MAKING A DIFFERENCE

ANNUAL REPORT 2019

MAKING A DIFFERENCE

Nova Operation

WHO WE ARE

Independence Group NL ('IGO' or 'the Company') is a leading ASX-listed exploration and mining company with a strategic focus on metals that are critical to energy storage and renewable energy. Headquartered in Perth, Western Australia, the Company owns 100% of the Nova nickel-copper-cobalt operation and a 30% non-operator interest in the Tropicana Operation, a Joint Venture with AngloGold Ashanti Australia Limited. In addition, the Company is pursuing aggressive organic growth through its portfolio of high-quality belt scale exploration projects across Australia and overseas that prioritise nickel and copper exploration and discovery.

ABOUT THIS REPORT

This annual report is a summary of IGO and its subsidiary companies' operations, activities and financial position as at 30 June 2019.

All dollar figures are expressed in Australian dollars unless otherwise stated.

CONTENTS

FY19 SNAPSHOT

IGO achieved record revenue and underlying EBITDA during the 2019 financial year. The successful delivery of the second year of commercial production at Nova exceeded production guidance, and the continuing strong performance from Tropicana comfortably met production guidance. The performance of our two core assets generated underlying free cash flow of $278M and net profit after tax of $76M.

These outstanding financial results reflect the quality of our world class asset portfolio and our people, who are focused on delivering high margin products made safely, ethically, sustainably and reliably.

AT A GLANCE

NOVA'S PRODUCTION

Nova's second year of commercial production exceeded the top end of metal production guidance with production of 30,708t nickel and 13,693t copper.

TROPICANA PRODUCTION

Tropicana delivered 518,172oz of gold production on a 100% basis.

EXPLORATION ACTIVITY

Substantial exploration activity continued across the IGO portfolio.

NEW DEVELOPMENT

Development of the Boston Shaker Underground mine commenced at Tropicana in May 2019.

SMART SOLUTIONS

Construction of a six-megawatt hybrid diesel-solar plant commenced at Nova.

PORTFOLIO

Further portfolio rationalisation with divestment of the Long Operation.

FY19 FINANCIAL SUMMARY

HIGHLIGHTS	FY19 $M	FY18 $M	FY17 $M
Total revenue and other income	793	781	422
Underlying EBITDA[1]	341	339	151
Profit after tax	76	53	17
Net cash flow from operating activities	372	278	78
Underlying free cash flow[1]	278	138	(113)
Total assets	2,190	2,175	2,208
Cash	348	139	36
Marketable securities	28	24	15
Total liabilities	341	396	476
Shareholders' equity	1,849	1,779	1,733
Net tangible assets per share ($ per share)	$3.13	$3.03	$2.95
Dividends per share paid – fully franked (cents)	4.0	2.0	3.0

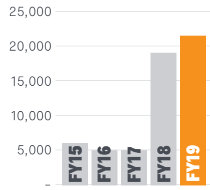
SHARE PRICE PERFORMANCE [2]

IGO HISTORICAL PAYABLE METAL

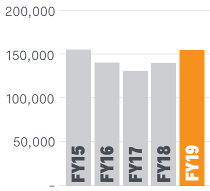
The historical payable metal charts represent five years of contribution from IGO's current operations and historical contributions from the Long and Jaguar operations that are no longer in our portfolio.

In FY19 all nickel, copper and cobalt was derived from Nova with all gold contributed from the Tropicana JV (IGO 30% share).

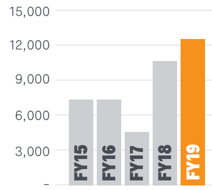
NICKEL (t)



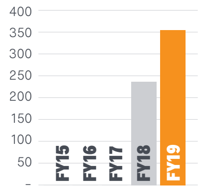
GOLD (oz)



COPPER (t)



COBALT (t)[3]



[1] See Notes to Glossary of Terms for definitions
[2] As at market close 23 August 2019
[3] FY18 represented the first year of commercial production at Nova and first production of cobalt in the IGO portfolio.

OUR PEOPLE

Company-wide employee engagement survey completed with positive improvements across many areas:

- Overall engagement score of 70%, an increase of 15% from 2018.
- 90% of those surveyed said IGO has a work environment accepting of diverse backgrounds.
- 86% of those surveyed indicated that they are proud to work for IGO.

Award of 27% of internal promotions to female candidates, along with 60% of manager promotions to female candidates.

Improved gender diversity balance achieved for new graduates recruited for FY20 (38.5% graduates female).

Participation in the IGO Graduate and Vacation Programs increasing year-on-year with a total of 13 first, second- and third-year graduates working with us at year-end.

SAFETY PERFORMANCE

Lost Time Injury Frequency Rate per million hours worked was 1.37, down from 2.39 in FY18.

IGO's Total Reportable Injury Frequency Rate for FY19 was 9.58, down from 19.14 for the previous year.

Embedding an inter-dependent safety culture and reducing potential incidents continues to be a key focus for the Company in FY20.

MAKING A DIFFERENCE

IGO's Corporate Giving program made a difference to over 46 organisations and programs.

Over $475,000 invested in Corporate Giving over the year compared to $252,000 in FY18.

Over 80 IGO employees participated in IGO volunteer opportunities in FY19.

SUSTAINABILITY

In FY19, IGO made production royalty payments to the Ngadju Native Title Aboriginal Corporation (NNTAC) totalling $3.3M.

Positive results from the IGO Social Impact Assessment study following over 300 responses from stakeholders in our host communities in Norseman and Esperance.

CHAIRMAN & CEO MESSAGE

Ladies and gentlemen, it is our joint pleasure to summarise IGO's achievements for the 2019 financial year.

Our purpose and strategy

At IGO, we have made good progress on our strategic aspiration to become a globally relevant supplier of metals that are critical to energy storage and renewable energy. We do this with our purpose at the heart of everything we do – making a difference.

We care

Our alignment to clean energy is complemented by our commitment to being proactively green, which is achieved by embracing renewable energy and innovation to reduce our carbon footprint. IGO will continue to produce high-quality products that meet our customers' needs, made safely, sustainably and reliably.

We understand that not only shareholders, but also current and prospective employees, local communities and customers all have a growing interest in how companies are conducting their business; a matter that is increasingly scrutinised with environment, social and governance (ESG) evaluations, in addition to analysing operational and financial performance.

In FY19, IGO continued to uphold our social licence to operate and further understand the matters that are material to our stakeholders. Community consultation and engagement efforts included the completion of a Social Impact Assessment study related to our Nova Operation and Fraser Range exploration activities, holding local community update meetings, investing in our community with our corporate giving programs, as well as active engagement with the Ngadju people, who are the native title holders of the land on which the Nova Operation sits, as well as a key area of our exploration activities.

We are very pleased to report that we made significant improvements in our Lost Time Injury Frequency rates and Medically Treated Injury Frequency rates during the year. In addition, we also saw a lower number of reported serious potential incidents indicating more active and engaged visible safety leadership by our people.

At IGO, we are highly committed to delivering safe, reliable and sustainable operations and we will be held accountable for ensuring continuous improvement of our performance. We can, and always will, pursue efforts to make our workplaces safe for all people and promote a culture that prioritises the care and wellbeing of our people.

An engaged workforce

Over the last few years we have made great progress in understanding and shaping the IGO culture, to deliver the type of organisation that our people want to be part of and can be proud of. This journey has involved everyone in the business in many different ways, including the employee engagement and opinion surveys that we have undertaken since December 2016, culture workshops and, most importantly, one on one conversations.

We are proud of what we have achieved and continue to be impressed with the genuine insights and engagement by our people. This has enabled us to shape a unique company culture that is delivering real and lasting benefits to many areas of the business. In FY19, we achieved a significant improvement in employee engagement compared to the previous year with IGO's organisational engagement score increasing by 15% to 70%. Importantly, 86% of our survey respondents indicated that they are proud to work for IGO, and 82% indicated that their career intention was to stay at IGO. These results are all better than the external benchmarking norm and pleasing to see.

IGO's transformation and continued success is a tribute to our people. They are bold, passionate, fearless and fun. They make IGO a smarter, kinder, more innovative company. Together, we are making a difference!

Streamlined portfolio with world-class assets

In FY19, we continued our enduring focus on establishing IGO's portfolio of high quality, longer life and larger scale projects. This is reflected in both Nova and Tropicana delivering solid production results as well as the further strengthening of the portfolio through the divestment of the Long Operation.

A number of notable achievements were made during FY19, including:

- better than guidance production from Nova in its second year of commercial production and continued strong performance from Tropicana;
- commencement of the development of the Boston Shaker Underground mine;
- continued commitment to exploration, including assembling a talented and experienced geoscience team, as well as encouraging results from the

For personal use

- drilling programs and signing new partnerships, all in an effort to discover the mines of the future; and
- continuing to emphasise the importance that culture has on our business, resulting in an engaged workforce, by co-creating a workplace that is fun, dynamic and exciting, made up by people who are motivated and energised to come to work and make a difference.

The better than guidance production performance at Nova and on guidance production from Tropicana for FY19 reflects the quality of our assets, and, more importantly, the consistent high performance by our world class operating team at Nova and the joint venture team at Tropicana.

This impressive operational performance from both Nova and Tropicana underpins our growth strategy that remains focused on exploration and discovery, as well as the potential downstream processing opportunity to produce battery grade nickel sulphate from Nova concentrate.

Vertical integration

During FY19, we made notable progress with our nickel sulphate downstream processing studies, achieving high extraction rates for nickel and cobalt in excess of 97%, and having produced high-quality, battery grade nickel sulphate and saleable copper-cobalt mixed sulphide products. Further work remains to be done to optimise the process design to minimise waste and maximise saleable by-product, as well as completion of trade-off studies to determine the optimum project location, with key drivers being access to and availability of power, water, transportation options, workforce and environment and community considerations.

The objective of the downstream processing study is to demonstrate whether or not the project can deliver a compelling value to IGO relative to conventional nickel sulphide concentrate offtake arrangements. Consequently, in parallel to the downstream processing studies, we continue to engage with offtakers to understand strengthening demand and pricing for Nova style Class I nickel sulphide concentrates.

Organic growth

Exploration and discovery are core to the IGO DNA and over the last few years we have prioritised exploration and building a "best in class" exploration team and capability. Our exploration team has a diversity of experience and expertise and a strategy firmly aligned with our focus on the discovery of metals critical to clean energy. We prioritise nickel and copper exploration and discovery while remaining attentive to other commodity opportunities.

In parallel, we have transformed our exploration project portfolio to increase our exposure to belts and projects that have the potential to deliver multiple tier one nickel and copper discoveries. We have also continued to consolidate a leading ground position in the highly prospective Fraser Range to capitalise on our investment in and geological understanding of Nova.

Our portfolio also includes belt-scale greenfield opportunities in the Northern Territory at the expanded Lake Mackay Project and 100% owned Raptor Project, as well as our new West Kimberley Project, and Frontier Project in Eastern Greenland.

Nickel as a strategic metal of the future

Nickel is poised to benefit from the structural shift to energy storage and electric vehicles, and importantly the transition to increased use of nickel dominant, higher energy density lithium-ion battery technologies in electric vehicles. This, combined with continued demand growth for nickel from the stainless steel and specialist nickel alloy markets, will transform our industry and our Company.

Thank you

We would like to take the opportunity to thank all of our stakeholders, which include our employees, host communities, suppliers, contractors, joint venture partners, industry associates and regulators. Thank you also to our shareholders, including our employees, who are all owners of the business, for your continuing support and trust in the Board and management team.

These are exciting times at IGO, and we look forward to our current and future work programs producing additional value creation for all stakeholders for many years to come.

PETER BRADFORD
MANAGING DIRECTOR
& CHIEF EXECUTIVE OFFICER

PETER BILBE
CHAIRMAN

OUR PURPOSE & STRATEGY

THE IGO PURPOSE

Making a Difference

We believe in a world where people power makes amazing things happen.

Where technology opens up new horizons and clean energy makes the planet a better place for every generation to come. Our people are bold, passionate, fearless and fun – we are a smarter, kinder and more innovative Company.

Our work is making fundamental changes to the way communities all over the world grow, prosper and stay sustainable. Our teams are finding and producing the specialist metals that will make energy storage mobile, efficient and effective enough to make long-term improvements to the lifestyle of hundreds of millions of people across the globe.

How? New battery storage technology is finally unleashing the full potential of renewable energy by allowing power produced from the sun, wind and other sources to be stored and used when and where it's needed. This technology will impact future generations in ways we cannot yet imagine, improving people's quality of life and changing the way we live.

We believe in a green energy future and by delivering the metals needed for new age batteries, we are making it happen.

Our purpose gives meaning to what we do, beyond just being a mining company.

Our purpose narrative gives context to and communicates our story. We are finding and producing the metals that are critical to the development of clean energy solutions. These include nickel, copper and cobalt, which are increasingly being used in batteries that power electric vehicles and provide grid scale energy storage as well as green energy generation such as solar and wind power. Power generated from these greener sources will contribute to decreasing carbon emissions emitted into the air rather than traditional non-renewable energy sources for power.

Our purpose was co-created by people from all across the IGO business; from the board room to our operations. Collectively our people told us that making a difference is what they want to do, and why we all want to come to work.

Our purpose gives meaning to what we do, beyond just being a mining company. At IGO, we want to make a positive contribution to the world, not only by delivering value to shareholders but also by making the world a better place for future generations to come.

IGO STRATEGY

Our strategy is to become a globally relevant producer of materials critical to clean energy.

Our 100% owned Nova nickel-copper-cobalt operation is central to this strategy. Whilst our 30% interest in the Tropicana Operation is not, Tropicana continues to be core to the portfolio, delivering strong free cash flow and potential for further growth.

