

INDEPENDENCE GROUP NL

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March 2016 Quarter Results Presentation

28 April 2016



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- 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.

March 2016 quarter highlights

Leading Australian diversified mining company



Tropicana performance as planned during transition

- 30,311oz (IGO share) at a cash cost of \$837/oz and AISC of \$1,067/oz
- Significant investment in plant debottlenecking and Long Island study during the quarter

Long delivering to new plan with lower cost structure

- 1,933t contained Ni at a C1 cash cost of \$3.29/lb of payable Ni

Jaguar leadership team strengthened

- Brendan Moseley appointed as General Manager
- 9,680t Zn and 1,300t Cu at a C1 cash cost of \$0.70/lb of payable Zn

Nova construction remains on schedule and on budget

- Project 81% complete at quarter end with first concentrate production forecast for December 2016
- On time and on budget with \$200M capital spend remaining to complete project

Financial and Corporate

- Cash and bullion of \$40.8M and debt of \$240.0M at quarter end
- \$4.1M of operating cash flow for the quarter, which is after expenditure of \$4.0M on exploration
- Unaudited underlying EBITDA of \$28.7M and unaudited profit after tax of \$2.8M

Unaudited financial results

Balance sheet remains robust



Unaudited (\$'million)	Q3FY16	Q2 FY16	Q3 FY15
Revenue	88.5	98.4	105.5
Underlying EBITDA ⁽¹⁾	28.7	29.3	53.3
Net Profit After Tax	2.8	(28.1)	19.8
Net Cash Flow From Operating Activities	4.1	15.9	40.5
Free Cash Flow ⁽²⁾	(61.8)	(59.2)	22.2
Cash (at end of period)	37.0	58.9	103.0
Marketable Securities (at end of period)	17.3	13.7	1.8
Refined bullion (at end of period)	3.8	0.7	6.8
Debt (at end of period)	240.0	200.1	1.1

1) Underlying EBITDA are non-IFRS measure (refer to Disclaimer page).

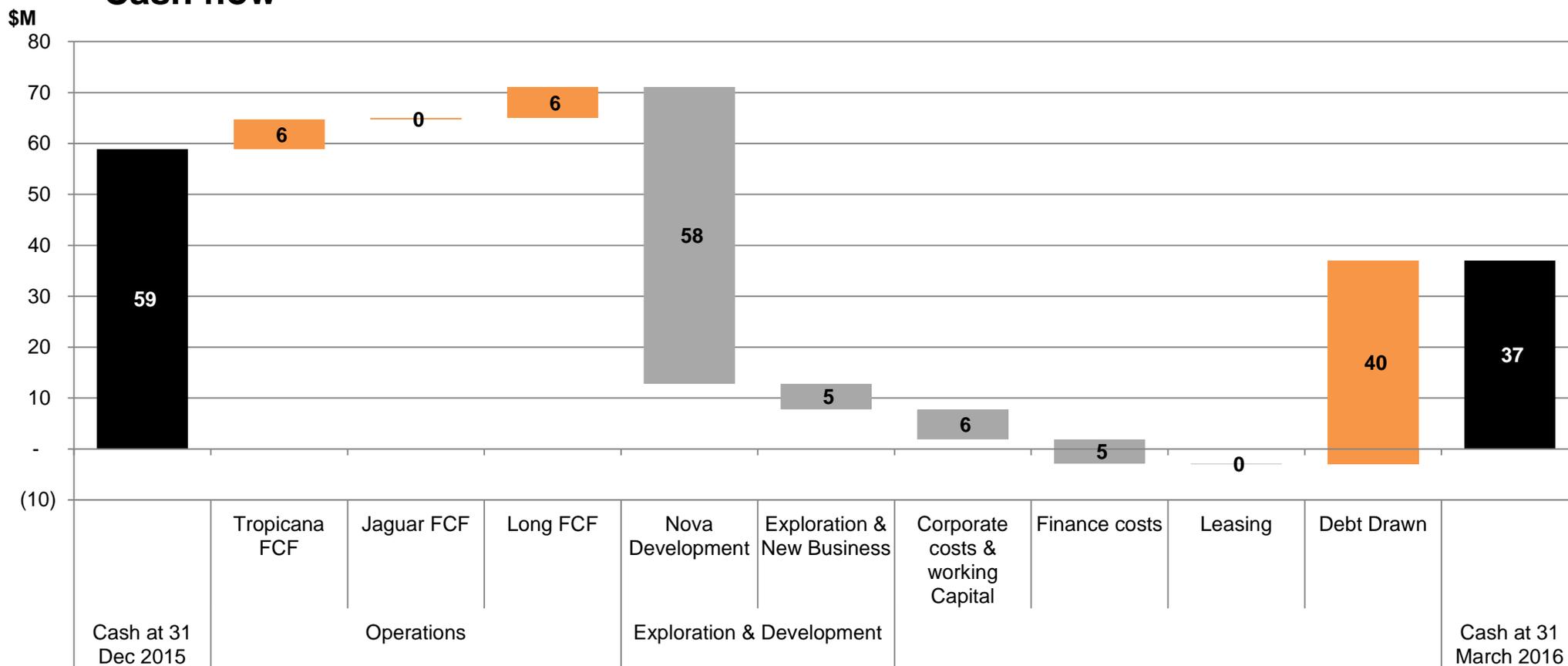
2) Free Cash Flow comprises Net Cash Flow from Operating Activities and Net cash Flow from Investing Activities.

