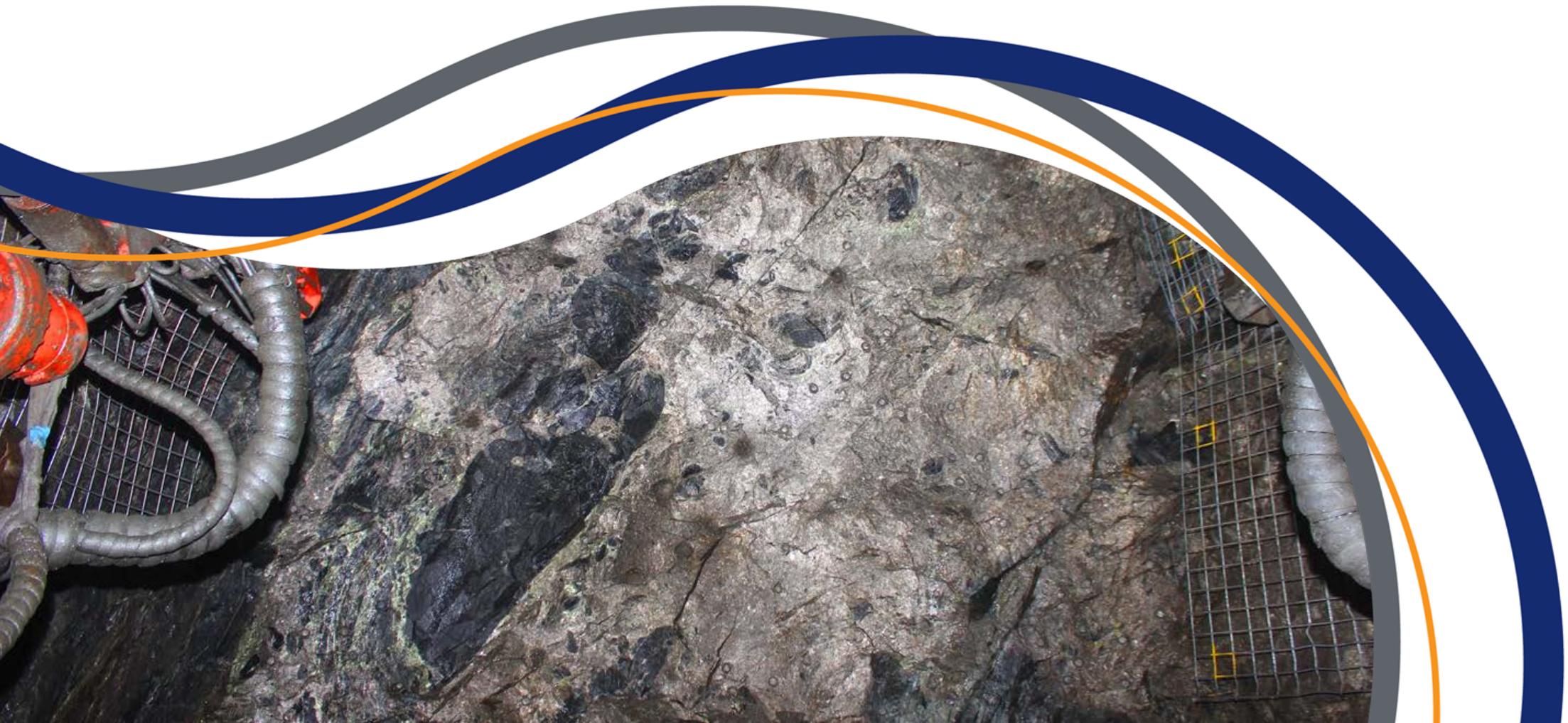


INDEPENDENCE GROUP NL

PETER BRADFORD, MANAGING DIRECTOR AND CEO

June 2016 Quarter Results Presentation

27 July 2016



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- 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, investment sales, depreciation and amortisation, and once-off transaction costs.

June 2016 quarter highlights

Leading Australian diversified mining company



Tropicana continued to increase processing rates beyond 7Mtpa

- 28,540oz (IGO 30% share) production at a Cash Cost of A\$895/oz and AISC of A\$1,135/oz
- Plant debottlenecking upgrades to materials handling and milling circuits completed in the quarter
- 7.3Mtpa annualised run rate achieved through May and June

Long consistently delivering to revised mine plan

- 2,018t contained Ni at a Cash Cost of A\$3.51/lb of payable Ni

Jaguar catch up in copper production

- 8,937t Zn and 3,235t Cu at a Cash Cost of A\$0.02/lb of payable Zn

Nova construction on schedule and on budget

- Project 93% complete at quarter end with first concentrate production forecast for December 2016
- First development ore mined in the quarter
- On time and on budget with A\$140M – A\$150M capital spend remaining to complete project
- Optimisation of mining plans with accelerated Bollinger development achieved with no change to initial capital