To deliver on our strategy, we are actively pursuing step-change organic growth through our portfolio of belt scale exploration projects in Australia and internationally. Our diverse in-house team has a wide breadth of experience and expertise firmly aligned with our strategic focus on energy storage and transmission metals.

IGO has established a commanding position through our consolidation of an extensive brownfields ground position in the highly prospective Fraser Range, to take advantage of our major infrastructure investment and advancing geological understanding at Nova. Our discovery portfolio also includes belt-scale greenfield opportunities in the Northern Territory at the expanded Lake Mackay Project, the 100% owned Raptor Project, the new West Kimberley Project, as well as the Frontier Project in Eastern Greenland. In addition, we have entered into a number of strategic investments and exploration joint ventures.

We are living our strategy through our actions, such as endeavouring to be proactively green and embracing renewable energy, innovation and technology to reduce our carbon footprint. This is demonstrated in the current construction of the solar farm at Nova, and our investigation and development of numerous ways to introduce electrification into our Nova mining operation.

We are also focused on vertical integration across the clean energy value chain. We have ongoing workstreams to investigate the opportunity for IGO to have exposure to the downstream nickel sulphate, and potential cathode precursor chemicals markets. This would unlock greater value from the metals we produce whilst also unlocking value via the supply chain of materials critical for clean energy.

This focus on vertical integration is reflected in the work we commenced in 2018 to produce nickel sulphates directly from nickel sulphide concentrates. The IGO Process™ is a new and innovative concept we have developed for producing high quality nickel sulphate directly from nickel sulphide concentrate, which is more environmentally friendly, lower cost and more efficient with extraction rates in excess of 97% for nickel and cobalt.

At IGO, we will continue to produce high quality products that are made safely, sustainably and reliably to meet our customers' needs; all delivered by people who are bold, passionate, fearless and fun.

We are a smarter, kinder, more innovative mining company.

The IGO Strategy

Strategically focused on metals critical to clean energy

GLOBALLY RELEVANT

Globally relevant supplier of metals that are critical to energy storage and renewable energy.

VERTICALLY INTEGRATED

Vertically integrated to produce battery grade chemicals and cathode precursors.

QUALITY PRODUCTS

Quality products desired by end users made safely, ethically, sustainably and reliably.

PROACTIVELY GREEN

Proactively green using renewables, energy storage and EV mining equipments to reduce carbon footprint.

Delivered by people who are bold, passionate, fearless and fun – a smarter, kinder, more innovative team.

EXECUTIVE LEADERSHIP TEAM

PETER BRADFORD MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

BAppSc Extractive Metallurgy, FAusIMM, MSMME

Peter is accountable to the Board of Directors, for the day-to-day management of the Company.

Peter was appointed Managing Director & CEO for IGO in 2014. Peter is a metallurgist and has significant experience in operational and executive roles in Australia and internationally. Peter is President of the Association of Mining and Exploration Companies Inc (AMEC), Vice President of the Western Australian Mining Club, and Chairman of the Curtin University Brighter Futures Scholarship Program.

KEITH ASHBY HEAD OF HSEQ & RISK

BSc (Botany)(Hons), MSc (Environmental Science)

Keith's role is accountable for strategic leadership and good governance of occupational health and safety, environment, community engagement, internal audit and risk management within IGO.

Keith was appointed Sustainability Manager for IGO in 2015. Keith has 25 years' local and international experience in the resources industry. Keith has held HSEC management positions within WMC Resources, BHP Billiton, Zinifex, Nyrstar and Newcrest. These included HSEC Manager, Group Environment Manager, Approvals Manager and Resettlement Manager.

KATE BARKER GENERAL COUNSEL

LLB; BA

Kate's role is to provide guidance to the Company on all legal matters. She provides direction to the Exploration and Operational teams, legal oversight to support the Company's growth strategy and is directly involved in the Company's key stakeholder relationships and negotiations.

Kate joined IGO in 2011 and was appointed General Counsel in 2017. Kate has more than 18 years' experience as a commercial litigator specialising in large scale resources litigation, corporate law and native title. Kate is currently a legal member of WA's Mental Health Review Board and was previously the sitting lawyer on WA Health's Human Research Ethics Committee.

MATT DUSCI CHIEF OPERATING OFFICER

BAppSc Geol (Hons), MAIG

Matt's role is accountable for the performance of the Nova and Tropicana Operations. Matt is also accountable for technical services, project development including the Nickel Sulphate Project, technology and innovation, and information technology.

Matt joined IGO in 2014 and was appointed Chief Operating Officer in early 2018, and prior to that was Chief Growth Officer. Matt has 25 years' experience in all facets of the industry including; exploration, resource development, technical studies, corporate development, public markets, operations, and executive leadership. Matt has previously held senior management positions within PMI Gold, Gold Fields and WMC Resources. Matt has extensive global experience, having worked extensively in Australia, South America, Africa and Asia.

ANDREW EDDOWES
HEAD OF CORPORATE DEVELOPMENT

B.Sc (Earth Science)(Hons), MAUSIMM, FGeolSoc

Andrew's role is accountable for the growth of the IGO portfolio through partnering, acquisition and divestment of advanced assets aligned with the Company strategy. Andrew's role also includes the leadership and oversight of IGO's Investor Relations activities.

Andrew joined IGO in 2003 and has held a number of senior roles in Exploration, Investor Relations and New Business. In February 2018, Andrew was appointed Head of Corporate Development. Andrew is a geologist with over 20 years' experience in the exploration and mining industry. He has worked on major projects within Australia and internationally, with his experience extending from project generation to mine development in a variety of technical and corporate roles.

JOANNE McDONALD
COMPANY SECRETARY AND HEAD OF CORPORATE AFFAIRS

MSc (Corporate Governance), MSc (Professional Accounting), FGIA, GAICD

Joanne's role is to manage and support the business of the Board as well as advising and implementing good governance practices across the organisation. Joanne also manages IGO's relationships with its stakeholders which includes communications and the Corporate Giving Program.

Joanne joined IGO in 2015 as Company Secretary and in July 2018 was also appointed Head of Corporate Affairs. Joanne has over 16 years' experience as a company secretarial professional working for listed companies in Australia and the UK. Prior to joining IGO, Joanne held positions with Paladin Energy Ltd, Summit Resources Ltd and Unilever plc. Joanne is currently a WA State Councillor for the Governance Institute of Australia.

SAM RETALLACK
HEAD OF PEOPLE & CULTURE

Dip App Science, B. Health Science, CAHRI, GAICD

Sam's role is to provide leadership and oversight of all People and Culture activities, including diversity, equity and inclusion initiatives, learning and talent development and reinforcing the organisation's culture, purpose and values.

Sam joined IGO in 2013 as Human Resources Manager and was appointed Head of People & Culture in 2017. Sam has over 25 years' experience in senior management, human resources, consulting and operational roles working for a range of organisations. Prior to joining IGO, Sam led large workforce-based businesses within Aherns Department Stores and Ansett Airlines, before turning to roles in Human Resource management across the mining, finance, legal and biomedical sectors.

IAN SANDL
GENERAL MANAGER – EXPLORATION

BSc (Geology, Geophysics) (Hons)

Ian's role is to lead and develop a best-in-class exploration team, driving technical and operational excellence, and ensuring an enduring high-quality pipeline of projects to deliver material discoveries to IGO.

Ian joined IGO in 2017 as General Manager – Exploration. Ian has 30 years' experience in mineral exploration and associated geoscience, including near-mine and greenfields exploration for a wide range of commodities. He has previously held senior management and technical positions within Teck Resources, BHP Minerals and Geo Discovery Group, and Ian also has significant international experience having worked across Australia, Africa and Asia.

SCOTT STEINKRUG
CHIEF FINANCIAL OFFICER

C.A. B.Comm, BSc., GAICD

Scott's role includes responsibility for statutory financial compliance and reporting, taxation, treasury, budgeting and forecasting, sales and marketing, and Group procurement.

Scott joined IGO in 2011 as Chief Financial Officer. Scott is a Chartered Accountant having gained over 20 years' experience in the resources industry with Rio Tinto, Sons of Gwalia, Perilya and Consolidated Minerals. Positions held over this period include Chief Financial Officer, Manager – Treasury & Finance, and Financial Controller.

OUR PEOPLE

AT A GLANCE

ENGAGEMENT SURVEY

15%

increase in overall employee engagement from 2018 (overall score 70%).

90%

said IGO has a work environment accepting of diverse backgrounds.

86%

indicated that they are proud to work for IGO.

IMPROVED GENDER DIVERSITY

27%

of internal promotions to female candidates.

60%

of manager promotions to female candidates.

38.5%

of FY20 graduates recruited are female.

IGO remains a proud Western Australian employer and we work hard to be a partner and employer of choice to all our stakeholders, believing that this can only be achieved with a collaborative approach.

ENGAGEMENT

In FY19, we conducted our third Company-wide annual employee engagement survey with a response rate of 83%. This is a strong result and one that demonstrates that our continued focus on connection and culture has created a workforce that wants to be actively involved in shaping our culture and business as we continue to evolve.

Our overall engagement score this year was 70%, which represents a significant year-on-year improvement and puts IGO at the upper end of scores achieved by other companies surveyed by this year's provider, Blue Provident. This result, along with the specific feedback received from our people about business wide programs currently in progress, tells us that:

- Pride in IGO – 86% of our people are proud to work for IGO, an 11% improvement;
- Motivation – 71% of our people are motivated to go the "extra mile", a 19% improvement; and
- Career intentions – 82% of our people plan to stay with IGO, a 12% improvement.

These results are the outcome of our programs over the last couple of years to co-create a shared and inspiring Purpose. This effort has improved the connection that our employees have with the business and the satisfaction and that they derive from the work that they do to create our future.

LEARNING AND DEVELOPMENT

Teams of great people don't just happen, they require nurturing and development, both at an individual and a group level. The development of our people and the benefits that development can deliver to both the business and the individual depends on a shared responsibility for lifelong learning. Our learning and development program assumes all IGO people can be leaders of the IGO Way. Our program provides job-specific and career development training opportunities that include technical skill development, teamwork and collaboration opportunities for leadership development. This year we have increased our energy in this area with the continuation of a number of existing programs and the introduction of some new initiatives.

IGO Mentoring Program

In FY19, we were pleased to begin a partnership with Metisphere to implement an internal mentoring program designed around leadership development and cross-divisional connection. Open to all employees, 18 pairs of mentors and mentees began a journey in May 2019 to explore career opportunities and aspirations and provide the basis for the mentee's development planning for FY20. To date, the feedback has been exceptional with participants excited about what they can achieve with our shared investment in their future.

Support for the future

Our support for two co-sponsored WA Mining Club scholarships for Geology and Indigenous students, along with mentoring and vacation work for these students, continued this year. This provides students who need support to study and enter our industry the benefit of the IGO network. IGO is also very proud to support a number of initiatives to encourage and foster the development of the next generation of leaders within our mining sector including;

- Women in Mining WA mentoring program and networking events;
- professional associations including AusIMM, AMEC and the WA Mining Club; and
- tertiary, vocational and school institutions including WA School of Mines, Curtin University, University of WA, TAFE WA and a number of primary and secondary schools in our catchment areas.

This year we also partnered with the CoRE Learning Foundation in another way to show our support for STEM learning development. Since 2005, the foundation and vision of CoRE has been based on a simple idea; an idea that education, industry and government need to connect and work collaboratively to provide relevant and purposeful education pathways into the resources industry.

IGO shares this belief and supports CoRE's focus on providing students with meaningful career development, facilitating a number of site visits and support for Professor Lisa Harvey-Smith's tour of the Goldfields.

Our Graduate and Vacation Programs have gone from strength to strength with a total of 13 first, second and third year graduates working amongst our workforce during FY19. Our Graduate Program offers university graduates a two to three year program commencing in January each year, with the aim of supporting them in their transition from study to career. In 2020, we will have 24 students within the program; a program designed to support, challenge and reward graduates in a work environment that will foster and develop them into future leaders and technical experts. It is this support that will create a bright future for the mining industry.

EMPOWERMENT AND OWNERSHIP

At IGO, we believe all employees should have the opportunity to be owners of the IGO business and share in the collective wealth that we create for our shareholders. We also believe that empowerment is key to motivation and the ability to gain satisfaction from the work we do. The importance of this statement is reflected in our 2019 engagement survey results where "having the freedom to do your role in the way you want to" rated the sixth most important factor for people's motivation, after, (i) work/life balance, (ii) learning & development, (iii) good relationships, (iv) career development opportunities, and (v) having a sense of purpose. Given the importance of empowerment to our motivation, our engagement survey results provide some great insights and show pleasing progress on how we feel about empowerment at IGO including:

Kyle (left) with Peter Bradford at the IGO Awards.

CASE STUDY: KYLE HODGES

Following the acquisition of Sirius Resources in September 2015, Kyle transitioned from Sirius to IGO as an Exploration Geologist. He has played an important role in integrating the data, property and general history of the discovery, resource delineation and development of the Nova-Bollinger deposit. Kyle spent a year and a half working on the Fraser Range Project before transitioning to a Project Exploration Geologist role at the Jaguar Operation where he was responsible for all aspects of its exploration and project management.

In mid-2018, Kyle expressed an interest in developing his geology skills further through a secondment to our Nova Operation. Kyle was successful in securing the secondment and worked as a Mine Geologist for nine months at Nova before returning to exploration, this time promoted to a Senior Project Geologist to lead the West Kimberley Exploration Project.

