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# INDEPENDENCE GROUP NL

## MACQUARIE AUSTRALIA CONFERENCE 2017

Peter Bradford, Managing Director and CEO

3 May 2017



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- Any references to IGO Mineral Resource and Ore Reserve estimates, except the Tropicana Mineral Resource and Ore Reserve should be read in conjunction with IGO’s 2016 Mineral Resource and Ore Reserve announcement dated 14 October 2016 and lodged with the ASX, which are available on the IGO website.
- References to Mineral Resource and Ore Reserve estimates at Tropicana should be read in conjunction with IGO’s Tropicana Gold Mine Value Enhancement Update, dated 15 December 2016 and lodged with the ASX, and is available on 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 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, 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.

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**We are a company with purpose**

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# A company with purpose

To create long-term shareholder value



Acquire

Discover

Develop

Operate

Diversified mining company

Quality

Scale

Longevity

Geographical focus

*“High quality, long life assets make great mining companies”* Bradford

*“Long term commitment to exploration of belt scale land positions with the potential to deliver tier one discoveries”* Dusci

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# IGO snapshot

Diversified explorer, developer and miner



Perth based, WA focused

Strong Board and Management

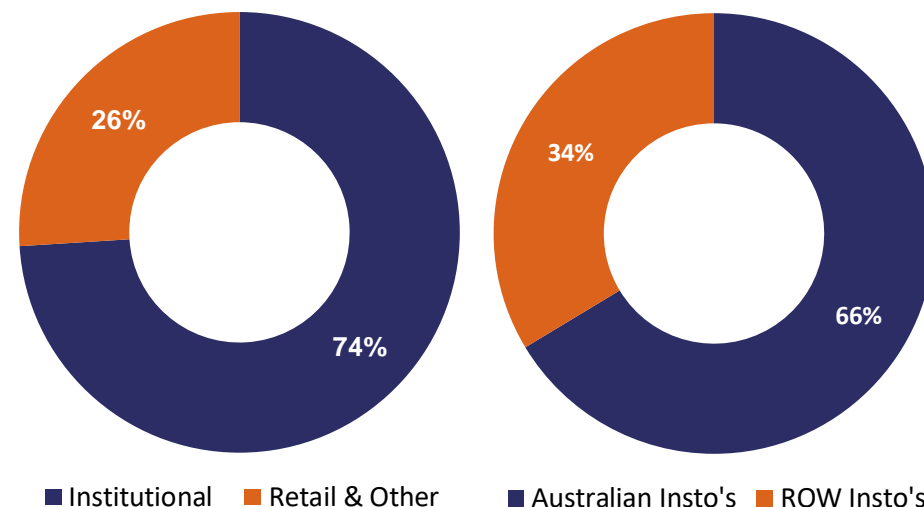
Scale: ~A\$1.9 billion market capitalisation

Liquid: ~5 million shares per day

Robust balance sheet

+30% NPAT as dividend payment

## Share Ownership<sup>(1)</sup>



## Share Price Performance<sup>(2)</sup>



1) As at April 2017

2) As at market close 24 Apr 2017

# IGO leadership

## Strong Board & Management



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### Strong & Diverse Board



**Peter**  
*Bilbe (Chair)*  
*Mining*



**Debra**  
Bakker (NED)  
Banking



**Peter**  
Buck (NED)  
Geology



**Geoff**  
Clifford (NED)  
Finance



**Keith**  
Spence (NED)  
Oil & Gas



**Neil**  
Warburton (NED)  
Mining

### Strong Management Team



**Peter**  
Bradford  
MD & CEO



**Rob**  
Dennis  
Operations



**Scott**  
Steinkrug  
Finance, IT &  
Procurement



**Matt**  
Dusci  
Growth &  
Innovation



**Sam**  
Retallack  
People &  
Culture



**Keith**  
Ashby  
Governance &  
Risk





**Jo**  
McDonald  
Company  
Secretary

# Diversified portfolio

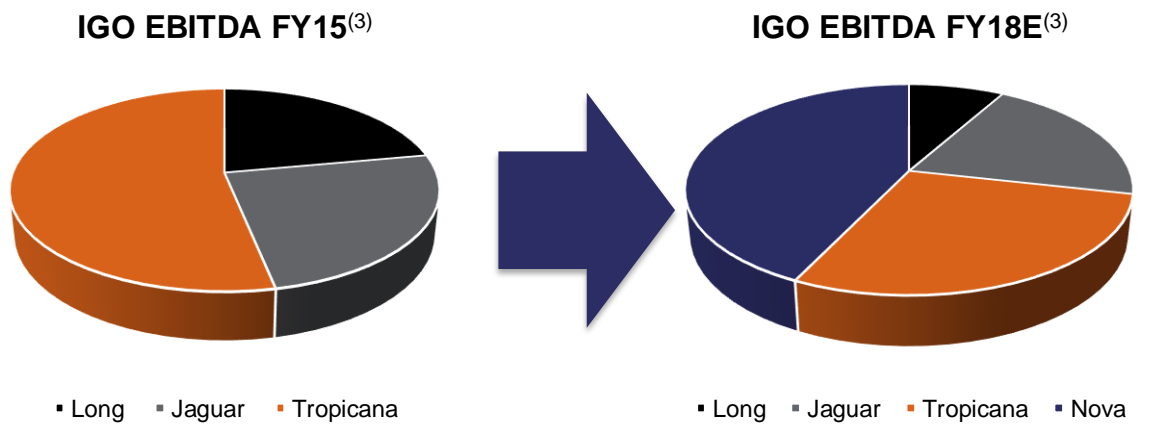
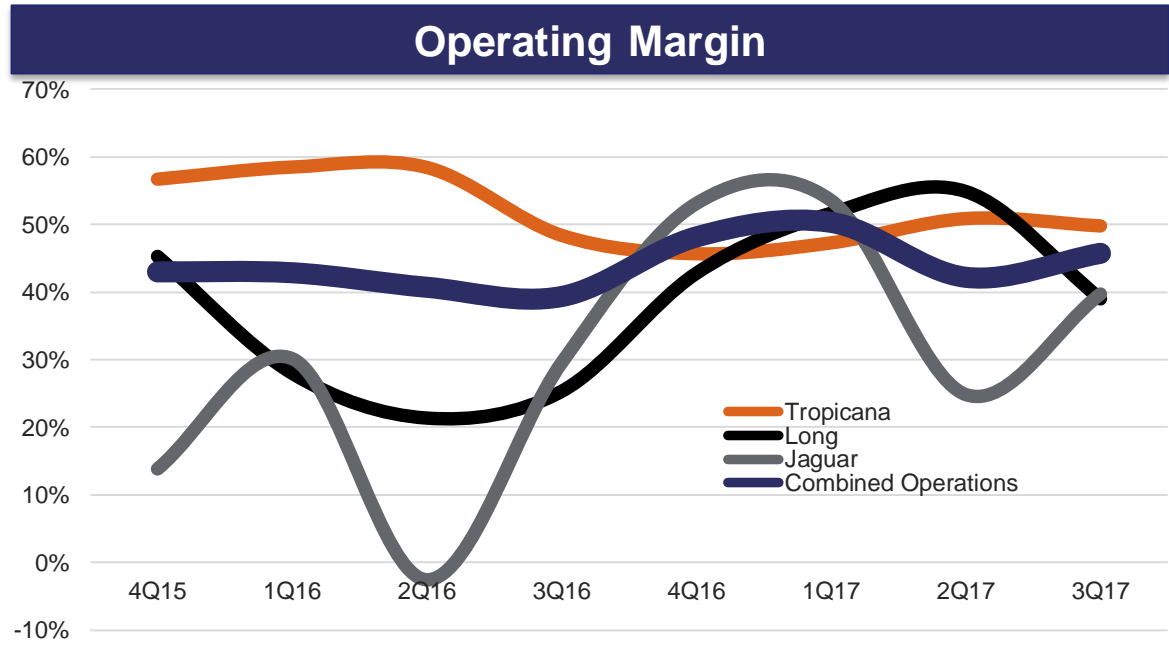
Delivering consistent operating margin



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Core Assets	
	
<b>Ni/Cu</b>	<b>Au</b>
<b>NOVA<sup>(1)</sup></b>	<b>TROPICANA<sup>(2)</sup></b>

Other Assets		
		
<b>Zn/Cu</b>	<b>Ni</b>	<b>Cu/Zn</b>
<b>JAGUAR<sup>(1)</sup></b>	<b>LONG<sup>(1)</sup></b>	<b>STOCKMAN<sup>(1)</sup></b>



1) 100% IGO owned  
 2) 30% IGO owned (unincorporated joint venture)  
 3) Source Data: Macquarie Research April 2017

