

INDEPENDENCE GROUP NL

1Q18 Quarterly Results Presentation

Nova Delivers Solid Results To Underpin Strong Start To FY18



25 October 2017

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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 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, redundancy and restructuring costs, depreciation and amortisation, and once-off transaction costs.
- Underlying NPAT comprises net profit (loss) after tax adjusted for; post tax effect of acquisition and integration costs, and impairments.
- 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.



1Q18 Highlights

Nova Delivers Solid Results To Underpin Strong Start To FY18



- Successful maiden quarter of commercial production from Nova with nickel production and cash costs within guidance
- Nova activities now at steady state level and 2Q18 expected to be at nameplate 1.5Mtpa rate
- Primary metal production and cash costs from Tropicana, Jaguar and Long all broadly within guidance
- Unaudited underlying EBITDA and cash flow from operating activities both higher quarter on quarter at A\$69M and A\$61M respectively
- First term debt repayment of A\$29M made and net debt now at A\$142M
- FY17 final dividend A\$5.9M paid in 1Q18
- Chief Operating Officer transition planned for early CY18

Transitioned to cash generation phase

Sustainability

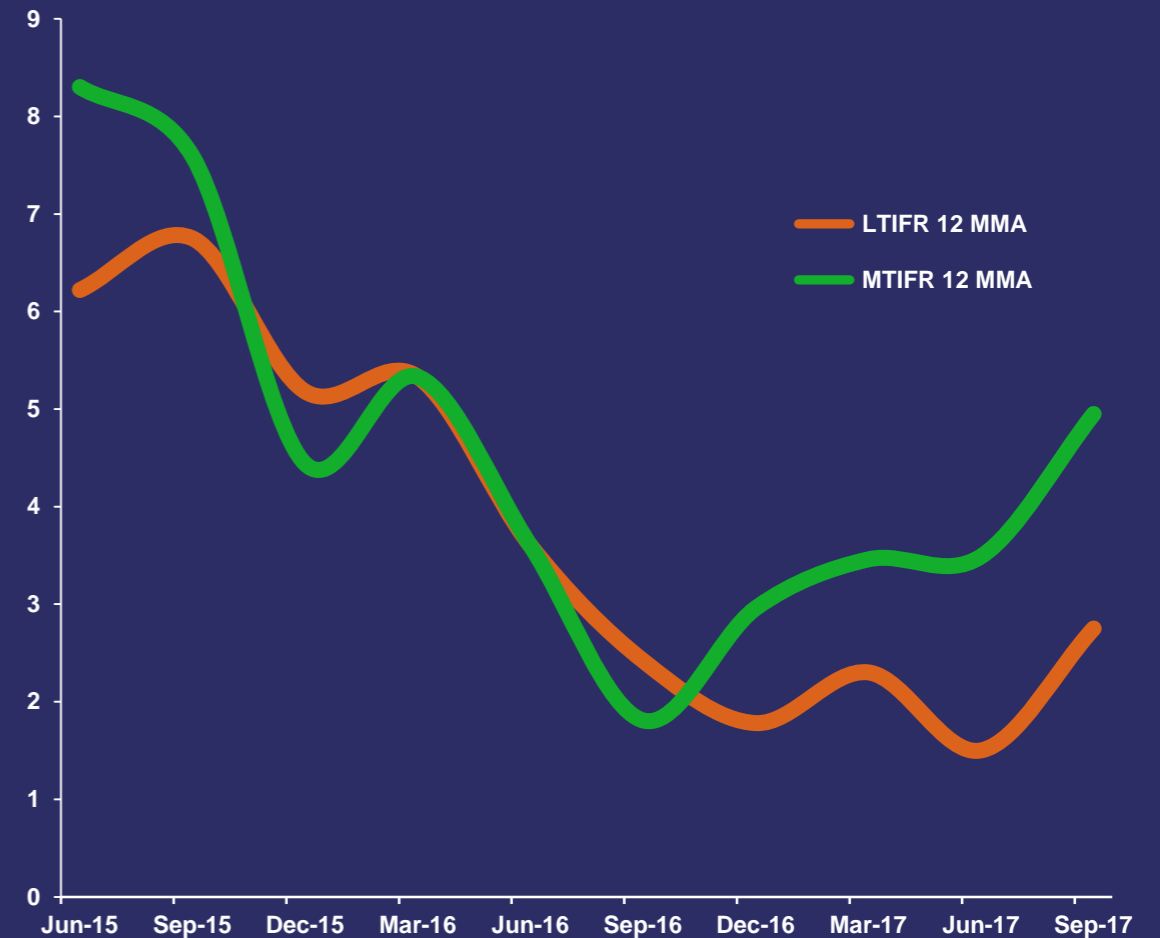
Focused on better outcomes for our people



- One lost time injury bringing LTIFR to 2.75⁽³⁾
- Visible safety leadership focus continues
- Good progress in a number of areas and no environmental incidents
- Active engagement in all communities around mines
- Nova official opening held
- FY17 Sustainability Report being finalised

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) LTIFR rate has increased from 2.20 (IGO rate) to 2.75 due to an injury reclassification for Jaguar from December 2016

Key Lag Safety Metrics^(1,2,3)



Strengthening Financial Results



Transitioned to cash generation with Nova in commercial production

	UOM	1Q18	4Q17	QoQ
Revenue and Other Income	A\$M	146.6	114.2	28%
Underlying EBITDA ⁽¹⁾	A\$M	68.9	34.1	102%
Profit (Loss) After Tax	A\$M	4.7	(15.5)	n/a
Net Cash from Operating Activities	A\$M	60.6	28.7	111%
Underlying Free Cash Flow ⁽²⁾	A\$M	28.9	(32.8)	n/a
Cash	A\$M	29.1	35.8	(19%)
Debt	A\$M	171.4	200.0	(14%)

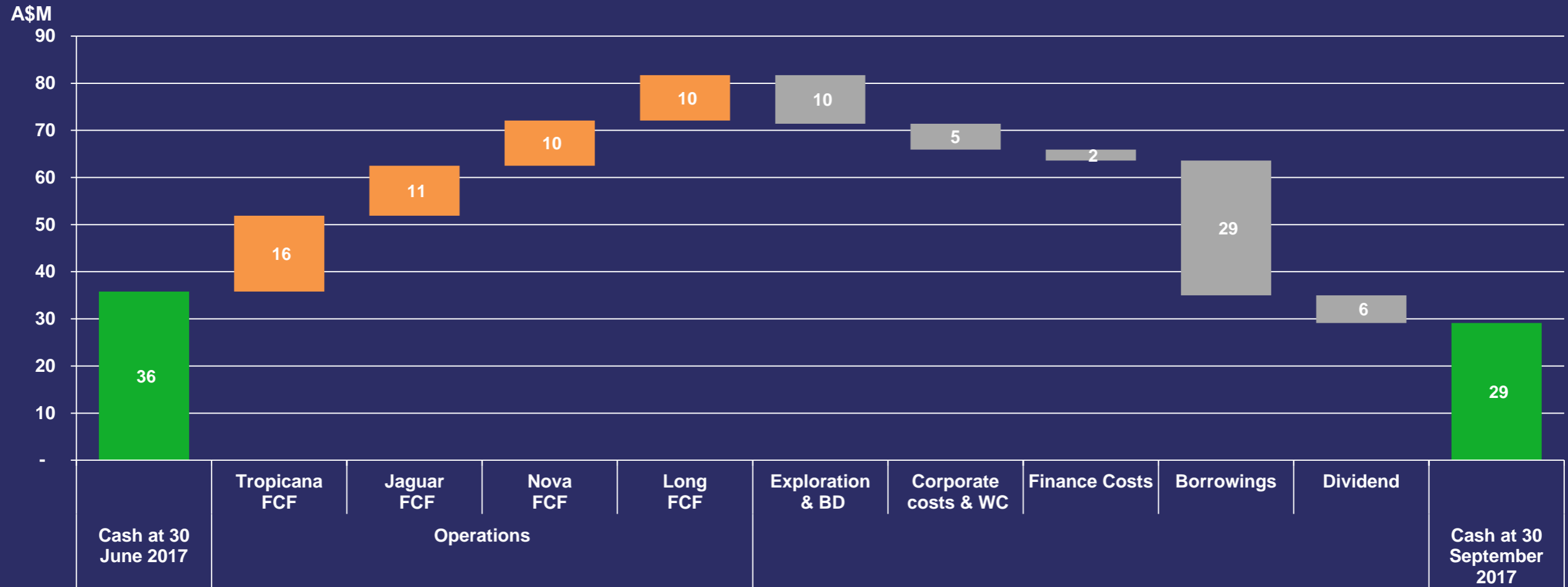
First term debt repayment made and revolving credit facility remains undrawn