Kyle is married to Amy and is the father of two children, Jackson (2 years) and Amelia (2 months), balancing his role at IGO with raising a young family. Along with his career progression and the flexibility required to blend work and family, IGO is also supporting Kyle through a Masters of Economic Geology degree at the University of Tasmania in which he continues to maintain an impressive high distinction average.

Kyle is recognised at IGO for his technical excellence as well as his personable and humble character and was awarded the 2018 IGO Award for Excellence in Geoscience. It is people like Kyle who truly make a difference at IGO.

IGO graduates at work at Nova.

- 88% said that they had the flexibility to choose how to best complete their work (14% better than 2018);
- 84% said that at work, their ideas and opinions count (22% better than 2018); and
- 80% said they had the right tools and technology to do their job (23% better than 2018).

We believe that our efforts and continued focus in this area are making a difference to the connection that our employees have to our business and our strategic objectives and is a key aspect in making IGO a great place to work.

DIVERSITY AND INCLUSION

IGO recognises the value of diversity and inclusion and the impact this has on the working environment, organisational capability, performance and the creation of sustainable shareholder value. We strive to apply fair and equitable employment practices and provide a working environment that encourages all employees to reach their full potential. Diversity is also important to ensure that IGO is representative of the communities in which we live and work. We value the diverse backgrounds, skills, talents and perspectives of our people.

Achieving a diverse and inclusive community is a journey. In FY19, the difference that we are making and our achievements to date are evident from what our people told us:

- 90% of people surveyed in our engagement survey said that IGO has a work environment that is accepting of diverse backgrounds and ways of thinking; and
- 93% of people surveyed said that they feel that IGO values diversity (age, gender, ethnicity, language, education qualifications, ideas and perspectives).

Gender Balance

IGO actively supports improvements to the industry's gender ratio by seeking to find innovative ways to attract and retain female representation into both the mining industry and our business.

In FY19, the Company has made continued progress in the implementation of initiatives designed to improve the diversity and inclusion of succession planning and retention. Key highlights for FY19 include:

- the award of 27% of internal promotions to female candidates, along with 60% of manager promotions to female candidates;
- achievement of an improved gender diversity balance for new graduates recruited for FY20 of which 38.5% were female;
- successful school holiday care trial program for employees with young children in the Perth office;
- a positive response to our newly implemented Paid Parental Leave Standard which had 7 participants in FY19, the majority (85%) of whom were male;
- release of our Flexible Work Standard and expanded flexible working options in the Perth office and explored opportunities for further roll out on remote sites; and
- achievement of a 21% improvement on diversity and inclusion question ratings in the annual engagement survey.

In spite of the many challenges to achieving a year-on-year improvement to female representation across the business, in FY19, the Company has maintained a gender balance that is better than many mining industry employers, largely due to recruitment campaigns into traditionally male dominated roles (Exploration and Processing).

Our latest Gender Equality Report for FY19, lodged with the Workplace Gender Equality Agency, successfully achieved a notice of compliance for the seventh year in a row. This report can be found on our website (www.igo.com.au) and you are welcome to comment on the report by emailing igofurther@igo.com.au

FEMALE REPRESENTATION	
FY18	**FY19**
Board	
14%	14%
Senior Executive roles*	
14.3%	33.1%
All management and professional roles	
28.5%	24.5%
Total workforce	
31%	25%

Subsequent to year-end, the Board has progressed the appointment of an additional female non-executive director to the Board and we look forward to making an official announcement regarding this appointment shortly.

Aboriginal Employment

In FY19, we continued to actively support the employment of both Aboriginal people and people from culturally and linguistically diverse backgrounds across the business. Whilst it has been a challenging year in terms of increasing Aboriginal representation in our business, we have had some pleasing results with our existing programs and people including:

- maintaining Aboriginal employment at approximately 3% of direct employees;
- Aboriginal employees collectively recording the highest engagement score across the business;
- implementation of a number of additional Ngadju Traineeships; and
- continued enhancement of our Ngadju cultural competency workshops.

Implementation of a broader Diversity and Inclusion program in FY20, including the market facing promotion of IGO programs and initiatives and a continued focus on internal culturing initiatives, is expected to result in continued improvements in the diversity and inclusion of all IGO people.

Family and Domestic Violence Leave

Every year we continue to seek ways in which to support our employees and their families and in FY19, we introduced the opportunity for our people to take up to five days of paid Family and Domestic Violence Leave if they are affected by family and domestic violence. This leave is open to all employees including part-time, fixed-term and casual employees and is designed to ensure that our people are supported through challenging times without loss of earnings.

WELLNESS AND WELLBEING

At IGO, we encourage our people to actively pursue better physical health and wellbeing. In FY19, our programs continued to offer our people a range of choices to support pro-active, but individually relevant health options. Along with our programs for physical health monitoring (IGO Natural Therapies Expo, skin checks, FluVax, Riva Nutrition Health challenge, yoga and pilates classes) we have increased our efforts in programs that encourage fun and social interaction. These included Nova and Perth social club activities and opportunities to be part of community and volunteering programs to increase a sense of connection and belonging, such as Euroz Big Walk, HBF Run for a Reason and Red25 blood donation group.

CELEBRATING SUCCESS

A strong culture is founded on the ability to recognise excellence and celebrate a "job done well". Along with the many business unit-based recognition events that we encourage our people to hold throughout the year, in FY19 we found two more great ways to celebrate individual and team success.

IGO 'Making a Difference' Awards

The IGO Awards were established in 2017 to celebrate exceptional contributions by individuals and teams at IGO. In addition to demonstrating passion, thought leadership and excellence, past winners have gone above and beyond the requirements of their role to make significant contributions. In 2019, we reimagined the IGO Awards to align with our purpose and to encourage the behaviours and outcomes that support this. The 2019 IGO Making a Difference Awards recognised and celebrated exceptional people in the business who exemplify the IGO culture. These are the people who are making a difference and who inspire us and our broader community through their achievements.

Service Awards

In FY19, we introduced a new Service Recognition Program to celebrate the long-term commitment of IGO employees. The program is structured to formally celebrate length of service at a number of key milestones and provides the Company with another opportunity to celebrate our people's accomplishments and performance over their journey with us. This dedicated commitment is appreciated at IGO and we say "Thank you" to them all.

Carolyn Marks, Electrical Engineer, Nova Operation, with her husband Ingo and daughter Anneliese.

CASE STUDY: CAROLYN MARKS

Carolyn Marks was working a full-time 8:6 roster at our Nova Operation as an Electrical Engineer when she became pregnant with her first child. Following the birth of her child, it was important to Carolyn that she continued to develop professionally along with ensuring she had valuable time with her family.

When considering her return to work on a full-time basis, Carolyn's previous experience in her site-based role confirmed to her the value of site time in her role. In order to try and get the best balance, Carolyn approached her supervisor with the suggestion that she start her transition back to work after parental leave working one day per week. This work was performed both from the Perth office and on site at Nova as required and provided Carolyn with time to transition back to work. After two months she was back to full-time work.

Full-time work for Carolyn now looks a lot different to before she took parental leave, working flexibly to suit her requirements. It was important to Carolyn that she was professionally able to deliver projects that make a difference to people's lives on site while also being able to spend time with her family. With her supervisor's full support, Carolyn's work roster is two days at home and two days on site per week. This roster provides her with the time she needs with her two families - her immediate family and her Nova family. In Carolyn's words it "allows her to be both an engineer and a mum". Nova is proud to be able to help Carolyn to make a difference.

OUR SAFETY PERFORMANCE

AT A GLANCE

REDUCED LTIFR

1.37 LTIFR

Lost Time Injury Frequency Rate per million hours worked, down from 2.39 in FY18.

EMPLOYEE SAFETY

No fatalities or serious injuries for IGO employees or our contractors.

REDUCED TRIFR

9.58 TRIFR

IGO's Total Reportable Injury Frequency Rate, down from 19.14 in FY18.

REDUCING POTENTIAL INCIDENTS continues to be a key focus for the Company in FY20.

IGO accepts our moral responsibility to provide a safe place of work, a safe system of work and a positive safety culture.

Results

IGO had no fatalities or serious injuries during FY19.

Our people, a term we use in reference to both IGO employees and contractors, suffered a total of two lost time injuries, three medically treated injuries and 12 restricted work injuries.

IGO acknowledges that beyond injuries, 'near-miss' incidents can have a wider impact causing distress not only to the affected individual, but also to their families and workmates. In FY19, IGO experienced five 'near-miss' incidents where there was the credible potential for a fatality. Although each of these events resulted in no injury or only a minor injury, the potential outcomes were recognised, and subsequent adjustments made to our business processes and practices to mitigate risks and minimise exposure to these hazards for the future.

In FY19, IGO's Lost Time Injury Frequency rate (LTIFR) per million hours worked was 1.37. IGO's Lost Time Injury (LTI) results for FY19 compare favorably to the most recently published averages for the Western Australian nickel mining sector (1.9) and metalliferous underground mining sector (1.9)[1].

Our Medically Treated Injury Frequency rate (MTIFR) per million hours worked was 2.05, and our Restricted Work Injury Frequency rate (RWIFR) per million hours worked was 8.22. IGO's Total Reportable Injury Frequency Rate (TRIFR)[2] for FY19 was 9.58.

Reducing the number of actual and potential incidents will continue to be a key focus in FY20.

IGO's Safety Philosophy

Being an operator in the mining industry inherently brings with it risks due to the nature of our work. At IGO, our intention is, as a business and as individuals, only to take risks in a considered way. This means we do not accept any risk where there is any elevated potential for seriously harming someone or for a fatality to occur. However, it is unrealistic to suggest that we can offer a hazard-free work environment. Rather, we maintain an expectation of continuous improvement in the safety of our work places and the efficacy of our safety systems, and the creation of a culture that reflects real care for the safety and wellbeing of our people.

At IGO, a safe place of work is a place where the hazards are recognised and the risks posed by

1 Department of Mines, Industry Regulation and Safety, 2019, Safety performance in the Western Australian mineral industry — accident and injury statistics 2017-18: Department of Mines, Industry Regulation and Safety, Western Australia.

2 IGO uses a definition of Total Reportable Injury based on section 76 of the Western Australian Mines Safety and Inspection Act 1994 which requires that an accident be reported if it causes an injury that prevents a person from returning to his or her duties as they were being performed at the time of the accident. It applies where the person injured has lost time from work, been assigned to alternate or light duties, or been put on restricted hours.

these hazards are managed. A safe system of work encompasses the policies, standards, processes and procedures that provide direction and guidance on how the work is to be done. A positive safety culture is the accepted behaviours and responses that our employees have to hazards and associated risks when the "boss is not watching".

A positive safety culture is achieved when our people:

- believe their manager or supervisor is concerned about their safety and wellbeing;
- pro-actively look out for others and feel concern for their safety and wellbeing;
- participate in the development of our safety standards, processes and procedures;
- adhere to IGO's safety processes on the understanding that they will assist in keeping them and their workmates safe whilst never being seen as a substitute for thinking for one's self; and
- have the courage to speak up or intervene in unsafe situations or if someone is at risk.

At IGO, we are actively creating a positive safety culture. This effort is informed by the belief that culture is the product of the attitudes and behaviours demonstrated by IGO leaders; from the front-line supervisor to the CEO. IGO's safety program is known as Visual Safety Leadership (VSL).

The purpose of the program is to educate and guide our leaders, at all levels, so they:

- understand both IGO's safety philosophy and their statutory safety obligations;
- allocate time for the sole purpose of checking on or promoting workplace safety and employee welfare; and
- follow up on concerns or identified hazards raised by employees and provide feedback on how they have responded.

Safety leadership must be visual. It must be seen. It must be felt. If we do this well, it is our firm conviction that we will create a better workplace.

An Improving Safety Culture

In FY19, we undertook an engagement survey of our entire workforce and a safety culture survey of our Nova workforce. The positive results revealed that our people feel supported by their supervisors and management and are empowered to take responsibility for their own safety, and that of their workmates in terms of both hazard management and making improvements to safety systems.

Over the past 12 months we have seen an improved culture, as assessed by our people. Beyond the positives, the surveys also revealed many further opportunities for improvement; with the most significant being the need for a more timely response to rectifying hazards and system deficiencies.

In FY20, IGO will continue to pursue improvements in this area, including increased internal communications among our employees, suppliers and contractors to continue to build awareness and influence behaviours.

For further information on IGO's safety performance and safety programs, please refer to the 2019 Sustainability Report, which will be released in October 2019.

Exploration team working in field

CASE STUDY:
WORKING TOWARDS A SAFE DISCOVERY

The pursuit of new resources takes IGO's exploration team to diverse geographies and environments – from remote parts of Australia to new arctic frontiers in East Greenland. With a growing number of people working in smaller exploration teams, often in isolation for lengthy periods at a time, we need to ensure our teams are well equipped to manage the specific conditions. Equally, it is vital that our teams are 'equipped' with the right culture; a culture of empowerment and a culture in which 'getting the job done' is balanced by a demonstrable care for the safety and wellbeing of one another.

Empowering our exploration teams to own both their personal and team safety is the primary focus for Ross Jennings, HSE Manager Exploration.

"It is simple. Any discovery marred by serious injury or incident is not a successful discovery. For us, a safely performed discovery is a successful discovery", says Ross.

"Everybody is entitled to a safe work place and to be part of a team in which anyone can speak up when things aren't right. I've seen what happens when this doesn't happen. It's about teamwork, empowering individuals to own their responsibilities and being comfortable making decisions."

We are deliberate in our efforts to shape culture. This starts with choosing the right leaders, people who are concerned with the safety and wellbeing of their people, and then fostering an environment that encourages people to consider the challenges and hazards that may be encountered, and how these are best managed. To this end, each exploration team comprises a mix of both new and experienced IGO employees to help transfer knowledge, skills and experience.