March quarter cash flow

Continued discipline and focus on cash management

- As at 31 March \$200M capital spend remained to complete the Nova Project
- Undrawn debt facilities of \$310M out of a total of \$550M
- Continued Tropicana capital investment and implemented business changes at Jaguar
- Long benefiting from improved cash costs and \$5.6M receipts collected from December quarter
- Post the March quarter, cash flow of \$16M was realised from the sale of an equity investment

Cash flow



Hedging



During the quarter a diesel hedging program was initiated

- Base diesel price⁽¹⁾ for 25% of diesel requirements hedged at
 - 36 cents per litre for FY2016
 - 40 cents per litre for FY2017
 - 45 cents per litre for FY2018
- Overall strategy to increase diesel hedging to cover 75% of IGO's forecast diesel usage
- Gold hedging remained unchanged

Hedging	As at date of this Report
Gold in FY2016 – Par Forwards	Avg. 3,530oz/mth to June 2016 at avg price of \$1,586/oz
Gold in FY2017 – Par Forwards	Avg. 5,050oz/mth to June 2017 at avg price of \$1,606/oz
Gold in FY2016 – Zero Cost Collars	Avg. 2,500oz/mth to June 2016 (range \$1,330 to \$1,569/oz)
Gold in FY2017 – Zero Cost Collars	Avg. 2,500oz/mth to Nov 2016 (range \$1,330 to \$1,593/oz)
Diesel in FY2016 – Swaps	Avg. 342,000L/mth to June 2016 at avg price of \$0.360/L
Diesel in FY2017 – Swaps	Avg. 655,000L/mth to June 2017 at avg price of \$0.405/L
Diesel in FY2018 – Swaps	Avg. 826,000L/mth to June 2018 at avg price of \$0.454L

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

Tropicana

Transition to higher process rate at lower grade as planned

Gold production and costs

- 30,311oz gold produced and 30,555oz refined (IGO share)
- Cash costs of \$837/oz produced and AISC of \$1,067/oz sold

Mining

- 5.9M BCM mined and hauled ex-pit

Processing

- 1.63Mt processed at average grade of 2.17g/t and 88.4% recovery
- 6.5Mtpa rate achieved in the quarter at an average utilisation of 94%

Capital projects

- 10 out of 17 planned gas fired power generating sets commissioned
- Process plant debottlenecking activities, including construction of additional CIL tankage, continued

Near mine exploration

- 25km of RC and DDH drilling completed with continued positive results
- Interim exploration results update released during the quarter⁽¹⁾
- Resource update and Scoping Level Study expected H1FY17

1) For Tropicana exploration results see ASX release Tropicana Gold Mine Exploration Update dated 29 February 2016



