

INDEPENDENCE GROUP NL

Peter Bradford, Managing Director and CEO

BMO Global Metals & Mining Conference

29 February to 2 March 2016



Cautionary Statements & Disclaimer



- This presentation has been prepared by Independence Group NL ("IGO") (ABN 46 092 786 304). It should not be considered as an offer or invitation to subscribe for or purchase any securities in IGO or as an inducement to make an offer or invitation with respect to those securities in any jurisdiction.
- This presentation contains general summary information about IGO. The information, opinions or conclusions expressed in the course of this presentation should be read in conjunction with IGO's other periodic and continuous disclosure announcements lodged with the ASX, which are available on the IGO website. No representation or warranty, express or implied, is made in relation to the fairness, accuracy or completeness of the information, opinions and conclusions expressed in this presentation.
- This presentation includes forward looking information regarding future events, conditions, circumstances and the future financial performance of IGO. Often, but not always, forward looking statements can be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue" and "guidance", or other similar words and may include statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. Such forecasts, projections and information are not a guarantee of future performance and involve unknown risks and uncertainties, many of which are beyond IGO's control, which may cause actual results and developments to differ materially from those expressed or implied. Further details of these risks are set out below. All references to future production and production guidance made in relation to IGO are subject to the completion of all necessary feasibility studies, permit applications and approvals, construction, financing arrangements and access to the necessary infrastructure. Where such a reference is made, it should be read subject to this paragraph and in conjunction with further information about the Mineral Resources and Ore Reserves, as well as any Competent Persons' Statements included in periodic and continuous disclosure announcements lodged with the ASX. Forward looking statements in this presentation only apply at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information IGO does not undertake any obligation to publically update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.
- 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.
- 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.
- Underlying NPAT comprises net profit (loss) after tax adjusted for; post tax effect of acquisition and integration costs, and impairments.

Independence Group Overview

Leading Australian diversified mining company



ASX Listed (IGO)

- Based in Perth, Western Australia

Diversified portfolio of high margin assets

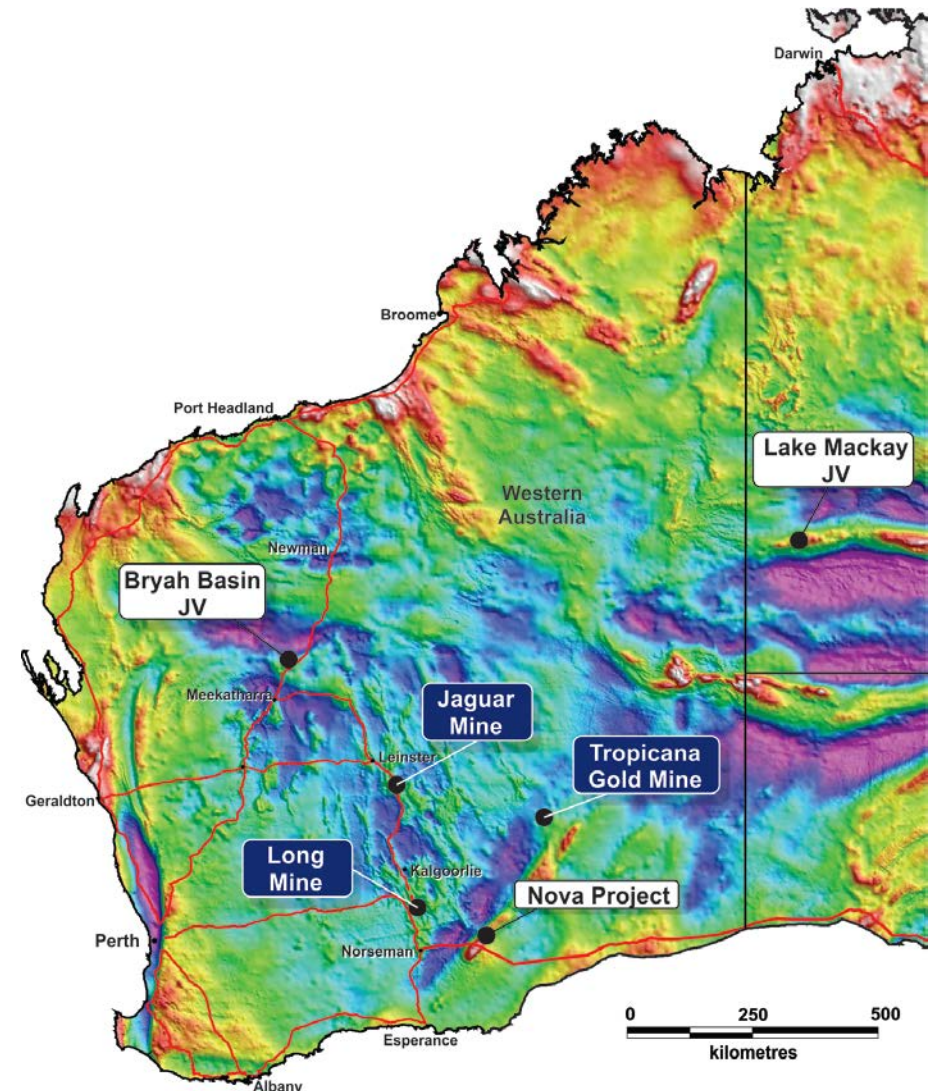
- 3 operating mines and 1 under construction
- All located in Western Australia
- Gold, Nickel, Zinc, Copper, Cobalt

Strong track record of delivery

- Strong cash flow
- Strong balance sheet
- Strong management

Fully financed growth

- Tropicana Gold Mine: mill expansion and resource extension
- Nova Nickel/Copper Project: in construction
- Jaguar Zinc/Copper Mine: resource drilling
- Greenfields exploration: belt scale focus