Financial and Corporate

- Cash of A\$46.3M and debt of A\$271.0M at quarter end
- A\$39.7M of operating cash flow for the quarter, after expenditure of A\$3.6M on exploration and A\$0.7M on finance
- Unaudited underlying EBITDA of A\$38.9M and unaudited profit after tax of A\$16.4M for the quarter

Unaudited financial results



Improved quarter on quarter cash flow underpins solid balance sheet

Unaudited (A\$'million)	Q4 FY16	Q3 FY16	Q4 FY15	YTD FY16
Revenue	105.9	88.5	118.7	417.1
Underlying EBITDA ⁽¹⁾	38.9	28.7	38.0	135.7
Net Profit After Tax	16.4	2.8	7.5	(58.9)
Net Cash Flow From Operating Activities	39.7	4.1	47.3	92.6
Free Cash Flow ^(1,2)	(21.8)	(61.7)	(18.4)	(328.3)
Underlying Free Cash Flow ^(1,2)	(36.3)	(61.6)	30.8	(141.6)
Cash (at end of period)	46.3	37.0	121.3	46.3
Marketable Securities (at end of period)	5.0	17.3	15.6	5.0
Refined bullion (at end of period)	0	3.8	0.2	0
Debt (at end of period)	271.0	240.0	0.5	271.0

1) Underlying EBITDA are 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. Underlying adjustments exclude proceeds from investment sales and payments for investments

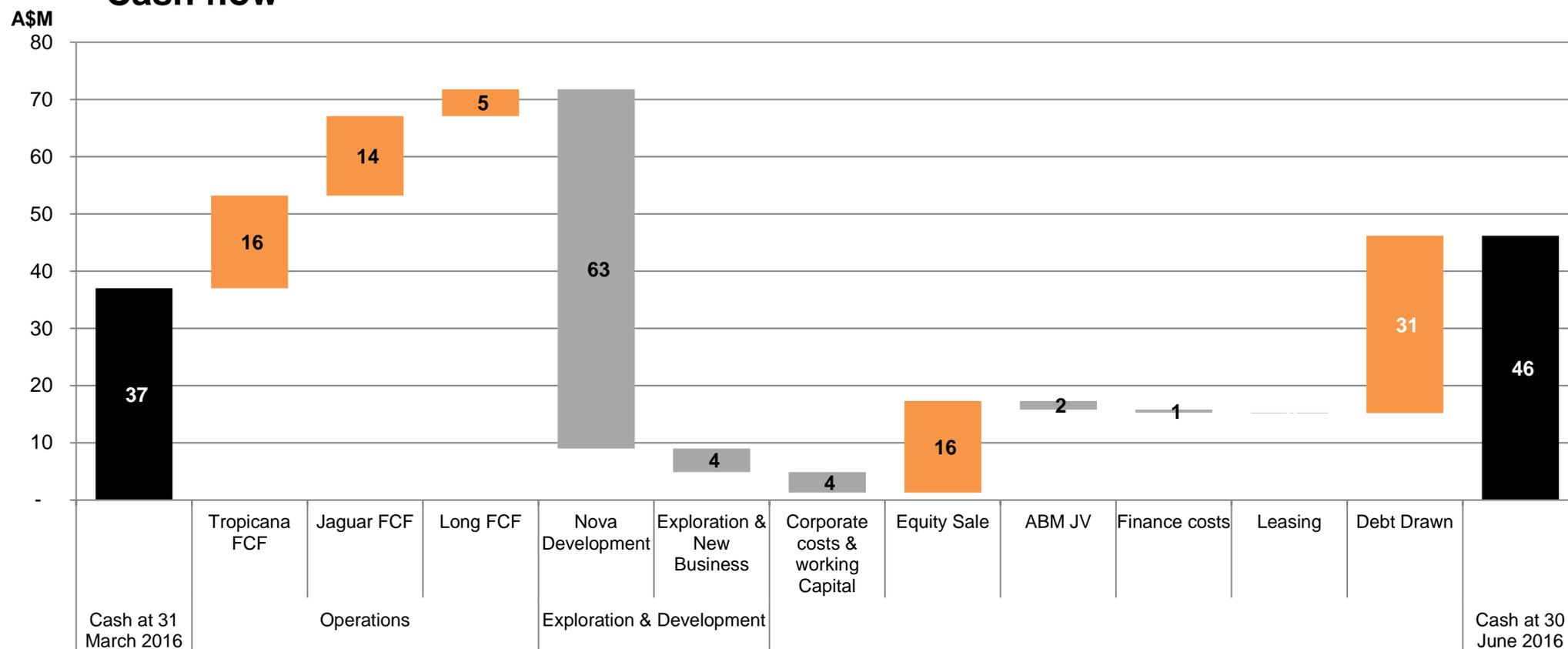
June quarter cash flow



Focus on cash management and realisation of asset optimisation

- As at 30 June A\$140M - \$A150M capital spend remained to complete the Nova Project
- Undrawn debt facilities of A\$279M out of a total of A\$550M
- Continued capital investment at Tropicana focused on plant debottlenecking and Long Island Study
- Jaguar benefited from improved copper grades
- A\$16M was realised from the sale of an equity investment