# Our flagship Nova nickel-copper mine

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# Nova

World class, low cost magmatic nickel-copper mine



Quality

✓ High grade, thick, flat lying magmatic sulphide orebody

Scale

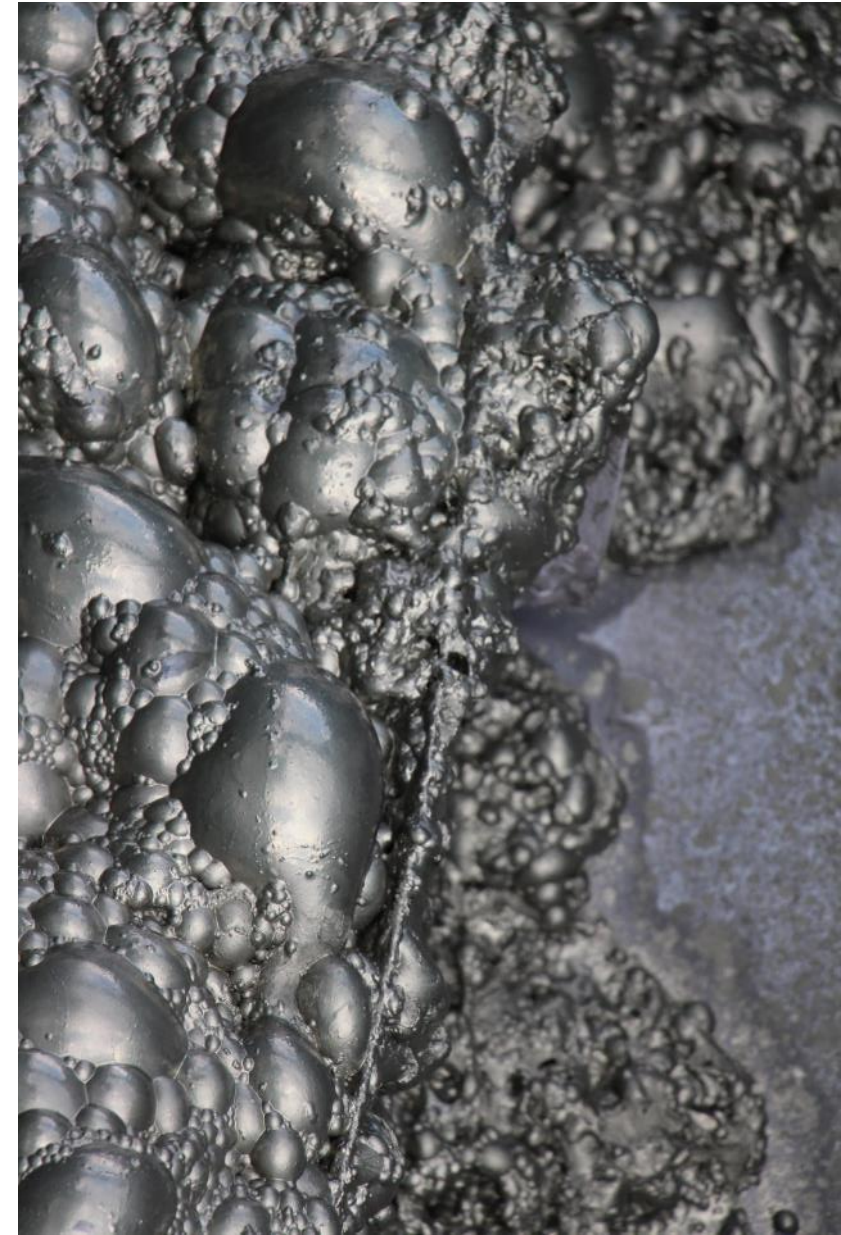
✓ Average +26kt Ni, 11kt Cu & 1kt Co per annum

Longevity

✓ Initial 10 year mine life with huge exploration potential

Geographical focus

✓ Located in WA on Fraser Range (proximal to Tropicana)



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# Nova timeline



World class timetable from discovery to production



**Discovery**  
Jul 2012

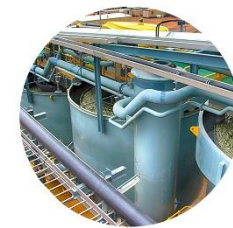


**Construction Start**  
Jan 2015

**Nameplate Production**  
Sep 17



**Feasibility Study**  
Jul 2014



**First Concentrate**  
Oct 2016

Nameplate capacity expected to be achieved 12 months earlier than DFS estimate

5 ¼ years from discovery to nameplate = world class

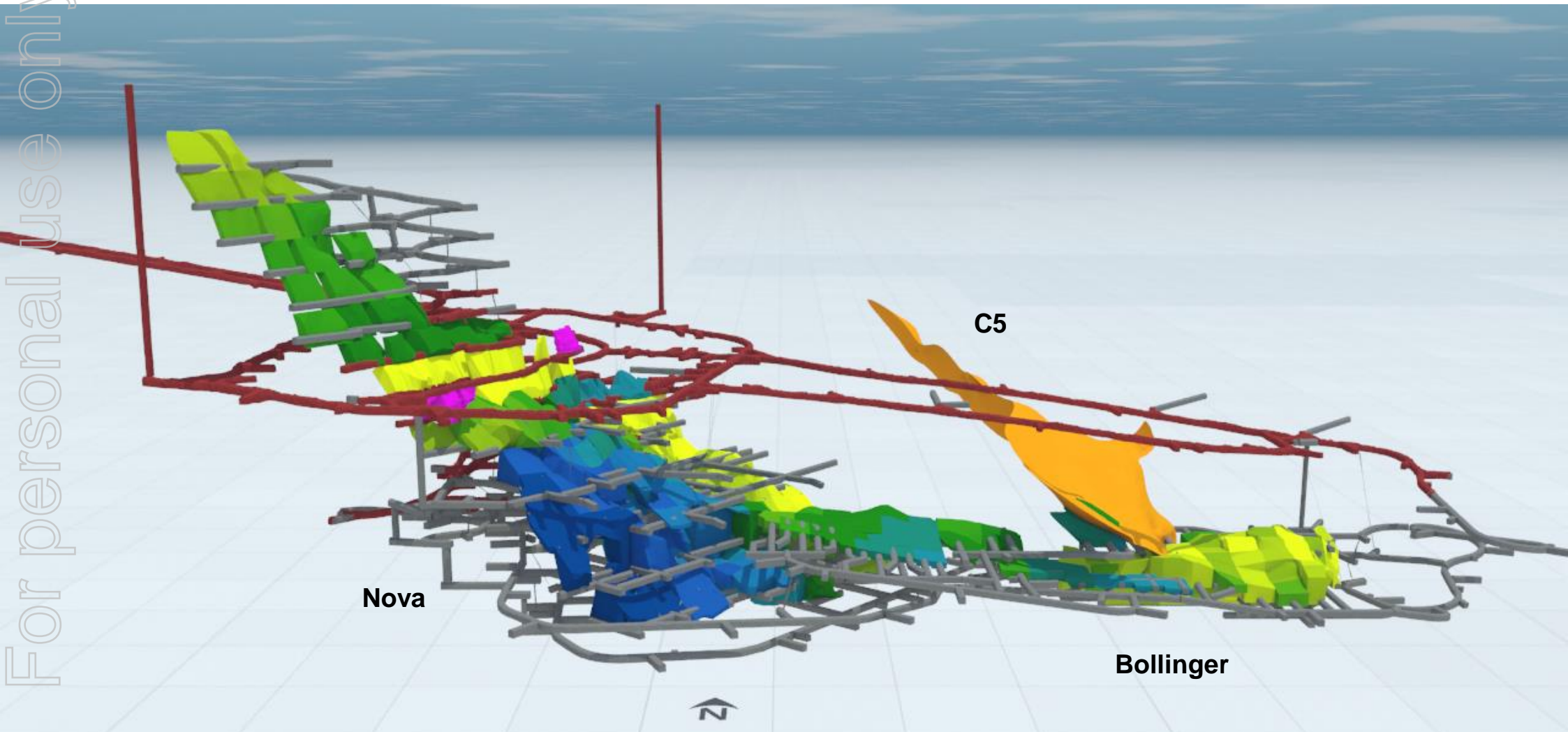
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# Nova mine design & schedule