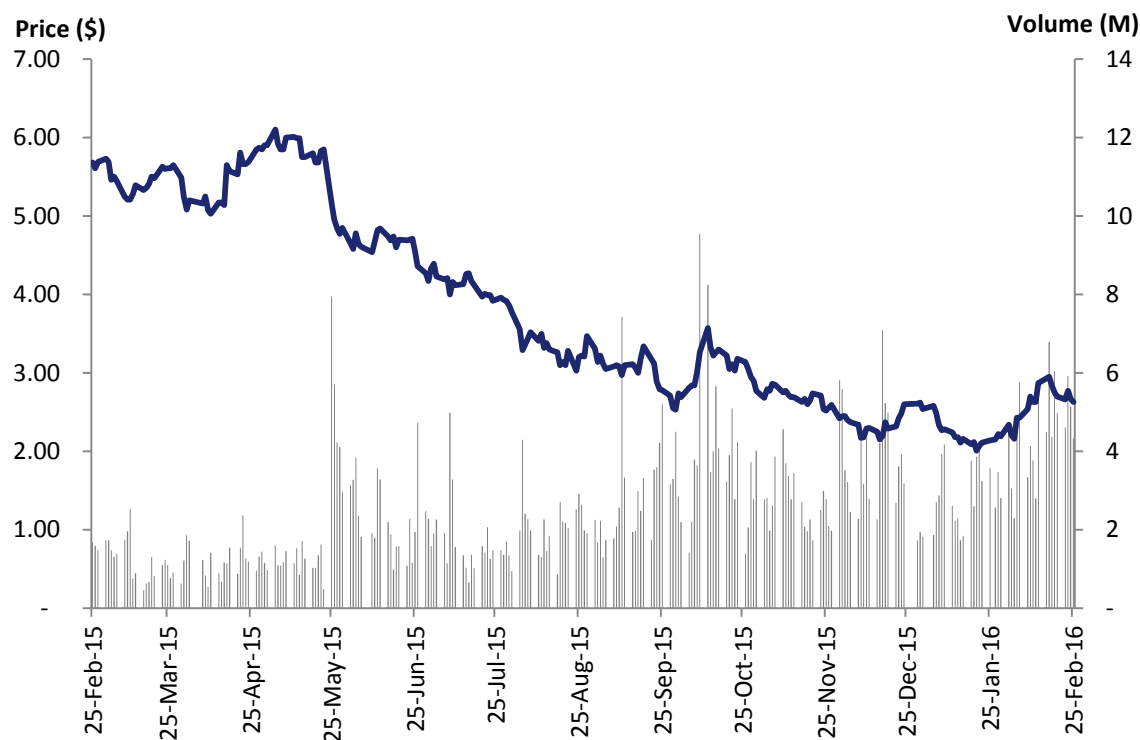
Market Profile and Share Ownership



Strong domestic institutional and retail register composition

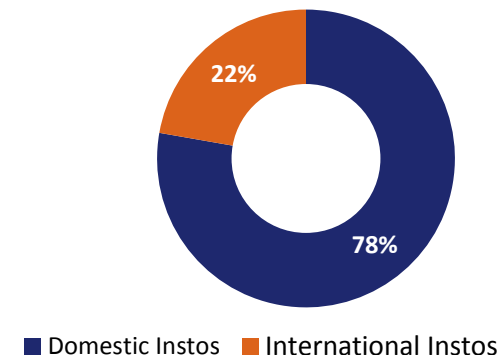
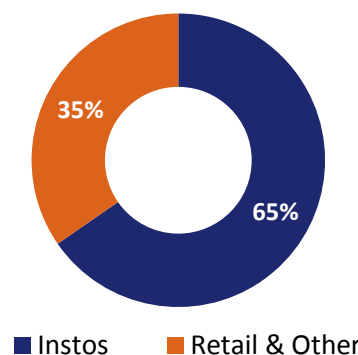
Market Profile

- \$1.4 billion market capitalisation at \$2.63/share⁽¹⁾
- Share price 52 Week Range
 - Low \$1.98 20 January 2016
 - High \$6.21 5 May 2015



Share Ownership

- Substantial Holders⁽²⁾
 - Mark Creasy 18.88%
 - FIL Limited 6.84%
 - Australian Super 5.04%
- Institutional Ownership⁽²⁾
 - Australia 78%
 - USA & Canada 12%
 - UK & Europe 7%
 - Rest 3%



1) As at market close 25 February 2016

2) As at 25 February 2016

Financials

H1 FY16 financial results



Highlights (\$'million)	H1 FY16	H1 FY15
Revenue	220.2	274.3
Underlying EBITDA ⁽¹⁾	69.6	121.4
Underlying NPAT ⁽¹⁾	13.5	51.0
Net (Loss) Profit After Tax	(78.0)	49.5
Net Cash Flow From Operating Activities	48.9	113.9
Free Cash Flow ⁽²⁾	(42.6)	75.3
Cash (at end of period)	58.9	93.3
Marketable Securities (at end of period)	13.7	15.6
Refined bullion (at end of period)	0.7	1.0
Debt (at end of period)	200.1	1.8

Note: Reported net loss after tax includes exploration asset impairments by \$35.5M plus acquisition and integration costs of \$66.9M

1) Underlying EBITDA and underlying NPAT are non-IFRS measures (refer to Disclaimer page).

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

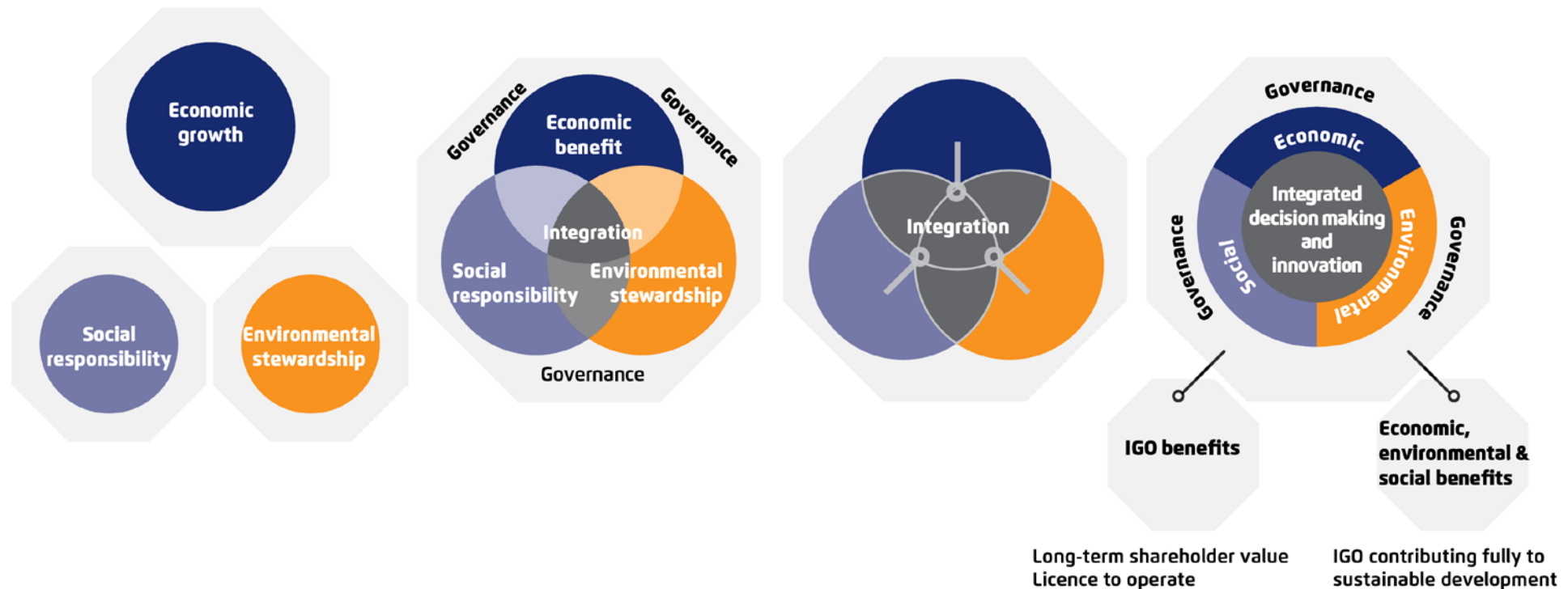
Sustainability

Continued strengthening and improvement across the business



Sustainability reporting

- IGO's first sustainability report was released in 2015
- IGO is committed to:
 - Implementation and maintenance of ethical business practices
 - Continual improvement in health, safety and environmental performance
 - Application of risk management strategies through effective data collation and sound science
 - Incorporating our pathway to sustainable development in day to day activities



Clear Company Building Strategy

Diversification across gold and base metals reduces shocks from single commodity focus



50%
Operating Margin
in
FY14

51%
Operating Margin
in
FY15

39%
Operating Margin
for
Nova
At Spot¹

63%
Operating Margin
for
Nova
At Consensus²

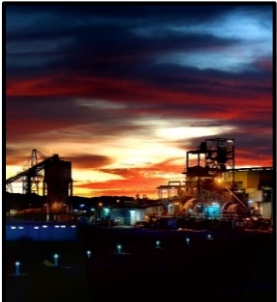
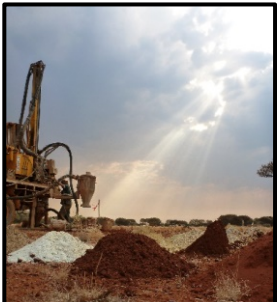
1) Life of mine operating margin based on spot commodity prices and exchange rates on 25 February 2016

2) Life of mine operating margin using commodity price and foreign exchange rates from Consensus Economics (December 2015)

IGO Asset Portfolio

Portfolio of gold and base metals assets



Mining			Construction	Permitting	Exploration
					
Au	Ni	Zn/Cu	Ni/Cu	Cu/Zn	
TROPICANA	LONG	JAGUAR	NOVA	STOCKMAN	VARIOUS
30% JV Interest	100% owned	100% owned	100% owned	100% owned	70-100%
West Australia	West Australia	West Australia	West Australia	Vic, Australia	Australia
135,000oz ⁽¹⁾	8,750t Ni ⁽¹⁾	37,500t Zn + 7,750t Cu ⁽¹⁾	26,000t Ni + 11,500t Cu ⁽³⁾	15,000t Cu + 26,000t Zn ⁽⁵⁾	Au, Ni, Cu, Zn
\$675/oz ⁽¹⁾⁽²⁾ (US\$486/oz) ⁽⁷⁾	\$3.75/lb Ni ⁽¹⁾⁽²⁾ (US\$2.70/lb Ni) ⁽⁷⁾	\$0.50/lb Zn ⁽¹⁾⁽²⁾ (US\$0.36/lb Zn) ⁽⁷⁾	\$1.21/lb Ni ⁽⁴⁾ (US\$0.87/lb Ni) ⁽⁷⁾	\$1.30/lb Cu ⁽²⁾⁽⁵⁾ (US\$0.94/lb Ni) ⁽⁷⁾	
			\$260M capex ⁽⁶⁾	\$202M capex	