Cash flow



Hedging



Additional gold hedging completed during the quarter

- Opportune time to take advantage of strong recent gold price appreciation
- Additional hedges since the March 2016 quarterly report include:
 - FY17 12,000 ounces at A\$1,817/oz
 - FY18 60,000 ounces at A\$1,796/oz
 - FY19 47,988 ounces at A\$1,859/oz
- Diesel hedging remained unchanged
- Current hedging position summarised below:

	Units	FY17	FY18	FY19	TOTAL
Gold Hedging					
Gold Collars	oz	12,500			12,500
Gold Call price	A\$/oz	1,593			1,593
Gold Put price	A\$/oz	1,330			1,330
Gold Par Forwards	oz	72,600	60,000	47,988	180,588
Gold Price	A\$/oz	1,641	1,796	1,859	1,750
Total Gold Hedging	oz	85,100	60,000	47,988	193,088
% of Gold Hedged		~70%	~50%	~40%	
Diesel Hedging					
Diesel Par Forwards	L	7,863,000	9,912,000		17,775,000
Price ⁽¹⁾	A\$/L	0.405	0.454		0.432

1) Base diesel price excludes the cost of GST, Government excise and transportation

Tropicana

Transitioning to higher process rates at lower grade as planned

Gold production and costs

- 28,540oz gold produced and 29,254oz refined (IGO share)
- Cash Cost of A\$895/oz produced and AISC of A\$1,135/oz sold

Mining

- 7.0M BCM mined and hauled ex-pit

Processing

- 1.72Mt processed at average grade of 1.93g/t and 89.3% recovery
- 6.88Mtpa rate achieved in the quarter at an average utilisation of 95.1%
- 7.3Mtpa annualised rate achieved through May and June

Capital projects

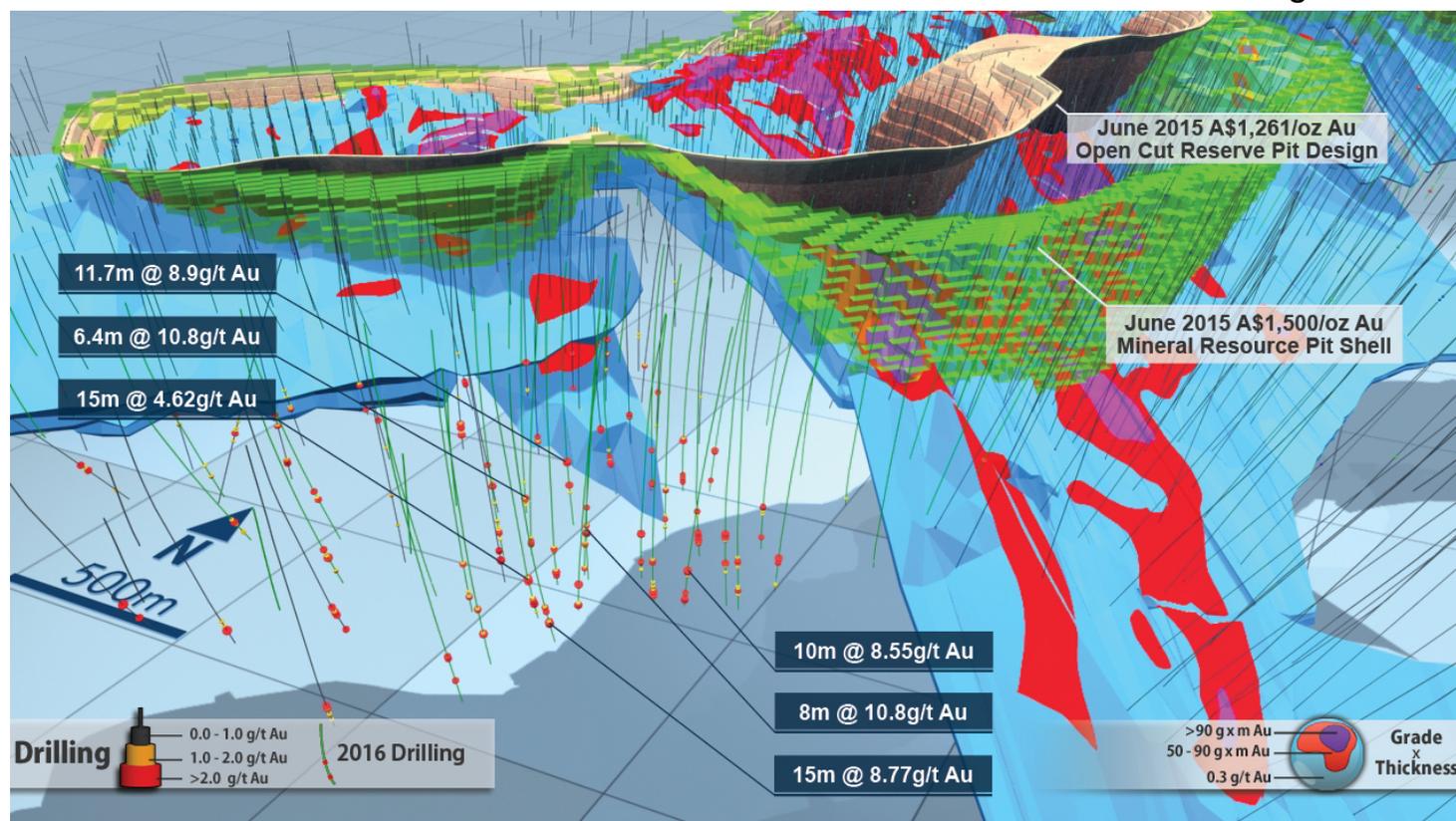
- Process plant debottlenecking activities, including upgrades to materials handling and crushing areas completed during the quarter
- Construction of additional CIL tankage, and associated lime storage, oxygen plant, air water and elution systems to be completed in September