Priority (till now) has been underground development



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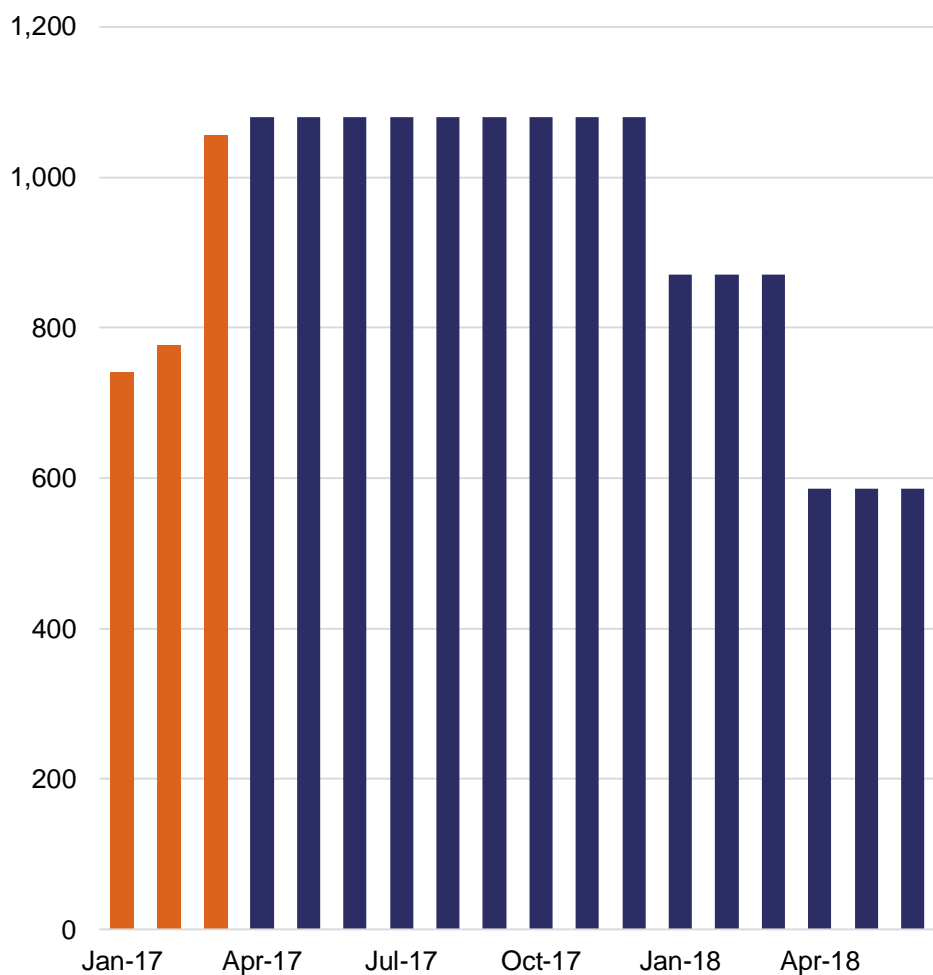
# Nova underground mining

Capital development to be substantially completed in 2018



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m/month (average)



**Barmingo resolved development rate**

**Focus moving to stope drilling**

**Ramp up to nameplate in Sep 2017 qtr**

**LOM mine infrastructure complete**

**Capital development complete in 2018**

**LOM grade control complete Dec 2017**

# Nova concentrates

## Highly marketable concentrates

### Nickel concentrates

- Nickel concentrate grading 13.5% Ni
- No Arsenic
- High Fe to MgO ratio preferred by smelters

### Copper concentrates

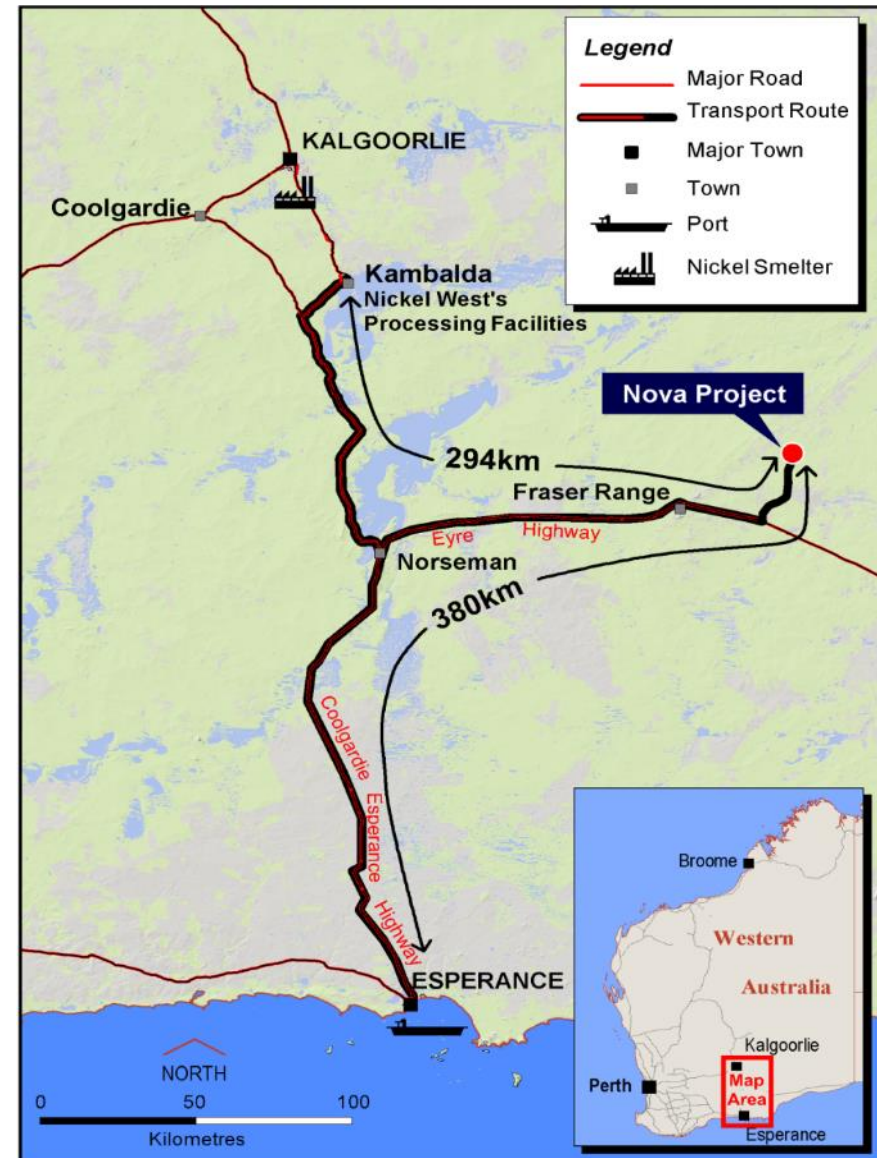
- Copper concentrate grading 29%
- No deleterious elements

### Offtake agreements in place for first 3 years

- Nickel contracted 50/50 to BHP Nickel West & Glencore
- Copper contracted Trafigura
- Offshore shipments via Port of Esperance

### Current status

- Shipping to BHP Nickel West since Dec 2016
- First offshore shipments expected in 4Q17
- No material issues with concentrate quality



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# Nova engagement

## Aboriginal engagement and employment opportunities



Ngadju are the traditional owners

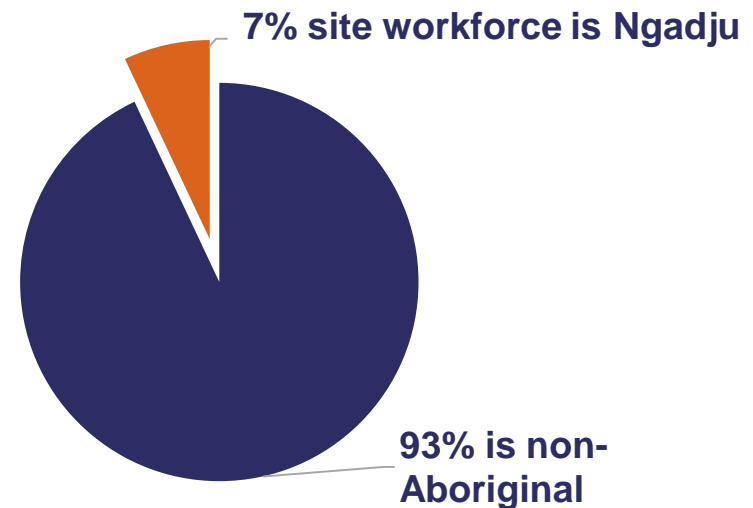
Support for 3 Ngadju owned businesses

IGO actively engages with Ngadju

Traineeship program

Direct and indirect employment

Support for community programs



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**Tropicana gold mine, a successful JV**

# Tropicana overview

Making a great asset better through value enhancement

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Quality

✓ Engineering to bring value forward through grade streaming

Scale

✓ +120,000 oz/year (IGO share)