MAKING A DIFFERENCE

AT A GLANCE

OPERATION OZHARVEST

42

IGO employee volunteers assisted OzHarvest.

111,549kg

of surplus produce was distributed to 80 charitable agencies across Perth.

UP ALL NIGHT

11

IGO employees walked 42km for Ronald McDonald House Perth.

$23,478

was raised for Ronald McDonald House Perth.

IGO CORPORATE GIVING

46

number of organisations or programs IGO made donations to in FY19.

$478,606

Corporate Giving spend for FY19.

Making a Difference is our reason for being, our purpose. Every single person in our business has made a difference this year.

IGO is proud of its Corporate Giving program and how our people have each made a difference to the organisations we support. These activities give our employees a sense of pride and demonstrate IGO's genuine commitment to the community.

We have a publicly stated and Board approved position on philanthropy as defined in the IGO Corporate Giving Standard (www.igo.com.au/site/caring/community). This Standard for FY19 defined a budget allocation of 0.06% of the previous year's total revenue. The Standard also defines target beneficiaries, being primarily charities and schools in our host communities. For FY20 the budget allocation has been increased to 0.075% of total revenue.

In FY19, IGO's Corporate Giving program made a difference to over 46 organisations and programs, with total payments of $478,606. In addition, many IGO employees took advantage of IGO's Volunteer Leave Allowance that provides employees with up to two days paid leave per annum to assist with charitable causes. IGO employees are also able to make personal donations via IGO's online workplace giving platform Good2Give where the Company will match the donation as per the Corporate Giving Standard.

Details on some of the organisations and programs IGO has supported in FY19 are detailed here.

Teach Learn Grow

IGO has been supporting Teach Learn Grow (TLG) for over five years and continued its support with the 2018 Rural Tutoring Program. The program sees university students volunteer their time to tutor in remote schools. The program has had a hugely positive impact on the communities living in close proximity to our mine sites and we look forward to continuing to work with TLG in FY20 to improve educational outcomes for children in remote Western Australia. The schools visited during the program were Leonora District High School, Nulsen Primary School, East Kalgoorlie Primary School, Coolgardie Primary School and Norseman District High School.

Norseman District High School

Scitech delivered three all-staff professional learning workshops at Norseman District High School during the year, allowing teachers to develop an understanding of how to use the digital technologies and similar resources provided to them. Critical to the facilitation of all the workshops at Norseman DHS and Scitech's ongoing provision of professional learning around WA, were the IGO funded iPads.

Esperance Senior High School

In December 2018, IGO ran a Work Experience Program at its Nova Operation for six Year-10 students to experience working life on an operating mine site. The program provided a real hands-on experience, with the students and teachers living on site and working 12-hour shifts with mentors from the Mining, Environmental and Engineering departments.

Signing ceremony for Dandjoo Darbalung Program

Peter Christen and daughter Olivia Christen and her friend Clementine Evans

Dandjoo Darbalung Program at St Catherine's College

IGO proudly partnered with AngloGold Ashanti Australia, Barminco and Sandfire Resources to support 100 Indigenous students complete the Dandjoo Darbalung program at St Catherine's College. Each company has made an investment in the program of $45,000 over three years, which together will make a huge difference. Dandjoo Darbalung is a high calibre wrap-around residential program for Indigenous students to succeed at graduating with a qualification at a tertiary level across all five universities in Western Australia.

Esperance Girls Academy

The Girls Academy is the leading provider of school-based engagement programs for Aboriginal and Torres Strait Islander girls in Australia, with the aim of more girls graduating from secondary school and transitioning successfully to their planned career pathway, and IGO is proud to continue its support of the program at Esperance Senior High School.

Ronald McDonald House Perth

IGO continued it sponsorship during the year of a room in the Ronald McDonald House. These rooms give families with sick kids the gift of togetherness and keep them near the care and resources they need to thrive.

Esperance Senior High School

In June 2019, IGO sponsored 'Winning in Overtime', which is an afterschool student tuition program designed to help students with homework and study. The program is staffed by a range of volunteers including parents, teachers, Clontarf Academy staff, year 11 and 12 students and the Girls Academy staff. Winning in Overtime fosters a positive attitude towards school work and, for some students, it is the only time they will do school work or spend time with an adult helping with their school work, outside of regular school hours.

Up All Night

In December 2018, a team of 11 IGO employees walked a massive 42km for the inaugural 'Up All Night' overnight marathon for Ronald McDonald House Charities. IGO collectively raised $23,478 and IGO's CEO & Managing Director, Peter Bradford was the second highest ranked individual fundraiser overall - raising $7,500 on his own. The event itself raised over $730,000, with 9,919 individual donors. IGO are proud to announce we are the major sponsor for the November 2019 'Up All Night' event, hoping to build on the success of 2018.

OzHarvest

In November 2018, IGO participated in a month-long volunteer program, Operation OzHarvest. OzHarvest is a for-impact organisation with a driving purpose to Nourish Our Country. It began with a simple concept to rescue good food that would otherwise go to waste and deliver it to charities who feed vulnerable men, women and children in need. IGO's contribution for the month helped with an incredible 111,549 kilograms of surplus produce being distributed to over 80 charitable agencies across Perth and the greater metropolitan area. IGO also created 51 food hampers which were donated to the vendors at The Big Issue, who support those that are disadvantaged and are experiencing homelessness. A total of 22 IGO volunteers also helped provide 150 meals to Emmaus, a homeless service provider for those with mental illness. This is a great example of making a difference and being proud to be part of IGO.

CASE STUDY: BOATING FOR BRAINS

On 7 November 2018, a group of 22 parents and friends of children who have received life changing treatment from The Royal Children's Hospital Neurology team attempted to set a new Guinness World Record by paddling a dragon boat 600kms in four days along the Murray River from Yarrawong to Swan Hill. They did so with the aim of raising over $200,000 to support the hospital's neuroimaging service, which plays a vital role in supporting the diagnosis, treatment and surgical outcomes of Victoria's sickest children.

Peter Christen, our previous Mining Manager at our Nova Operation, was inspired to participate by his daughter Olivia Christen and her friend Clementine Evans, two young children afflicted by epilepsy, who were granted new leases of life thanks to life changing surgery and the work of the Neurology team at the Royal Children's Hospital (RCH).

The event was a record-breaking success, raising an incredible $264,000 for the Neurology Department at RCH and saw them enter the record books paddling 576km on their journey. Over $15,000 was raised from IGO employees and contractors, contributing through IGO's Corporate Giving Good2Give Program, with IGO matching employee donations as per its Corporate Giving Standard.

SUSTAINABILITY

AT A GLANCE

ROYALTY PAYMENTS

$3.3 million

in production royalty payments to the Ngadju Native Title Aboriginal Corporation (NNTAC).

POSITIVE RESULTS

from the IGO Social Impact Assessment study following over 300 responses from stakeholders in our host communities in Norseman and Esperance.

137 ha

of rehabilitated exploration tracks

ZERO

material environmental spills

At IGO, we care about doing what is right – not just because it is good for business but because it is the right thing to do.

SUSTAINABILITY

'What does it mean to be a sustainable mining company?' This is frequently asked with the contextual inference that mining is inherently unsustainable, because ore bodies are, by definition, finite resources.

The legitimacy of the 'sustainable mining' concept remains a live debate because unfortunately some industry players still operate with environmentally destructive practices and do not encourage capacity building such as social and economic growth for their host communities.

IGO's purpose of making a difference recognises that the sustainability of our business is dependent on garnering support by all of our stakeholders, including our employees, local communities, regulators, Traditional Owners and shareholders.

Today, an increasing number of investors are interested in not only our financial and operational performance, but also on how we conduct our business and whether we do this in a sustainable and ethical way.

This is increasingly scrutinised by ratings agencies as part of their environment, social and governance (ESG) index scoring evaluations. Currently IGO actively engages with three agencies: Institutional Shareholder Services Inc. (ISS), Dow Jones and the CDP (formerly the Carbon Disclosure Project).

OUR COMMUNITIES

Beyond our people and our investors, a sustainable mining company is dependent on a 'social licence to operate'; in essence, the support of the community. IGO continues to work hard to maintain our licence and to understand the matters that are material to our stakeholders.

In FY19, our community consultation and engagement efforts included the completion of a Social Impact Assessment study related to our activities at our Nova Operation and exploration in the Fraser Range. The process included public meetings, a survey of key stakeholders and numerous one-on-one meetings between IGO representatives and members of the community. As an outcome, IGO now has a clearer understanding of both our economic contribution to the broader community, and the community's expectations regarding the way we operate. We will provide more information on the outcomes in IGO's 2019 Annual Sustainability Report.

As in previous years, IGO has participated in ongoing programs to engage the Ngadju people, the native title holders of the land on which our Nova Operation sits and a key area of focus for our exploration activities.

IGO is pleased to note that in FY19, we made production royalty payments to the NNTAC totaling $3,336,905, facilitated or funded numerous training and educational programs, and created real employment opportunities.

IGO topsoil stockpile

In FY18, IGO ceased mining at the Long Operation after 16 years of operation, placing the mine into care and maintenance. IGO is proud of both the way we assisted those employees who lost jobs as a consequence of the mine closure and our consultation with the affected host community in Kambalda. We are also proud of the environmental clean-up and remedial works completed prior to the sale of the Long Operation to Mincor Resources NL.

ENVIRONMENTAL MANAGEMENT

Whilst IGO's environmental impacts are relatively minor, we have an ongoing commitment to making a real but proportionate contribution to addressing the world's most pressing environmental challenges: e.g. global warming, biodiversity loss, deforestation, water pollution, soil loss or degradation and waste management.

Currently IGO's single largest environmental impact is land clearing. Given the current and foreseeable technologies required for exploration, IGO, like other explorers, needs to physically get onto land to explore by means of on-ground electromagnetic surveys, seismic surveys, surface soil sampling and drilling. Invariably this requires the creation of cleared tracks for the passage of vehicles. Whilst the need for these tracks is temporary, vegetation is invariably removed.

To minimise the impact of our activities we actively plan the work in consultation with other land owners (e.g. Traditional Owners or pastoralists), with regard to the flora and fauna likely to be affected, the potential for the accidental introduction of pest species, the potential for the accidental disturbance of ethnographic sites of significance, soil disturbance, and prompt remediation once access is no longer required.

So, what does it mean to be a sustainable mining company? IGO's answer is addressed in our purpose; the way in which the mineral resources we explore for, find and develop are used and reused.

This is the very definition of sustainable development: development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

For more information on our sustainability performance please see our Sustainability Reports that can be found on our website www.igo.com.au.

CASE STUDY:
UNDERSTANDING THE HEALTH OF OUR TOPSOIL

The effectiveness of mine site rehabilitation is dependant on the quantity and quality of the top soil available to be placed onto post-mining land forms. This soil is typically sourced during the pre-mining activities wherein it is stripped from mining areas and stockpiled for later use. While it is common to have enough topsoil at the end of mine life for rehabilitation works, the quality is often poor. As any good gardener will tell you, soil is so much more than its insoluble mineral constituents. Good soils are high in organic matter, nutrients, seed and critically, soil microbes. A variety of factors affect the quality of stored topsoil, including the size and depth of stockpiles, duration of storage, soil type, climate and method of storage.

In January 2019, IGO commenced participation in a study led by Dr Haylee D'Agui with the ARC Centre for Mine Site Restoration (CMSR) from Curtin University. The aim of this research is to determine how the diversity, abundance and activity of soil microbes within topsoil stockpiles is influenced by factors such as storage time. The Nova Operation is one of seven mines that will contribute data to inform the development of topsoil management guidelines that will improve mine site restoration outcomes.