Long

Reaping the benefits of restructuring



Production and costs

- 1,933t contained nickel produced
- Cash costs of \$3.29/lb payable Ni net of by-product credits and royalties

Underground mining

- 41,455t mined at an average grade of 4.67% Ni
- Mining for the quarter focussed on the Moran orebody

Cost reduction as business improvement continues

- Cash costs continued to fall during the quarter following implementation of business changes announced in September 2015 and January 2016
- Underlying earnings maintained quarter on quarter, despite lower production



Jaguar

Mined grades lower than plan due to mining sequence



Production and costs

- 9,680t Zn and 1,300t Cu produced in concentrates
- Cash cost of \$0.70/lb payable zinc net of by-product credits and royalties

Underground mining

- Tonnes mined 126,705t

Processing

- 127,085t milled at average grade of 8.71% Zn and 1.24% Cu

Near mine exploration

- Drilling completed at the Arnage and Flying Spur lenses
- Mineral Resource update to be reported during June quarter

Leadership team strengthened

- Brendan Moseley appointed as General Manager
- Changes implemented in March 2016 to improve mining operational performance and generate stronger operational free cash flow

Nova overview



Fully financed, in construction, on schedule and on budget

Overall

- Substantial progress made during quarter and project 81% complete at quarter end
- Project remains on track for commissioning in late 2016 and for production of first concentrates in December 2016

Infrastructure

- Aerodrome granted CASA certification
- 11kv overhead powerline is complete and is energised
- Power station stage 1 energisation complete
- All major concrete works complete, civil contractors demobilised

Underground development and drilling

- Mine development ahead of schedule with 3.8km development to 31 March 2016
- Swick Mining Services awarded underground drilling contract at Nova

Process plant construction

- Construction of the process plant is ahead of schedule and 61% complete
- Focus shifting to installation of piping and electricals
- Major long lead time items to be delivered to site by end of April 2016