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. Underlying adjustments exclude proceeds from investment sales and payments for investments

1Q18 Cash Flow Reconciliation

Net debt reduced from A\$164M to A\$142M



Nickel production at top end of guidance in maiden quarter of commercial production

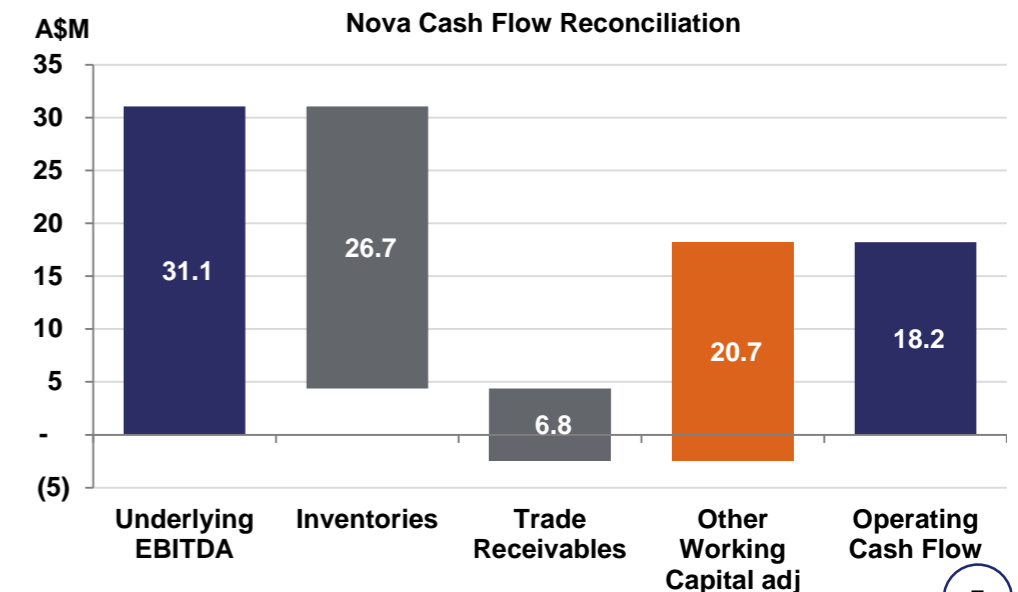
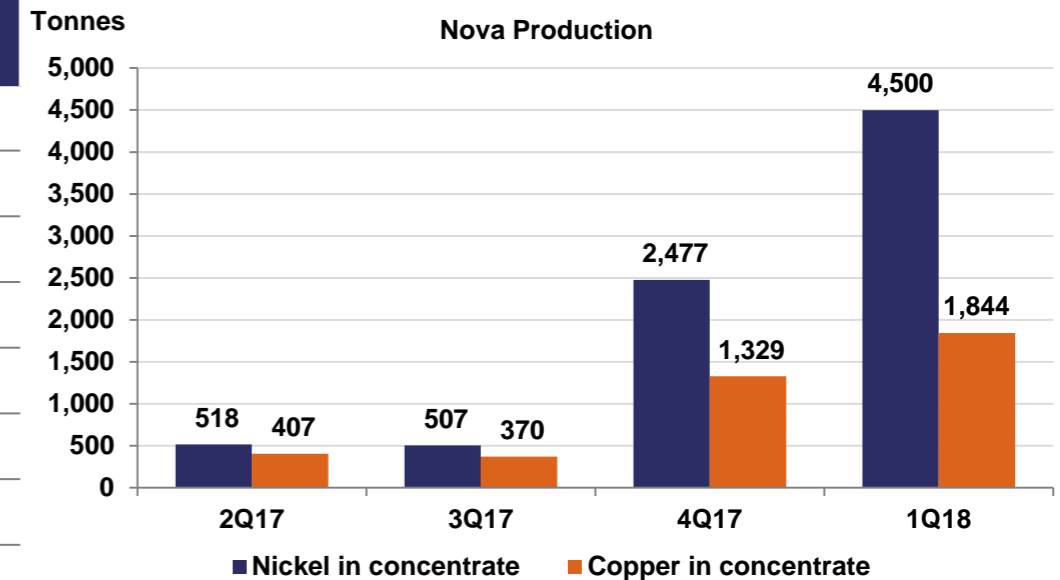
Metric	Units	Guidance ⁽²⁾	1Q18	4Q17
Nickel in concentrate	t	3,750 - 4,500	4,500	2,477
Copper in concentrate	t	2,000 - 2,250	1,844	1,329
Cobalt in concentrate	t	125 - 175	142	79
Cash cost (payable) ⁽¹⁾	A\$/lb Ni	3.70 - 4.50	3.98	n/a
Development Capex	A\$M	15.0 – 16.0	14.7	n/a
Build Capex	A\$M	0.0 – 1.0	1.1	37.8
Sustaining Capex	A\$M	1.5 - 2.5	0.1	n/a
Exploration expenditure	A\$M	2.5 - 3.0	1.6	2.4

1Q18 Drivers & Outlook

- All mining from Nova with limited operational flexibility
- Bollinger development is “on track” for mining in 3Q18 - will improve operational flexibility
- Grade generally conforming to new resource model but with localised variability
- Recovery lower than life of mine target but in line with expectation for feed grade processed during 1Q18
- Grade control drilling is ongoing ~98% complete at Nova and ~50% complete at Bollinger

1) Cash costs expressed per pound of payable metal and are inclusive of royalties and by-product credits