Significant high grade ore shoot intersected at Havana South

Near mine exploration

- As part of the on going Long Island Study, drilling completed outside of the known Mineral Resources has intersected a significant high grade ore shoot at Havana South
- Better intersections include:
 - 11.7m @ 8.90g/t Au from 352.3m (HSD052)
 - 15m @ 8.77g/t Au from 510m (HSD054)
 - 8m @ 10.8g/t Au from 434m (HSD053)
 - 10m @ 8.55g/t Au from 432m (HSD077)
 - 15m @ 4.62g/t Au from 429m (HSD088A)
 - 6.4m @ 10.8g/t Au from 416.6m (HSD099)



1) For Tropicana exploration results see ASX release Tropicana - Delineation of New High-Grade Shoot dated 25 July 2016

FY16 operational scorecard and FY17 guidance

	UOM	FY16 Guidance ¹	FY16 Results	FY17 Guidance Range
Gold produced (100% basis)	oz	430,000 to 470,000	448,116	390,000 to 430,000
Gold (IGO's 30% share)	oz	129,000 to 141,000	134,435	117,000 to 129,000
Cash cost	A\$/oz Au	680 to 750	730	850 to 950
All-in Sustaining Costs	A\$/oz Au	900 to 950	918	1,150 to 1,250
Sustaining capex	A\$M	14 to 16	6.4	2 to 3
Improvement capex	A\$M		5.9	2 to 3
Capitalised waste stripping	A\$M	18 to 20	16.1	29 to 36
Exploration expenditure	A\$M	9 to 11	7.6	6 to 8

FY16 Highlights

- Successful transition from accelerated mining and grade streaming strategy to balanced mining and processing at average Ore Reserve grades
- Transition from diesel to gas fired power generation following completion of gas pipeline in January 2016
- Capital investment achieves increased milling rates from 5.8Mtpa to 7.0 – 7.5Mtpa
- Ongoing drilling and technical work as part of the Long Island Study with initial results expected H1 FY17

1) March 2016 Quarterly Report

Long

Consistently delivering to new operating plan



Production and costs

- 2,018t contained nickel produced
- Cash Cost of A\$3.51/lb payable Ni

Underground mining

- 50,167t mined at an average grade of 4.02% Ni
- Mining for the quarter focussed on the Moran orebody

Productivity improvements

- Although production in the quarter was 14% below June 2015 quarter, the result has been achieved at a 22% reduced Cash Cost following restructuring completed in February 2016
- This represents a significant improvement in productivity



FY16 operational scorecard and FY17 guidance

	Units	FY16 Guidance ¹	FY16 Results	FY17 Guidance Range
Nickel (contained metal)	tonnes	8,500 to 9,000	8,483	7,400 to 8,200
Cash Cost (payable)	A\$/lb Ni	3.50 to 4.00	3.68	3.50 to 3.90
Sustaining capex	A\$M	2 to 3	1.7	1
Exploration expenditure	A\$M	8 to 9	7.1	2 to 3

FY16 Highlights

- Operations restructured in response to challenging nickel prices during the year
- Successfully transitioned to new operating plan
- Consistently delivering higher operating margins and improved productivity
- In mine exploration opportunities under review

1) March 2016 Quarterly Report

Jaguar

Copper grades deliver catch up quarter



Production and costs

- 8,937t Zn and 3,235t Cu produced in concentrates
- Cash Cost of A\$0.02/lb payable zinc

Underground mining

- Tonnes mined 117,337t

Processing

- 122,332t milled at average grade of 8.61% Zn and 2.88% Cu
- Copper grades lifted from 1.24% in the previous quarter to 2.88% as higher grade stopes became available