Nova Project progress

Project currently on time and on budget



Flotation cells



Heavy vehicle workshop



Power station



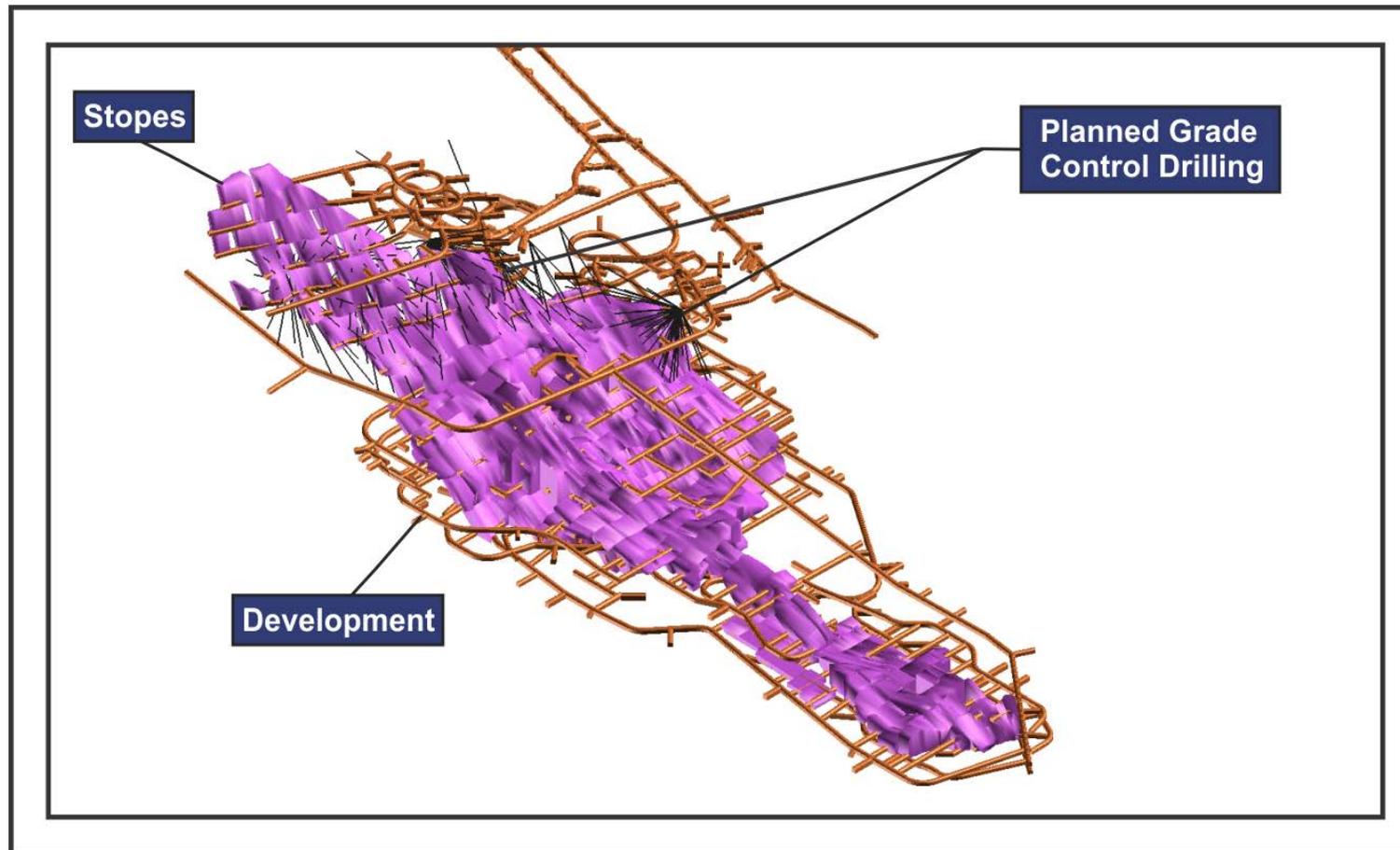
Low voltage switch room

Nova underground drilling



Commencement of grade control drilling in June quarter

- Swick mobilising to site in April 2016
- Primary objective is to grade control first year of ore production stopes for operational planning ahead of first production, grade control drilling will continue over the life of the mine
- Secondary objective is to drill test potential extensions around current Nova-Bollinger Mineral Resources
- Third objective is to test target areas and complete down hole EM for conductors below the Nova – Bollinger orebodies