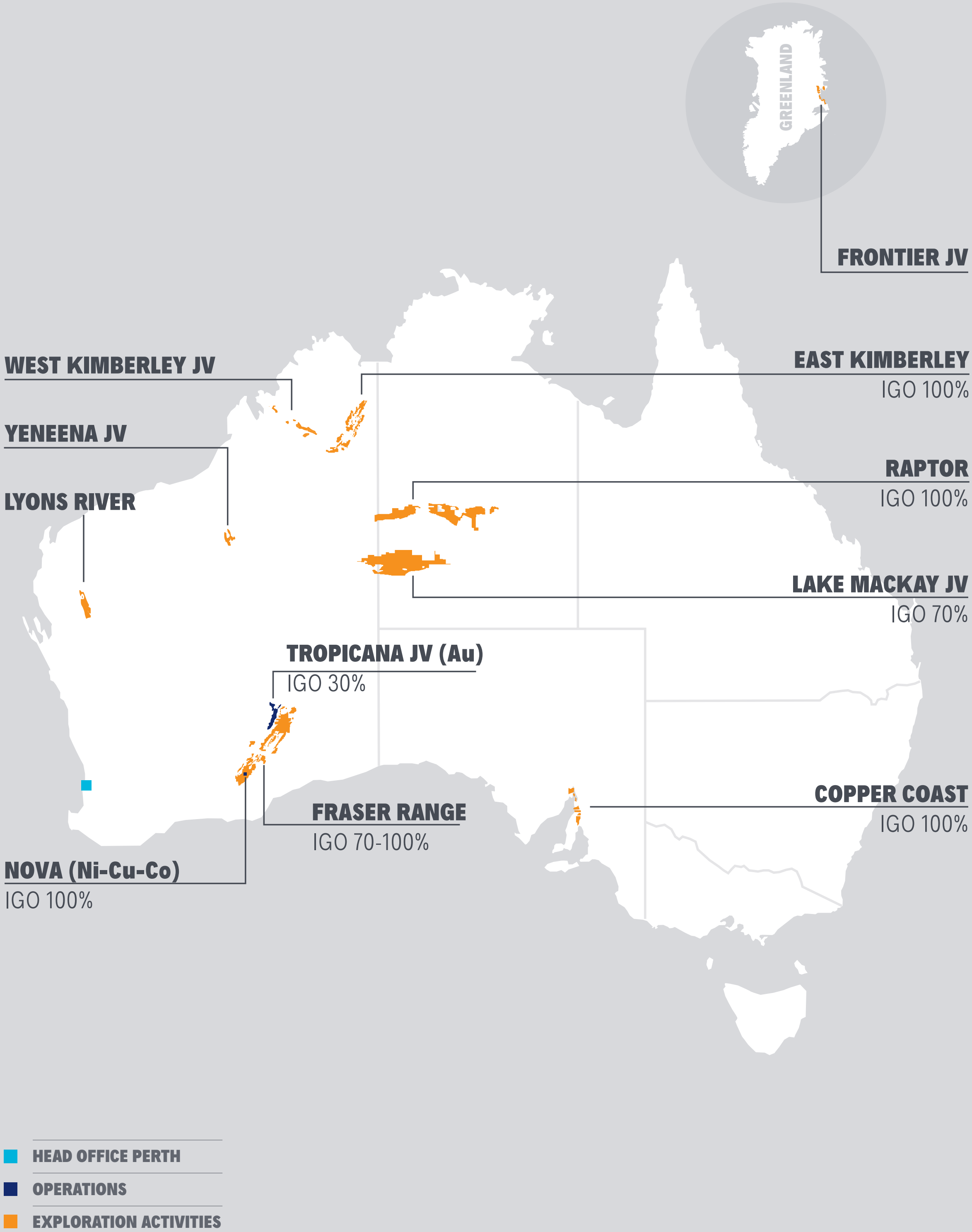
Keith Ashby, IGO's Head of SHEQ & Risk highlights, "It is important that we support scientific research into the management of topsoils specifically, and in mine site rehabilitation generally. Doing this well will safeguard both IGO's future licence to operate and contribute to that of the industry."

OPERATIONAL SCORECARD AND OUTLOOK

MINING OPERATION	UNITS	FY19 GUIDANCE RANGE	FY19 ACTUAL	FY20 GUIDANCE RANGE
NOVA				
Nickel in concentrate	t	27,000 to 30,000	30,708	27,000 to 30,000
Copper in concentrate	t	11,000 to 12,500	13,693	11,000 to 12,500
Cobalt in concentrate	t	850 to 950	1,090	850 to 950
Cash cost (payable)	A$/lb Ni	1.65 to 2.00	2.07	2.00 to 2.50
Sustaining & improvement capex	A$M	21 to 24	11.2	24 to 26
Development capex	A$M	25 to 28	23.0	6 to 8
TROPICANA (IGO 30%)				
Gold produced (100% basis)	oz	500,000 to 550,000	518,172	450,000 to 500,000
Gold sold (IGO's 30% share)	oz	150,000 to 165,000	154,402	135,000 to 150,000
Cash cost	A$/oz Au	635 to 705	680	700 to 780
All-in Sustaining Costs	A$/oz Au	890 to 980	951	1,090 to 1,210
Sustaining & improvement capex (30%)	A$M	21 to 24	15.5	13 to 15
Capitalised waste stripping (30%)	A$M	32 to 36	36.1	42 to 47
Underground capex (30%)	A$M	–	2.0	26 to 29
EXPLORATION & EVALUATION EXPENDITURE				
Total Exploration & Evaluation Expenditure	A$M	47 to 54	57.6[1]	68 to 75

1) FY19 guidance range and actual expenditure excludes evaluation costs. FY19 actual evaluation expenditure was A$5.6M.

KEY OPERATIONS AND PROJECTS



NOVA OPERATION

NICKEL-COPPER-COBALT
IGO 100%

AT A GLANCE

LOCATION
140 road-km east northeast of Norseman, Western Australia (Fraser Range)

PRODUCT
Nickel (Ni), Copper (Cu), Cobalt (Co)

MINING
Underground contract mining and owner operated processing plant

PROCESSING METHOD
Conventional crushing, grinding, flotation and filtration

SALES
100% nickel sulphide concentrate to BHP Billiton Nickel West Pty Ltd and Glencore International AG. 100% copper sulphide concentrate to Trafigura Pte Ltd. All contracts due to expire in FY20.

FY19 PRODUCTION
30,708t Ni
13,693t Cu
1,090t Co

FY19 PAYABLE CASH COSTS
A$2.07/lb Ni

RESOURCES[1]
270,000t Ni
107,000t Cu
9,000t Co

RESERVES[1]
219,000t Ni
87,000t Cu
7,000t Co

ESTIMATED REMAINING MINE LIFE
7+ years

GROWTH POTENTIAL
Discovery of new magmatic nickel deposits within IGO's extensive tenement positions in the Fraser Range. Processing of Nova's nickel concentrate into a nickel sulphate product for the energy storage market.

1 See Resources and Reserves section on pages 28 to 31 of this report.

Nova is located in the Great Western Woodland, approximately 140km east northeast of Norseman. The Ngadju are the Traditional Owners and custodians of this area and their native title was recognised by the Federal Court on 21 November 2014.

The Nova deposit was discovered in July 2012 and development of the site commenced in January 2015. Commercial production started in July 2017 and the operation reached nameplate ore production in the September 2017 quarter.

FY19 PRODUCTION

Nova production for FY19 was 2.4% above the top end of the full year guidance range, the result of higher tonnage and grade than planned. Nova has demonstrated steady state production at or above the nameplate 1.5 million tonne per annum rate through FY19.

Options to increase throughput consistently beyond the nameplate capacity of 1.5 million tonnes per annum to maximise production as grade drops over the remaining mine life have progressed.

MINING

Mineral Resources and Ore Reserves were updated as of 31 December 2018 as the basis of the current mine plan utilising updated information from the final grade control and minor extensional drilling information, as well as updated metal pricing.

The rate of mine development ramped down over the course of the year from three jumbo crews in the first quarter to two for the remainder of the year. Development requirements are now essentially only for maintenance of ore production.

Mining has entered the highest-grade parts of the orebodies with resulting uplift in mined grades during FY19. The paste fill plant was modified to increase capacity in line with future production scenarios.

During the year the mining contract with Barminco was extended for a further term of six years, out to mid-2024.

PROCESSING

The Nova Operation processing plant performed well in FY19, setting monthly production records three times in the second half of the year. The plant is now constrained by ore grades in the flotation section of the plant, with concentrate filtration capacity being closely matched to the flotation section.

Borefields continue to have excess capacity, however dissolved iron and manganese in some bores has caused difficulties in the reverse osmosis plant. The tailings storage facility continues to be used as a water storage dam and water efficiency projects continue to reduce the requirements from the borefields. Electric power is provided by Zenith Pacific's 20 MW power station.

SMART SOLUTIONS

At IGO, we continually look for ways to improve the way we do business and operational excellence is one of the keys to our success. Our teams are finding innovative ways of using technology and innovation to: improve the safety and wellbeing of our employees; reduce our impacts on the environment; deliver step change opportunities; and continue to improve efficiencies and productivity. We call these initiatives 'IGO – Smart Solutions'.

Smart solutions being deployed at Nova include the introduction of renewable energy; underground electric vehicles; remote surface blasting; drone technology; advanced machine learning; milling advanced process controls; efficient data capture; process and analytics; and surface automation for underground mining.

In May 2019, Zenith Pacific began site construction on a 6.7 megawatt solar power station, with commissioning expected in the first half of FY20. The Nova solar project is a fully integrated commercial hybrid diesel-solar facility. It is expected the hybrid energy solution will reduce costs and carbon footprint, with approximately 15–20% of Nova's total energy requirements to be provided by solar energy.

IGO has also been investigating opportunities to electrify the underground mining fleet, with benefits including energy savings, reduction to ventilation demands, associated reduction in capital and operating costs, improved safety and working environment, and reduced carbon emissions.

IGO is actively exploring proof of concept studies for complete electric underground mining and these preliminary studies will continue in FY20.

In FY19, IGO also started incorporating drone technology into our Nova operations. This technology can assist with Run of Mill (ROM) pad and stockpile management, analysing environmental disturbance, and in emergency response situations such as a bushfire, or search and rescue efforts.

Nova is the first underground mine in Western Australia to implement full network firing from surface. Benefits include enhanced safety of our personnel, more reliability and flexibility and improved reporting with analysis of data post-firing.

Our focus on operational excellence will continue in FY20, with a range of areas to be further explored, including equipment productivity and tracking, additional automation and technology benefits and innovations to improve recoveries and efficiencies through technology that can reduce costs.

NEAR-MINE EXPLORATION

During FY19, IGO made significant breakthroughs in the interpretation of the 3D seismic dataset that covers the Nova Mining Lease. This resulted in the ability to predict the location of mafic and ultramafic intrusions that may host Ni-Cu sulphide mineralisation at depths exceeding 500m. Deep drilling through these targets confirmed the presence of thick (500m to 1,000m) mafic-ultramafic intrusions, similar in size and composition to the Nova upper intrusion, carrying widespread three-phase Fe-Ni-Cu sulphide disseminations and blebs.

These large intrusions appear to be connected by, or are associated with, smaller tube-like 'chonolith' intrusions with a very similar mineral composition and blebby sulphides as the Nova intrusion. The 3D seismic dataset cannot definitively direct detect massive sulphide mineralisation, but it has enabled the 3D mapping of intrusive systems that potentially host such mineralisation, and the Company remains optimistic that significant massive sulphide mineralisation exists within these complex intrusive systems.

CASE STUDY:
NOVA BUSHFIRES

On 21 February 2019, Matt Spagnolo was acting Registered Manager at Nova when reports arrived of smoke and fire in nearby bushland to the south of the mine site. Initial inquiries led everyone to believe that it was a small bushfire that was under control.

But only 24 hours later, unexpected changes in the weather caused the fire to jump the access road and the severity of the situation began to escalate quickly.

Nova's Emergency Response Team shifted from monitoring to active containment of the fire. IGO's Crisis Response Team in Perth was also activated as the decision was made to evacuate all employees from the accommodation village. Evacuation was not a decision taken lightly, as this was a major disruption for everyone working on site.

"Making that decision was the right thing to do and I was never in doubt," said Matt. "The safety of our people will always come first."

Employees' positive response and willingness to work together made things go smoothly. As people grabbed pillows, and blankets, and found a place to sleep, the ERT and the State Department of Fire and Emergency Services got to work alongside IGO contractor partners Barminco, CV Lomag, and Cater Care, to contain the fire and avoid a major crisis unfolding at Nova.

Throughout the event, there was a clear sense of purpose about what needed to be done and everyone worked together focused on a unanimous approach to protect our people and our assets.

"The leadership group who led the bushfire response has got to be the best team I have ever worked in," Matt said. "The collaboration and how we all looked out for each other was an amazing experience, especially when you consider we were thrown together in a crisis."

Four days later the fire was successfully contained, everyone was safe and business returned to normal.

TROPICANA OPERATION

GOLD
IGO 30%

AT A GLANCE

LOCATION
330km northeast of Kalgoorlie, Western Australia

PRODUCT
Gold (Au)

MINING
Open pit contract mining with production from up to four contiguous pits extending some 5km in strike length.

The Boston Shaker Underground mine is being developed and expected to deliver first gold production in the September 2020 quarter.

PROCESSING METHOD
Conventional crushing, grinding and CIL (carbon-in-leach) recovery

SALES
To a combination of the Perth Mint and IGO's banking partners via forward sales contracts

FY19 PRODUCTION
518,172oz (100% basis)
154,402oz (IGO 30% share)

FY19 CASH COSTS AND ALL-IN SUSTAINING COSTS
A$680/oz
A$951/oz

RESOURCES[1]
7.29Moz Au (100%)

RESERVES[1]
3.95Moz Au (100%)

ESTIMATED MINE LIFE
10 years

GROWTH POTENTIAL
The Boston Shaker Underground development will improve the production profile and enhance cash flow. There is potential for extensions to the Mineral Resource below the Tropicana and Havana pits. Regional Exploration continues.

[1] See Resources and Reserves section on pages 28 to 31 of this report.

The Tropicana Operation is located on the western edge of the Great Victoria Desert, which is the land of Traditional Owners and custodians from the Wongatha and Spinifex peoples. Tropicana is a Joint Venture and IGO holds 30% while AngloGold Ashanti Australia (AGAA) is the operational manager and holds 70%.

IGO targeted and pegged the area containing the current ore reserves in 2001. AGAA farmed into the project in 2002, discovering the Tropicana, Havana and Boston Shaker gold deposits in 2005, 2006 and 2010 respectively.

The decision to develop the Tropicana Operation was announced in November 2010 following completion of a positive Bankable Feasibility Study. Mining the Havana deposit commenced in 2012 and first gold was produced in September 2013. In January 2018, the Tropicana Operation achieved its two-million-ounce milestone.

In May 2019, the development of the Boston Shaker Underground commenced.

FY19 PRODUCTION

For FY19, Tropicana production was within guidance range achieving 518,172oz Au (100% basis) or 155,452oz Au (IGO 30% share basis), while FY19 gold refined and sold was 154,402oz Au (IGO 30% share basis).

Since 2013, Tropicana has delivered strong free cash flow and remains prospective with further value enhancement opportunities. This includes commencement of production from the Boston Shaker Underground, which is currently in development and expected to achieve first gold in the September 2020 quarter.