1) FY16 guidance range mid-point

2) Cash costs are inclusive of royalties and net of by-product credits per unit of payable metal

3) Nova production average LOM production from Definitive Feasibility Study (refer to Sirius ASX release dated 14 July 2014)

4) Nova cash costs are average LOM production and cash costs from Optimisation Study (refer to ASX release dated 14 December 2015) and cash costs are shown net of by-product credits and per unit of metal in concentrate

5) Stockman production and cash costs are average LOM production and cash costs from Optimisation Study (refer to IGO ASX release dated 28 November 2014)

6) Nova total CAPEX \$443M with \$260M remaining as at 31 December 2015 (refer to ASX release dated 28 January 2016)

7) Conversion of A\$ to US\$ using 0.72 exchange rate

Tropicana Overview

One of Australia's lowest cost, open pit gold mines of scale

30% IGO and 70% AngloGold Ashanti

- Located 370km East NE of Kalgoorlie

Low cost and long mine life

- 3 Moz Ore Reserves⁽¹⁾
- Contained within 7 Moz Resources⁽¹⁾
- Open Pit mining with remaining LOM strip ratio of 5.7

Scale

- 5.8 Mtpa nameplate processing plant
- Potential to debottleneck to +7.0 Mtpa
- 400,000 oz/yr sustainable production rate⁽²⁾

FY16 Guidance

- 135,000oz⁽³⁾ (IGO share) at cash cost of \$675/oz⁽³⁾ (US\$486/oz)⁽⁴⁾ and AISC of \$865/oz⁽³⁾ (US\$623/oz)⁽⁴⁾

Exploration Upside

- Near mine resource extension and regional exploration ongoing

1) As at 30 June 2015

2) Based on ~7.0 Mtpa throughput, 2 g/t average reserve grade and 90% average recovery

3) Mid-point of guidance range

4) Conversion of A\$ to US\$ using 0.72 exchange rate



Tropicana H1 FY2016

Strong operational performance and delivery on growth



Gold production and costs (IGO share)

- 75,584oz gold produced and 76,055oz sold
- Cash costs of \$625/oz (US\$450/oz)⁽¹⁾ produced and AISC of \$801/oz (US\$577/oz)⁽¹⁾ sold
- Realised gold price \$1,547/oz (US\$1,114/oz)⁽⁴⁾ during the reporting period

Mining

- 11.7M BCM mined and hauled ex-pit

Processing

- 3.18Mt processed at average grade of 2.76g/t and 90% recovery
- 6.5Mtpa processing rate achieved in the December quarter at an average utilisation of 96%

Capital projects

- Gas pipeline completed - commissioning of the first gas engines underway
- Process plant debottlenecking to increase production to in excess of 7Mtpa continues and expected to be completed later in 2016

Near mine exploration

- Drilling continues to extend the known gold resource below and along strike of the existing five kilometre strike of open pits

1) Conversion of A\$ to US\$ using 0.72 exchange rate

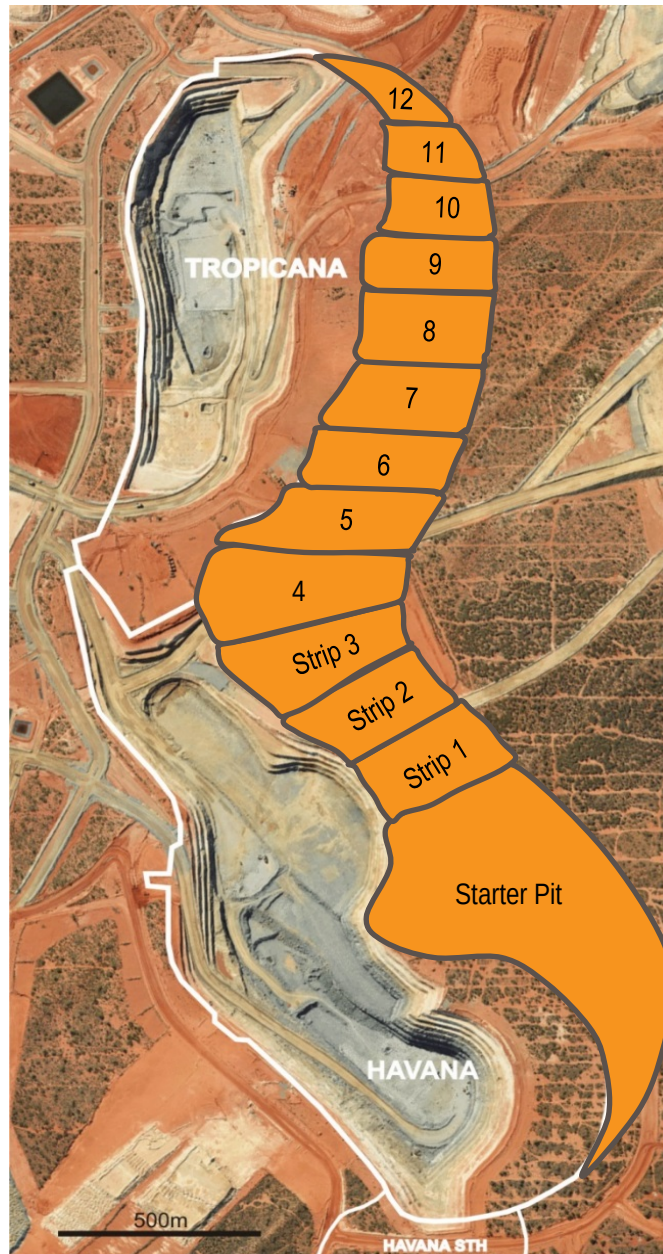
This 3D visualization illustrates the Havana Deep Gold Project, highlighting several open pit designs and mineral resource shells. The map includes the following labels and features:

- June 2015 A\$1,261/oz Au Open Cut Reserve Pit Design:** A large, complex open pit design in the central-northern area.
- HAVANA SOUTH OPEN PIT:** A smaller open pit design located south of the main reserve pit.
- HAVANA OPEN PIT:** A large open pit design located in the central-northern area, adjacent to the reserve pit.
- TROPICANA OPEN PIT:** A large open pit design located in the northernmost part of the project area.
- BOSTON SHAKER OPEN PIT:** A large open pit design located in the eastern part of the project area.
- June 2015 A\$1,500/oz Au Mineral Resource Pit Shell:** A large, irregularly shaped shell representing the mineral resource, extending from the central-northern area towards the south and east.
- Havana Deeps Underground Target:** A target area located in the southern part of the project area.
- Scale and Orientation:** A scale bar indicates distances of 1km and 5km. A north arrow and a 500m scale bar are also present.
- Grade x Thickness Legend:** A color-coded legend indicating different grade and thickness ranges:
 - >90 g x m Au (Red)
 - 50 - 90 g x m Au (Orange)
 - 0.3 g/t Au (Blue)

The image source is attributed to mapability.