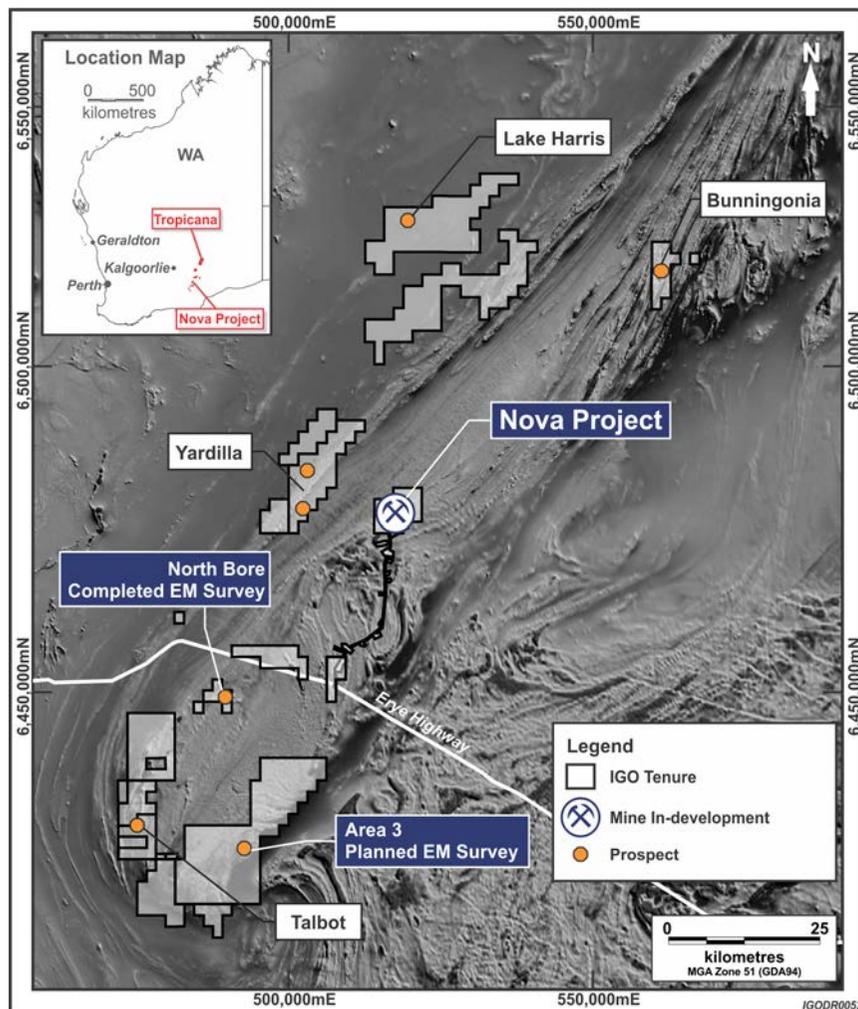
Fraser Range – Tropicana exploration



Base metal exploration underway across province

Nova regional

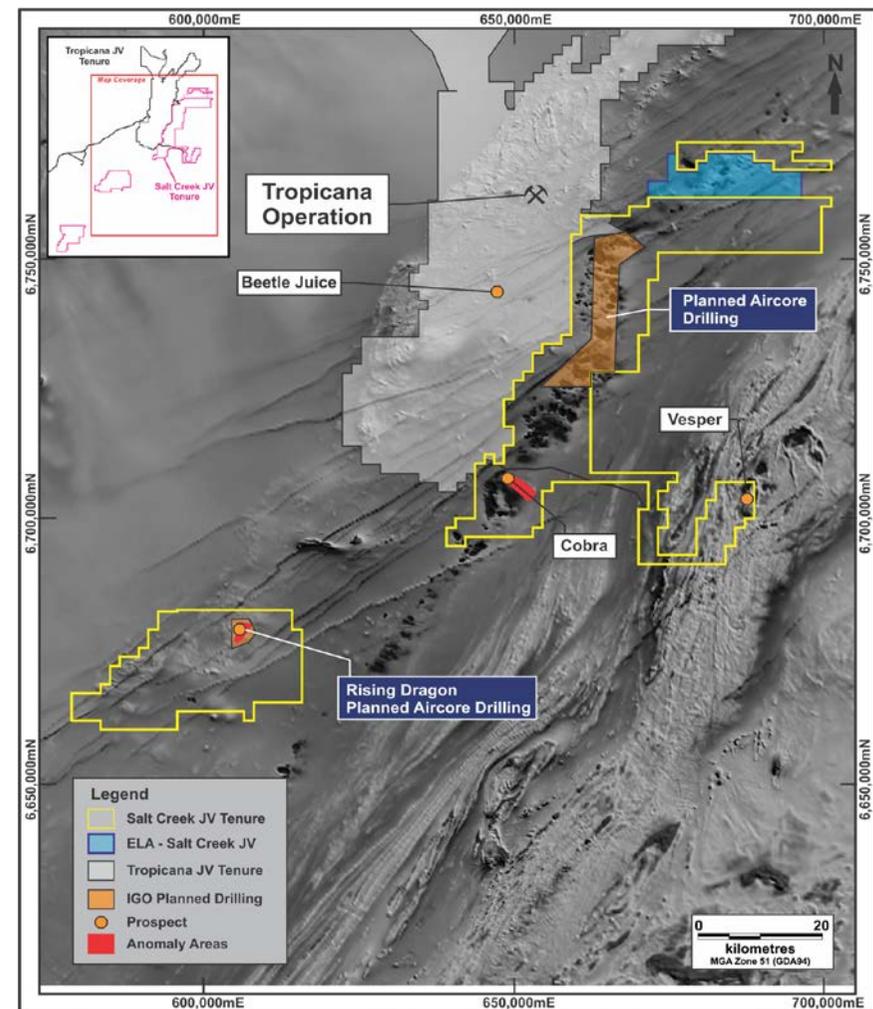
- Moving Loop EM has been completed at North Bore with ongoing surveys planned for southern Fraser Range in June quarter