MINING

During FY19, 35.3 million bank cubic metres was mined at Tropicana, comprising of 14.7Mt of ore and 75.9Mt of waste. The mining strategy at Tropicana uses a phased approach with multiple cut-backs and inpit dumping of waste to minimise waste haulage distances.

PROCESSING

The mill throughput was 8.2Mt, at an average grade of 2.2g/t for FY19. Construction and installation of the second 6-megawatt (MW) ball mill was completed in October 2018, with the project commissioned in December 2018, enabling the processing throughput rate to be increased by about 5%.

Gold recovery was 89.4% for the year, with gold production at 518,172oz Au (100% basis).

BOSTON SHAKER UNDERGROUND

On 28 March 2019, the Tropicana Joint Venture announced the commitment to the development of the Boston Shaker Underground mine following the successful completion of the Feasibility Study (FS).

The FS assessed an underground operation mining at a rate of approximately 1.1Mtpa at an estimated grade of 3.5g/t Au to produce approximately 100,000 ounces of gold per annum over a period of seven years, based on three years production from Ore Reserves and a further four years from Inferred Mineral Resources. Underground material will displace lower grade open pit material, resulting in an improved Tropicana gold production profile.

The development of the Boston Shaker Underground will enable gold production to be maintained at between 440,000 to 500,000 ounces per annum (100%) over the five years up to and including FY23.

The FS estimated a capital cost of A$105 million (including contingency) and all-in sustaining costs of A$95 per tonne of underground material.

Macmahon Holdings is the current open pit mining contractor at Tropicana and has been appointed as the underground mining contractor.

Underground development commenced in May 2019 and first gold production is expected during the September 2020 quarter.

TROPICANA EXPLORATION

During FY19, exploration concentrated near the mine on the Tropicana mining lease (M39/1096). The focus was on looking for resource extensions, specifically the underground potential at Boston Shaker, Havana and Havana South.

Exploration drilling was conducted around the Tropicana mining and exploration leases at different prospects and targets. Drilling, totalling 33,111m, comprised:

- Aircore drilling at Angel Eyes, West Charmander and Iceberg North.
- Reverse Circulation (RC) drilling at Watchtower and drilling stratigraphic fences.
- RC and diamond drilling at New Zebra, Madras, Seahorse, Voodoo Child and Wild Thing.

Encouraging aircore gold anomalies were returned from Angel Eyes West (E39/952). When combined with 2017 aircore results from around the same area, a NNW-trending zone of gold anomalism is present over 1km of strike and the anomaly remains open-ended.

A total of 16,098m of drilling was also completed at Boston Shaker. The drilling, on a nominal 50m x 25m spacing, was designed to increase the Mineral Resource confidence through the conversion of Inferred Mineral Resource to Indicated Mineral Resource. An updated Mineral Resource model for the Boston Shaker Feasibility Study was stated on 20 February 2019.

Get Into Mining graduates, Tropicana Operation Site

CASE STUDY:

INDIGENOUS GRADUATES GET INTO MINING

AngloGold Ashanti Australia (AGAA), Independence Group, Macmahon Holdings and Carey Mining celebrated a milestone with eight young Aboriginal trainees at the Tropicana Operation in November 2018.

In a formal ceremony at the Tropicana Operation site, the trainees were presented with certificates and traineeship offers after successfully completing the eight-week Get Into Mining training programme.

Get Into Mining is a collaborative programme run by Aboriginal-owned mining and civil contracting company Carey Mining, with the support of mining contractor Macmahon Holdings, and Tropicana Joint Venture partners AGAA and IGO. Macmahon Holdings and Carey Mining are also both contractors at Tropicana.

Get Into Mining comprises a blended delivery of training in the classroom, at a simulated work site and via practical activities at Tropicana. The programme is structured to enable a phased transition into the fly-in, fly-out working environment.

All eight of the successful applicants completed the full programme, qualifying for a Certificate II in Surface Extraction Operations. They have since accepted traineeships across the mining and exploration departments at the Tropicana Joint Venture.

REGIONAL EXPLORATION & DEVELOPMENT

PROJECTS / EXPLORATION OPPORTUNITIES

FRASER RANGE PROJECT (Ni, Cu & Co) (various partnerships)	Regional geochemical sampling, geophysical surveying and drilling. Regional aircore drilling and geophysical programs have identified numerous anomalous results requiring RC and/or diamond drill testing.
LAKE MACKAY JV (Cu, Au, Ni, Co) (70%)	Unlocking a new unexplored mineral province in the Northern Territory. Regional geochemical sampling, airborne and ground electromagnetic surveys and drilling have identified several new mineralised prospects.
WEST KIMBERLEY JV (Ni, Cu, Co) (up to 80%)	New belt-scale project targeting magmatic Ni-Cu-Co. Airborne electromagnetic survey completed. Regional aeromagnetic and radiometric survey, prospect scale geophysics, geological mapping surface sampling and drilling planned.
RAPTOR PROJECT (Ni, Cu, Co) (100%)	New belt-scale project targeting Ni-Cu-Co sulphides along the Willowra Gravity Ridge, Northern Territory. Regional aeromagnetic and radiometric surveys undertaken, and additional surveys planned.
YENEENA JV OPTION (Cu, Co) (up to 70%)	New sediment-hosted Cu-Co project with existing prospects in the Paterson Province, Western Australia.
COPPER COAST	Regional magnetotelluric survey and possible drilling.
FRONTIER PROJECT, GREENLAND (Cu, Co) (up to 80%)	Earn-in/JV Option on belt-scale project targeting Zambia-style Cu-Co. Traverse mapping and sampling of prospective domains underway.
DE BEERS DATABASE	Unique sample database. New multifaceted project generation initiative to unlock value.

ORGANIC GROWTH THROUGH EXPLORATION DISCOVERY

Exploration and discovery are core to the IGO DNA and a key pillar of our Company growth strategy.

During FY19, we further strengthened our in-house team and realigned our portfolio of projects to maintain a clear focus on delivering to the new IGO strategy. Our diverse exploration team has a wide breadth of experience and expertise in the search for and discovery of commodities critical to clean energy such as nickel, copper and cobalt. We also remain attentive to other commodity opportunities that can add significant value.

In FY19, we made significant progress in consolidating our ground position at our most prospective belt-scale exploration projects, including the Fraser Range and West Kimberley regions of Western Australia.

We also have belt-scale greenfield opportunities in the Northern Territory at the expanded Lake Mackay Project and the new 100%-owned Raptor Project, the Yeneena Option in Western Australia, the Copper Coast Project in South Australia, and the Frontier Project in Greenland.

For FY20, we reaffirm our strong and enduring commitment to organic growth through both brownfields and greenfields exploration, maintaining a strong level of investment in the Fraser Range and our other emerging nickel and copper projects. A feature of our exploration investment in FY20 will be a large proportion of drill testing, which collectively represents more than 70% of the planned Nova, Fraser Range and Lake Mackay exploration spend.

FRASER RANGE PROJECT - WESTERN AUSTRALIA

Base Metals Project (IGO various ownership levels)

In FY19, we continued to strengthen our position in the prospective Fraser Range, to the east of Kalgoorlie and Norseman in Western Australia, through joint venture agreements and new tenement applications.

IGO holds the largest tenement position in the belt with a portfolio of approximately 14,000km^2 of tenure (not including the Tropicana Joint Venture). We consider the Fraser Range to be under-explored and highly prospective for orthomagmatic Ni-Cu-Co deposits, Volcanic Massive Sulphide Cu-Zn-Au-Ag deposits, and lode-style gold mineralisation.

The Company leverages its exploration efforts from the Nova capital infrastructure, while also gaining further strategic knowledge from the Nova-Bollinger deposit through our in-house geologists and research efforts.

Consequently, during the FY19 year, our exploration team has generated more targets and conducted significant drill testing along the Fraser Range than ever before.

During the year IGO's methodical exploration approach yielded discovery results at the Andromeda Cu-Zn-Au-Ag prospect and the identification of new mineralised mafic-ultramafic intrusions around Nova.

Diamond and RC drilling at IGO's Andromeda prospect, 75km north-northeast of Nova has extended mineralisation from around 120m strike length to well over 400m with intersections that include 16.4m @ 1.65% Cu, 2.46% Zn, 0.54g/t Au, 25.9g/t Ag (near true width) and 41.4m @ 1.47% Cu, 2.46% Zn, 0.35g/t Au, 22g/t Ag (not true width)[1 & 2].

The Themis and Pion gold prospects, located 60 and 70km northeast of Nova respectively, are new discoveries which validate the Company's systematic regional exploration program. Results include 5m @ 10.9g/t Au from 49m (1g/t Au cut-off) enclosed within a broader interval of 25m @ 2.4g/t Au from 42m (0.1g/t Au cut-off) at Themis and 4m @ 3.8ppm Au from 86m at Pion[3]. Both prospects will be followed up in FY20.

The regional Spectrem Airborne Electromagnetic (AEM) survey across the Fraser Range was completed during the year, bringing the total area covered by Spectrem to approximately 46,000 line-km. Numerous high-quality electromagnetic (EM) targets are now being methodically assessed and will be followed up using deep penetrating Low-Temperature and High-Temperature SQUID EM teams.

IGO also plans to complete >180,000m of aircore and diamond drilling in FY20 to test the large number of geophysical and geochemical targets that have been, and continue to be, generated from our quality datasets assembled over the past few years. The Company's regional aircore program, designed to map the geology under cover and for generating geochemical anomalies, will continue in the southern part of the Fraser Range, but the focus is now shifting to infill drilling around geological and geochemical anomalies generated over the past 18 months.

WEST KIMBERLEY JOINT VENTURE - WESTERN AUSTRALIA

Base Metals Project (IGO Manager and Option to Earn up to 80%)

A highly prospective land position of approximately 3,470km^2 was acquired by IGO partnering with Buxton Resources. The West Kimberley project focuses on the Ruins Intrusive Suite in the King Leopold Oregon, the host of the Merlin Prospect. This prospect is the most significant magmatic Ni-Cu sulphide discovery in Australia since Nova-Bollinger and has opened up a new belt-scale Ni-Cu opportunity near the port town of Derby.

IGO has arranged for a 6,100 line-km Spectrem AEM survey to be flown over key JV tenements across the area. Results are currently being analysed with follow up ground EM expected to generate new targets for drilling in FY20.

LAKE MACKAY JOINT VENTURE - NORTHERN TERRITORY

Base Metals-Gold Project (IGO JV Manager and 70% owner)

The Lake Mackay Joint Venture with Prodigy Gold is located 400km northwest of Alice Springs. The JV has approximately 6,926km^2 of granted exploration licences and a further approximately 10,847km^2 of licence applications over an unexplored Proterozoic terrane, characterised by polymetallic base and precious metal mineral systems.

Exploration is at an early stage and, until recently, was limited to a single tenement. Work programs during FY19 included soil sampling, a regional Spectrem AEM survey, follow up ground moving loop electromagnetic (MLEM) surveys and RC drilling.

Elsewhere on the project, drilling at the Grimlock Prospect confirmed Co-Ni-Mn-Sc mineralisation in the lateritic duricrust profile, in all 10 holes drilled, with a highest-grade intersection of 1m @ 1.86% Co, 17.8% Mn, 0.89% Ni and 135ppm Sc[4]. Target testing of the remaining EM and soil anomalies is ongoing.

At IGO, we are excited about our greenfield exploration projects and our best-in-class exploration team, who are bold, passionate, fearless and fun, as they strive to find the specialist metals that will make clean energy a reality for communities around the world.

1 ASX Release - 2018 Mineral Resources and Ore Reserves Update, dated 26 July 2018
2 ASX Release - CY18 Mineral Resources and Ore Reserves Estimate, dated 20 February 2019
3 ASX Release - Rumble Resources Significant High Grade Gold Minerlisation in Fraser Range, dated 1 July 2019
4 Lake Mackay JV Update: High grade cobalt intersected at Grimlock - PRX ASX Release 30 May 2019

MINERAL RESOURCES AND ORE RESERVES

IGO publicly reports Exploration Results, Mineral Resource and Ore Reserve estimates in accordance with the ASX listing rules and the requirements and guidelines of the 2012 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves – the JORC Code.

IGO previously reported its annual Mineral Resource and Ore Reserve estimates to the ASX on an end of financial year (FY) basis but in FY18 elected to change the annual reporting to an end of calendar year (CY) basis to align with reporting IGO's internal budgeting and guidance process, which typically follow the estimation work as part of financial year planning for the next budget cycle.

At the end of CY18, Mineral Resources and Ore Reserves were reported from IGO's two 100%-owned WA base metal interests (Nova Operation and Long Project), and IGO's 30% interest in Tropicana Gold Mine (TGM). The complete JORC Code reports, including JORC Code Table 1 checklist, which detail the material assumptions and technical parameters for each estimate, can be found at www.igo.com.au under the menu 'Our Business – Mineral Resources and Ore Reserves' and also the ASX release CY18 Mineral Resource and Ore Reserve Statement dated 20 February 2019. Listings of the respective estimates for the end of FY18 and end of CY18 are tabulated below for IGO's total interests and for the operational and project subdivisions. The JORC Code Competent Person statements for the end of CY18 estimates are included on page 31 of this annual report.

IGO divested the Long Project on 31 May 2019 and as such references to the Long Projects' Mineral Resources and Ore Resources are only relevant to that divestment date in FY19.

