QUARTERLY REPORT

PERIOD ENDED 31 DECEMBER 2015

HIGHLIGHTS

Tropicana JV (IGO 30%)

- Gold production of 133,742oz (IGO's 30% share: 40,123oz Au) produced at a cash cost of \$625/oz Au and AISC of \$796/oz Au sold.
- Production and cash costs were both better than our guidance range and compared favourably to the preceding three quarters.
- Mill throughput for the quarter, at an annualised rate of 6.5Mtpa, was a record, reflecting a record plant utilisation rate of 96% and higher than design throughput rates for the quarter.

Long

- Nickel production of 2,246t of contained nickel at C1 cash costs and royalties of \$3.68/lb payable Ni.
- Both production and cash costs were well inside our guidance range and compared favourably to the September 2015 quarter.

Jaguar

- Production of 9,311t Zn and 1,447t Cu metal in concentrates produced at C1 cash costs and royalties of \$0.69/lb payable Zn inclusive of by-product credits.
- Record mining and processing production rates were offset by lower grades. As a result, zinc production was in line with guidance. Copper production was lower than guidance due to continuing lower copper grades relative to plan, which also negatively impacted by-product contribution to cash costs.

Nova

- Construction at the Nova Project is progressing well and is currently 60.7% complete. The project remains on schedule and on budget, and is expected to commence commissioning in late 2016 and to produce first concentrates in December 2016.
- A positive optimisation study for the Nova Project was released to the market in December 2015.

Financial and Corporate

- At 31 December 2015, the Company had cash and refined gold bullion totalling \$59.6 million and marketable securities of \$13.7 million. \$350 million of the Company's unsecured debt facilities remained undrawn as at 31 December 2015.
- \$15.9 million net inflow of cash from operating activities for the December 2015 quarter (the quarter), which includes \$4.3 million of ongoing exploration expense.

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- Unaudited Underlying EBITDA for the December 2015 quarter was $29.3 million. Unaudited Underlying loss after tax was ($7.2 million) which is inclusive of $2.0 million of Sirius acquisition costs.

FINANCIAL AND CORPORATE

FINANCIAL SUMMARY (unaudited)	Q2 FY 2016	Q2 FY 2015
Total Revenue	$98.4M	$145.2M
Underlying EBITDA	$29.3M	$63.4M
(Loss) Profit After Tax[1]	($7.2M)	$24.4M
Net Cash Flow From Operating Activities	$15.9M	$65.5M
Other Material Cash Outflows		
Mine and Infrastructure Development	($65.8M)	($10.0M)
Capitalised Exploration	($4.6M)	($9.9M)
Plant & Equipment	($4.8M)	($2.2M)
Underlying Free Cash Flow[2]	($59.2M)	$49.9M
Balance Sheet Items		
Total Assets[3]	$1,887.9M	$906.3M
Cash	$58.9M	$93.3M
Refined Bullion	$0.7M	$1.0M
Marketable Securities	$13.7M	$1.0M
Total Debt	$200.1M	$1.8M
Total Liabilities	$431.3M	$169.8M
Shareholders' Equity[4]	$1,456.5M	$736.5M
Net tangible assets per share ($ per share)	$2.85	$2.68

Hedging	As at date of this Report
Gold in FY2016 – Par Forwards	Avg. 3,850oz/mth to June 2016 at avg price of $1,587/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 $1,560/oz)
Gold in FY2017 – Zero Cost Collars	Avg. 2,500oz/mth to Nov 2016 (range $1,330 to $1,593/oz)

Cash at the end of the quarter decreased by $72.4 million to $58.9 million.

1 Loss After Tax is unaudited and does not include the impact of impairment assessments which management is in the process of finalising with the Company's auditors.
2 Free Cash Flow comprises Net Cash Flow from Operating Activities and Net Cash Flow from Investing Activities.
3 Unaudited Total Assets include bringing to account the provisionally determined cost of investment in Nova and Fraser Range exploration assets.
4 Unaudited Shareholders' Equity has increased primarily due to equity funding of the Acquisition Scheme consideration to purchase Sirius Resources NL.

Cash flow – December 2015 Quarter	
Cash at 30 September 2015	**$131.3M**
Tropicana Operations Free Cash Flow	$26.2M
Jaguar Operations Free Cash Flow	($1.1M)
Long Operations Free Cash Flow	$0.8M
Nova Project Development	($58.4M)
Exploration (greenfields & brownfields)	($8.8M)
Transaction & New Business Integration Costs	($12.0M)
Corporate Costs	($4.9M)
Dividends Paid	($12.8M)
Net Finance Costs	($1.2M)
Lease Principal Repayments	($0.2M)
Cash at 31 December 2015	**$58.9M**

The unaudited Loss after tax for the December 2015 quarter was ($7.2 million). Underlying EBITDA for the December 2015 quarter was $29.3 million (September 2015 quarter: $40.3 million). Significant differences between the two quarters include:

- Tropicana's Underlying EBITDA was $37.0 million for the December 2015 quarter, or 12% higher than the previous quarter primarily as a result of 9% more gold ounces sold.
- Jaguar Underlying EBITDA for the December 2015 quarter totalled ($0.5 million) loss compared to September's $14.2 million profit. Revenue was lower due to sale during the December 2015 quarter of 5,488 wet metric tonnes (wmt) of copper concentrates and 21,364 wmt of zinc concentrates (September 2015 quarter: 11,001 wmt of copper concentrate and 33,005 wmt of zinc concentrate). The September 2015 quarter sales volumes benefited from the drawing down stocks that had accumulated at the end of the 2015 financial year. Realised copper and zinc prices for the quarter were down. Jaguar site costs continued to trend lower during the quarter.
- Long Operations Underlying EBITDA fell during the quarter, due to lower nickel revenue arising from lower realised nickel prices, partially offset by lower site costs during the quarter.

Further information relating to the performance of the operations of IGO can be found in the Appendices of this report. In addition, the Company has uploaded onto its website, under Financial Reports, a soft copy of the Appendices titled Q2 FY2016 Supplementary Information.

TROPICANA JOINT VENTURE (TJV)

Open pit gold, north-east of Kalgoorlie, WA: IGO 30%, AngloGold Ashanti 70% (Manager)

Safety

No lost time injuries (LTIs) were recorded in the December 2015 quarter. The 12-month lost time injuries frequency (LTIF) is currently 0.53 per million hours worked.

Production

During the quarter, a total of 5.49M bank cubic metres were mined and hauled ex-pit. This material is comprised of 2.52Mt of full grade ore (>0.6g/t), 0.38Mt of marginal ore (grading between 0.4 & 0.6g/t Au) and 10.63Mt of waste material. Main sources of ore were the Havana pit (2.1Mt), and the Tropicana pit (0.78Mt) with the average run-of-mine grade for full grade ore (>0.6g/t Au) being 2.14g/t Au for the quarter.

A total of 1.62Mt of ore at an average grade of 2.85g/t Au was processed during the quarter. Average metallurgical recovery was 90.0% for 133,742oz of gold produced.

Annualised throughput continues to trend upwards with an annualised rate of 6.5Mtpa being achieved in the quarter (September 6.2Mtpa and June 5.7Mtpa). The quarter's utilisation rate for the processing plant averaged 96%.

Attributable Production

IGO's attributable gold production during the quarter was 40,123oz, this is the second highest quarterly output since operations commenced, and IGO's attributable share of gold refined and sold was 39,714oz. IGO's attributable average cash costs for the quarter were $625/oz Au produced and all-in sustaining costs (AISC) were $796/oz Au sold. Please refer to Table 1 in Appendix 1 for further details.

The quarter gold production for IGO was achieved at a head grade of 2.85g/t Au versus a 3.41g/t Au head grade in December 2014 when 41,370oz was produced. Although head grade dropped by 16% as a result of the mine's grade streaming strategy, production only decreased by 3%, demonstrating the successful implementation of increasing plant throughput to offset falling grades.

Tropicana-Havana Resource Drilling

Tropicana-Havana Resource extension drilling continued during the quarter, with diamond drilling testing down dip extensions to known mineralisation at the Tropicana Pit, the saddle area between Tropicana Pit and the Havana Pit (Swizzler), as well as down-dip at the Havana South deposit. A total of 4,255m of reverse circulation (RC) and 9,093m of diamond (DDH) drilling were completed.

A seismic survey was completed over the Crouching Tiger and Havana South areas during the quarter. The data collected is still being processed, with interpretation to be done post-processing to identify potential strike extensions to the Tropicana gold system.

Regional Exploration

Regional drilling was completed at the Apocalypse and Voodoo Child prospects with 1,199m of RC and 114m of DDH. Both of these prospects are located within 50km to the north of the Tropicana Gold Mine.

Remaining DDH assays were returned at the Madras and Masala Prospects and for 1m re-split samples of anomalous composite assays returned from drilling completed at the Panama, Wild Thing and Angel Eyes Prospects.

Gas Pipeline Project Update

Construction, Commissioning and Practical Completion of the 292km long Eastern Goldfields Pipeline by APA Group was completed ahead of schedule. End-of-line facilities were completed enabling delivery of gas to the power station. The first four new gas engines at Tropicana were installed, with the first two in commissioning by the end of the quarter, five weeks ahead of schedule.

LONG OPERATION

Underground nickel in Kambalda, WA: IGO 100%

Safety

No LTIs were recorded in the December 2015 quarter. The 12-month LTIF is currently 3.67 per million hours worked.

Production

Production was 57,367t of ore mined at 3.92% Ni for 2,246t of contained nickel. A full breakdown of production statistics is provided in Tables 2 and 3 in Appendix 2.

Nickel was produced at a cash cost of $3.68 per pound of payable nickel inclusive of royalties and net of copper by-product credits. The lower cash costs benefited from actions taken in September to restructure the Long Operation (refer ASX release dated 9 September 2015).