Longevity

✓ Initial 11 year mine life being extended by strip mining

Geographical focus

✓ Located in WA proximal to Nova

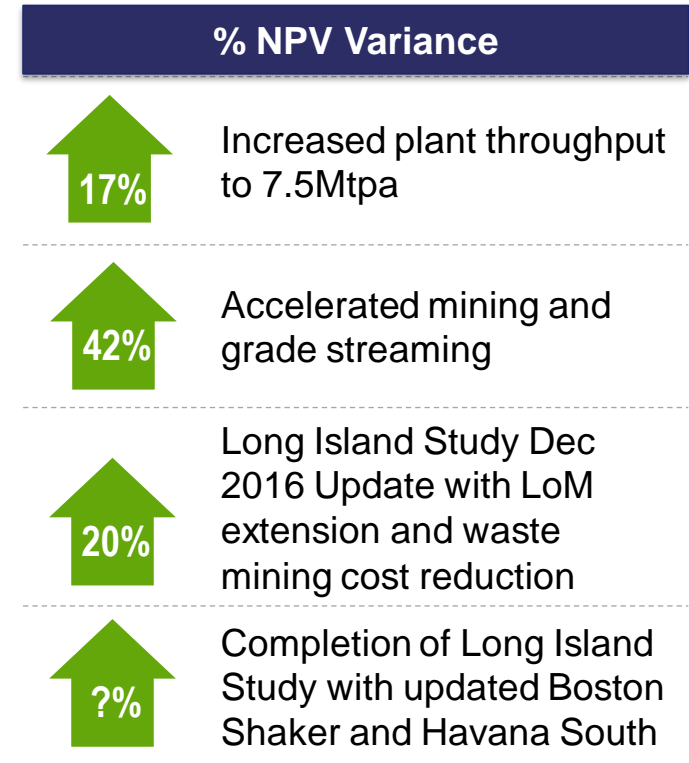
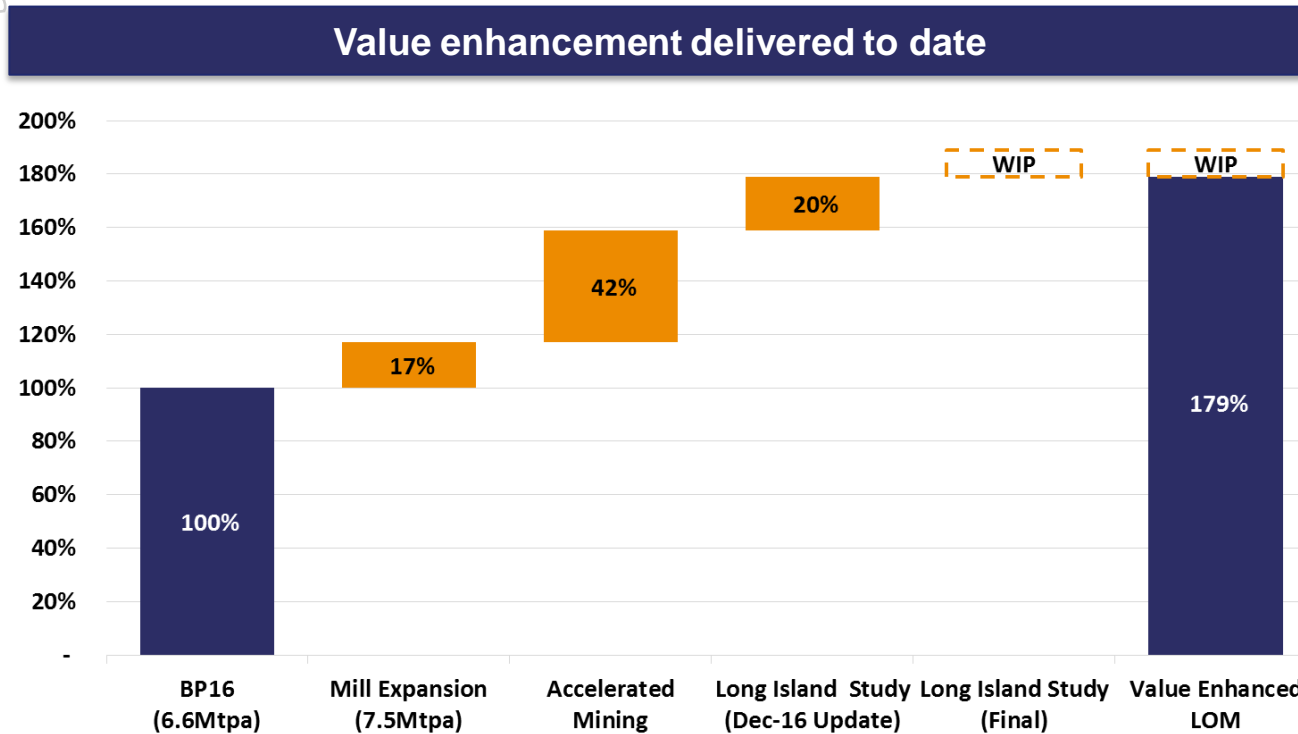




# Tropicana value enhancement

Value enhancement delivers 79% increase in value

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## Further value enhancement to be unlocked in 2017

**Additional mine life increase**

**Incremental plant expansion**

**Acceleration of regional exploration**

1) BP16 refers to CY16 Business Plan prepared by AGA

# Tropicana plant expansion

## Processing plant expansion successfully completed



**29%** increase in throughput from as built nameplate capacity

**7.5Mtpa** expansion successfully completed

**200 - 400ktpa** additional throughput targeted in CY17

**A\$6.9M** improvement capital estimated in CY17 (100% basis)

# Tropicana production profile

## Accelerated mining and grade streaming



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### Accelerated mining

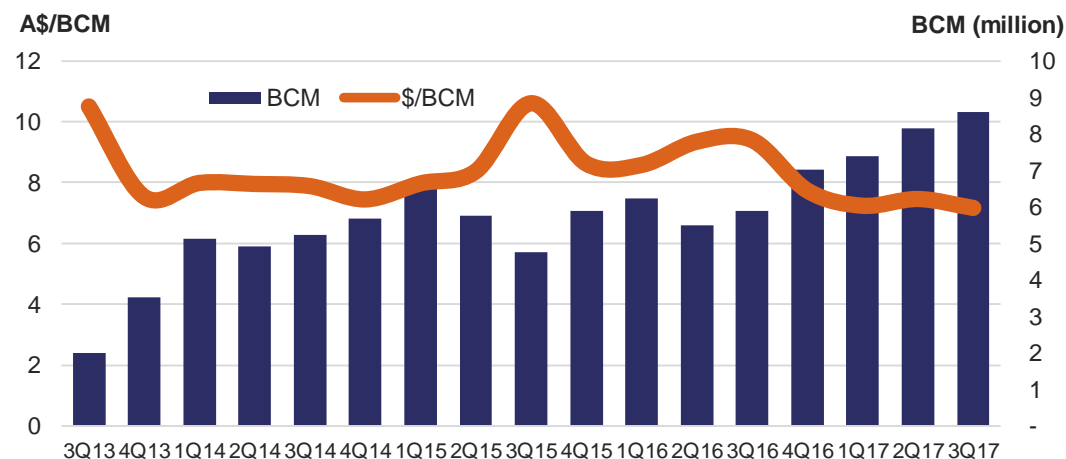
First 600 tonne class hydraulic shovel operational at Tropicana from Nov 2016

Delivers lower waste mining costs and increased mining rates to approximately 80Mtpa

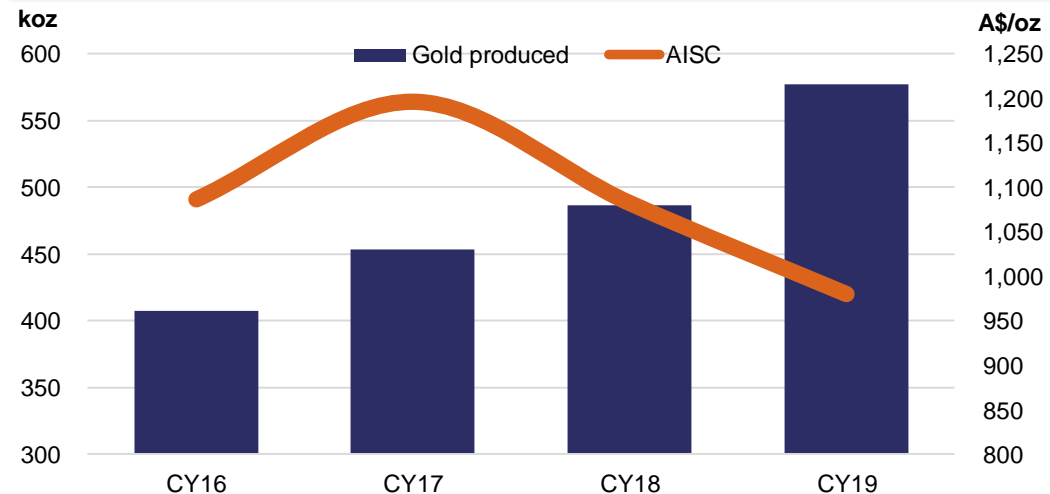
### Recommencement of grade streaming

~30% increase in planned processed head-grade from 1.8g/t to 2.3g/t for 2017-2019<sup>(1)</sup>

### BCM movement and unit cost



### Directional production and AISC<sup>(1)</sup>



1) Grade streaming and elevated mill head-grades delivered through an accelerated mining rate and stockpiling strategy. This is scheduled for approximately three years.