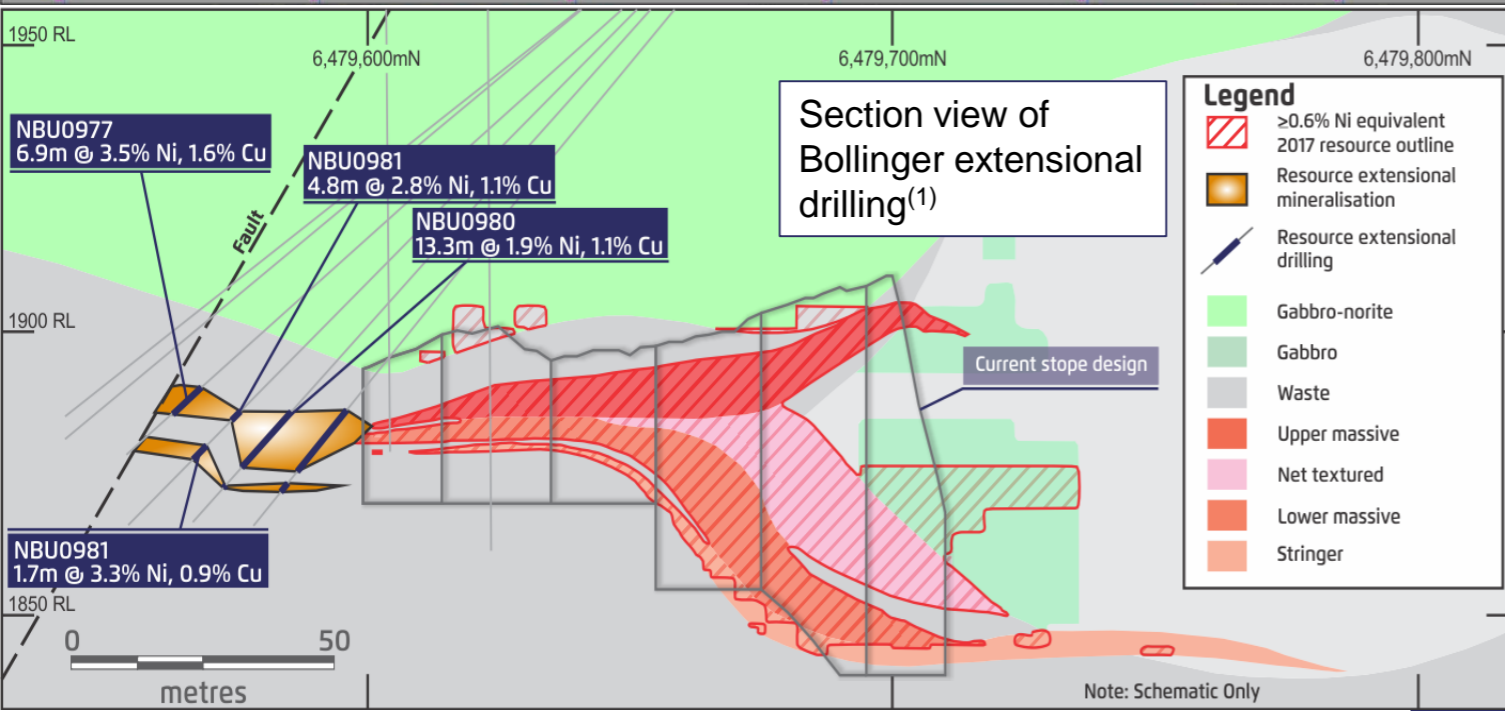
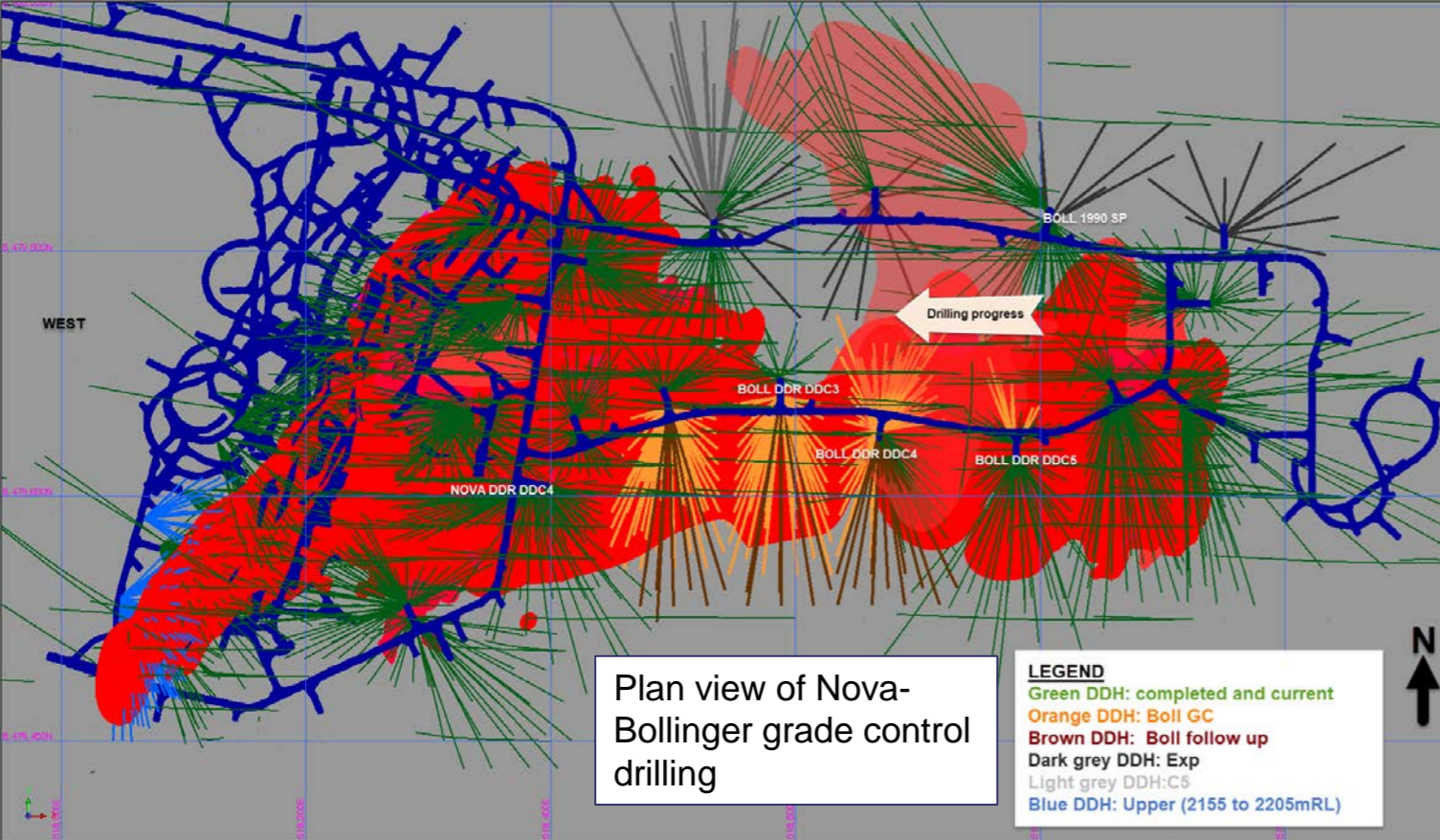
2) Implied quarterly guidance (First Half FY18 guidance divided by two)



Nova Grade Control⁽¹⁾

Early de-risking of mineral resource

- Grade control drilling well progressed
- Priorities to shift in 2Q18
 - Drill inferred mineralisation
 - Drill potential extensions
 - Bollinger grade control to continue into 3Q18
- Update Ore Reserve with benefit of additional information in 2H18



1) Refer to ASX release dated 26 Jul 2017: Nova Mineral Resource Estimate and Exploration Update

Nova Mine Lease Exploration



Surface exploration commenced

Initial work program completed:

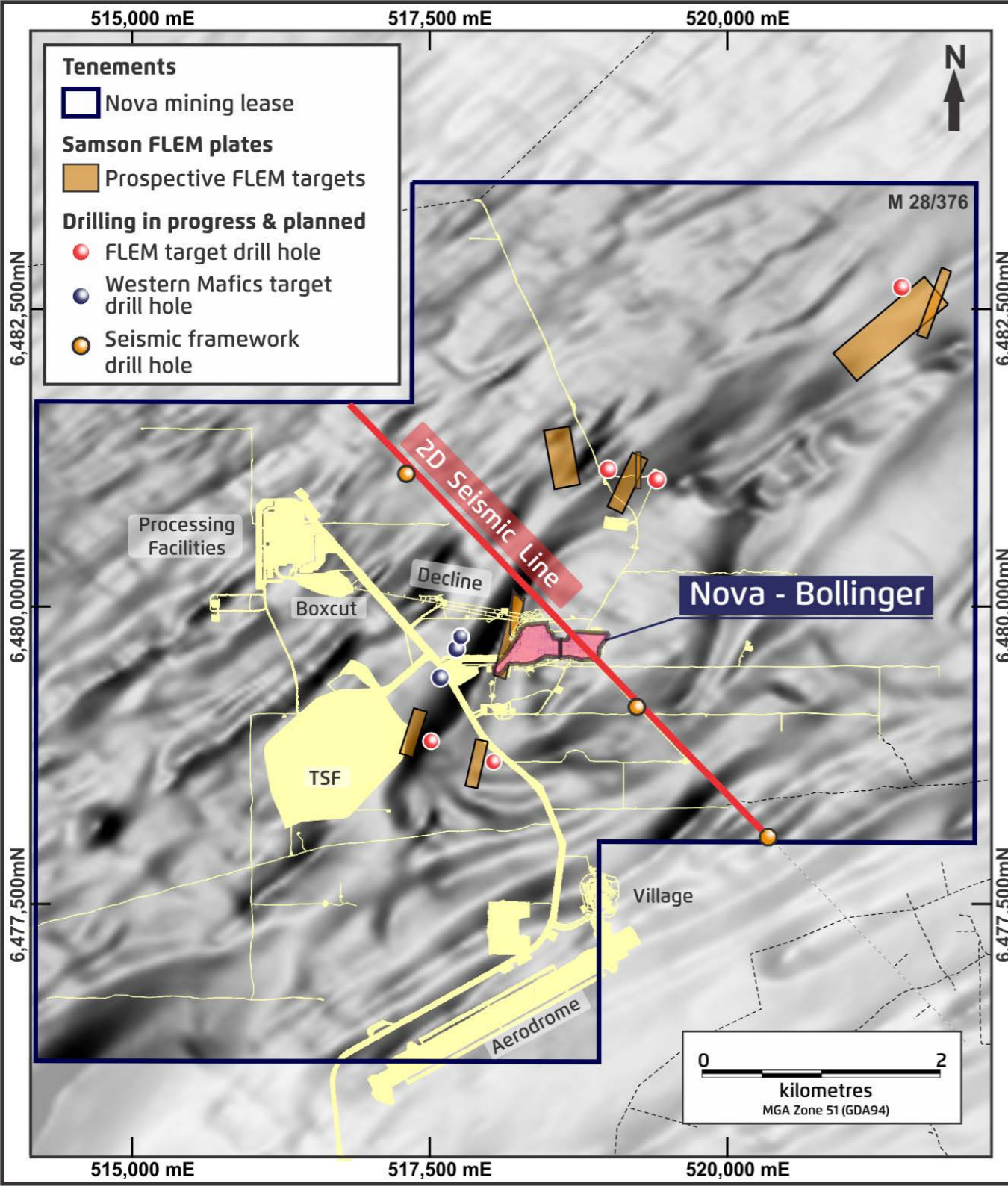
- Drilling historical EM plates
- Drilling Western Mafic complex
- Framework drilling on 2D seismic line - testing a number of reflective positions

Positive results

- Disseminated and blebby sulphides intersected in Western Mafic intrusive (400m west of Nova)

Next steps:

- 3D seismic mid-FY18
- Extensional drill testing of Western Mafic intrusive
- Underground drilling for extensions



Consistent performance with all metrics within guidance

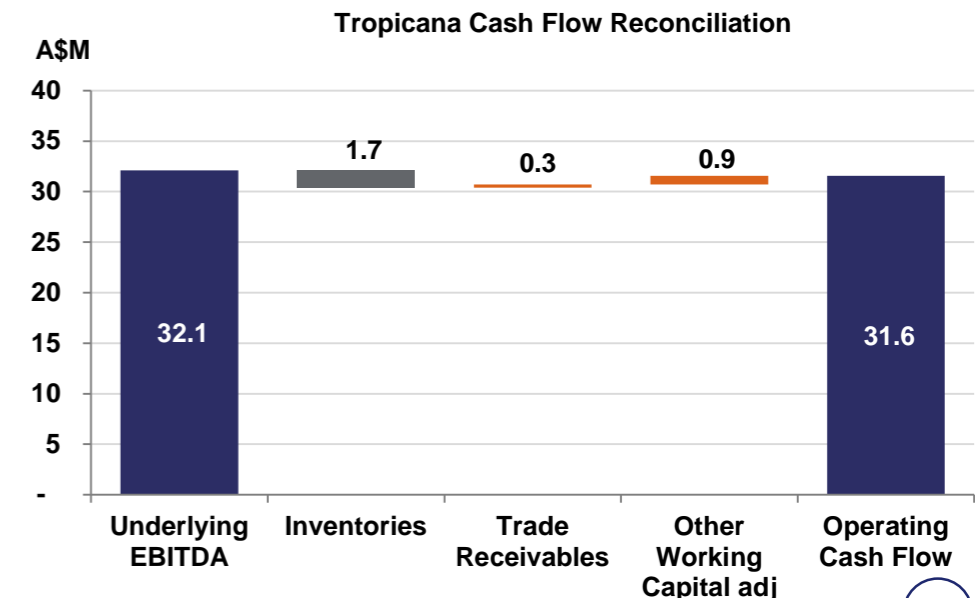
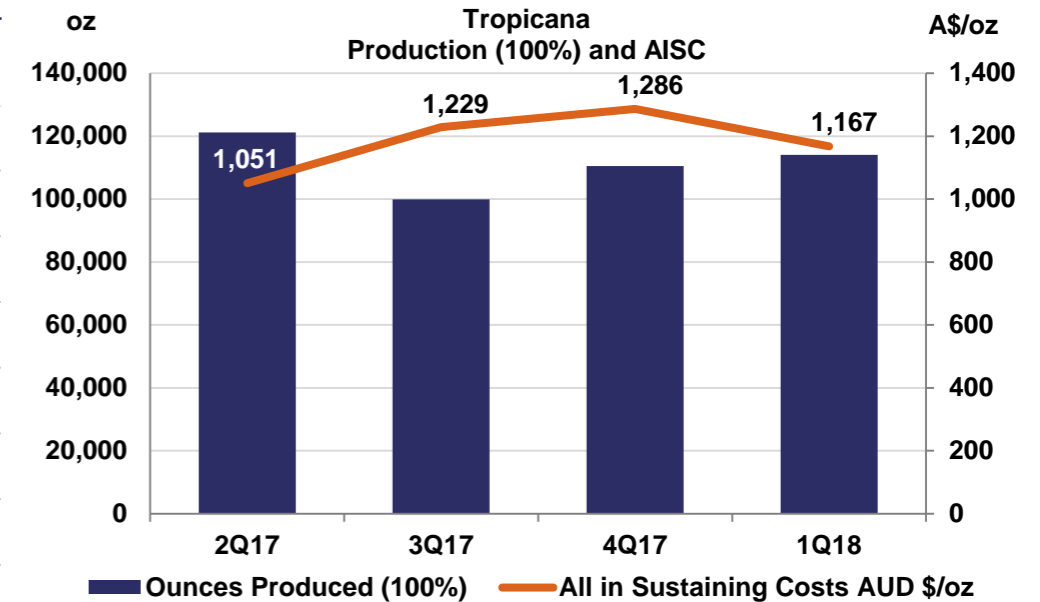
Metric	Units	Guidance ⁽²⁾	1Q18	4Q17
Gold produced (100%)	koz	110.0 – 122.5	114.1	110.5
Gold Sold (IGO 30%)	koz	33.0 – 36.7	33.0	32.4
Cash cost	A\$/oz	680 - 750	737	815
AISC ⁽¹⁾	A\$/oz	1,060 – 1,170	1,167	1,286
Sustaining/improve capex	A\$M	2.2 – 3.0	2.4	2.1
Capitalised waste stripping	A\$M	11.0 – 13.7	12.9	14.4
Exploration expenditure	A\$M	1.0 – 1.2	1.1	1.2