Near mine exploration

- Mineral Resources will be updated in August 2016
- Aircore drilling to identify extensions to prospective stratigraphy is underway and will be completed in the September 2016 quarter

FY16 operational scorecard and FY17 guidance

	Units	FY16 Guidance ¹	FY16 Results	FY17 Guidance Range
Zinc in concentrate	tonnes	38,000 to 40,000	39,335	39,000 to 43,000
Copper in concentrate	tonnes	6,500 to 7,000	7,412	4,600 to 5,100
Cash cost (payable)	A\$/lb Zn	0.60 to 0.70	0.53	0.70 to 0.80
Sustaining capex	A\$M	2 to 3	1.8	8 to 9
Development capex	A\$M	11 to 13	12.8	12 to 13
Exploration expenditure	A\$M	9 to 10	8.9	3 to 4

FY16 Highlights

- Record mining and milling rates achieved in FY16 since inception of the operation
- Bentley Mineral Resources remain open down plunge
- Opportunities to extend and test new areas of prospective stratigraphy identified

1) March 2016 Quarterly Report

Nova Project overview



Project remains on schedule and on budget

Strong on-site progress

- Substantial progress made during quarter and project 93% complete at quarter end
- First development ore mined during the quarter
- Three grade control drilling rigs onsite
- Project remains on track for commissioning in late 2016 and for production of first concentrates in December 2016

Infrastructure

- All infrastructure complete excluding the staged development of the power station

Accelerated Bollinger development

- Accelerating decline development to access the Bollinger orebody within initial capital cost estimate
- Significant value unlocked and improved operational flexibility

Process plant construction

- Construction of the process plant is ahead of schedule, currently 86% complete
- Focus shifting to operational readiness
- All major long lead time items now in place
- Piping and electrical installation ahead of schedule

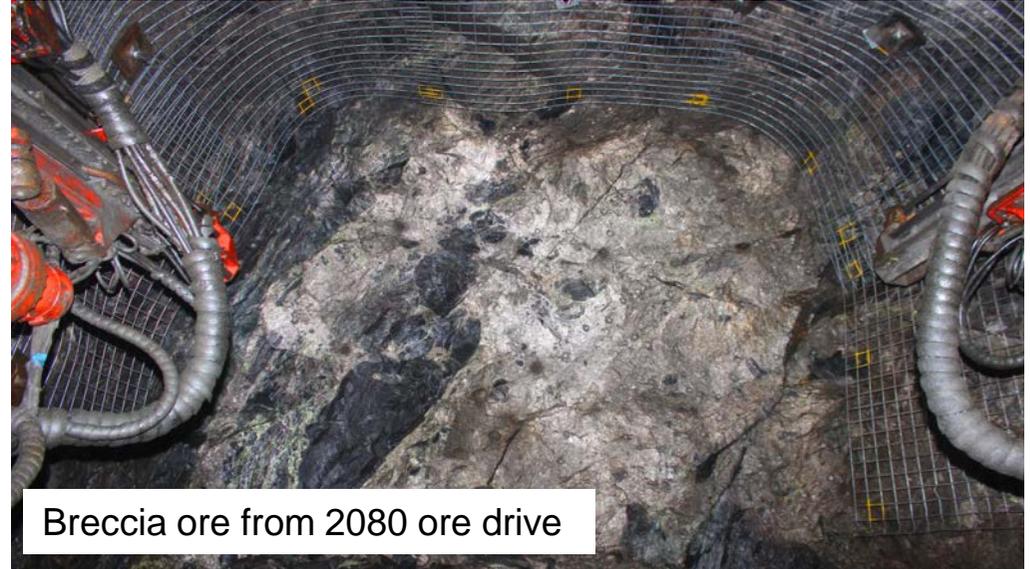
1) For Accelerated Bollinger Development results see ASX release Accelerated Bollinger Decline at Nova Project dated 21 July 2016. The information in this presentation that relates to production targets related to the Nova Project, and the NPV and cash flows derived from those production targets, has been extracted from the 21 July 2016 ASX release. IGO confirms that all the material assumptions underpinning the production targets, and the NPV and cash flows derived from the production targets in the 21 July 2016 ASX release continue to apply and have not materially changed.