IGO's public reporting governance for estimates and results includes several assurance measures. Firstly, IGO ensures that the Competent Persons responsible for public reporting:

- Are current members of a professional organisation that is recognised in the JORC Code framework
- Have sufficient mining industry experience that is relevant to the style of mineralisation and reporting activity, to be considered a Competent Person as defined in the JORC Code
- Have provided IGO with a written sign-off on the results and estimates that are reported, stating that the report agrees with supporting documentation regarding the results or estimates prepared by each Competent Person
- Have prepared supporting documentation for results and estimates to a level consistent with standard industry practices – including the JORC Code Table 1 Checklists for any results and/or estimates reported.

IGO also ensures that any publicly reported results and/or estimates are prepared using accepted industry methods and using IGO's corporate guidance for metal prices and foreign exchange rates. On operating mines, IGO additionally ensures that the estimation precision is reviewed regularly through a reconciliation comparing the Mineral Resource and Ore Reserve forecasts to actual mine and process production results.

Estimates and results are also peer reviewed internally by IGO's senior technical staff before being presented to IGO's Board for approval and subsequent ASX reporting. Market sensitive or production critical estimates may also be audited by suitably qualified external consultants to ensure the precision and correctness of the reported information.

IGO TOTAL

TABLE 1 — 30 June 2018 and 31 December 2018

IGO TOTAL — MINERAL RESOURCES

	Project or Operation	Mass	Grades estimates				*In situ* metal estimates			
		(Mt)	Ni (%)	Cu (%)	Co (%)	Au (g/t)	Ni (kt)	Cu (kt)	Co (kt)	Au (koz)
FY18 30-6-2018	Nova Operation (100%)	13.1	2.0	0.8	0.07	–	268	109	9	–
	Long Project (100%)	0.8	4.2	–	–	–	32	–	–	–
	Tropicana Gold Mine (30%)	41.9	–	–	–	1.62	–	–	–	2,187
	End of FY18 Total	**55.8**	**Grades are not additive**				**300**	**109**	**9**	**2,187**
CY18 31-12-2018	Nova Operation (100%)	13.2	2.0	0.8	0.07	–	270	107	9	–
	Long Project (100%)	0.8	4.2	–	–	–	32	–	–	–
	Tropicana Gold Mine (30%)	40.9	–	–	–	1.76	–	–	–	2,310
	End of CY18 Total	**54.9**	**Grades are not additive**				**302**	**107**	**9**	**2,310**
CY18/FY18 (relative)	Nova Operation (100%)	101%	100%	100%	100%	–	101%	98%	100%	–
	Long Project (100%)	100%	100%	–	–	–	100%	–	–	–
	Tropicana Gold Mine (30%)	98%	–	–	–	109%	–	–	–	106%
	CY18/FY18	**98%**	**Grades are not additive**				**101%**	**98%**	**100%**	**106%**

IGO TOTAL CONT.

TABLE 2 — 30 June 2018 and 31 December 2018

IGO TOTAL — ORE RESERVES

	Project or Operation	Mass (Mt)	Grades estimates Ni (%)	Cu (%)	Co (%)	Au (g/t)	*In situ* metal estimates Ni (kt)	Cu (kt)	Co (kt)	Au (koz)
FY18 30-6-2018	Nova Operation (100%)	11.7	1.86	0.76	0.06	–	216	89	7	–
	Long Project (100%)	–	–	–	–	–	–	–	–	–
	Tropicana Gold Mine (30%)	19.5	–	–	–	1.89	–	–	–	1,185
	End of FY18 Total	**31.2**	**Grades are not additive**				**216**	**89**	**7**	**1,185**
CY18 31-12-2018	Nova Operation (100%)	11.5	1.90	0.76	0.06	–	219	87	7	–
	Long Project (100%)	–	–	–	–	–	–	–	–	–
	Tropicana Gold Mine (30%)	19.7	–	–	–	1.77	–	–	–	1,122
	End of CY18 Total	**31.1**	**Grades are not additive**				**219**	**87**	**7**	**1,122**
CY18/FY18 (relative)	Nova Operation (100%)	101%	102%	100%	100%	–	101%	98%	100%	–
	Long Project (100%)	–	–	–	–	–	–	–	–	–
	Tropicana Gold Mine (30%)	101%	–	–	–	94%	–	–	–	95%
	CY18/FY18	**100%**	**– Grades are not additive –**				**100%**	**98%**	**100%**	**95%**

NOVA OPERATION

TABLE 3 — 30 June 2018 and 31 December 2018

NOVA OPERATION — MINERAL RESOURCES

Source	JORC Code Class	FY18 Mass (Mt)	Nickel (%)	Nickel (kt)	Copper (%)	Copper (kt)	Cobalt (%)	Cobalt (kt)	CY18 Mass (Mt)	Nickel (%)	Nickel (kt)	Copper (%)	Copper (kt)	Cobalt (%)	Cobalt (kt)
Underground	Measured	11.9	2.1	256	0.90	104	0.07	9	12.5	2.1	261	0.8	104	0.07	9
	Indicated	1.1	0.9	10	0.39	4	0.04	0.4	0.6	1.0	6	0.4	2	0.04	0.2
	Inferred	0.1	0.6	0.4	0.2	0.1	0.02	<0.1	0.04	1.9	1	0.7	0.3	0.06	<0.1
	Subtotal	**13.0**	**2.0**	**266**	**0.8**	**109**	**0.07**	**9**	**13.2**	**2.0**	**268**	**0.8**	**106**	**0.07**	**9**
Stockpiles	Measured	0.1	1.7	2	0.7	1	0.07	0.1	0.1	2.1	1	0.9	1	0.08	0.1
Total	Measured	12.0	2.1	258	0.87	105	0.07	9	12.6	2.1	263	0.8	104	0.07	9
	Indicated	1.1	0.9	10	0.4	4	0.04	0.4	0.6	1.0	6	0.4	2	0.04	0.2
	Inferred	0.1	0.6	0.4	0.2	0.1	0.02	<0.1	0.04	1.9	1	0.7	0.2	0.06	<0.1
	Nova Operation Total	**13.1**	**2.0**	**268**	**0.8**	**109**	**0.07**	**9**	**13.2**	**2.0**	**270**	**0.8**	**107**	**0.07**	**9**

TABLE 4 — 30 June 2018 and 31 December 2018

NOVA OPERATION — ORE RESERVES

Source	JORC Code Class	FY18 Mass (Mt)	Nickel (%)	Nickel (kt)	Copper (%)	Copper (kt)	Cobalt (%)	Cobalt (kt)	CY18 Mass (Mt)	Nickel (%)	Nickel (kt)	Copper (%)	Copper (kt)	Cobalt (%)	Cobalt (kt)
Underground	Proved	10.2	1.93	197	0.79	80	0.07	7	11.3	1.91	215	0.76	86	0.06	7
	Probable	1.3	1.34	18	0.57	8	0.04	1	0.2	1.26	2	0.46	1	0.04	<0.1
	Subtotal	**11.6**	**1.86**	**215**	**0.76**	**88**	**0.06**	**7**	**11.5**	**1.90**	**217**	**0.76**	**87**	**0.06**	**7**
Stockpiles	Proved	0.1	2.4	2	1.02	1	0.11	<0.1	0.1	2.11	1	0.86	1	0.08	<0.1
Total	Proved	10.3	1.92	198	0.79	81	0.07	7	11.4	1.91	216	0.76	87	0.06	7
	Probable	1.3	1.34	18	0.57	8	0.04	1	0.2	1.26	2	0.46	1	0.04	<0.1
	Nova Operation Total	**11.7**	**1.86**	**216**	**0.76**	**89**	**0.06**	**7**	**11.5**	**1.90**	**219**	**0.76**	**87**	**0.06**	**7**

TROPICANA GOLD MINE

TABLE 5 — 30 June 2018 and 31 December 2018

TROPICANA GOLD MINE — 100% MINERAL RESOURCES		FY18			CY18		
Estimate	JORC Code Class	Mass (Mt)	Gold (g/t)	Gold (koz)	Mass (Mt)	Gold (g/t)	Gold (koz)
Open pit	Measured	8.9	1.34	390	6.5	1.29	270
	Indicated	84.3	1.58	4,290	75.5	1.50	3,640
	Inferred	9.2	1.17	350	5.6	1.31	240
	Subtotal	**102.4**	**1.53**	**5,020**	**87.6**	**1.47**	**4,140**
Underground	Measured	...	...	...	...	...	...
	Indicated	10.1	3.57	1,160	8.5	4.11	1,120
	Inferred	5.7	3.20	580	12.4	4.36	1,730
	Subtotal	**15.7**	**3.44**	**1,740**	**20.8**	**4.26**	**2,850**
Stockpiles	Measured	21.9	0.74	520	27.8	0.79	700
Total	Measured	30.8	0.92	910	34.3	0.88	970
	Indicated	94.3	1.80	5,450	84.0	1.76	4,760
	Inferred	14.9	1.95	930	17.9	3.41	1,970
	Subtotal	**140.0**	**1.62**	**7,290**	**136.2**	**1.76**	**7,700**

TABLE 6 — 30 June 2018 and 31 December 2018

TROPICANA GOLD MINE — 100% ORE RESERVES		FY18			CY18		
Estimate	JORC Code Class	Mass (Mt)	Gold (g/t)	Gold (koz)	Mass (Mt)	Gold (g/t)	Gold (koz)
Open pit	Proved	5.7	1.81	330	4.2	1.68	230
	Probable	47.5	2.13	3,260	43.2	1.94	2,690
	Subtotal	**53.2**	**2.10**	**3,590**	**47.4**	**1.91**	**2,920**
Underground	Proved	–	–	–	–	–	–
	Probable	–	–	–	2.7	3.65	320
	Subtotal	**–**	**–**	**–**	**2.7**	**3.65**	**320**
Stockpiles	Proved	11.7	0.95	360	15.5	1.01	500
Total	Proved	17.4	1.23	690	19.8	1.15	730
	Probable	47.5	2.13	3,260	45.9	2.04	3,010
	Tropicana Gold Mine Total	**64.9**	**1.89**	**3,950**	**65.7**	**1.77**	**3,740**

LONG PROJECT

TABLE 7 — 30 June 2018 and 31 December 2018

LONG PROJECT - 100% MINERAL RESOURCES		FY18			CY18		
Deposit	JORC Code Class	Mass (Mt)	Nickel (g/t)	Nickel (koz)	Mass (Mt)	Nickel (g/t)	Nickel (koz)
Long	Measured	–	–	–	–	–	–
	Indicated	0.13	5.34	7	0.13	5.34	7
	Inferred	0.24	4.8	12	0.24	4.8	12
	Subtotal	**0.37**	**5.0**	**18**	**0.37**	**5.0**	**18**
McLeay & Victor South	Measured	–	–	–	–	–	–
	Indicated	0.24	3.35	8	0.24	3.35	8
	Inferred	0.05	3.5	2	0.05	3.5	2
	Subtotal	**0.29**	**3.4**	**10**	**0.29**	**3.4**	**10**
Moran	Measured	–	–	–	–	–	–
	Indicated	0.04	3.75	2	0.04	3.75	2
	Inferred	0.05	3.6	2	0.05	3.6	2
	Subtotal	**0.09**	**3.7**	**3**	**0.09**	**3.7**	**3**
Total	Measured	–	–	–	–	–	–
	Indicated	0.40	4.01	16	0.40	4.01	16
	Inferred	0.35	4.4	15	0.35	4.4	15
	Long Project Total	**0.75**	**4.2**	**32**	**0.75**	**4.2**	**32**

No Ore Reserves were reported for the Long Project at the end of FY18 or CY18 as the mine has been placed on care and maintenance. The Long Project was divested in May 2019.

COMPETENT PERSON STATEMENTS

Information in this Mineral Resources and Ore Reserves section that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on the information compiled by the Competent Persons listed in Table 8 below, which includes details of their respective professional memberships, their relationship to IGO and details of the reporting activity for which each Competent Person is taking responsibility.

All the Competent Persons listed below have provided IGO with written confirmation that they have sufficient experience that is relevant to the style of mineralisation and type of deposit under their consideration, and to the reporting 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 – the JORC Code. They have also provided IGO with a written consent in the ASX release dated 20 February 2019 to the inclusion in this report of the respective matters based on each Competent Person's information in the form and context in which they appear in this report, and that there are no issues that could be perceived as a material conflicts of interest in this public report to the ASX.

TABLE 8 — 31 December 2018

IGO COMPETENT PERSONS FOR 31 DECEMBER 2018 ESTIMATES AND RESULTS

Activity	Competent Person	Professional Association Membership	Professional Association Number	IGO Relationship	Responsibility Activity
Exploration Results	Ian Sandl	MAIG/RPGeo	2388	**General Manager Exploration** IGO Perth	IGO greenfield results
	Damon Elder	MAusIMM	208240	**Manager Mine Geology –** TGM AngloGold Ashanti Australia	TGM results
Mineral Resources	Mark Murphy	MAIG/RPGeo	2157	**Resource Geology Manager** IGO Perth	Long Project estimate
	Paul Hetherington	MAusIMM	209805	**Superintendent Geology** IGO Nova Operation	Nova Operation estimate
	Damon Elder	MAusIMM	208240	**Manager Mine Geology –** TGM AngloGold Ashanti Australia	TGM estimate
Ore Reserves	Greg Laing	MAusIMM	206228	**Superintendent Planning** IGO Nova Operation	Nova Operation estimate
	Steven Hulme	MAusIMM/CP	220946	**Integrated Planning Superintendent –** TGM AngloGold Ashanti Australia	TGM open pit estimate
	Jeff Dang	MAusIMM	307499	**Specialist Mining Engineer** AngloGold Ashanti Australia	TGM underground estimate
CY18 Report	Mark Murphy	MAIG/RPGeo	2157	**Resource Geology Manager** IGO Perth	Annual report compilation

Refer to IGO ASX release dated 26 July 2018 for end of FY18 Competent Person Statements.