1Q18 Drivers & Outlook

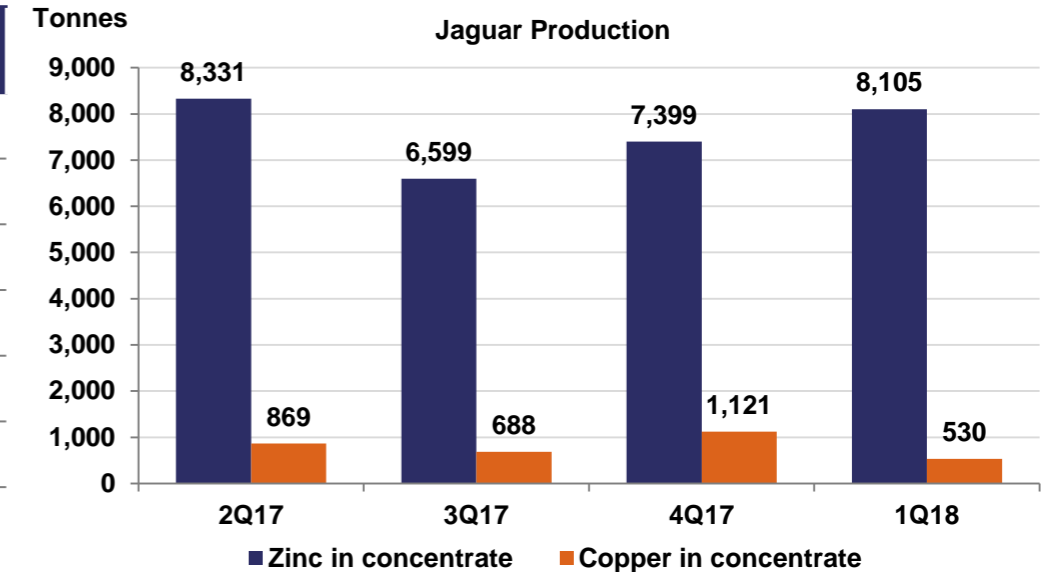
- Accelerated mining rates implemented in late 2016 to access ore at the bottom of Tropicana and Havana pits was sustained during the Quarter
- Stronger 1Q18 result driven by higher throughput (7.8Mtpa) and grade
- Recovery lower than design due to high processing rate – capex project to install additional milling capacity to improve grind and recovery being developed for CY18 implementation
- 2Q18 expected to be significantly stronger followed by softer 3Q18 and 4Q18
- Long Island on track for completion in 2Q18
- Drilling program to test underground mining targets under Boston Shaker pit underway

1) AISC is All-in Sustaining Costs

2) Implied quarterly guidance (FY18 guidance divided by four)

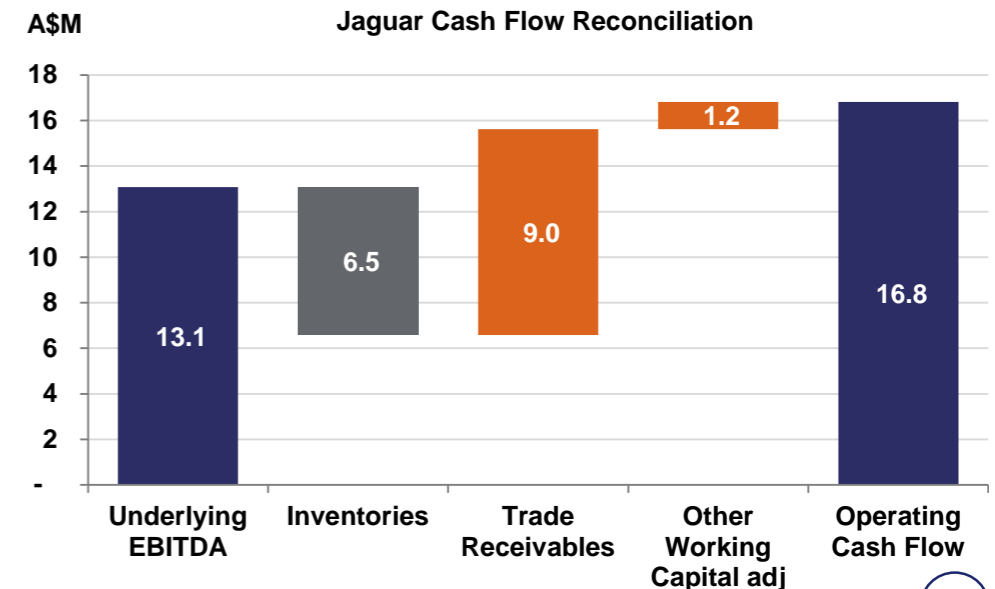


Metric	Units	Guidance ⁽²⁾	1Q18	4Q17
Zinc in concentrate	t	7,250 – 8,250	8,105	7,399
Copper in concentrate	t	650 – 750	530	1,121
Cash cost (payable) ⁽¹⁾	A\$/lb Zn	0.85 – 1.05	1.03	0.66
Sustaining capex	A\$M	2.0 – 2.2	3.2	1.7
Development capex	A\$M	2.5 – 2.7	2.7	3.8
Exploration expenditure	A\$M	0.7 – 1.2	0.6	1.1



1Q18 Drivers & Outlook

- Higher zinc grades than planned offset by lower copper grades. Copper grades are expected to improve in 2Q18
- Sustaining capex program front ended in FY18 – no change to full year guidance
- Drilling continued at Bentayga (Bentley Deeps)
- External approvals for Triumph development and Process Plant optimisation project to produce a third concentrate were obtained. Further drilling at Triumph and project risk assessment in 2Q18 prior to development decision
- Regional work program continuing



1) Cash costs expressed per pound of payable metal and are inclusive of royalties and by-product credits

2) Implied quarterly guidance (FY18 guidance divided by four)