Conceptual Mining Study

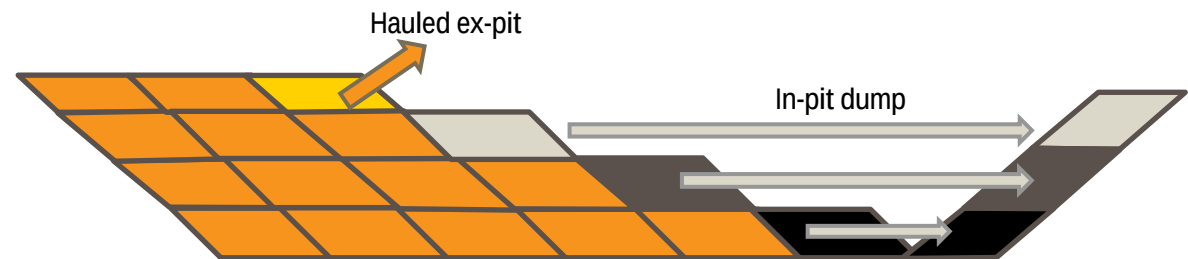
Potential for larger scale equipment and strip mining approach



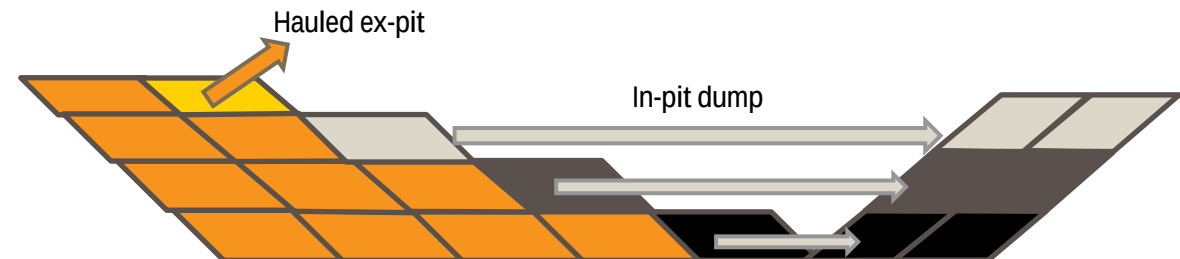
Step 1: Mine starter pit - waste dumped ex-pit



Step 2: Mine strips – shallow waste dumped ex-pit and other waste trucked along ramps in pit wall to dump in-pit



Step 3: Repeat cycle



Tropicana Upside

Significant potential to extend mine life beyond initial 10 years



Process plant debottlenecking ongoing

- Throughput rates of up to 6.9 Mtpa achieved on a monthly basis
- Work underway to debottleneck to +7.0 Mtpa at Life of Mine grade of ~2 g/t Au

Resource extension drilling underway

- Targets generated by 3D seismic survey
- Encouraging results potentially extending mineralisation along strike
- Shallow, potentially low cost extensions of mine life

Studies underway to incorporate ~3 Moz of existing resource outside current reserves into mine plan

- Aim to maintain current operating margin and extend mine life

Regional exploration continues

- New prospects identified in favourable host sequence

Long Overview

History of consistent production and reserve replacement

High grade underground nickel

- Located in Kambalda, 60km south of Kalgoorlie

35 year operating history

- Acquired by IGO in 2002
- Average grade project to date of 3.8% Ni
- Owner operated underground mining
- Consistent low cost producer

FY16 guidance⁽¹⁾

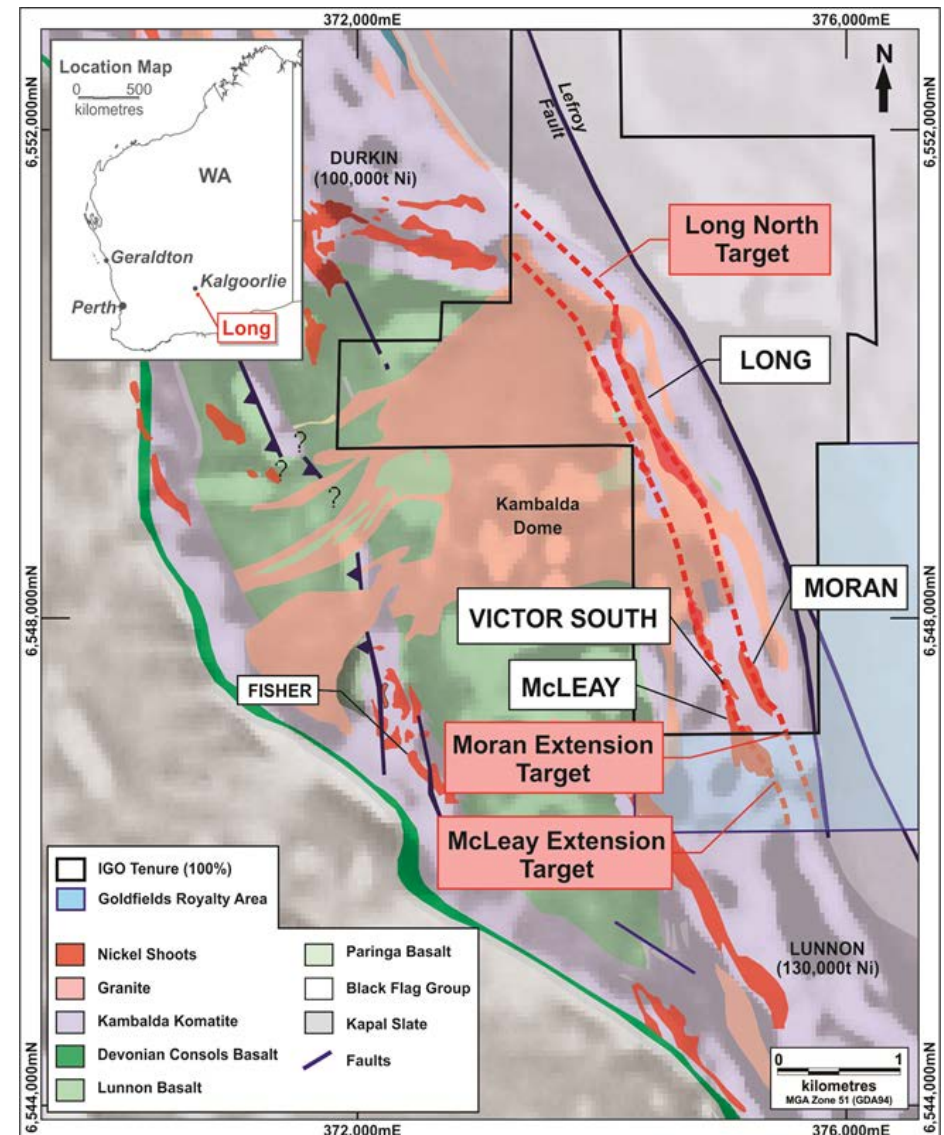
- 8,750t nickel at A\$3.75/lb⁽²⁾ (US\$2.70/lb)⁽³⁾

History of reserve replacement

- Positive reserve call factor

BHP Nickel West relationship

- Toll processing of ore
- Concentrate offtake agreement



1) FY16 guidance range mid-point

2) Cash costs are inclusive of royalties and net of by-product credits per unit of payable metal

3) Conversion of A\$ to US\$ using 0.72 exchange rate

Long H1 FY2016

Operating discipline delivering gains in difficult price environment



Production and costs

- 4,508t contained nickel produced
- Cash costs of \$3.97/lb (US\$2.86/lb)⁽¹⁾ payable nickel net of by-product credits and royalties
- Realised nickel price of \$5.49/lb (US\$3.95/lb)⁽¹⁾ during the reporting period

Underground mining

- 123,682t mined at an average grade of 3.64% Ni
- Updated mining plan implemented in December 2015 quarter

Near mine exploration suspended

- In response to low nickel prices, exploration activities at Long were suspended in January 2016
- Restructuring to focus on Moran orebody
- As a result costs are expected to move lower in H2 FY16

1) Conversion of A\$ to US\$ using 0.72 exchange rate

Jaguar Overview

High grade Zn-Cu VMS camp



High grade underground Zn-Cu-Ag-Au VMS deposit

- Located 300km north of Kalgoorlie via sealed road
- Fly in – fly out from Perth

Significant improvement in operation over last 1-2 years

- Acquired by IGO in 2011
- Owner operated underground mining
- 450 to 500ktpa processing plant producing zinc and copper concentrates

FY16 guidance⁽¹⁾

- 38kt zinc & 8,000t copper at A\$0.50/lb Zn⁽²⁾ (US\$0.36/lb Zn)⁽³⁾

Known VMS camp with significant exploration upside:

- In-mine resource extension potential with ongoing drilling of Flying Spur lens and Bentley Deep
- Near-mine potential with exciting Triumph discovery
- Regional exploration potential with over 50km of known strike along prospective corridor

1) FY16 guidance range mid-point

2) Cash costs are inclusive of royalties and net of by-product credits per unit of payable metal

3) Conversion of A\$ to US\$ using 0.72 exchange rate



Jaguar H1 FY2016

On track to meet guidance despite lower H1 copper production



Production and costs

- 20,721t zinc and 2,876t copper produced in concentrates
- Cash cost of \$0.67/lb (US\$0.48/lb)⁽¹⁾ payable zinc net of by-product credits and royalties
- Realised zinc price of \$1.05/lb (US\$0.76/lb)⁽¹⁾ and copper price of \$3.15/lb (US\$2.27/lb)⁽¹⁾ during the period