Development

A total of 161m was advanced by jumbo development during the quarter, with the focus on operational requirements.

Near Mine Exploration

Following a rationalisation and prioritisation of CY16 exploration expenditure, exploration at Long has been suspended.

JAGUAR OPERATION

Underground zinc-copper, north of Leonora, WA: IGO 100%

Safety

No LTIs were recorded in the December 2015 quarter. The 12-month LTIF is currently 4.75 per million hours worked.

Production

During the quarter, mining delivered a record 133,552t of ore at 7.77% Zn, 1.41% Cu, 107g/t Ag and 0.7g/t Au. Zinc and copper grades achieved in the quarter were lower than plan and guidance due to the sequence of stopes mined and the lower grades of those stopes.

Mill Production

Mill production was also a record at 132,610t of ore milled at 7.96% Zn and 1.30% Cu, 103g/t Ag and 0.7g/t Au, which resulted in 9,311t Zn and 1,447t Cu metal in concentrates produced. Further details of mill production in the quarter are set out in Table 4 in Appendix 3.

Average C1 cash costs for the quarter were $0.69/lb of payable zinc, including royalties and net of by-product credits. The quarter's average cash cost was 6% higher than the previous quarter due to lower grades and therefore lower metal produced, partially offset by lower site operating expenditures for the quarter.

Concentrate

The mill produced 25,467t of concentrate during the quarter, of which 19,896t was zinc concentrate and 5,572t was copper concentrate (See Table 4 in Appendix 3).

Mine Development

A total of 1,011m of advance occurred during the quarter, of which 154m was capitalised, with the remainder accounted for in operating costs.

Near Mine Exploration

Drilling commenced from the 3980 Drill Drive designed to upgrade the Resource classification of the Flying Spur lens from Inferred to Indicated and extend the Arnage lens below the 3820mRL (approximately 600m below surface):

- A total of 11,426m was drilled in the quarter leading to depth extensions on the Arnage lens.
- Drilling of Flying Spur has defined five economic lenses between 3860mRL to 3600mRL with a vertical extent 260m and strike extent of 350m.
- Deep exploration drilling has intersected massive sulphide and stringer mineralisation to a depth of 3400mRL (1,040m below surface) with assays pending.

Jaguar Regional Exploration

Regional exploration activities in the quarter focused on the Triumph Prospect. Preliminary studies considering the economic viability of production from the Triumph discovery are ongoing.

Orientation induced polarisation (IP) survey lines were completed across the Triumph Prospect and a downhole magnetometric resistivity (DHMMR) survey of selected Triumph Prospect drill holes were undertaken to determine effectiveness of these techniques in detecting sulphide mineralisation. Data from these surveys is yet to be fully processed but preliminary interpretations of the IP data are encouraging with a good anomaly highlighted in the approximate positon of the known mineralisation. Follow-up work will be considered once a full interpretation of data is completed.

NOVA PROJECT

Fully funded underground nickel project in construction, south of Kalgoorlie, WA: IGO 100%

Safety

No LTIs were recorded in the December 2015 quarter. The 12-month LTIF is currently nil.

Project Progress

Progress at Nova has continued at a rapid rate during the quarter with the Project schedule reaching the 60.7% mark and remaining ahead of schedule and on budget, relative to the Optimisation Study schedule and budget.

Total mine development of 2,441m had been completed and the decline face was 1,425m from the portal as at the end of the quarter. Mine dewatering has continued as planned with water from both the dewatering bores and the mine pumping system being discharged to the now completed tailings dam.

The aerodrome is fully operational with personnel now commuting directly between Perth and site. Final CASA approval for the use of jet aircraft is expected soon.

The site access road was opened to all traffic in December providing all weather access for both heavy and light transport.

Construction of the process plant and its associated infrastructure is ahead of schedule at 31% complete. Some 3,177 cubic metres of concrete have been poured to date with civil works being completed in the crushing and milling areas during the quarter. The ROM bin retaining wall, crusher, conveyor CV01 and surge bin steel work is well advanced. Site fabrication of plant tankage commenced on site during December. Factory Acceptance Testing of the copper filter was completed in December and factory QAQC inspections were completed for the flotation cells and thickeners. Progress of delivery of all other equipment is being monitored and remains on schedule.

Civil works for the construction of the power station commenced at the end of the quarter and Zenith, the power supply contractor, advised that the Factory Acceptance Testing for the five power station diesel engines was completed in November. These units are currently being shipped from the United States prior to the final assembly of the generating sets in Australia.

Installation of the site overhead line power distribution system is 80% complete with the majority of the power lines installed and ready for connection.

Work on the non-process infrastructure is progressing in accordance with the schedule.