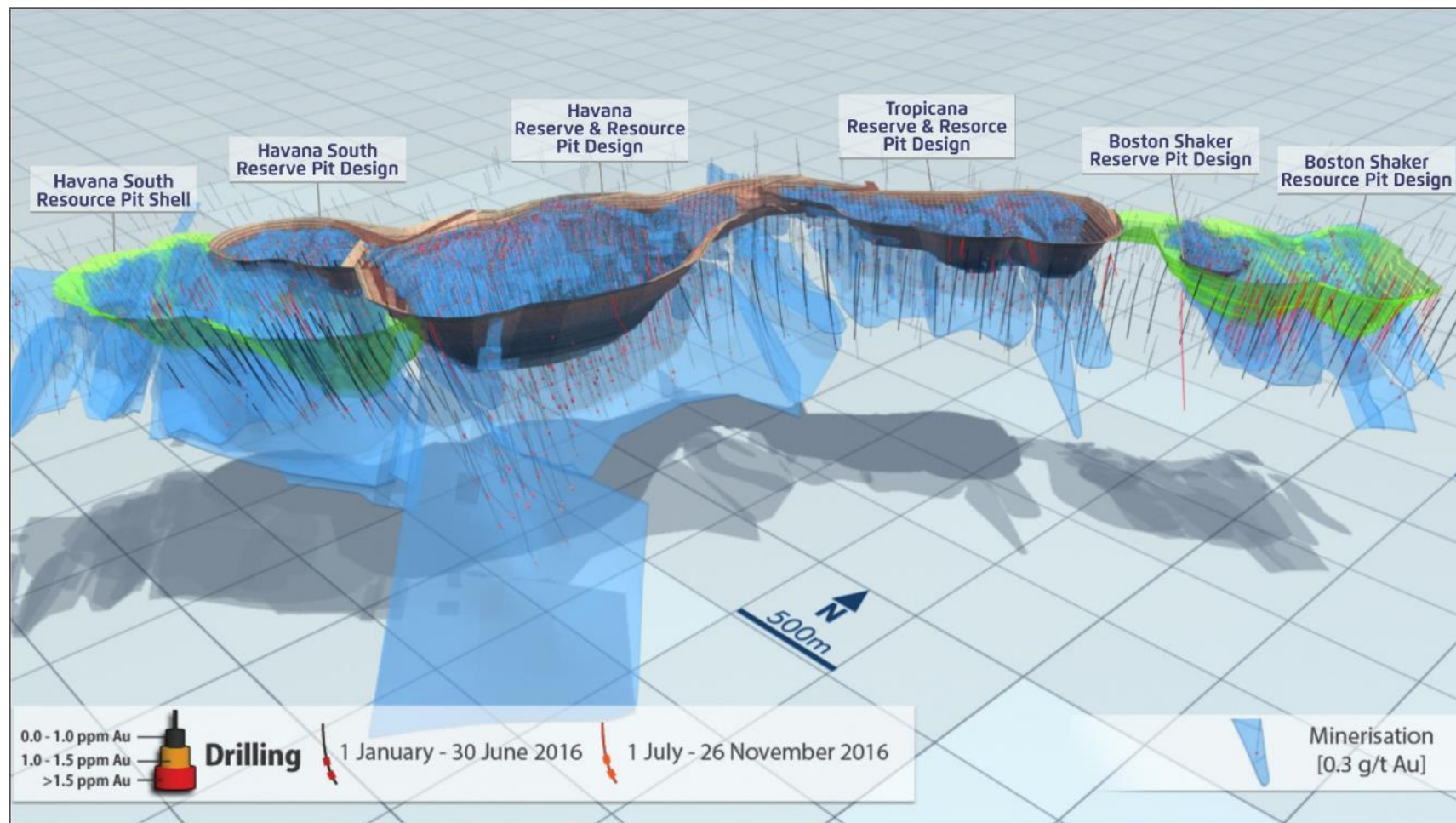
# Tropicana resource extension

## Framework and resource extension drilling

**160,000m** of drilling completed as part of Long Island Study

**~40,000m** at Boston Shaker and Havana South still to be captured in resource model updates

**Significant** results continued to be returned from Havana South and Boston Shaker



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# Tropicana LOM extension

## Long Island Study – What is it?

### Based on strip mining and in-pit dumping of waste

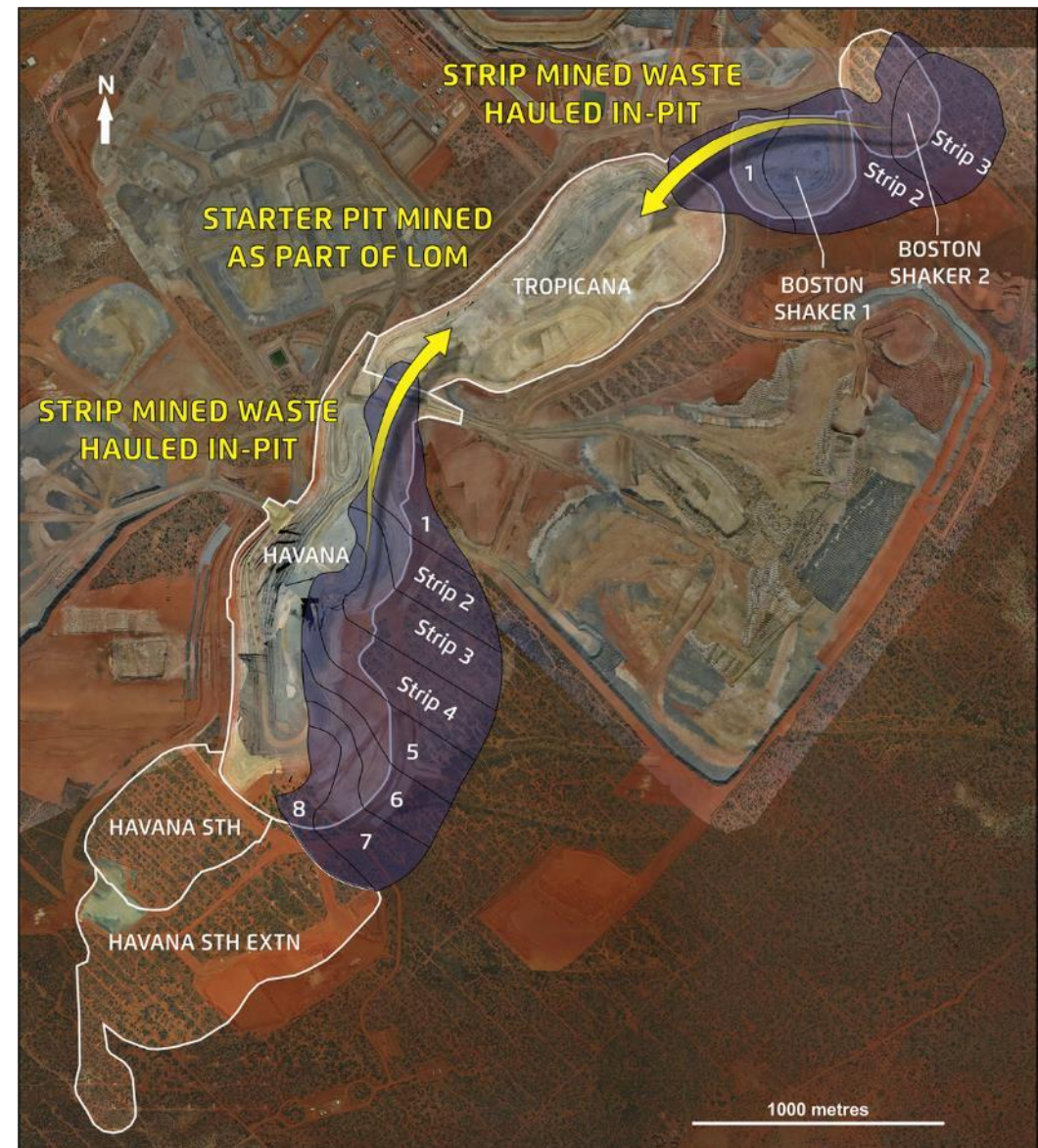
- Commonly used in coal industry
- Suits tabular geometry & strike extent

### Purpose is to lower mining costs

- Shorter hauls due to In-pit dumping of waste
- Transition to face shovels
- Mining of bigger benches to reduce drill and blast costs

### Unlocks additional down plunge resource

**25-30%** potential reduction in unit mining costs per tonne through Long Island strategy



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# Positioning to discover the next big one