Underground mining

- Ore mined 253,709t

Processing

- 256,160t milled at average grade of 9.14% Zn and 1.35% Cu

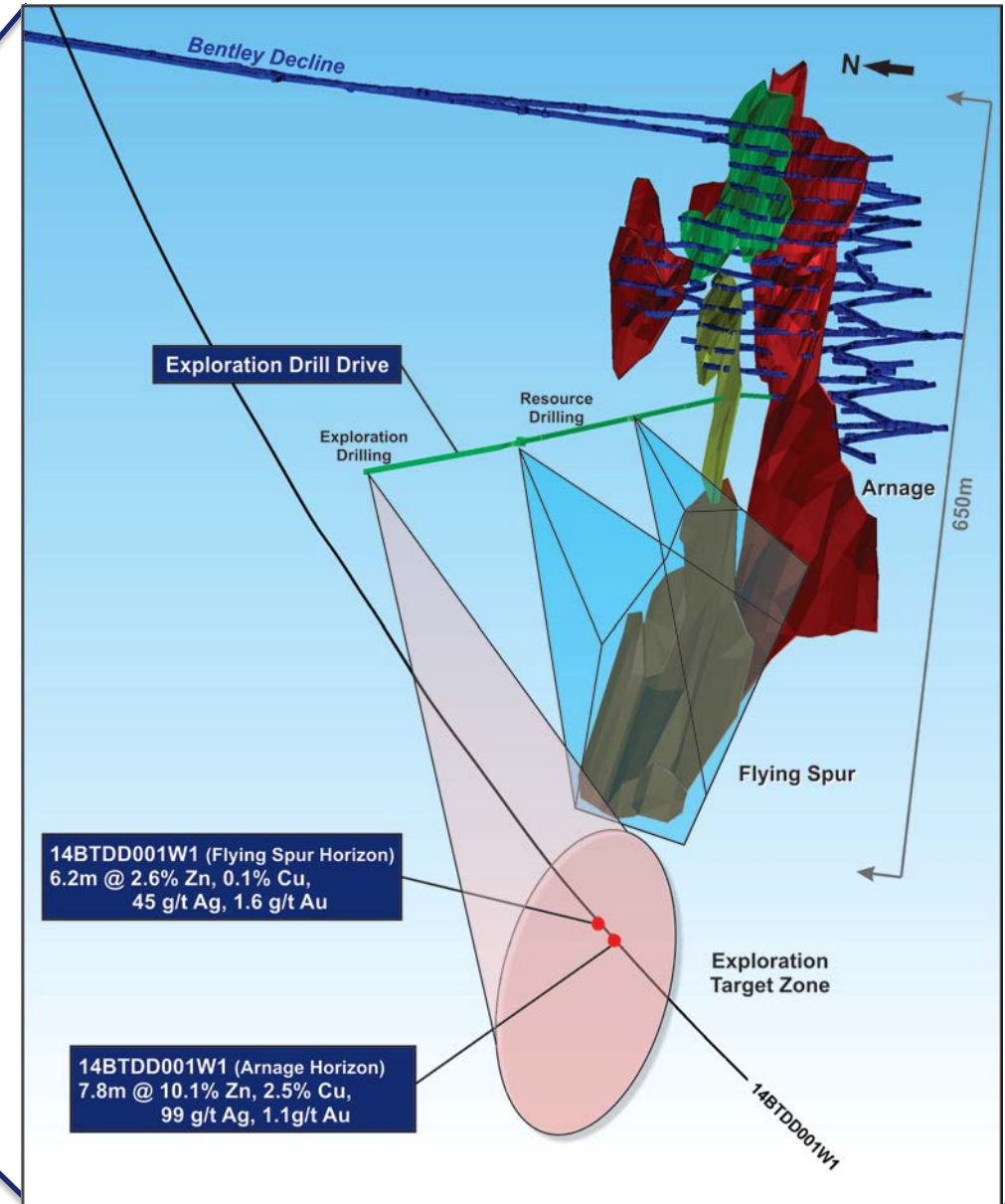
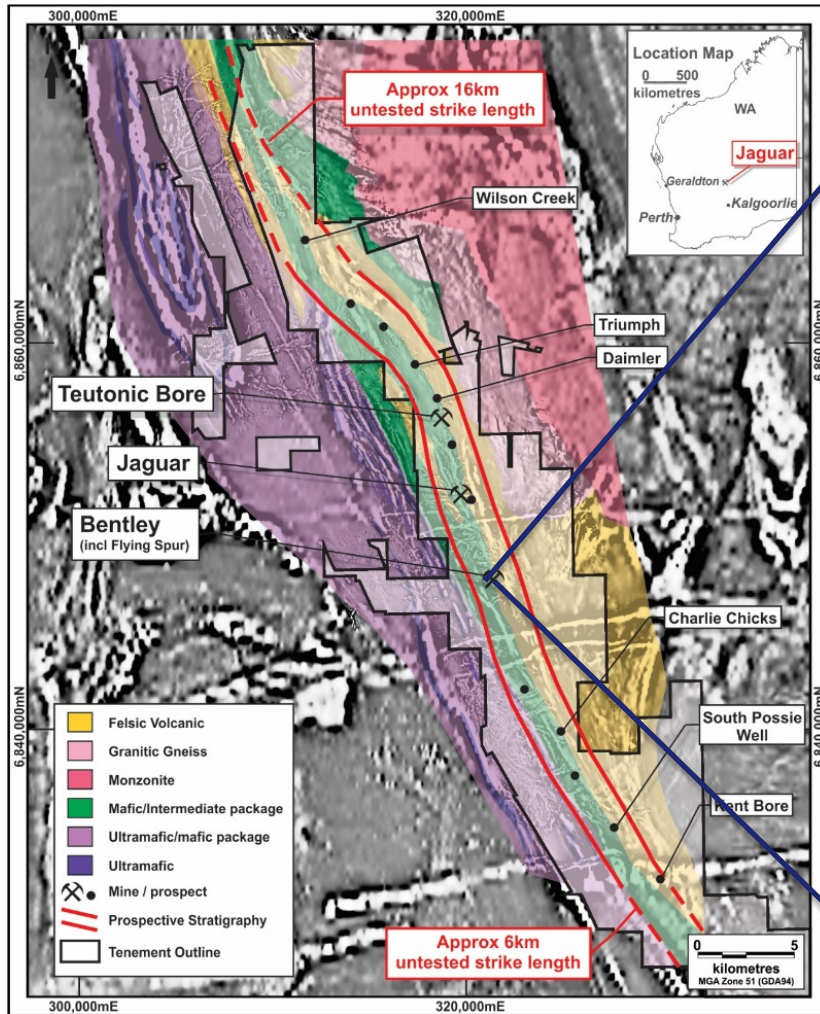
Near mine exploration

- Drilling designed to upgrade the Flying Spur mineral resource from inferred to indicated and extend understanding of Arnage lens at depth continued
- Positive drilling results at depth beneath existing Arnage resource envelope
- Mineral Resource and Ore Reserve updates to be completed in the coming quarters

1) Conversion of A\$ to US\$ using 0.72 exchange rate

Jaguar In-Mine Resource Extension

Currently drilling out inferred resource at Flying Spur



Nova Overview

World class, low cost magmatic nickel-copper project



Fully funded underground nickel-copper project in construction

- Located in highly prospective Fraser Range
- Located 350km SE of Kalgoorlie, Western Australia
- 350km from port of Esperance, Western Australia
- Acquired by IGO in 2015

Project timeline is a testament to project quality

- Discovered in July 2012
- Feasibility study completed in July 2014
- Construction commenced in January 2015

World class project

- High margin (low cost and high payability)
- Scale (average 26ktpa nickel and 11.5ktpa copper)
- Long mine life (initial 10 years)
- Significant exploration upside in emerging province

Nova H1 FY2016



Fully financed, in construction, on schedule and on budget

Overall

- Continued significant progress made with the project now 68% complete at 31 January 2016
- Project remains on track for commissioning in late 2016 and for production of first concentrates in December 2016
- Integration of the acquisition and optimisation study completed in December 2015