Nova Project progress

Overall Project currently 93% complete



Grinding circuit



Breccia ore from 2080 ore drive



Power station



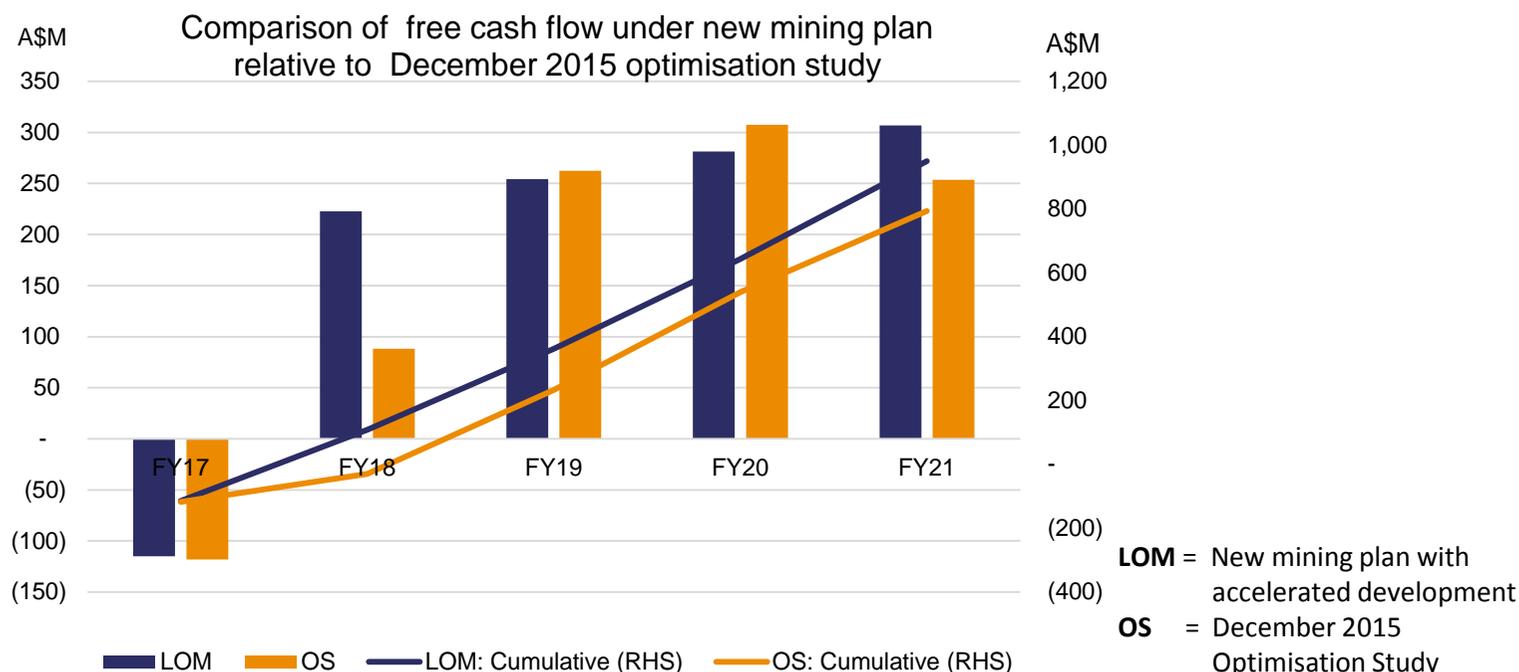
Paste fill plant

Accelerated Bollinger development



Significant value unlocked with improved mining flexibility

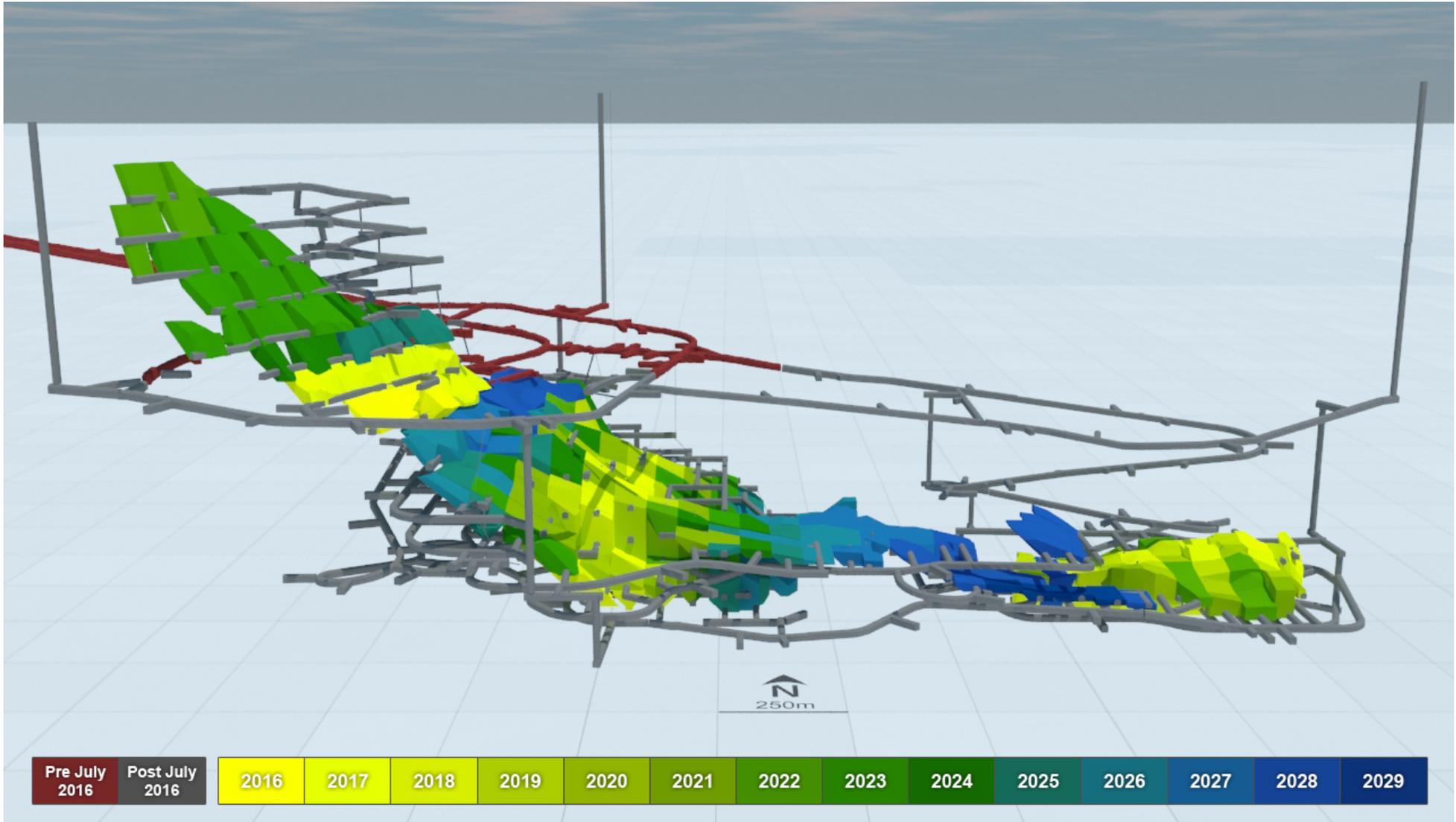
- Further value unlocked at Nova through accelerating the Bollinger decline within the original \$443M capital estimate
- Committing to earlier development of the Bollinger orebody will achieve:
 - A\$134M improvement⁽¹⁾ in FY18 real free cash flow relative to the December 2015 Optimisation Study
 - A\$128M improvement in project NPV relative to the December 2015 Optimisation Study⁽¹⁾
 - Potential to improve the mining production rates to in excess of 1.5Mtpa
 - Reduced risk of mining production disruptions with two relatively independent production areas at Nova and Bollinger to be available from FY18



1) For Accelerated Bollinger Development results and detailed parameters see ASX release Accelerated Bollinger Development at Nova Project dated 21 July 2016

Updated mine design and schedule

Improved mining design and sequencing delivers significant benefits



Nova initial operating guidance

Operational readiness on track



- Preliminary operating guidance for Nova provided through to FY19
- Additional opportunities exist to improve mining production and processing rates
