and Tropicana delivering metal production within guidance
- Transformational growth initiatives being successfully implemented
- Assessment of downstream nickel sulphate opportunity nearing completion
- A\$51M exploration program underway with multiple priority targets to be tested in 2019





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AS WE GO FROM
STRENGTH TO STRENGTH**

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