Infrastructure

- Permanent access road completed in December 2015
- First power generation units have been shipped and are expected to be operational in the June 2016 quarter. 11kv overhead powerline is +80% complete

Underground development

- Mine development ahead of schedule with over 3km of development to date

Process plant construction

- Construction of the process plant and associated infrastructure is ahead of schedule and 40% complete
- Current focus is delivery and installation of structural steel and manufacture and delivery of equipment

Nova Project Progress

Construction is progressing ahead of schedule



Access road



Crushing section



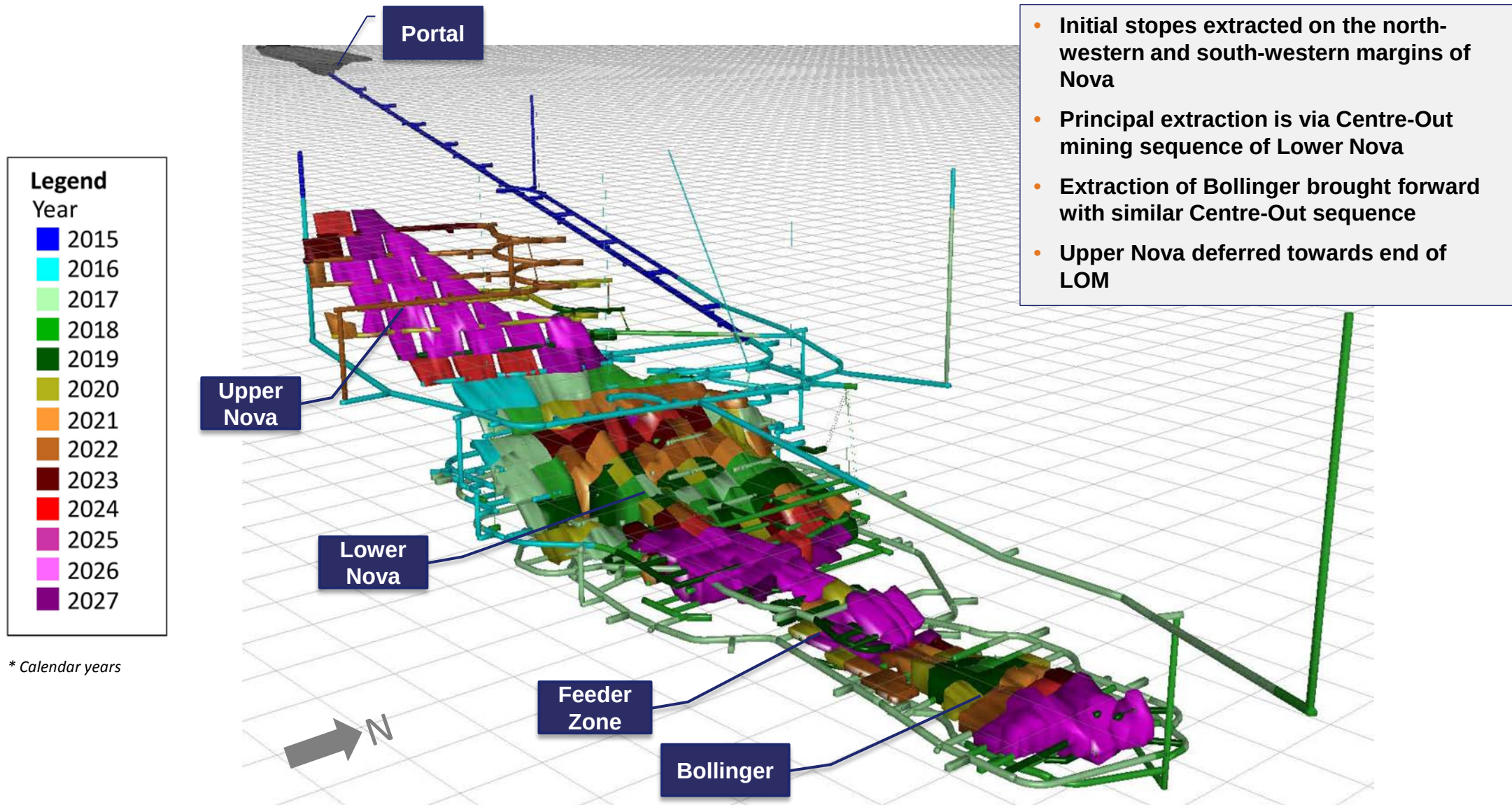
Power building and switch room



Heavy vehicle refuelling facility

Nova Mine Layout

Updated mining sequence improved project NPV by 26%⁽¹⁾



1) Refer to ASX release dated 14 December Nova Optimisation Study Presentation

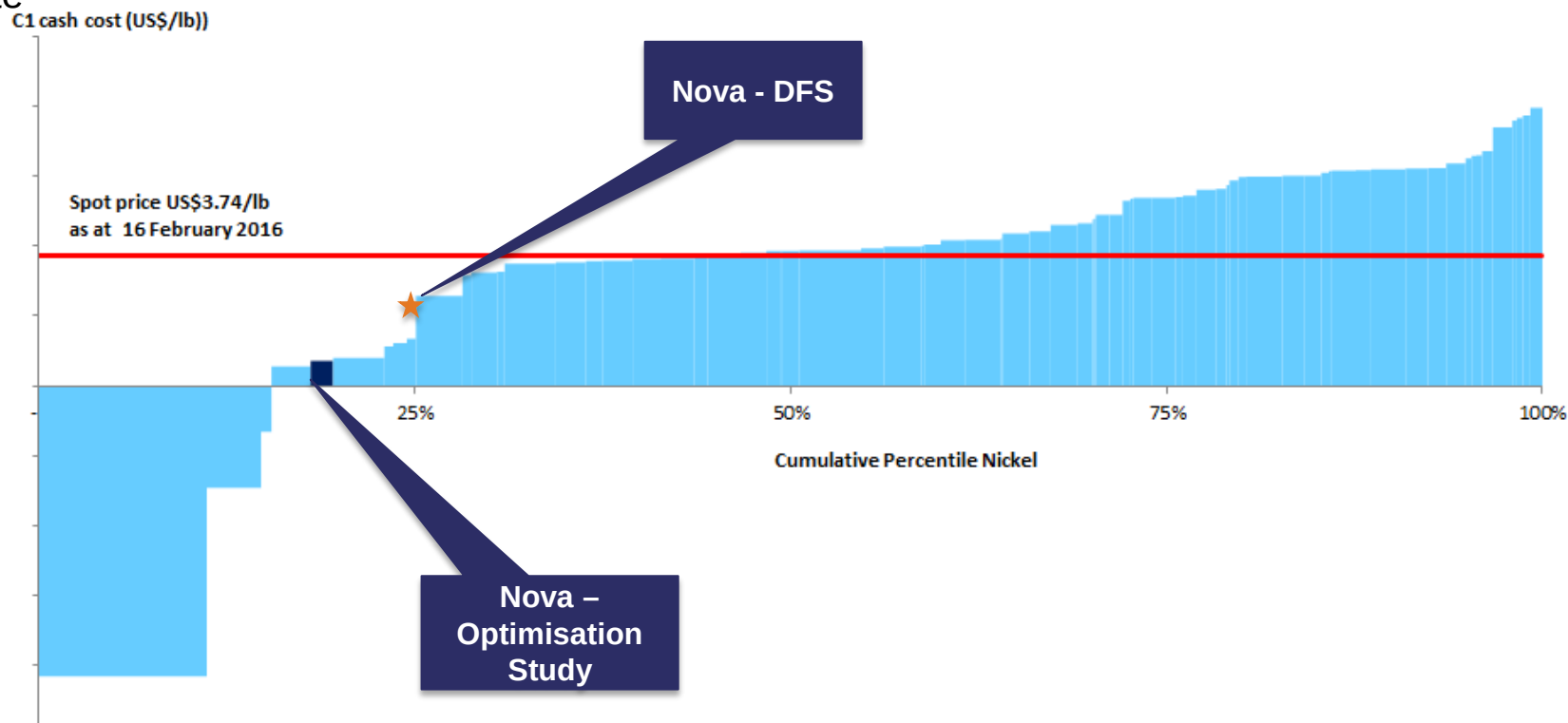
Nova Optimisation Study

Added value - reduced risk - future growth



Study outcomes

- 36% improvement on the Project NPV
- 27% reduction in expected C1 cash costs (after by-product credits) in concentrate to \$1.21/lb (US\$0.87/lb)⁽²⁾ from \$1.66/lb (US\$1.20/lb)⁽²⁾ nickel
- 21% decrease in all-in sustaining cash costs (after by-product credits) in concentrate to \$1.83/lb (US\$1.32/lb)⁽²⁾ from \$2.32/lb (US\$1.67/lb)⁽²⁾ nickel
- Capital unchanged, however significantly more development to be completed than the January 2015 estimate