- Further enhancements will be pursued following commissioning and ramp up phases

	Units	FY17 ⁽¹⁾	FY18	FY19
Nickel Production	tonnes	9,000 to 10,000	27,000 to 30,000	27,000 to 30,000
Copper Production	tonnes	3,900 to 4,400	12,000 to 13,000	12,000 to 13,000
Cobalt Production	tonnes	280 to 320	900 to 1,000	900 to 1,000
Cash costs (real) ⁽²⁾	A\$/lb Ni	4.00 to 4.50	1.50 to 2.00	1.50 to 2.00
Remaining Initial Capital Cost ⁽³⁾	A\$M	140 to 150	0	0
Sustaining Capex	A\$M	3 to 5	25 to 30 ⁽⁴⁾	5 to 7 ⁽⁴⁾
Development Capex	A\$M	22 to 25		
Exploration expenditure	A\$M	3.5 to 4.5		

1) FY17 excludes production achieved during commissioning.

2) Cash Cost includes royalty per pound of payable nickel (after by-product credits) and applies to ramp-up period following plant commissioning

3) Remaining Initial Capital Costs includes the key capital activities (outstanding from the A\$443M Project Capital Costs) outlined in the company's 28 June release titled "First Ore Mine in Development at Nova" including but not limited to, the power station, plant piping/ electrical, past plant and decline development. The amount also includes capital required for the Bollinger Decline as outlined in this ASX release.

4) Sustaining capex includes Development capex

Note: For further information on Nova production guidance see ASX release Accelerated Bollinger Decline at Nova Project dated 21 July 2016