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# Exploration

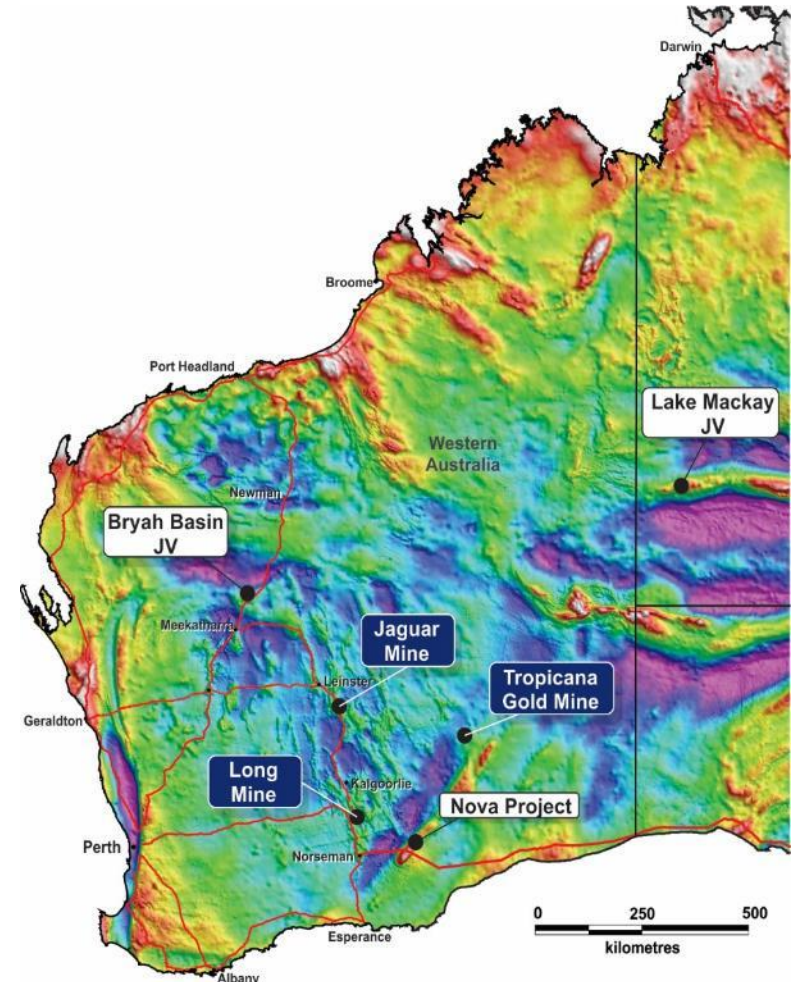
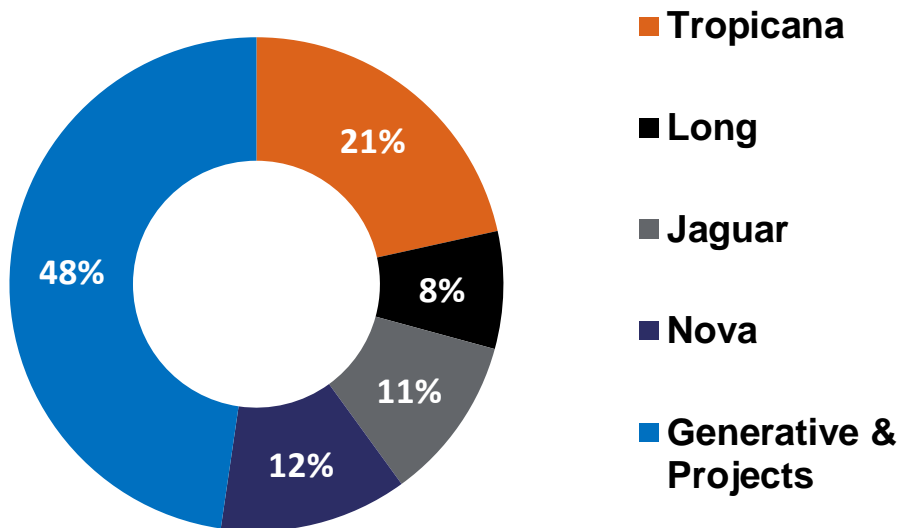


## IGO committed to delivering growth through exploration

### A\$33M exploration budgeted across portfolio

- Targeting provinces that can deliver multiple gold and base metals projects
- Increasing focus on generative and greenfields projects
- Expect to grow exploration spend to A\$50M in FY18

### FY17 Exploration Budget



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# Nova exploration



## Multiple exploration activities underway in CY17

### Nova resource extension

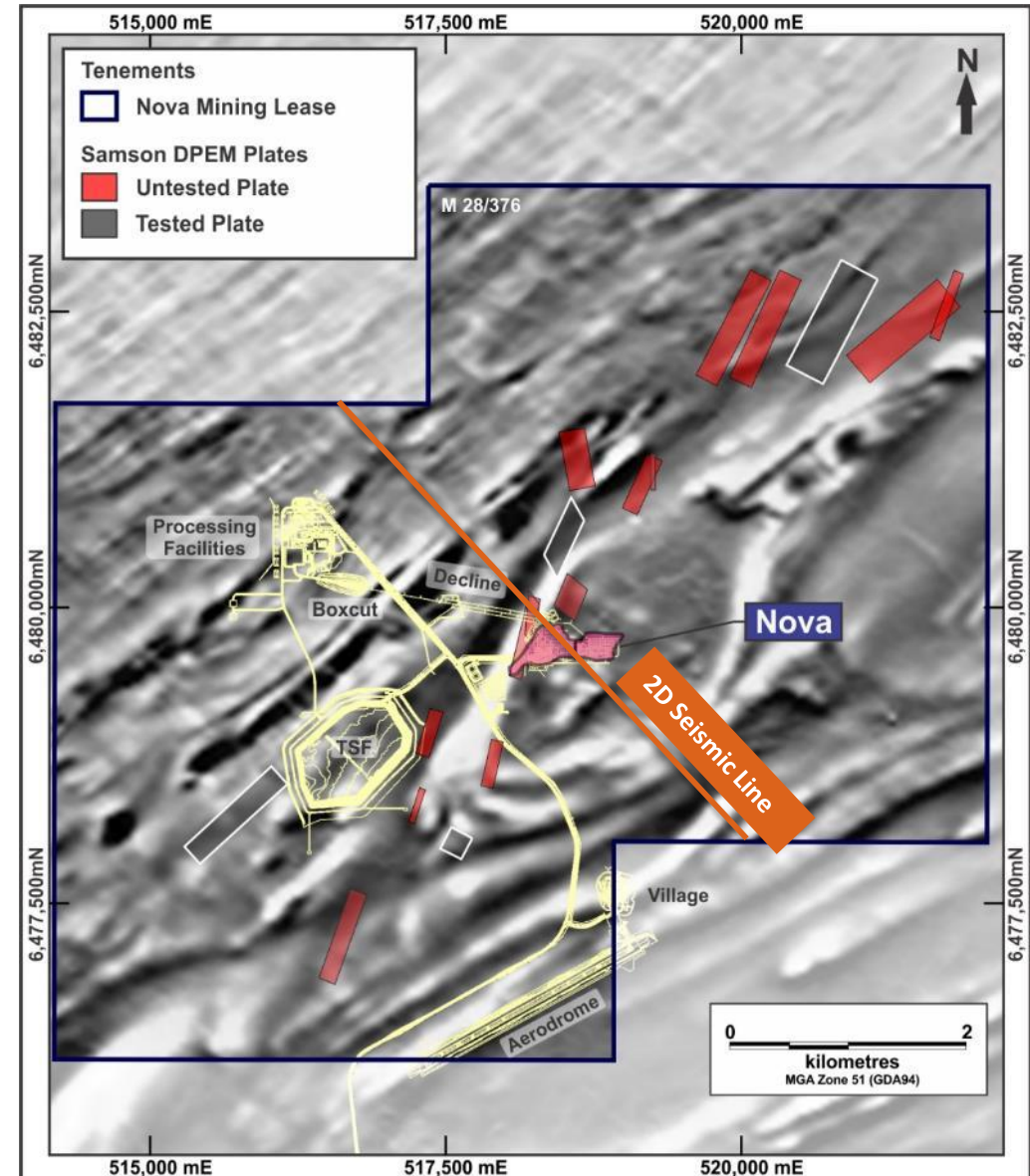
- Resource extension drilling underway at C5 and Bollinger East

### Nova mining lease

- Reprocessing EM complete and drill testing of EM targets on Nova mining lease commences in 4Q17
- Successful 2D seismic data acquisition completed
- Progressing towards 3D seismic surveying of Nova mining lease

### R&D at Nova to deliver competitive advantage

- R&D completed to date is leading to enhanced geological understanding and target generation opportunities in the Fraser Range