1) See Nova Optimisation Study ASX release dated 14 December 2015

2) Conversion of A\$ to US\$ using 0.72 exchange rate

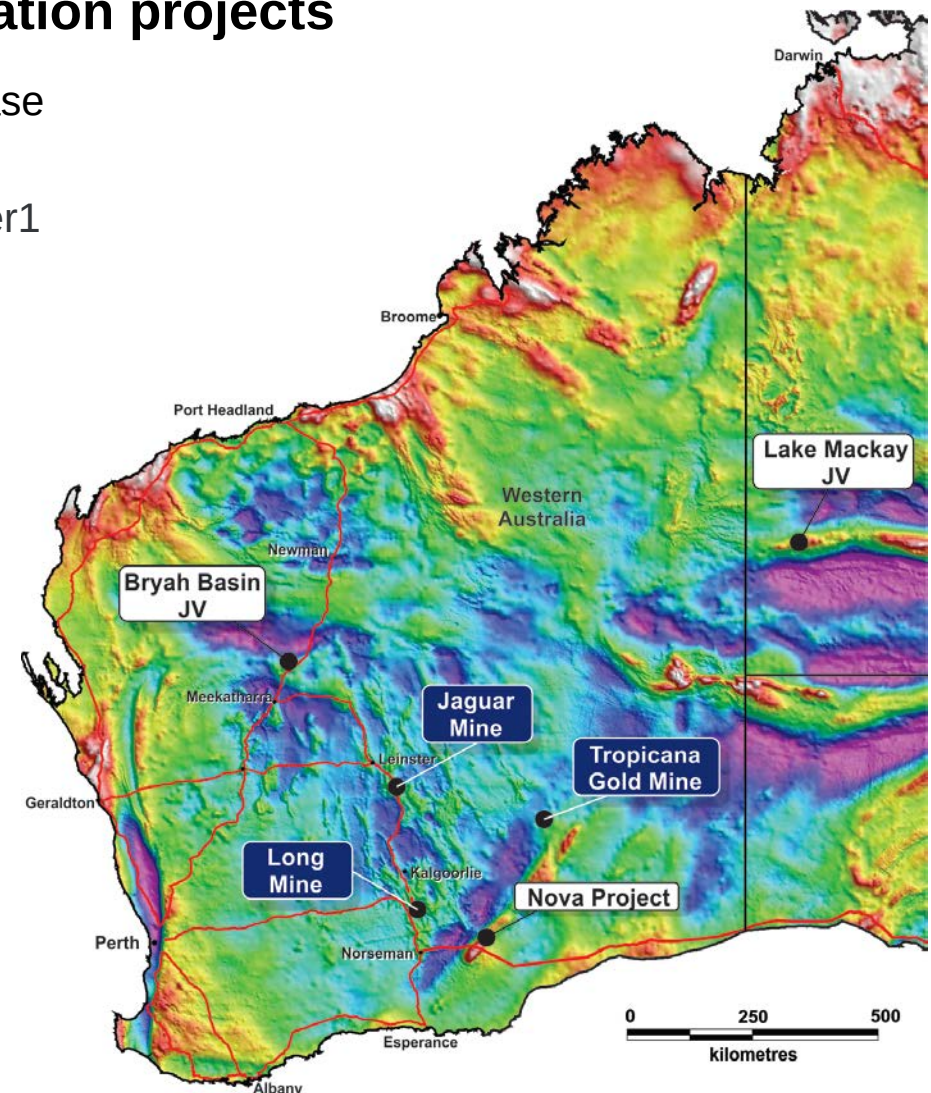
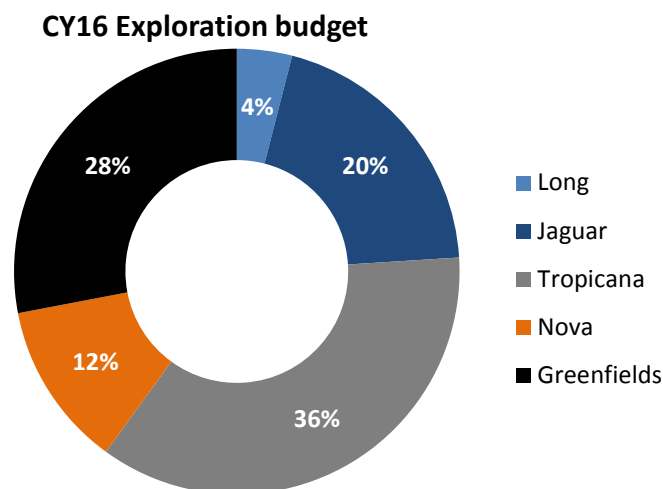
Exploration Portfolio

Long term commitment to delivering organic growth



Diverse greenfields and brownfields exploration projects

- Targeting provinces that can deliver multiple gold and base metals projects
- Portfolio includes belt scale projects with potential for Tier1 assets:
 - Nova – Tropicana Belt
 - Lake Mackay JV
 - Bryah Basin JV
- Utilising science to drive area selection
- CY16 Exploration budgeted at \$25M⁽¹⁾