An important milestone was reached on 4 January 2016, with the Department of Environmental Regulation granting a Works Approval to the Port of Esperance to ship our product. There was a 21 day appeals period during which concerned parties could request amendments to the conditions associated with the Works Approval and this period passed without consequence. The Works Approval permits the Port to complete a set of trial shipments to demonstrate the efficacy of the dust and odour management arrangements. On the successful completion of the trial, the Port will seek a permanent amendment to their operating licence.

Given community interest in the Nova Project, IGO will be hosting a Nova Project Open Day in Esperance on Friday 5 February 2016. A general public invitation has been issued along with targeted invitations to interest groups, local and state government and industry representatives.

Optimisation Study

The Nova Project Optimisation Study was completed during the quarter (refer ASX release dated 14 December 2015) significantly enhancing the Project value. The Study delivered:

- A 36% improvement to the Project NPV[1] compared to the Definitive Feasibility Study (DFS), on a like for like basis[2].
- The opportunity for an additional increase to the Optimisation Study Project NPV[1] of over 10% has been recognised and will be assessed further during the operational phase.
- A 27% reduction in the expected Life of Mine (LOM) C1 Costs (after by-product credits) in concentrate from $1.66/lb to $1.21/lb nickel[2].
- LOM all-in sustaining cash costs have decreased by approximately 21% from $2.32/lb nickel (after by-product credit) in concentrate to an expected $1.83/lb nickel (after by-product credits) in concentrate[2].
- Demonstrated robustness of the Project with LOM C1 Costs (after by-product credits) in concentrate of $1.57/lb nickel, even at current commodity prices[3].
- The Nova Project is now expected to deliver an additional 41%, 108% and 83% of free cash flow in CY17, CY18 and CY19 when compared to the DFS[1].
- Project initial capital remains at $443M, which includes a number of scope changes to unlock Project value including accelerated underground development.

Guidance

Construction activities remain on track for commissioning in late 2016 and production of first concentrates in December 2016.

Exploration

A review of previous surface electromagnetic (EM) surveys on the Nova lease has been undertaken. The review indicates that, in some areas, the survey configuration was not optimal resulting in a high level of “noise” that may have masked conductors. Follow-up work using an alternate survey configuration is currently being planned.

A seismic survey has been proposed for the Nova lease to enhance the current geological model and to investigate the effectiveness of seismic as an exploration tool.

The first phase of the survey has been completed and involved seismic characterisation of the geology and ore zones including rock property testing on core samples coupled with synthetic modelling of the application of modern seismic on the Nova-Bollinger ore body. The results of this modelling indicate that the contacts of interest are good seismic reflectors and that a seismic survey is likely to return effective data. The second phase of the survey, comprising one or two proof of concept 2D seismic lines across the orebody, is currently being planned.

A structural study of the Nova-Bollinger deposit commenced late in the quarter. The purpose of the study is to assist in refining the current geological model and to provide a basis for further near-mine drill targeting, particularly in the location of potential extensions to the host intrusive body. The field component of this study has been completed and results are currently being interpreted.

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1 Relative NPV is pre-tax and real discount rate of 8.0%.
2 The comparison between the Optimisation Study and DFS has been completed on a like for like basis with commodity prices and FX exchange assumptions levelled using the latest Consensus Economics Pricing (October 2015). Unit costs are reported as per the DFS with the unit costs for the Optimisation Study reported using Consensus Economic Pricing assumptions.
3 Spot commodity price is at the 4 December 2015 being A$12,026/t nickel, A$6,224/t copper and A$32,275/t cobalt at AUD:USD exchange of 0.73.

EXPLORATION AND DEVELOPMENT PROJECTS

No LTIs were recorded in the December 2015 quarter. The 12-month LTIF is currently 0.00 per million hours worked.

Fraser Range/Tropicana Trend

Crux-Centauri (IGO 70% and Manager)

Down-hole electromagnetic surveying (DHEM) was undertaken on four deep diamond holes drilled at Crux during the September 2015 quarter. No conductors consistent with massive sulphide mineralisation were detected. Previous drilling at Crux-Centauri has intersected narrow zones of disseminated and matrix style Ni-Cu mineralisation within intrusions of similar composition to the host at Nova-Bollinger. The next phase of exploration at the prospect will be a detailed petrological and geochemical study of diamond core.

Area 3 Prospect (IGO 70% and Manager)

A moving loop electromagnetic (MLEM) survey is planned for the Area 3 Prospect located 60km southwest of Nova.

The prospect is defined by a low-level, coincident Ni-Cu-Cr geochemical anomaly underlain by an ovoid magnetic feature interpreted to be a mafic/ultramafic intrusion. Thirty lines of MLEM to test for massive sulphide mineralisation are planned to traverse the prospect for a total of 122 line-km.

Area 3 is a high priority target but the survey had to be delayed due to bushfire activity. The survey is scheduled to commence in March 2016 quarter, though it is anticipated that progress will be slow due to very thick vegetation in the area of interest.