# Fraser Range consolidation

## Positioning for discovery



12,000km<sup>2</sup> over Fraser Range

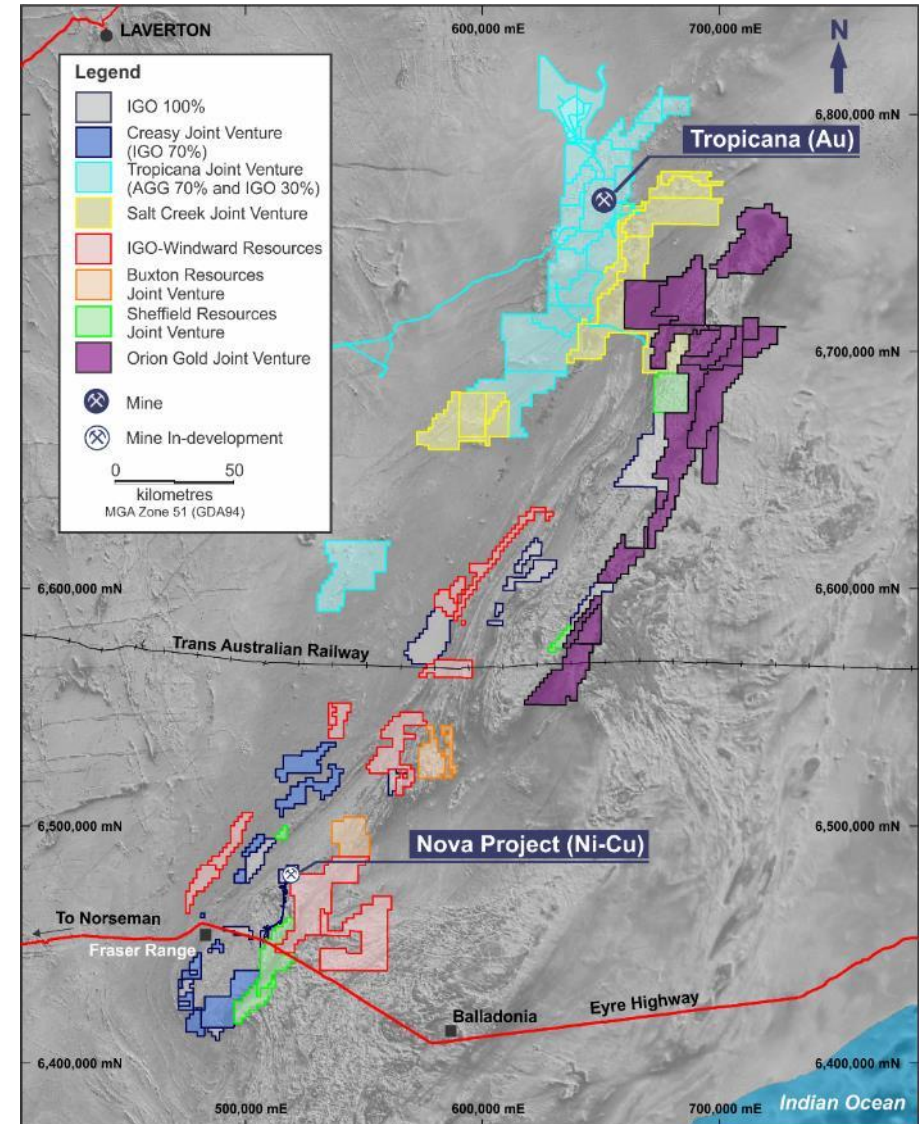
Fraser Range is under-explored

Multiple programs kicking off in CY17

Regional geochem & geophysics

Deeper drilling on advanced targets

Apply learnings from R&D at Nova



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# Leveraging R&D and innovation

## Data driven exploration



- Unique Core Scanner Technology – first mover
- XRF, RQD, Hi Res Photography, SG, Structural
- Target Generation, Geometallurgy, Resource / Geotechnical Domaining

- Completed NW-SE oriented line across lease
- Sonic and VSP logging of holes planned
- Assess 2D results for decision on 3D survey

- Internal Stratigraphy of Intrusions
- Metamorphic Petrology
- Origins of ore emplacement
- Controls on mineralisation
- Tectonic mobilisation of sulphides

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**Protecting and developing our people**

# Safety first

We are focused on improving outcomes for our people



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Focus on continuous improvement

Lag metrics significantly improved

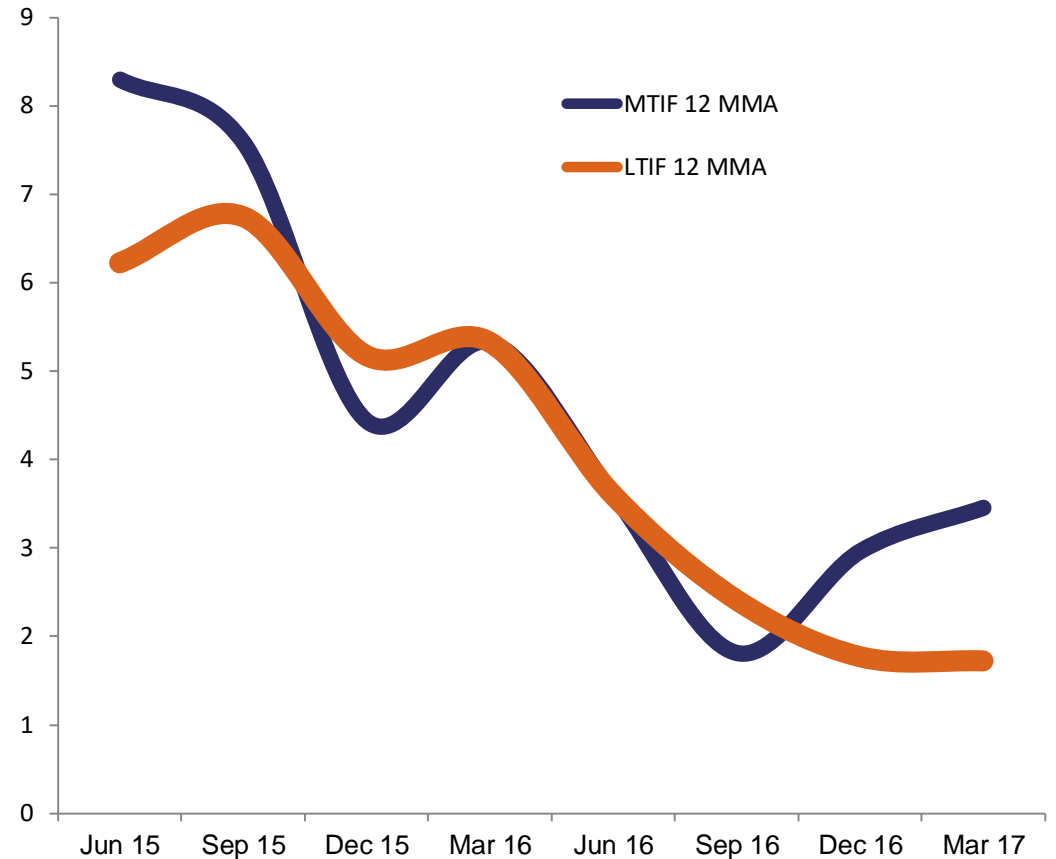
Still harm people in the business

More work to do

Safety systems improved

Focus on visual safety leadership

Consistent improvement in key lag metrics



- 1) 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) 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.

# Supporting & challenging our people

Developing tomorrow's industry leaders



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**Right people in  
the right place at  
the right time**

**Early engagement  
with high school  
and tertiary  
students**

**Active, structured  
graduate program**

**In-house front line  
supervisors  
program (Cert IV)**

**Challenging our  
high performers**

**Engagement  
Empowerment  
Recognition**

# End of shift: summing it up

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# Value delivery and growth

## Multiple catalysts across the portfolio



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Nova	Tropicana	Jaguar	Long
<ul style="list-style-type: none"><li>• Commercial production declaration</li><li>• Ramp up to full production</li><li>• Drill testing of EM and geological targets on Nova ML</li><li>• Underground drilling as EM platforms</li><li>• 3D seismic data collection and processing</li></ul>	<ul style="list-style-type: none"><li>• Delivery of Long Island Study</li><li>• CY18 &amp; CY19 grade streaming</li><li>• Incremental process plant rates increase</li><li>• Regional exploration program</li></ul>	<ul style="list-style-type: none"><li>• Triumph Mineral Resource and PFS</li><li>• Bentley Depth Extension drilling</li><li>• Anomaly definition drilling on Heather Bore gold prospect</li><li>• Copper enhancement project</li></ul>	<ul style="list-style-type: none"><li>• Completion of Seismic interpretation and target generation</li><li>• Surface EM program</li></ul>
<b>Fraser Range</b>			
<ul style="list-style-type: none"><li>• Systematic AC drilling program</li><li>• Drill testing of EM and geological targets</li><li>• Application of Nova geological understanding</li></ul>			

# Concluding comments

Diversified mining company delivering cash flow and growth



Good progress to improve safety culture across business

Nova on track to ramp up to nameplate in Sept 2017 quarter

Tropicana & Long at or better than guidance on all metrics YTD

Jaguar production soft but outlook is positive

Significant value enhancement & growth catalysts in pipeline

Balance sheet remains robust with no need for new funding

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# Appendix



# Nova Project

World class Ni-Cu-Co project in construction



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<b>Overview</b>	IGO 100% magmatic Ni – Cu 1.5Mtpa underground mine Ramp-up expected September 2017 quarter
<b>Resource<sup>(1)</sup> Reserve<sup>(1)</sup></b>	325,000t Ni, 134,000t Cu 275,000t Ni, 112,000t Cu
<b>Production Guidance FY17</b>	5,000 to 6,000t Ni, 1,900 to 2,300t Cu

## Key developments and potential

- Ramp-up to nameplate capacity in September 2017 quarter



1) For further information on Mineral Resources and Ore Reserves please refer to ASX release on 14<sup>th</sup> Oct 2016

# Tropicana Gold Mine

One of Australia's leading open-pit gold mines

<b>Overview</b>	JV IGO 30% with AngloGold Ashanti 70%		
	Open pit with potential for expansion		
	7+ years current LOM		
<b>Resource<sup>(1)</sup></b>	8.02Moz (100%)	2.4Moz (30%)	
<b>Reserve<sup>(1)</sup></b>	3.80Moz (100%)	1.1Moz (30%)	
<b>Production Guidance FY17</b>	(100%) 390 to 430koz pa	(30%) 117 to 129koz pa	
<b>Operating cost Guidance FY17</b>	Cash cost A\$850 to 950/oz		All-in Sustaining cost A\$1,150 to 1,250/oz
<b>Capital Guidance FY17</b>	Sustaining A\$2 to 3M	Improvement A\$2 to 3M	Waste Stripping A\$29 to 36M
<b>Exploration Budget Guidance FY17</b>	A\$6 to 8M (30%)		

## Key developments and potential

- 3Q17 average annualised processing rate was maintained at 7.6Mtpa
- Advancement of the Long Island Study to deliver further Mineral Resource growth in CY17<sup>(2)</sup>