Long

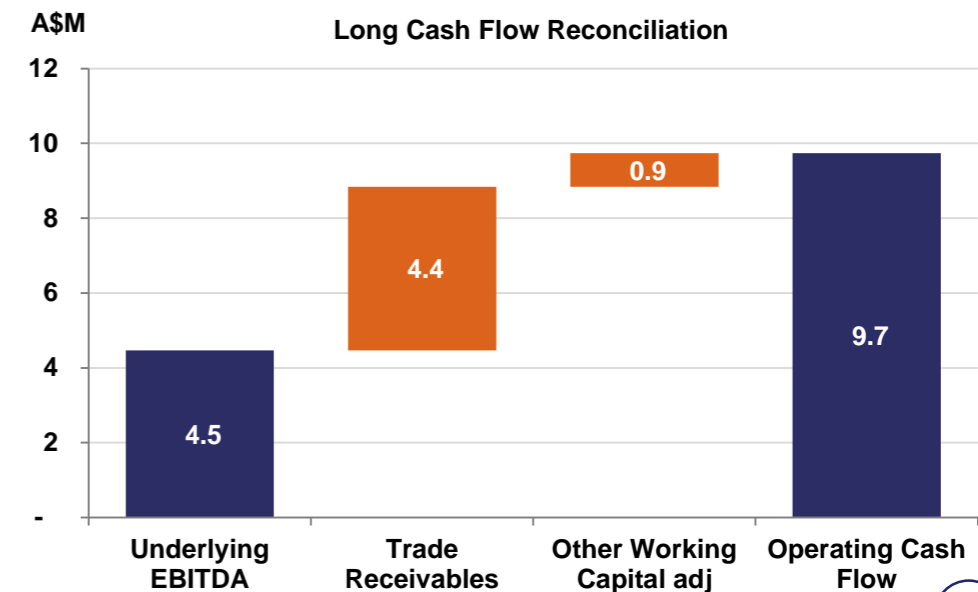
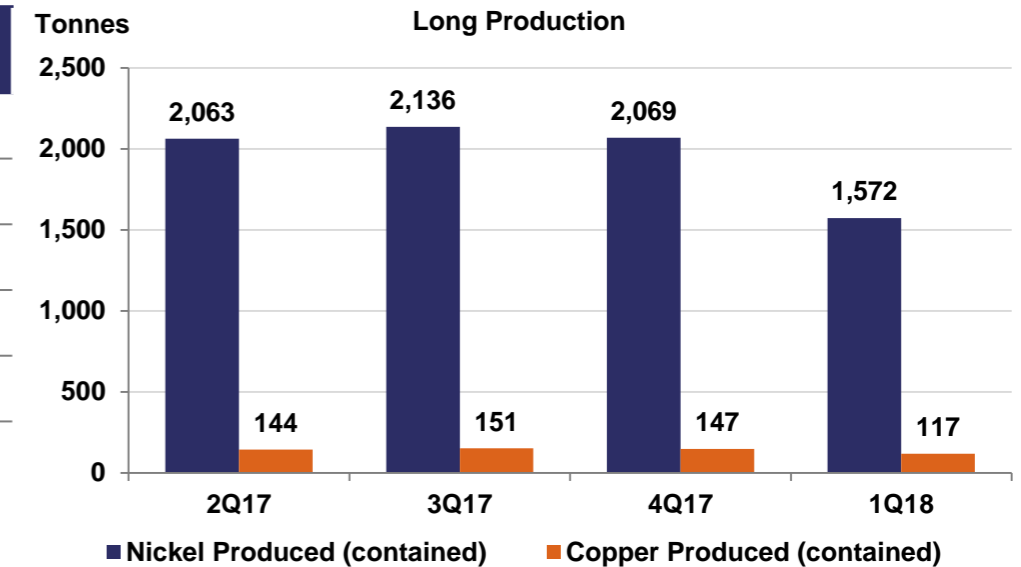


Lower than expected grade offset by higher tonnes mined

Metric	Units	Guidance ⁽²⁾	1Q18	4Q17
Contained nickel produced	t	1,350 – 1,500	1,572	2,069
Cash cost (payable) ⁽¹⁾	A\$/lb Ni	4.40 – 4.90	4.80	3.47
Sustaining capex	A\$M	0.1 – 0.3	0.1	0.0
Development capex	A\$M	0.1 – 0.3	0.0	0.0
Exploration expenditure	A\$M	0.3 – 0.5	0.0	0.0

1Q18 Drivers & Outlook

- Planning for cessation of mining and commencement of care and maintenance from 4Q18 is underway
- Current mining is from multiple mining areas
- Grade negatively impacted by lower grades from material mined outside ore reserve in the Quarter but offset by higher tonnes mined
- EM survey at Long North to test concept that mineralisation continues is schedule for late in 2Q18



1) Cash costs expressed per pound of payable metal and are inclusive of royalties and by-product credits

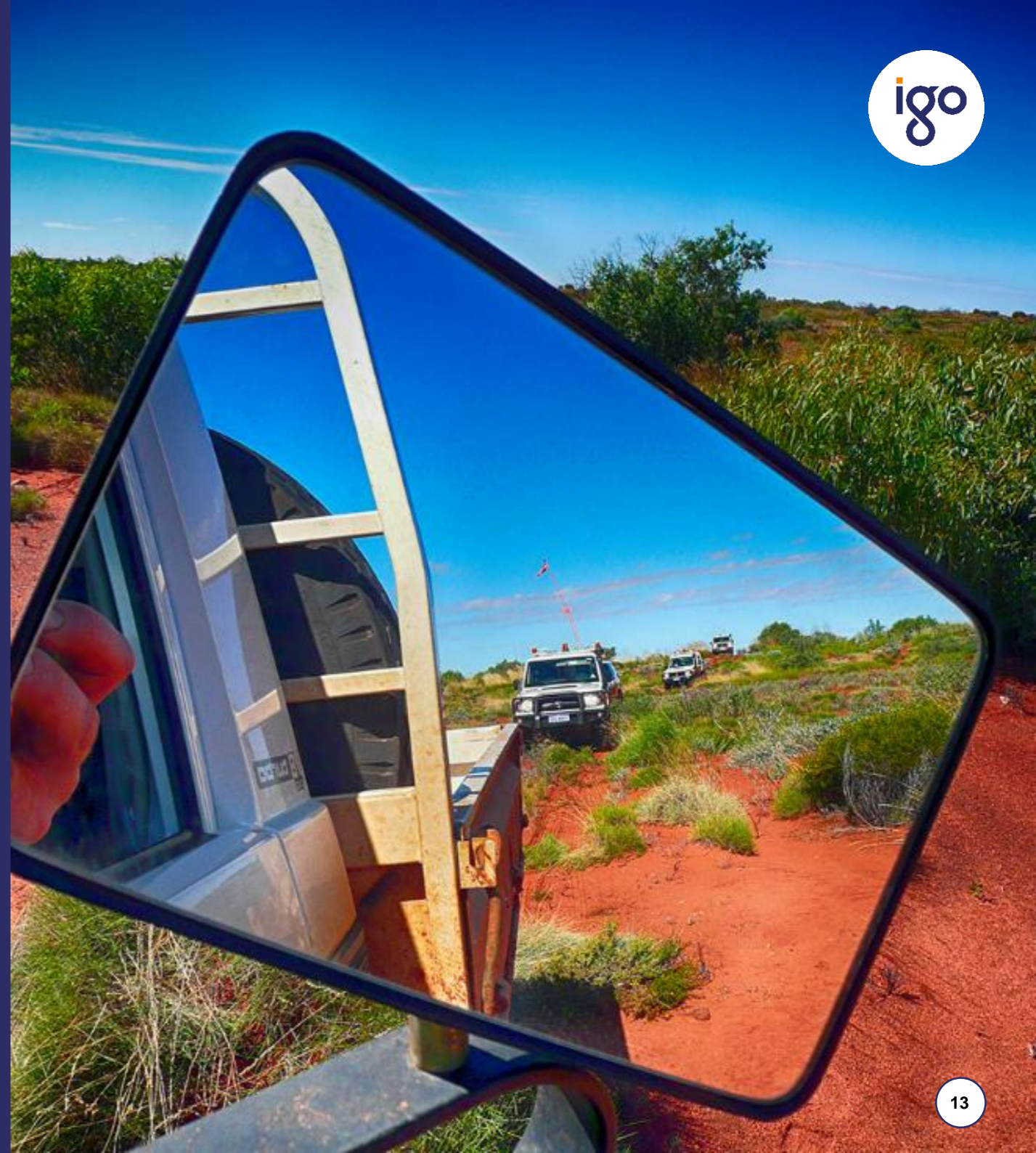
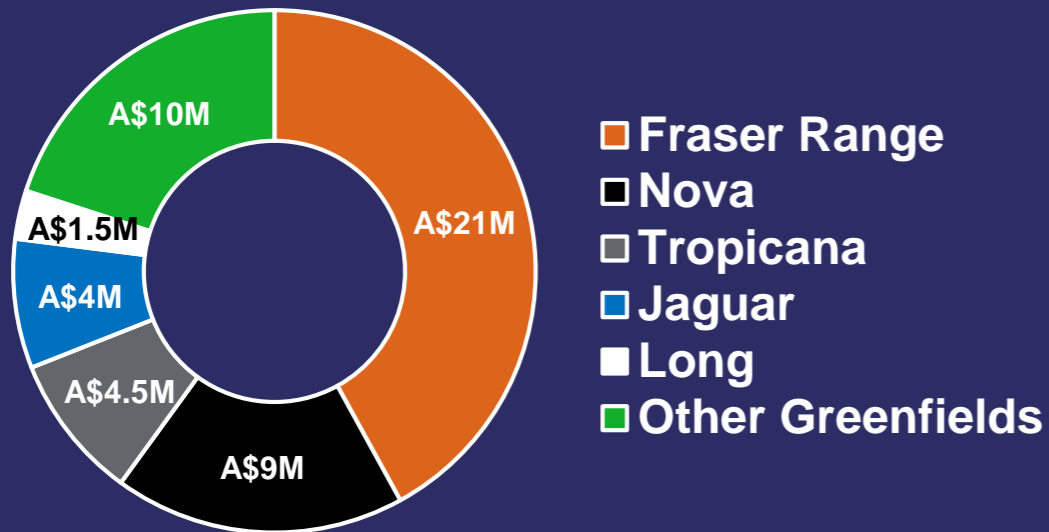
2) Implied quarterly guidance (FY18 guidance divided by four)