Salt Creek JV (IGO 70% and Manager)

The Salt Creek JV comprises a series of tenements, formerly part of the Tropicana JV, that cover an intrusive complex on the western flank of the Albany Fraser Province. The tenements are being explored for magmatic Ni-Cu mineralisation. A combination of exploration techniques including soil geochemistry, MLEM, gravity and AC drilling are being employed according to the target expression and local regolith conditions. During the quarter IGO met its $3 million earn-in expenditure in the JV and consequently vested a further 40% equity in the tenements taking its interest to 70%.

Lake Mackay Gold/Base Metals Project (IGO Manager and Options to earn 70%)

In the September 2015 quarter, the Company announced a number of significant precious and base metal intercepts at the Bumblebee Prospect, together with lower order gold intercepts on the Prowl and Springer prospects located within the Du Faur Project area (EL24915) on the far southern end of the Lake Mackay tenement package. Full details of the drilling program and assay results were provided in a release to the ASX on 6 October 2015 by ABM Resources NL.

During the quarter, the Company undertook detailed follow-up surface sampling across seven prospect areas including Bumblebee to provide better anomaly definition. This work has extended the anomalous footprint at Bumblebee, both to the west and east.

Tenement wide geological mapping of EL24915 and a petrographic and lithogeochemical study of rocks from outcrop and drilling were also completed during the quarter. This work will assist in characterising mineralisation style and the development of follow-up drill targets at Bumblebee. Drill follow-up is scheduled to commence in the June 2016 quarter.

Bryah Basin JV (IGO Manager and Earning 70% - 80%)

During the quarter, IGO completed a review of all data relating to the RC/DDH drilling program completed at the Neptune Prospect in the September 2015 quarter. The RC/DDH drilling program was broad spaced (500m between sections) and the review has highlighted five target areas, comprising a combination of geochemical, geophysical and structural features that require follow-up drilling.

The majority of VMS exploration on the tenements to date has focused on the Karalundi-Narracoota contact zone. There is increasing evidence to suggest that other zones within the tenement package, particularly those stratigraphically deeper within the Karalundi Formation, are also highly prospective for VMS mineralisation. These areas will be assessed further in H1 2016.

CONTINUOUS IMPROVEMENT

Operations

IGO has always had a culture of continuous improvement, to maximise production and minimise costs and thereby maximise cash generation. This culture continues and is embedded across the whole business, with a heightened degree of priority given the weaker base metals prices. Ongoing continuous improvement measures include:

- Restructuring and changing the mining plan of the Long Operation in September 2015 to reduce low margin nickel production to improve the cost structure, resulting in an increased margin;
- Productivity improvement at Jaguar to consistently mine and process at an annualised rate of +500,000tpa, delivering lower costs per tonne mined and processed;
- Optimisation Study for the Nova Project, primarily to increase mine production in the early years of the project to match processing plant capacity, thereby improving the cost structure and increasing net present value;
- Active program to review contracts and consolidate requirements across the business into single contracts to improve purchasing power;
- Use of technology to automate work, increase labour efficiencies and reduce costs; and
- Projects aimed at improving the payability of concentrates to thereby improve revenue.

At Tropicana, AngloGold Ashanti, the managers, have a number of active projects underway including the gas fired powerhouse project, and the debottlenecking and reliability improvement project to increase processing capacity to in excess of 7.0Mtpa. In addition, AngloGold Ashanti have a number of other projects underway to improve productivity and reduce costs.

Where productivity or cost saving improvements require a capital expenditure commitment, we generally impose a one-year return on capital cut-off.

Exploration

In January, we rationalised and prioritised exploration activities across the Company for CY16, in response to continued weak base metal prices. This is expected to deliver a reduced exploration spend rate for CY16 that is approximately $20 million lower relative to past FY16 guidance.

For the current calendar year, our priorities will be:

- Funding and execution of the Tropicana and Nova brownfields exploration programs.
- In-mine exploration and resource definition drilling, designed to upgrade the resource classification of Flying Spur and continue testing of depth extensions at Bentley.
- Greenfields exploration programs on the three projects that deliver belt-scale opportunities, being the Fraser Range/Tropicana Belt, Lake Mackay and Bryah Basin.

As a result of this rationalisation and prioritisation, the following changes have been made:

- Exploration activities at the Long operation have been suspended. This has resulted in approximately 30 positions being made redundant in January 2016. Production and cash cost guidance for Long is unaffected by the suspension of the exploration activities, which could recommence in an improved commodity price environment.
- Near mine exploration will be scaled backed at the Jaguar operation and work will be carried out on a campaign basis using our Perth-based exploration team. This has resulted in nine positons being made redundant.
- Right-sizing the Perth exploration team given the changes with a focus on in-ground exploration expenditure, while preserving technical and execution capacity. This has resulted in approximately ten positions being made redundant.

The Company remains committed to value creation through exploration discovery.