FY17 exploration guidance

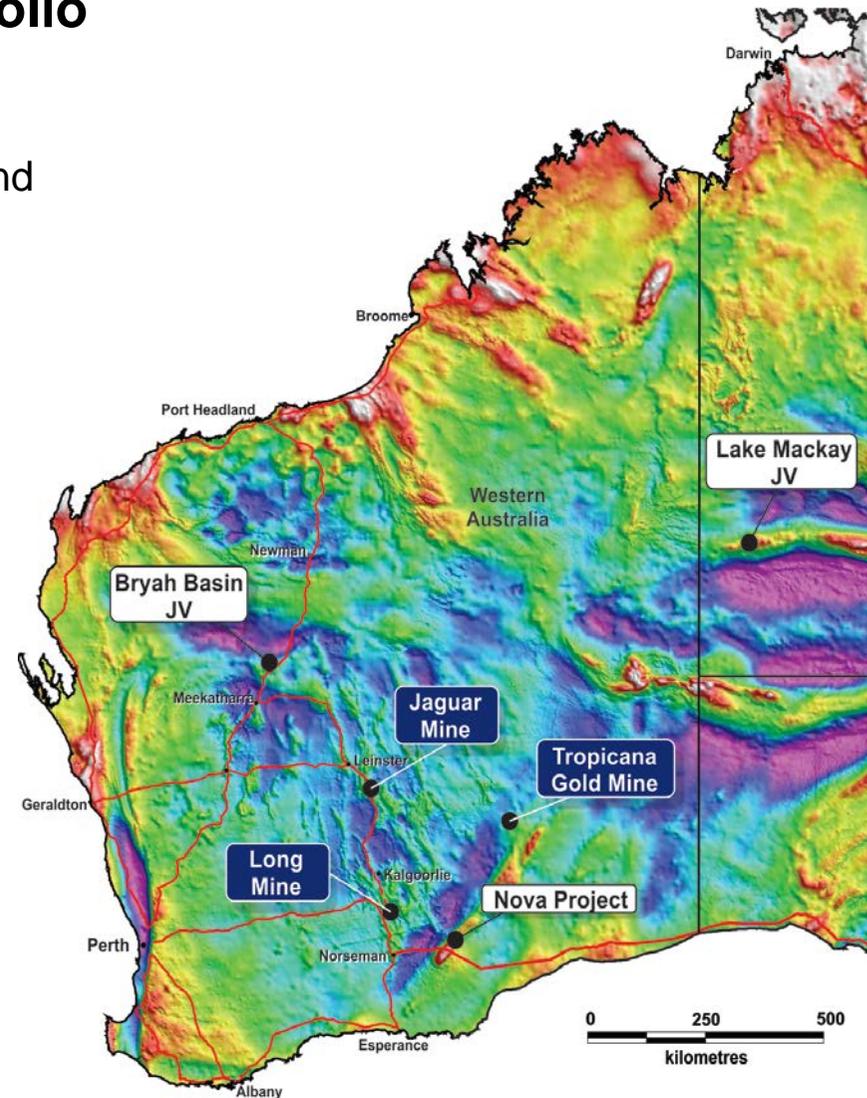
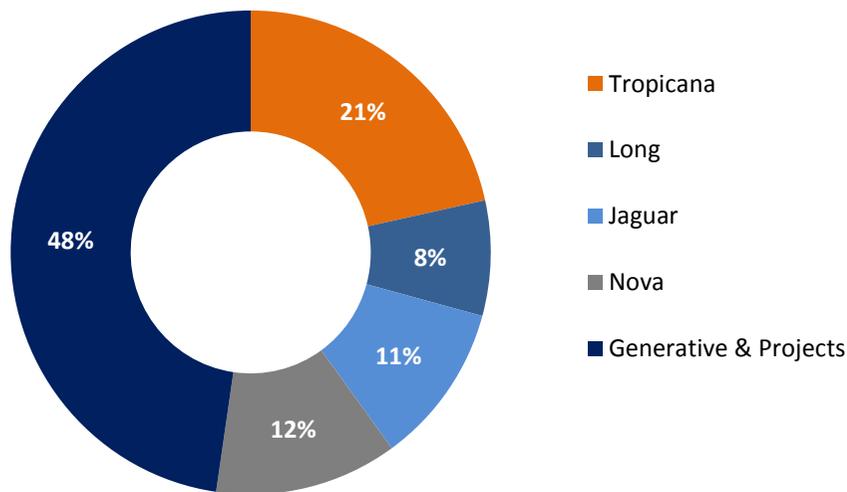


IGO remains committed to delivering growth through exploration

A\$33M exploration budgeted across portfolio

- Targeting provinces that can deliver multiple gold and base metals projects
- Increasing focus on generative and greenfields projects

FY17 Exploration Budget



Concluding comments

Diversified mining company delivering cash flow and growth



Strong focus on cash management and operational performance

- Nova remains on schedule and on budget
- A\$140M – A\$150M spend remaining to deliver Nova Project
- At quarter end A\$279M of A\$550M debt facility remains undrawn at quarter end
- First development ore mined at Nova
- Significant value unlocked through accelerated development of Bollinger within original capex budget
- Significant drilling results from Havana South high grade shoot

Outlook and catalysts for value recognition

- Tropicana processing capacity to reach 7.0 – 7.5Mtpa
- Long Island Study results throughout H1 FY17
- Continued de-risking of the Nova Project in preparation for commissioning
- First production in December 2016
- Access drilling positions to commence in mine exploration around the Nova orebody



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