1) For further information on Mineral Resources and Ore Reserves please refer to ASX release on 15<sup>th</sup> Dec 2016

2) For further detailed information on Tropicana value enhancement refer to ASX release dated 15<sup>th</sup> Dec 2016



# Jaguar Mine

## VMS Corridor with cluster of orebodies

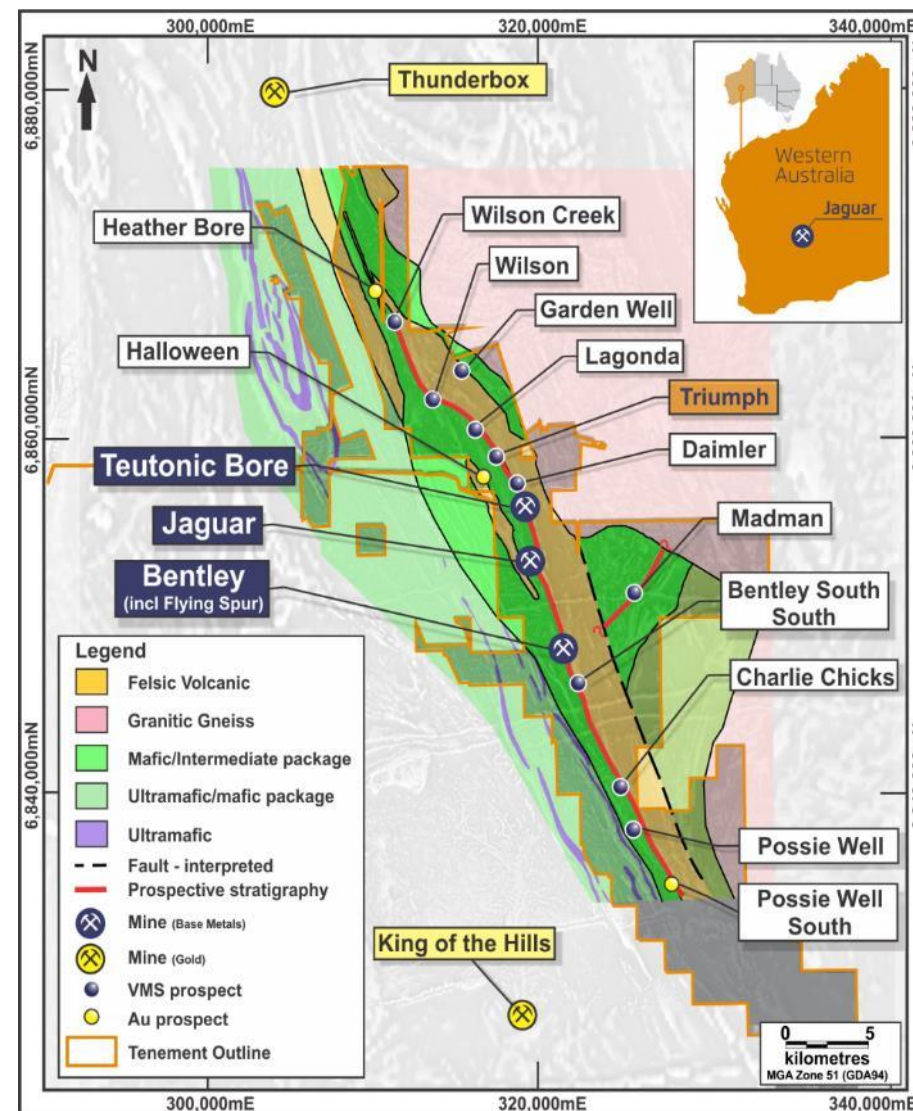


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<b>Overview</b>	IGO 100% High grade Underground Cu – Zn VMS	
<b>Resource<sup>(1)</sup></b>	51,000t Cu, 256,000t Zn & 13.1Moz Ag	
<b>Reserve<sup>(1)</sup></b>	16,000t Cu, 137,000t Zn & 6.7Moz Ag	
<b>Production Guidance FY17</b>	39,000 to 43,000t Zn in concentrate 4,600 to 5,100t Cu in concentrate	
<b>Operating cost Guidance FY17</b>	Payable Cash cost A\$0.70 to 0.80/lb Zn	
<b>Capital Guidance FY17</b>	Sustaining A\$8 to 9M	Development A\$12 to 13M
<b>Exploration Budget Guidance FY17</b>	A\$3 to 4M	

### Key developments and potential

- Delivery of maiden resource estimate and pre-feasibility study for the Triumph deposit expected mid CY17
- Process plant study to investigate potential for High Precious Metals concentrate by mid CY17
- Bentley in-mine exploration drilling will continue into 4Q17 to define the potential geometry and extent of mineralisation intersected to-date
- Although 4Q17 production is expected to be stronger, unlikely to achieve full year zinc production guidance



1) For further information on Mineral Resources and Ore Reserves please refer to ASX release on 14<sup>th</sup> Oct 2016

# Long Mine



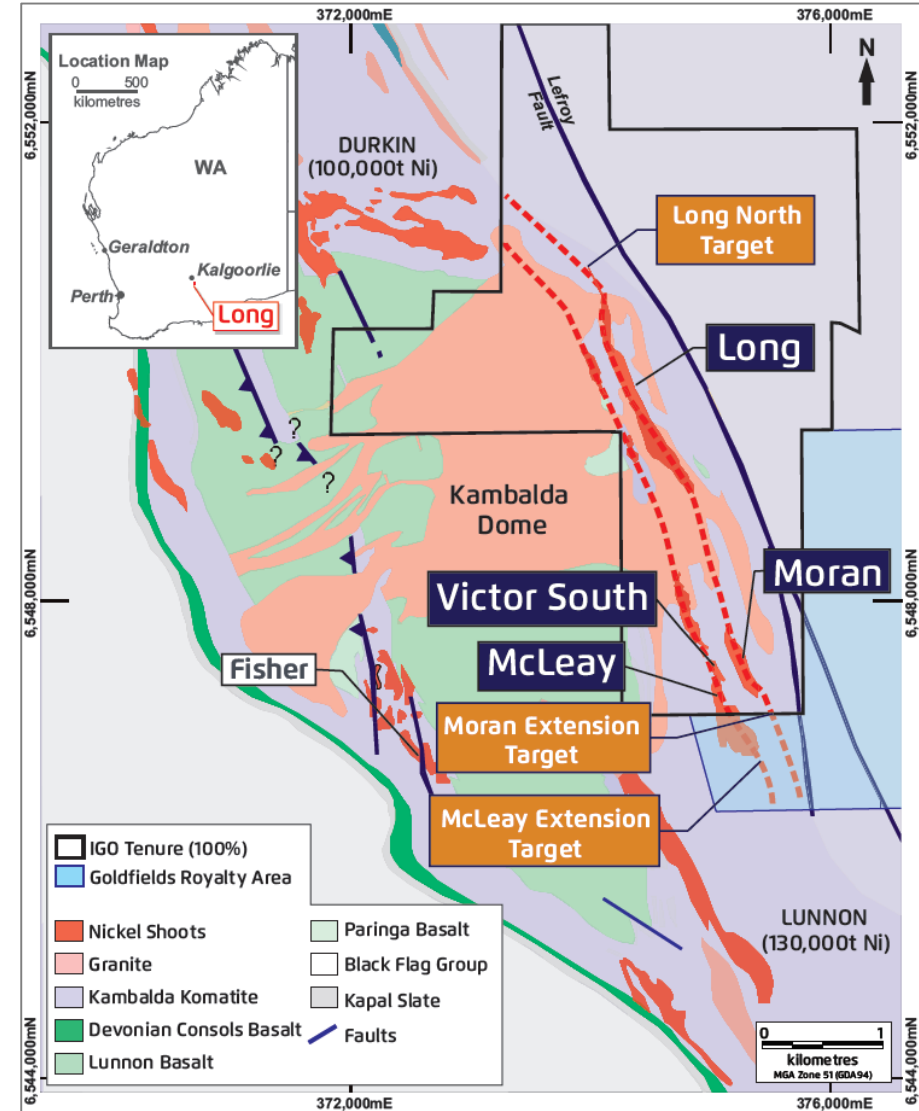
## High grade underground nickel on the Kambalda dome

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<b>Overview</b>	IGO 100% high-margin underground nickel Average grade project to date of 3.8% Ni Consistent low cost producer
<b>Resource<sup>(1)</sup></b>	66,000 Ni t
<b>Reserve<sup>(1)</sup></b>	22,000 Ni t
<b>Production Guidance FY17</b>	7,400 to 8,200 Ni t
<b>Operating cost Guidance FY17</b>	A\$3.50 to 3.90/lb
<b>Capital Guidance FY17</b>	A\$1M
<b>Exploration Budget Guidance FY17</b>	A\$2 to 3M

### Key developments and potential

- Consistent high margin production
- 3Q17 and YTD production and cash costs all better than guidance
- Interpretation of the reprocessed seismic data to identify near infrastructure exploration targets is ongoing



1) For further information on Mineral Resources and Ore Reserves please refer to ASX release on 14<sup>th</sup> Oct 2016

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