1) See Nova Optimisation Study ASX release dated 14 December 2016

Salt Creek

- Nickel sulphide targets under transported cover will be drill tested during the June quarter



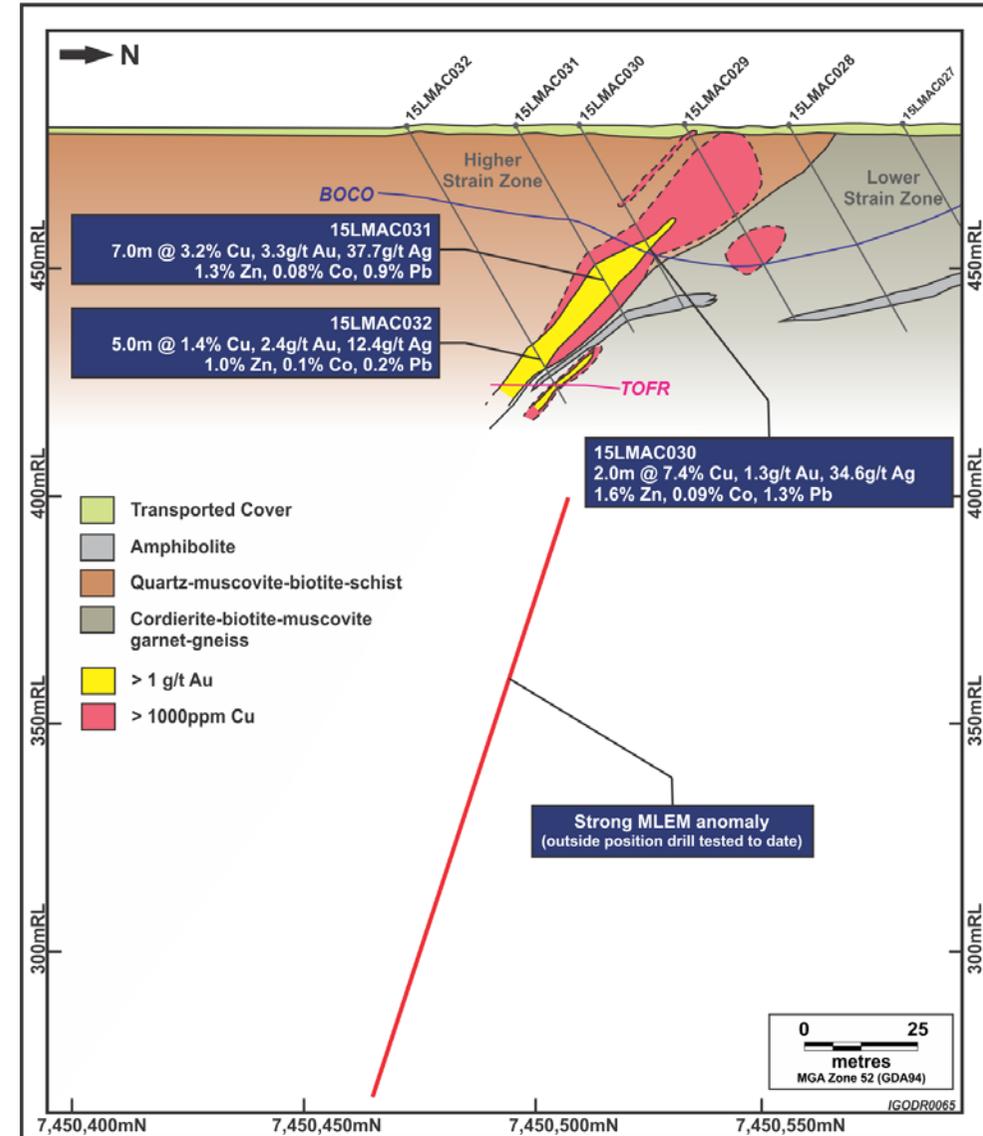
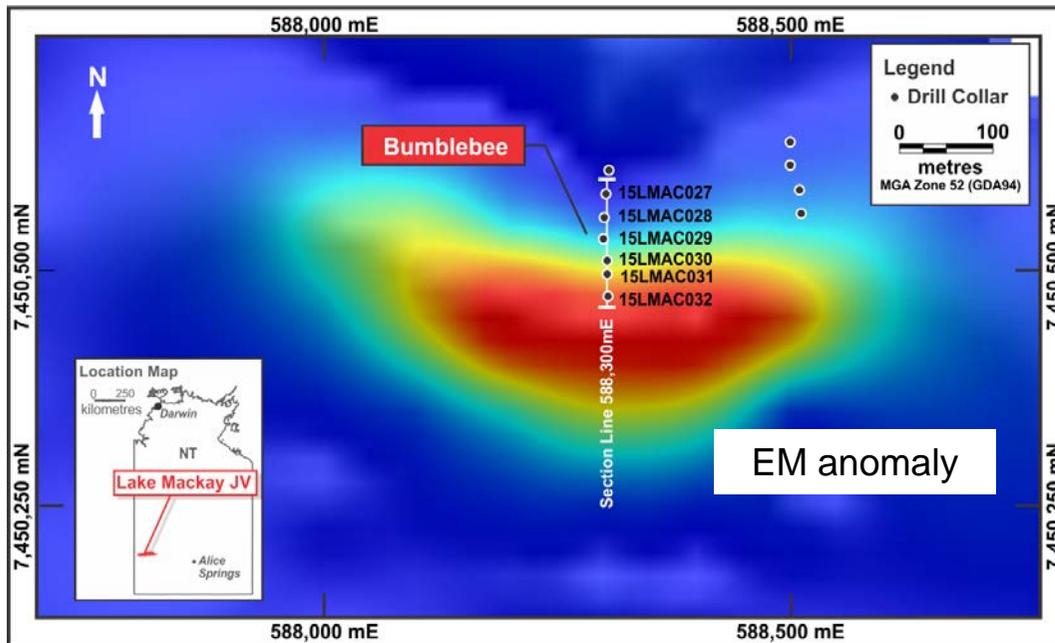
Lake Mackay exploration