A reconciliation from original guidance to actual expenditure follows:

Area	Original FY16 Guidance[1]	H1 FY16 Expenditure	H2 FY16 Guidance[2]	H1 FY17 Guidance[2]	CY16 Guidance[2,3]
Long	$13-15M	$7.4M	$1.0M	NIL	$1.0M
Jaguar	$10-12M	$7.1M	$2.5M	$2.5M	$5.0M
Tropicana	$9-11M	$4.3M	$4.7M	$4.5M	$9.0M
Nova Near Mine	NA	NIL	$1.5M	$1.5M	$3.0M
Greenfields	$10-12M	$3.5M	$3.5M	$3.5M	$7.0M
Total	$42-50M	$22.3M	$13.2M	$12.0M	$25.0M

Notes to table:

1. As announced on 29 July 2015 and updated on 8 September 2015 to reflect reduced guidance on exploration expenditures for Long for FY16 from $18-20 million to $13-15 million.
2. Mid-point of guidance.
3. As announced on 21 January 2016. CY16 Guidance will be replaced by FY17 Guidance mid-year.

FY16 GUIDANCE

FY16 production, cash cost and capital expenditure (excluding exploration) guidance for Tropicana and Jaguar remains unchanged relative to the guidance provided on 29 July 2015, and FY16 production, cash cost capital expenditure (excluding exploration) guidance for Long remains unchanged to that provided on 8 September 2015.

FY16 exploration guidance has been updated in line with the discussion above, which represents a reduction of $20 million to that previously disclosed on 29 July 2015 and 8 September 2015.

The updated guidance as at 28 January 2016 is therefore as follows:

Mining Operation	UOM	FY16 Guidance Range	
		Previous	Updated
Tropicana (IGO 30%)			
Gold produced (100% basis)	ounces	430,000 to 470,000	430,000 to 470,000
Gold (IGO's 30% share)	ounces	129,000 to 141,000	129,000 to 141,000
Cash cost	$/oz Au	$640 to $710	$640 to $710
All-in Sustaining Costs	$/oz Au	$820 to $910	$820 to $910
Sustaining/improvement capex		$8M to $10M	$8M to $10M
Capitalised waste stripping		Not provided	$18M to $20M
Exploration expenditure		$9M to $11M	$9M to $11M
Long			
Nickel (contained metal)	tonnes	8,500 to 9,000	8,500 to 9,000
Cash cost	$/lb Ni	$3.50 to $4.00	$3.50 to $4.00
Sustaining capex		$3M to $5M	$2M to $3M
Exploration expenditure		$13M to $15M	$8M to $9M
Jaguar			
Zinc in concentrate	tonnes	35,000 to 40,000	35,000 to 40,000
Copper in concentrate	tonnes	7,500 to 8,500	7,500 to 8,500
Cash cost	$/lb Zn	$0.40 to $0.60	$0.40 to $0.60
Sustaining capex		$4M to $5M	$4M to $5M
Development capex		$12M to $14M	$12M to $14M
Exploration expenditure		$10M to $12M	$9M to $11M
Greenfields & generative		$10M to $12M	$6M to $8M

COMPETENT PERSONS STATEMENTS

The information in this report that relates to Exploration Results (excluding Long exploration results) is based on information compiled by Mr. Matthew Dusci who is a full-time employee and security holder of the Company and is a member of the Australasian Institute of Mining and Metallurgy. Mr. Dusci has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Dusci consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Independence Long Exploration Results is based on information compiled by Ms. Somealy Sheppard. Ms. Sheppard is a full-time employee and security holder of the Company and is a member of the Australian Institute of Geoscientists. Ms. Sheppard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code) and consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Independence Group NL's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should", and similar expressions are forward-looking statements. Although Independence Group NL believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these Forward Looking statements.