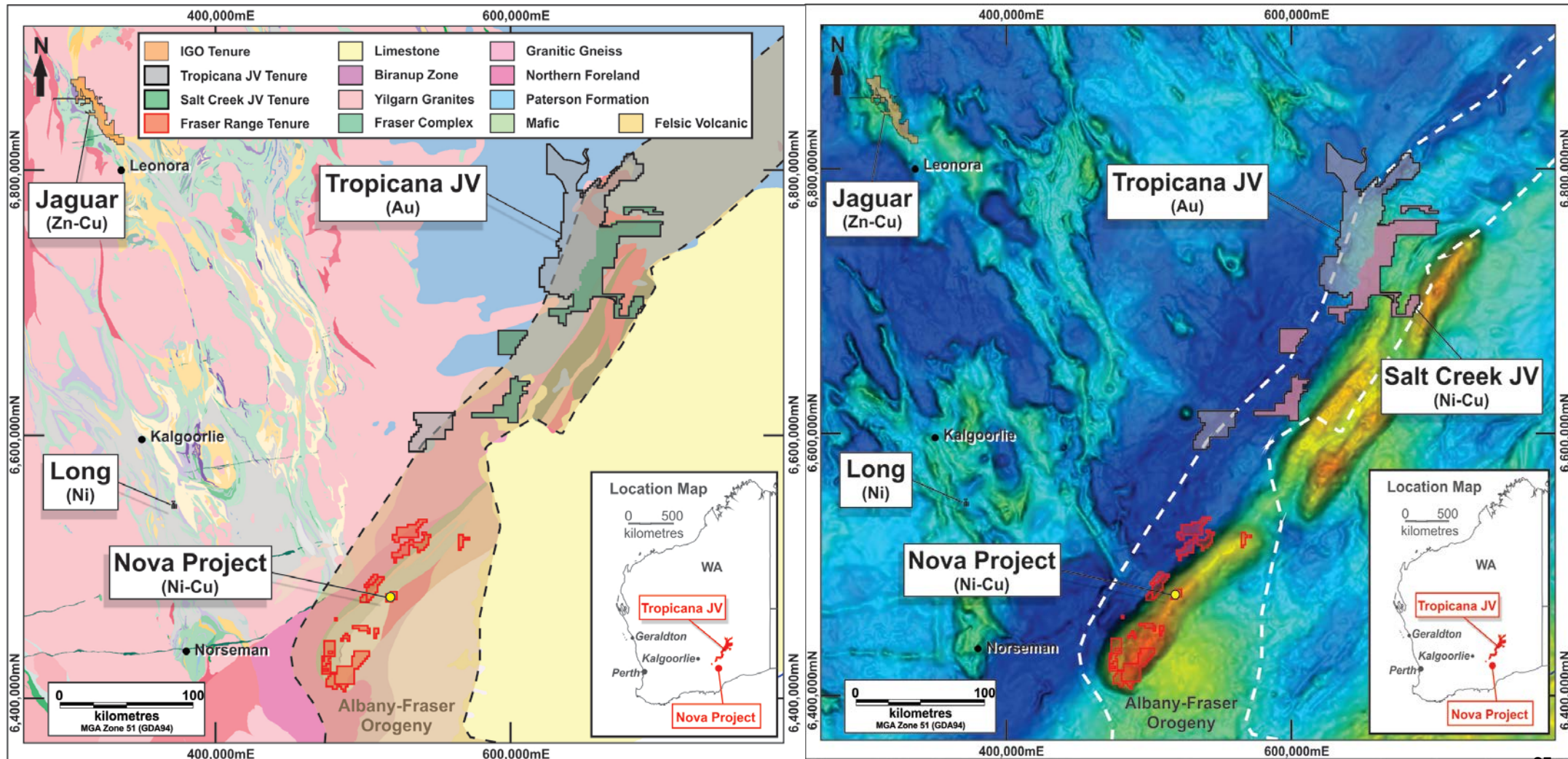


1) Midpoint of CY16 guidance

Fraser Range – Tropicana belt

Part of a highly fertile – under explored province

- Hosts two of Australia's best recent discoveries, IGO holds interests in both
- IGO positioned to be dominant player



Lake Mackay Greenfields Exploration



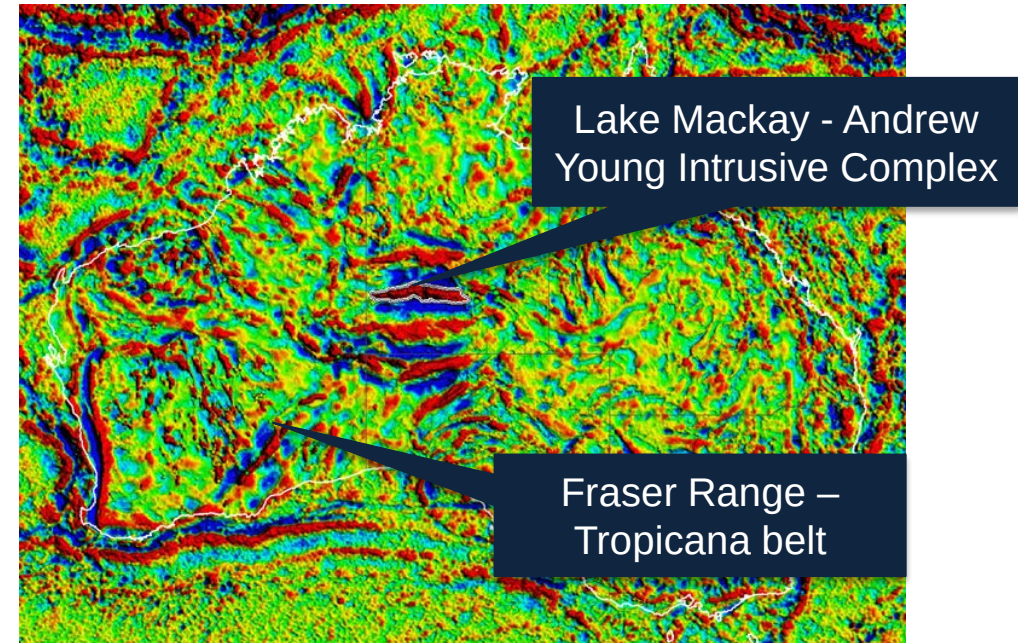
First mover opportunity with potential for scale

Lake Mackay

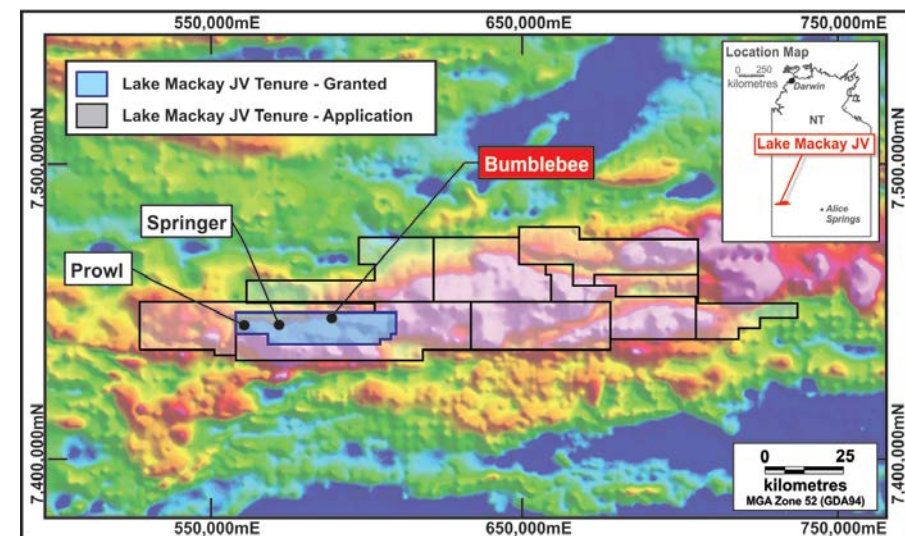
- 7,200km² under-explored land package
- Blanket geo-chem targeting gold
- Work identified large 7x5km Ni anomaly with 1.6% Ni, 1.6% Co and 38% Mn in rock chips
- New polymetallic discovery named Bumblebee

Bumblebee discovery⁽¹⁾

- 2m @ 1.3g/t Au, 34.6g/t Ag, 7.4% Cu, 1.6% Zn, 1.3% Pb and 0.09% Co from 29m (oxide)
- 7m @ 3.3g/t Au, 37.7g/t Ag, 3.2% Cu, 1.3% Zn, 0.9% Pb and 0.08% Co from 35m (supergene)
- 5m @ 2.4g/t Au, 12.4g/t Ag, 1.4% Cu, 1.0% Zn, 0.2% Pb and 0.1% Co from 56m (fresh rock)



Source: Gravity Map of Australia, First Edition 2011. Geoscience Australia Canberra



1) For Bumblebee Drill results refer to ABM Resources ASX release dated 6 October 2015

FY16 Guidance

Exploration expenditure guidance lowered for 2016



Tropicana (IGO share)

- 129,000 to 141,000oz at average cash cost of \$640 to \$710/oz Au
- AISC of \$820 to \$910/oz Au sold
- Sustaining/improvement capex of \$14-\$16M, stripping capex of \$18-\$20M and exploration of \$9-\$11M

Jaguar

- 35,000 to 40,000t Zn and 7,500 to 8,500t Cu in concentrate at average cash cost of \$0.40 to \$0.60/lb Zn
- Sustaining capex of \$4-\$5M, development of \$12-\$14M and exploration of \$9-\$11M

Long

- 8,500 to 9,000t contained Ni at average cash cost of \$3.50 to \$4.00/lb Ni
- Sustaining capex of \$2-\$3M and exploration of \$8-\$9M (suspended from January 2016)

Nova

- Total development cost of \$443M of which approximately \$180M spent to 31 December 2015

Greenfields exploration

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

IGO Value Proposition



Deliver Nova Project on time and on budget with first production in December 2016

Unlock scale and value at Tropicana throughout 2016

Maintain track record of consistent delivery to meet/beat guidance

Focus on triple bottom line

Concluding Comments

Diversified mining company delivering cash flow and growth



Strong focus on cash management

- Market prices for base metals offset within IGO's diversified portfolio
- Tropicana continues to deliver operationally and on growth projects
- Nova remains on schedule and on budget
- The \$350M term loan in place to fund Nova was undrawn at 31 December 2015

Nova optimisation study and integration completed

- Nova optimisation study delivered a significant improvement to project economics
- Project start up has been de-risked and additional options to add value recognised

Outlook and catalysts for value recognition

- Switch to gas power generation at Tropicana
- Continued progress at Tropicana to ramp up processing capacity to +7Mtpa
- Nova development milestones including mining of first ore in June quarter, commissioning late-2016 and production of first concentrate in December 2016
- Mineral Resource updates at Tropicana and Bentley



FOLLOW US
AS WE GO FROM
STRENGTH TO STRENGTH
igo.com.au