Target defined at Bumblebee prospect

Drilling in June quarter

- A moving loop electromagnetic survey⁽¹⁾ (MLEM) has identified a conductive target at the Bumblebee prospect, located below initial drilling⁽²⁾ completed in late 2015
- This target will be tested in the June quarter with RC and diamond drilling



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

FY16 guidance



Jaguar copper production trending to low end of guidance

Tropicana (IGO share)

- 129,000 to 141,000oz at average cash cost of \$680 to \$750/oz Au
- AISC of \$900 to \$950/oz Au sold
- Sustaining capex of \$14 to \$16M, stripping capex of \$18 to \$20M and exploration of \$9 to \$11M

Jaguar

- 38,000 to 40,000t Zn and 6,500 to 7,000t Cu in conc. at average cash cost of \$0.60 to \$0.70/lb Zn
- Sustaining capex of \$2 to \$3M, development of \$11 to \$13M and exploration of \$9 to \$10M

Long

- 8,500 to 9,000t contained Ni at average cash cost of \$3.50 to \$4.00/lb Ni
- Sustaining capex of \$2 to \$3M and exploration of \$8 to \$9M (up to suspension of exploration activities)

Nova

- Total development cost of \$443M of which approximately \$240M spent to 31 March 2016

Greenfields Exploration

- \$6 to \$8M down from \$10 to \$12M on greenfields and generative exploration

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
- \$200M spend remaining to deliver Nova Project
- At quarter end \$310M debt remains undrawn from \$550M facility
- Strategic diesel hedging implemented to lock in competitive fuel pricing
- Leadership team strengthened at Jaguar
- Realising benefits of business changes implemented at Long

Outlook and catalysts for value recognition

- Continued progress at Tropicana to ramp up processing capacity to +7Mtpa
- Mineral Resource updates at Tropicana and Bentley
- Nova development milestones including mining of first ore in June quarter, commissioning late-2016 and production of first concentrate in December 2016
- Regional exploration ramping up through Fraser Range –Tropicana belt and at Lake Mackay in the Northern Territory



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