FY18 Exploration

A\$50M commitment to exploration in FY18



FY18 Exploration Budget

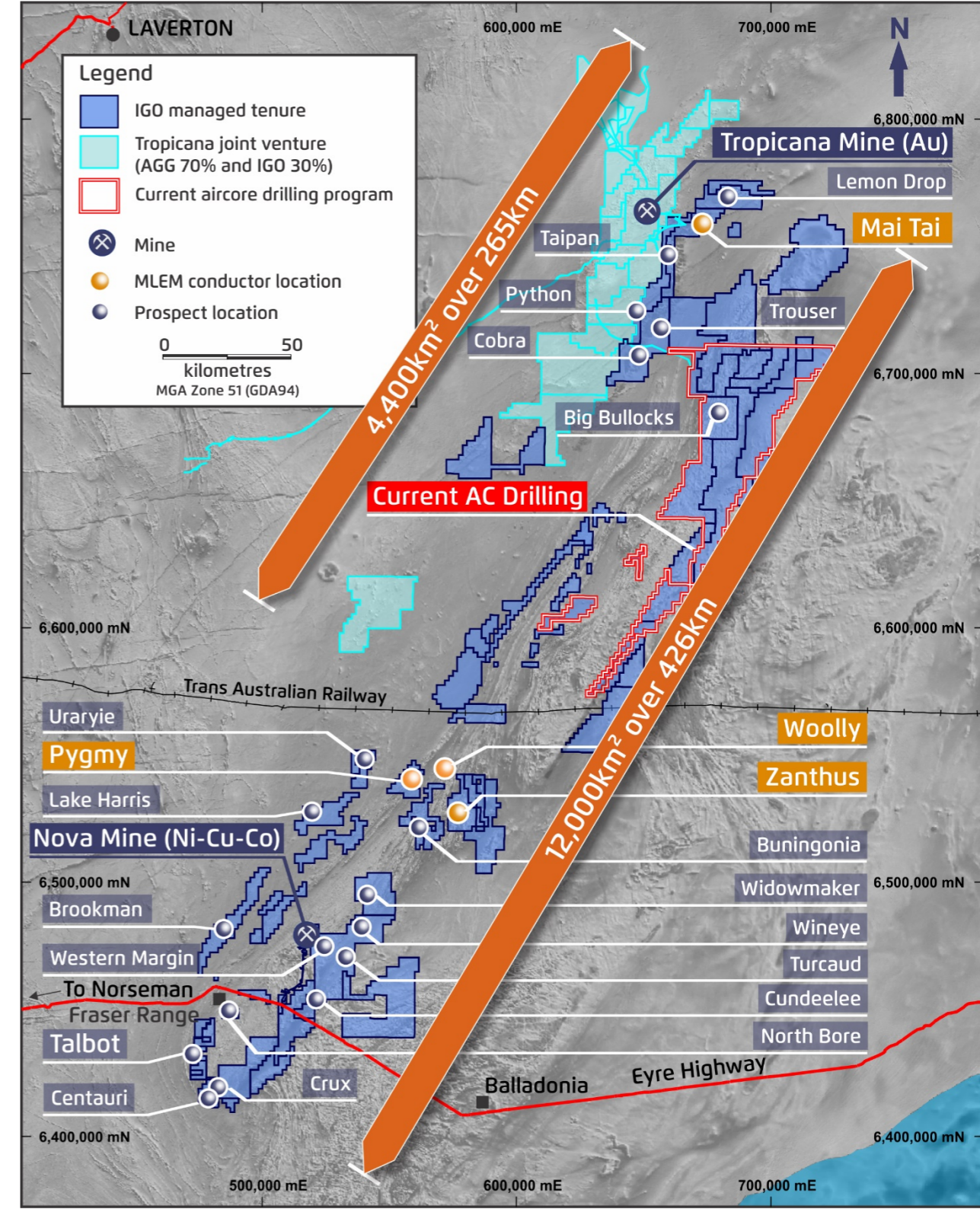


Fraser Range Exploration

12,000km² of tenure consolidated

Systematic exploration continued in 1Q18:

- EM surveys identified conductors that warrant follow up
- Ongoing gravity survey and mapping of mafic/ultramafic intrusives
- Aircore program with 57,724m drilled to Quarter end
- Spectrem airborne survey to commence 2Q18
- RC/Diamond program scheduled for mid-FY18 at
 - Mai Tai
 - Woolly
 - Pygmy
 - Zanthus