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Independence Group NL

APPENDICES

Tropicana Production Summary — Appendix 1

Table 1: Tropicana Production Summary for the December 2015 Quarter

TROPICANA JV OPERATION	Notes	Units	December 2015 Quarter	Year to Date	Corresponding Quarter December 2014
Safety:					
Lost Time Injuries (No.)			0	0	0
Lost Time Injury Frequency Rate (LTIFR)	1		0.53	0.53	3.60
Production Details: ***100% JV Operation***					
Waste mined		'000 wmt	10,631	23,799	9,780
Ore Mined (>0.4 and <0.6g/t Au)		'000 wmt	385	582	451
Ore Mined (>0.6g/t Au)		'000 dmt	2,520	4,370	3,227
Au Grade Mined (>0.6g/t Au)		g/t	2.14	2.16	2.12
Ore Milled		'000 dmt	1,623	3,182	1,370
Au Grade Milled		g/t	2.85	2.76	3.41
Average metallurgical recovery		%	90.0	89.7	91.6
Gold recovered		oz	134,073	253,055	137,787
Gold-in-circuit adjustment		oz	(331)	(1,110)	114
Gold produced		oz	133,742	251,945	137,901
IGO 30% attributable share					
Gold refined & sold	2	oz	39,714	76,055	43,680
Revenue/Expense Summary: ***IGO 30% share***					
Sales Revenue		$'000	61,616	117,673	61,391
Cash Mining Costs		$'000	(14,091)	(26,948)	(10,251)
Cash Processing Costs		$'000	(12,343)	(23,159)	(13,204)
Gold production inventory adjustments		$'000	6,700	13,203	4,680
Gold sales inventory adjustments		$'000	441	(555)	(2,093)
Other Cash Costs	3	$'000	(4,105)	(7,881)	(2,189)
State government royalties		$'000	(1,518)	(2,909)	(1,450)
By-product credits		$'000	272	487	223
Exploration & feasibility costs (non-sustaining)		$'000	(1,718)	(3,941)	(903)
Exploration & feasibility costs (sustaining)		$'000	(40)	(320)	(341)
Plant & Equipment (construction and development capital)		$'000	(3,771)	(4,916)	(4,567)
Capitalised stripping asset		$'000	(2,533)	(6,737)	(5,393)
Rehabilitation – accretion & amortisation		$'000	(641)	(1,212)	(545)
Depreciation/Amortisation		$'000	(16,350)	(29,472)	(16,488)
Unit Cash Costs Summary: ***IGO 30% share***					
Mining & Processing Costs		$/oz	659	663	567
Gold production inventory adjustments		$/oz	(167)	(175)	(113)
Other Cash Costs		$/oz	140	143	88
By-product credits		$/oz	(7)	(6)	(5)
Cash costs		**$/oz**	**625**	**625**	**536**
Unit AISC Summary: ***IGO 30% share***					
Cash costs		$/oz	621	628	556
Sustaining Capital		$/oz	95	65	105
Capitalised sustaining stripping & other mine costs		$/oz	64	89	123
Exploration & feasibility costs (sustaining)		$/oz	1	4	8
Rehabilitation – accretion & amortisation		$/oz	16	16	12
All-in Sustaining Costs	4	**$/oz**	**796**	**801**	**804**

Note 1: LTIF is a 12 month moving average per million hours worked.
Note 2: Attributable share excludes gold-in-transit to refinery.
Note 3: Other Cash Costs include costs relating to site management, administration and support services, environmental & sustainability costs.
Note 4: The World Gold Council encourages gold mining companies to report an All-in Sustaining Costs metric. The publication was released via press release on 27th June 2013 and is available from the Council's website.

Long Operation Production Summary

Appendix 2

Table 2: Long Operation Production Summary for the December 2015 Quarter

LONG OPERATION	Notes	Units	December 2015 Quarter	Year to Date	Corresponding Quarter December 2014
Safety:					
Lost Time Injuries (No.)		#	0	1	0
Lost Time Injury Frequency Rate (LTIF)	1		3.67	3.67	3.00
Production:					
Ore Mined	2	dmt	57,367	123,682	62,209
Reserve Depletion	3	dmt	49,137	92,346	43,452
Ore Milled		dmt	57,367	123,682	62,209
Nickel Grade		%	3.92	3.64	4.13
Copper Grade		%	0.29	0.27	0.30
Metal in Ore Production					
Nickel		t	2,246	4,508	2,572
Copper		t	169	333	185
Metal Payable (IGO's share):					
Nickel	4	t	1,358	2,716	1,555
Copper	4	t	68	135	75
Revenue/Expense Summary:					
Sales Revenue (incl. hedging)		$'000	14,153	33,011	28,395
Cash Mining Costs		$'000	(6,779)	(13,927)	(8,453)
Other Cash Costs	5	$'000	(4,654)	(10,627)	(5,411)
Copper credits		$'000	399	855	572
Exploration		$'000	(2,526)	(7,127)	(3,178)
Mine Development		$'000	(259)	(305)	0
Plant & Equipment		$'000	(842)	(1,425)	(452)
Depreciation/Amortisation		$'000	(6,279)	(10,324)	(5,430)
Cost /lb Total Ni Metal Produced					
Cash Mining Costs		$/lb	1.37	1.40	1.49
Other Cash Costs	5	$/lb	0.94	1.07	0.95
Copper Credit		$/lb	(0.08)	(0.09)	(0.10)
Ni C1 Costs & Royalties		$/lb	2.23	2.38	2.34
Exploration, Development, P&E		$/lb	0.73	0.89	0.64
Depreciation/Amortisation		$/lb	1.27	1.04	0.96
Cost /lb Total Ni Metal Payable					
Cash Mining Costs		$/lb	2.26	2.33	2.47
Other Cash Costs	5	$/lb	1.55	1.78	1.58
Copper Credit		$/lb	(0.13)	(0.14)	(0.17)
Ni C1 Costs & Royalties		**$/lb**	**3.68**	**3.97**	**3.88**
Exploration, Development, P&E		$/lb	1.21	1.48	1.06
Depreciation/Amortisation		$/lb	2.10	1.72	1.58

Note 1: LTIF is a 12 month moving average per million hours worked.
Note 2. Production is sourced from both inside and outside reserve.
Note 3: Reserve depletion equals production from within reserves base.
Note 4: Payable metal is a function of recovery from concentrate smelting and refinery and is costed under a BHPB contract.
Note 5: Other Cash Costs include milling, royalties and site administration costs.

Table 3: Long Operation: production sources in the December 2015 Quarter (see Table 2 above for further detail)

Long	2,065t	@	2.84%	Ni for	59	Ni t
McLeay	2,873t	@	2.62%	Ni for	75	Ni t
Victor South	3,880t	@	2.07%	Ni for	80	Ni t
Moran	57,497t	@	3.56%	Ni for	2,048	Ni t
TOTAL	**66,315t**	**@**	**3.41%**	**Ni for**	**2,262**	**Ni t**

Jaguar Operation Production Summary

Appendix 3

Table 4: Jaguar Operation Production Summary for the December 2015 Quarter

JAGUAR OPERATION	Notes	Units	December 2015 Quarter	Year to Date	Corresponding Quarter December 2014
Safety:					
Lost Time Injuries (No.)			0	0	2
Lost Time Injury Frequency (LTIF)	1		4.75	4.75	3.40
Production Details:					
Ore Mined	2	dmt	133,552	253,709	125,464
Reserve Depletion	3	dmt	(135,336)	(241,116)	(129,727)
Ore Milled		dmt	132,610	256,160	131,576
Zinc Grade		%	7.96	9.14	11.77
Copper Grade		%	1.30	1.35	2.10
Silver Grade		g/t	103	122	189
Gold Grade		g/t	0.69	0.74	0.68
Concentrate Production					
Copper concentrate		dmt	5,572	11,053	9,604
Zinc concentrate		dmt	19,896	44,120	26,872
Zinc recovery		%	88.3	88.5	86.3
Copper recovery		%	83.8	82.9	86.6
Silver recovery		%	74.4	75.5	59.7
Metal in Concentrate:	4				
Copper		t	1,447	2,876	2,390
Zinc		t	9,311	20,721	13,360
Silver		oz	326,603	756,972	611,403
Gold		oz	1,006	2,321	1,051
Metal Payable in Concentrate:	4				
Copper		t	1,392	2,766	2,294
Zinc		t	7,719	17,191	11,210
Silver		oz	209,742	491,218	416,720
Gold		oz	942	2,179	967
Revenue/Expense Summary:					
Sales Revenue (incl. hedging TC's/ RC's)		$'000	19,333	66,419	56,943
Cash Mining Costs		$'000	(6,405)	(13,345)	(6,412)
Cash Processing Costs		$'000	(4,997)	(11,276)	(5,776)
Other Site Costs		$'000	(4,375)	(8,545)	(4,149)
Trucking & Wharfage		$'000	(2,257)	(6,186)	(3,937)
Shipping		$'000	(920)	(2,647)	(1,831)
Royalties		$'000	(955)	(2,779)	(2,376)
Exploration		$'000	(2,215)	(7,113)	(2,568)
Mine Development		$'000	(3,446)	(7,104)	(2,735)
Plant & Equipment		$'000	(651)	(1,078)	(955)
Depreciation/Amortisation		$'000	(6,375)	(12,274)	(5,415)
Notional Cost /lb Total Zn Metal Produced					
Mining Costs		$/lb	0.31	0.29	0.22
Processing Costs		$/lb	0.24	0.25	0.20
Other Cash Costs	5	$/lb	0.77	0.74	0.71
Copper, Silver and Gold credits		$/lb	(0.75)	(0.73)	(0.90)
Zn C1 Costs & Royalties	6	$/lb	0.57	0.55	0.22
Exploration, Development, P&E		$/lb	0.31	0.33	0.21
Depreciation/Amortisation		$/lb	0.31	0.27	0.18
Notional Cost /lb Total Zn Metal Payable					
Mining Costs		$/lb	0.38	0.35	0.26
Processing Costs		$/lb	0.29	0.30	0.23
Other Cash Costs	5	$/lb	0.93	0.89	0.84
Copper, Silver and Gold credits		$/lb	(0.91)	(0.88)	(1.07)
Zn C1 Costs & Royalties	**6**	**$/lb**	**0.69**	**0.67**	**0.26**
Exploration, Development, P&E		$/lb	0.37	0.40	0.25
Depreciation/Amortisation		$/lb	0.37	0.32	0.22

Note 1: LTIF is a 12 month moving average per million hours worked.
Note 2: Total mined ore, from inside and outside of reserves.
Note 3: Reserve depletion equals production from within reserves base
Note 4: Payable metal is a function of recovery from concentrate, smelting and refinery, controlled by sales contracts.
Note 5: Other Cash Costs include, actual maintenance & site administration costs, notional trucking, notional TCs & RCs, notional wharfage, shipping and notional royalties.
Note 6: C1 Costs include credits for copper, silver and gold notionally priced at US$2.26 per pound, US$14.89 per ounce and US$1,123 per ounce for the Quarter respectively.