Lake Mackay Exploration

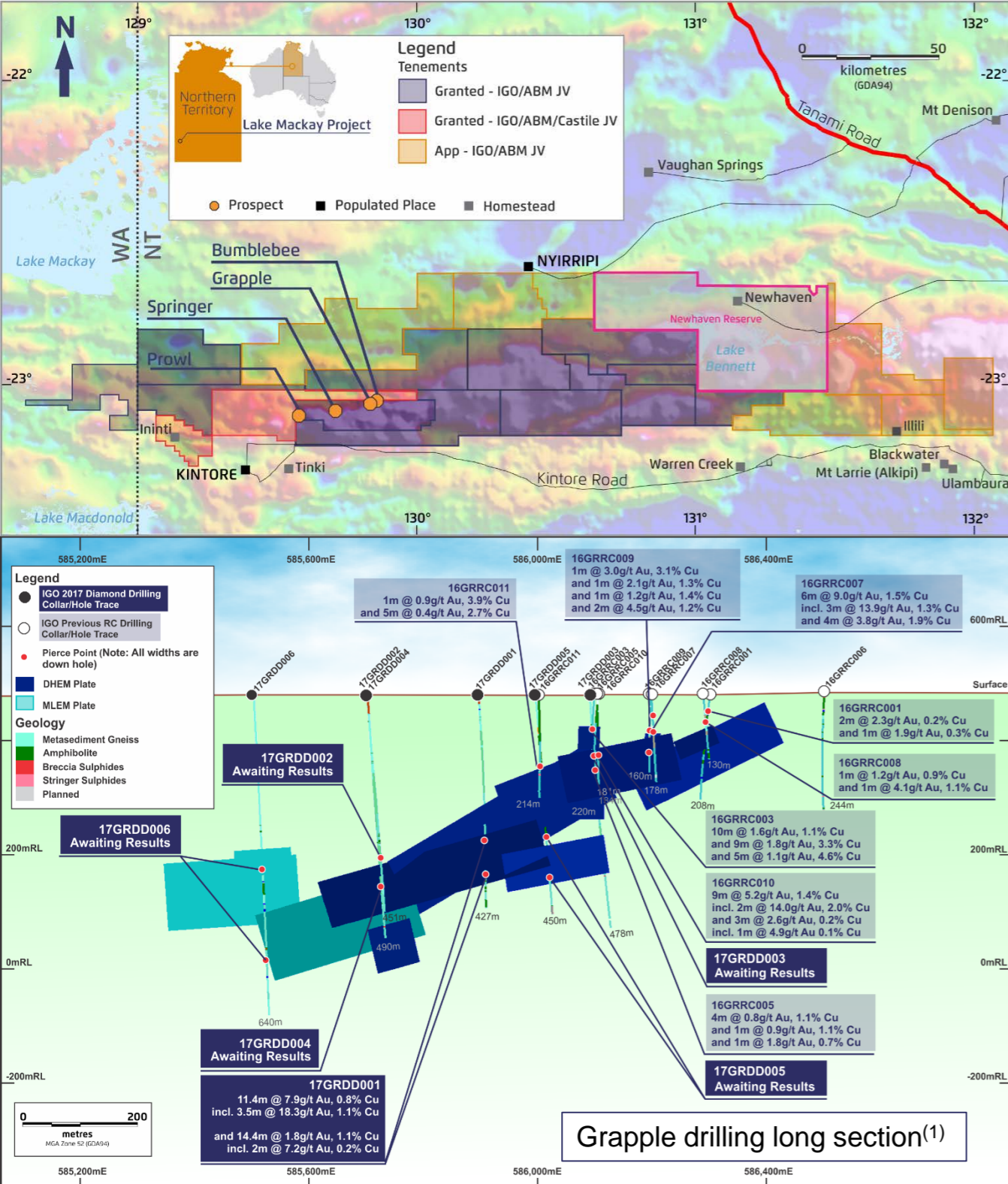
Belt scale greenfields project

Access to tenure progressed in 1Q18

- Exploration deeds signed with CLC
- Licences over expanded tenure granted

First diamond drilling at Grapple⁽¹⁾

- Six holes completed for 2,917m
- Multiple narrow sulphide intervals in all holes
- Hole 1 returned two mineralised intersections:
 - 11.4m @ 7.9g/t Au, 20.7g/t Ag, 0.8% Cu, 1.1% Zn, 0.5% Pb and 0.1% Co from 285m
 - 14.4m @ 1.8g/t Au, 6.0g/t Ag, 1.1% Cu, 0.3% Zn and 0.1% Pb from 348m
- Assays pending on other holes - EM targets down plunge

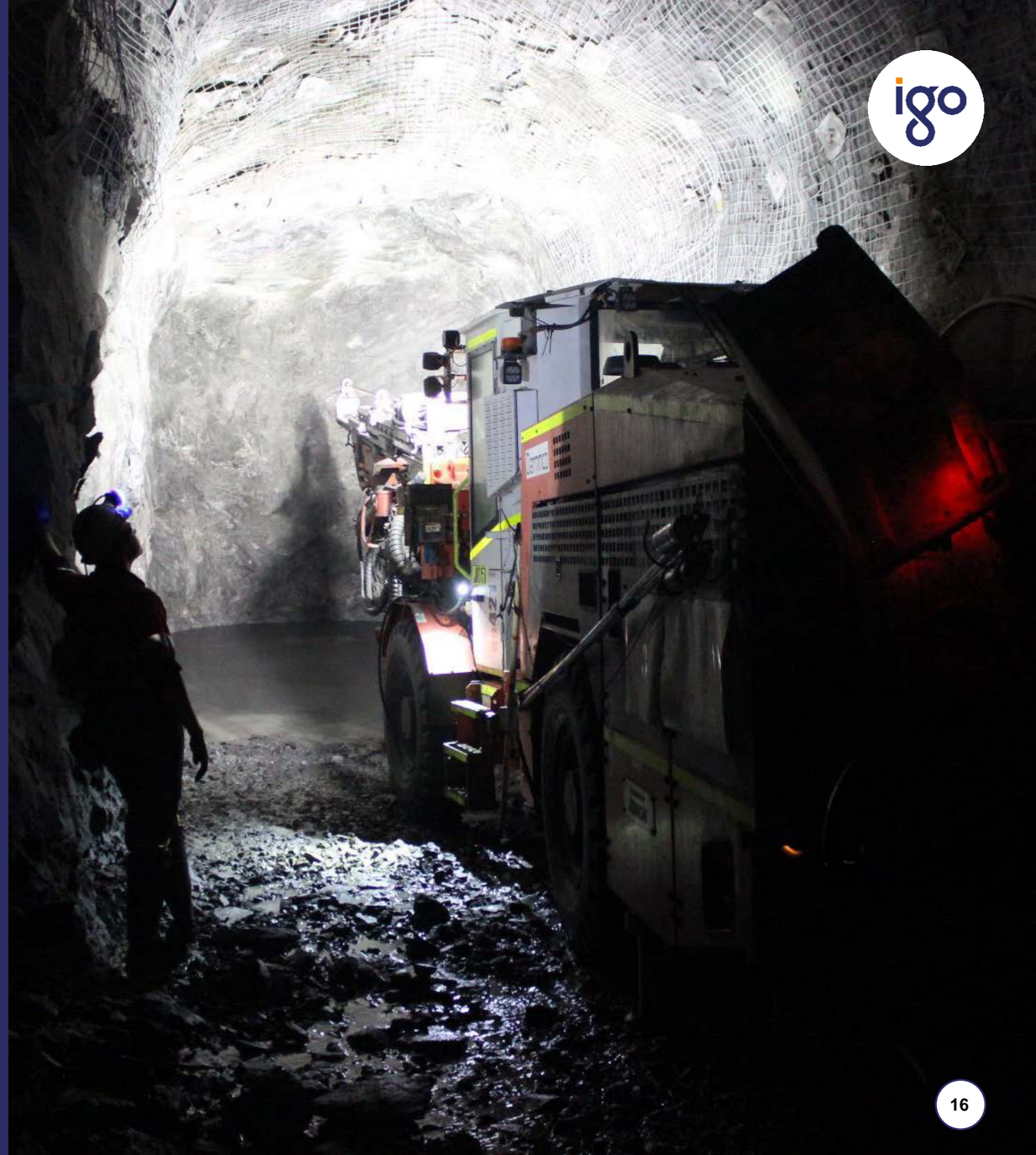


1) Refer to ASX release dated 18 Sep 2017: Lake Mackay JV – Grapple Prospect Drilling Update

Concluding Comments

- Nova in commercial production with solid 1Q18 delivered
- Nova expected to be at 1.5Mtpa run rate for 2Q18
- Solid contributions from Tropicana, Jaguar and Long
- All financial metrics stronger in 1Q18 and net debt reduced from A\$164M to A\$142M
- COO transition in early CY18

Transitioned to cash generation phase





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AS WE GO FROM
STRENGTH TO STRENGTH**

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