1. MAusIMM = Member of Australasian Institute of Mining and Metallurgy, MAusIMM/CP = MAusIMM and Chartered Professional MAIG/RPGeo = Member of Australian Institute of Geoscientists and Registered Professional Geoscientist
2. Information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on the information compiled by the relevant Competent Persons listed above
3. All IGO personnel are full-time employees of IGO; all AGAA personnel are full-time employees of AGAA
4. All the Competent Persons have provided IGO with written confirmation that they have sufficient experience that is relevant to the styles of mineralisation and types of deposits, and the activity being undertaken with respect to the responsibilities listed against each professional above , 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 2012 Edition
5. Each Competent Person listed above has provided to IGO by e-mail:
   - Proof of their current membership to their respective professional organisations as listed above
   - A signed consent to the inclusion of information for which each person is taking responsibility in the form and context in which it appears in this report, and that the respective parts of this report accurately reflect the supporting documentation prepared by each Competent Person for the respective responsibility activities listed above
   - Confirmation that there are no issues that could be perceived by investors as a material conflict of interest in preparing the reported information

CORPORATE GOVERNANCE

Working together to make a difference for all of our stakeholders by creating value through good corporate governance and fostering a culture we can be proud of.

At IGO, we believe that excellence in corporate governance is essential for the long-term sustainability of the business and building long-term value for all our stakeholders and employees. To us this means making a difference for all our stakeholders.

Whilst the Board of Directors is responsible for the Company's corporate governance, we do not see governance as just a matter for the Board. We believe good governance is about doing the right thing and having the courage to stand up for what is right. It is the responsibility for all those who work at IGO to act ethically, with integrity and within the law, and this ethos is embedded throughout the organisation.

Our governance framework supports our people to deliver our strategy and provides an integral role for effective and responsible decision making at IGO.

The Board is responsible for promoting the success of the Group in a way which ensures that the interests of shareholders and stakeholders are promoted and protected. Its key functions are setting the long-term corporate strategy, reviewing and approving business plans and annual budgets, overseeing the risk management framework, approving material capital expenditure, approving financial statements, approving and monitoring the adherence to Company policies, developing and promoting corporate governance, and demonstrating, promoting and endorsing an ethical culture.

To assist the Board to discharge its responsibilities, the Board has established the following committees:

- Audit
- Sustainability & Risk
- People & Performance
- Nomination & Governance

Details of relevant qualifications and experience for all Committee members can be found on pages 34 and 35 of this annual report.

Further information about the Committees can be found in the 2019 Corporate Governance Statement.

The Company regularly reviews its governance arrangements and corporate governance policies to reflect the growth of the Company, current legislation and best practice. Further information about governance at IGO can be found in the Governance section of our website at www.igo.com.au as well as copies of our Corporate Governance Standards.

2019 CORPORATE GOVERNANCE STATEMENT

The Company's 2019 Corporate Governance Statement outlines the Company's current corporate governance framework, by reference to the Corporate Governance Principles and Recommendations contained in the ASX Corporate Governance Council's 3rd Edition of its Corporate Governance Principles and Recommendations (ASX Recommendations). During FY19, the Company's corporate governance practices complied with all relevant ASX Recommendations.

We are pleased that many of IGO's governance practices are already in alignment with the new recommendations in the 4th Edition of the ASX Recommendations and following a full review of our corporate governance framework are confident that we will be able to early adopt the requirements of the 4th Edition for FY20.

The Corporate Governance Statement is current as at 29 August 2019 and has been approved by the Board.

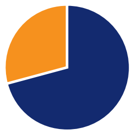
This statement can be found in the Governance section of IGO's website at http://www.igo.com.au/site/our-business/governance, along with the ASX Appendix 4G, a checklist cross-referencing the ASX Recommendations to disclosures in the Corporate Governance Statement, the 2019 Annual Report and the Company website.

The Board undertakes a comprehensive review of the board skills matrix on an annual basis, more details on this review can be found in the 2019 Corporate Governance Statement. Following the review, it was determined that the Board and Committees currently have a strong combination of skills and experience across the key desired areas as listed below.

GENERAL BOARD SKILLS & EXPERIENCE

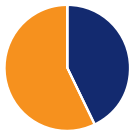
EXECUTIVE LEADERSHIP

Effective leadership delivering business success through engagement, enablement and organisational design and change



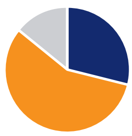
STRATEGY

Demonstrated ability to envision a desired outcome and to develop, contextualise and keep alive strategic plans to deliver the desired outcome



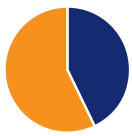
FINANCIAL ACUMEN

Management oversight of, or qualifications and/or experience, in corporate finance, accounting and financial controls functions



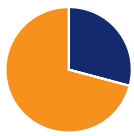
RISK MANAGEMENT

Experience working with and applying broad risk management frameworks in various countries, regulatory regimes or business environments



GOVERNANCE & BOARD

Commitment to high standards of governance, including experience with a large business enterprise which is subject to rigorous governance standards

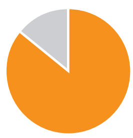


PEOPLE & REMUNERATION

Experience in reward/recognition strategy to mobilise a critical mass of people who want to come to work, know what to do and can and want to be their best

REGULATORY & PUBLIC POLICY

Experience in diverse political, cultural, regulatory and business environments and in influencing public policy decisions and outcomes



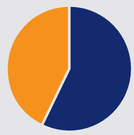
BUSINESS SPECIFIC BOARD SKILLS & EXPERIENCE

INDUSTRY SPECIFIC

Senior executive experience in the mining or resources industry including an in-depth knowledge of exploration, project development and construction, operations, markets, competitors, technology and innovation

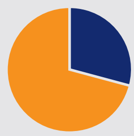
INTERNATIONAL

Experience in a global organisation or working in a non-Australian jurisdiction with international assets, business partners, cultures and communities



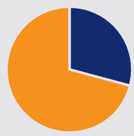
M&A AND FUNDING

Experience managing, directing or advising on mergers, acquisitions, divestments, portfolio optimisations and delivering funding solutions



CAPITAL PROJECT

Experience with projects with large capital outlays and longer term investment horizons, in both the planning and execution phases

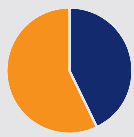


INNOVATION & TECHNOLOGY

Experience with new and emerging technology and insights from industries that have been through significant technology/digital disruption or transformation

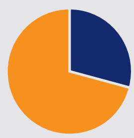
HSE

Senior management experience in workplace health, wellbeing and safety, environmental and social responsibility including climate change and sustainability



STAKEHOLDERS

Experience in socially responsible development and operation and with engaging, influencing and building positive relationships with stakeholders



LEGEND Extensive Moderate Low

BOARD PROFILE

PETER BILBE

NON-EXECUTIVE CHAIRMAN

Age 69
B.Eng. (Mining) (Hons), MAusIMM

TERM OF OFFICE

Mr. Bilbe was appointed as Non-executive Director in March 2009 and Non-executive Chairman in July 2011.

BOARD COMMITTEES

Audit
Nomination & Governance
People & Performance

EXPERIENCE

Mr. Bilbe is a mining engineer with over 40 years' experience in the mining industry. Mr. Bilbe has held senior positions at Northern Iron, Sihayo Gold, Norseman Gold Mines, Mount Gibson, Aztec Resources, Portman, Aurora Gold and Kalgoorlie Consolidated Gold Mines.

Mr. Bilbe has a breadth of experience in the mining industry in Australia and overseas with a strong background in gold, base metals and iron ore at operational, managerial and board levels.

OTHER CURRENT DIRECTORSHIPS

Non-executive Chairman – Horizon Minerals Limited and Adriatic Metals Plc.

FORMER DIRECTORSHIPS IN THE LAST 3 YEARS

None.

PETER BRADFORD

MANAGING DIRECTOR & CHIEF EXECUTIVE OFFICER

Age 61
B.AppSc., FAusIMM, MSMME

TERM OF OFFICE

Mr. Bradford was appointed as Managing Director and Chief Executive Officer in March 2014.

EXPERIENCE

Mr. Bradford is a senior executive and a metallurgist with over 35 years' experience in the mining industry.

Mr. Bradford has significant operational, corporate and board experience in Australia and overseas in nickel, copper and gold. He is a strong advocate of the mining industry as well as the need to promote greater diversity and inclusion.

Mr. Bradford is President of the Association of Mining and Exploration Companies Inc (AMEC), Vice President of the Western Australian Mining Club, and Chairman of the Curtin University Alumni Scholarship campaign.

OTHER CURRENT DIRECTORSHIPS

Non-executive director – GEO40 Limited (private).

FORMER DIRECTORSHIPS IN THE LAST 3 YEARS

None.

DEBRA BAKKER

NON-EXECUTIVE DIRECTOR

Age 53
MAppFin., BBus. (FinAcc), GradDip FINSIA, GAICD

TERM OF OFFICE

Ms. Bakker was appointed as a Non-executive Director in December 2016.

BOARD COMMITTEES

Audit (Chair)
People & Performance
Sustainability & Risk

EXPERIENCE

Ms. Bakker is an experienced financier and investment banker with over 27 years' experience working with the resources industry. Ms. Bakker has held senior positions with Barclays Capital and Standard Bank London Group and established the natural resources team for Commonwealth Bank of Australia and later held the role of Head of Mining and Metals origination. Ms. Bakker is currently the Western Australian Representative for Auramet Trading LLC, a New York based metals trading firm.

Ms. Bakker has significant experience in financial services and products for the mining industry.

OTHER CURRENT DIRECTORSHIPS

Azumah Resources Ltd.

FORMER DIRECTORSHIPS IN THE LAST 3 YEARS

Capricorn Metals Ltd.

PETER BUCK

NON-EXECUTIVE DIRECTOR

Age 70
M.Sc. (Geology), MAusIMM, FAIG

TERM OF OFFICE

Mr. Buck was appointed as Non-executive Director in October 2014.

BOARD COMMITTEES

People & Performance
Sustainability & Risk (Chair)

EXPERIENCE

Mr. Buck is a geologist with over 40 years' experience in the mineral exploration and mining industry. Mr. Buck has worked with WMC Resources, Forrestania Gold, LionOre and Breakaway Resources in executive management and director positions. He has been a non-executive director of Gallery Gold Ltd and PMI Gold. Mr. Buck was also a board member of the Centre for Exploration Targeting at the University of Western Australia and Curtin University and is a life member of the Association of Mining and Exploration Companies (AMEC).

Mr. Buck brings a strong background in discovery, development and mining of nickel, gold and base metal deposits in Australia and overseas.

OTHER CURRENT DIRECTORSHIPS

Non-executive director – Antipa Minerals Limited.

FORMER DIRECTORSHIPS IN THE LAST 3 YEARS

None.

GEOFFREY CLIFFORD

NON-EXECUTIVE DIRECTOR

Age 69
B.Bus., FCPA, FGIA, FAICD

TERM OF OFFICE

Mr. Clifford was appointed as Non-executive Director in December 2012.

BOARD COMMITTEES

Audit
Nomination & Governance (Chair)

EXPERIENCE

Mr. Clifford has more than 40 years' experience in senior accounting, finance, administration and company secretarial roles in the mining, retail and wholesale industries. Mr. Clifford has held non-executive directorships at Centaurus Metals, Fox Resources, Aztec Resources, Atlas Iron and Saracen Mineral Holdings.

Mr. Clifford has significant experience in corporate governance and ASX/ASIC compliance, mergers & acquisitions, financial reporting, treasury and FX/commodity hedging, people management and strategic planning.

OTHER CURRENT DIRECTORSHIPS

None.

FORMER DIRECTORSHIPS IN THE LAST 3 YEARS

Saracen Mineral Holdings Limited, Tyranna Resources Limited.

KEITH SPENCE

NON-EXECUTIVE DIRECTOR

Age 65
BSc. (Geophysics) (Hons)

TERM OF OFFICE

Mr. Spence was appointed as Non-executive Director in December 2014.

BOARD COMMITTEES

People & Performance (Chair)
Sustainability & Risk

EXPERIENCE

Mr. Spence has over 40 years' experience in the oil and gas industry in Australia and internationally, including 18 years with Shell and 14 years with Woodside. He has served as a non-executive director and chair for listed companies since 2008, working in energy, oil and gas, mining, and engineering and construction services and renewable energy. He chaired the board of the National Offshore Petroleum Safety and Environmental Management Authority for seven years.

Mr. Spence has significant experience in exploration and appraisal, development, project construction, operations and marketing.

OTHER CURRENT DIRECTORSHIPS

Non-executive chairman – Santos Limited and Base Resources Limited and non-executive director – Murray & Roberts Holdings Limited.

FORMER DIRECTORSHIPS IN THE LAST 3 YEARS

Geodynamics Limited, Oil Search Limited.

NEIL WARBURTON

NON-EXECUTIVE DIRECTOR

Age 63
Assoc. MinEng WASM, MAusIMM, FAICD

TERM OF OFFICE

Mr. Warburton was appointed as Non-executive Director in October 2015.

BOARD COMMITTEES

Nomination & Governance
Sustainability & Risk

EXPERIENCE

Mr. Warburton is a qualified mining engineer with more than 38 years' experience in gold and nickel development and mining. He was previously the Chief Executive Officer of Barminco Limited and Managing Director of Coolgardie Gold. Mr. Warburton is also a Member of the WA School of Mines Alumni Council.

Mr. Warburton brings a strong underground mining expertise to the Board and is Mark Creasy's (the largest shareholder) nominee.

OTHER CURRENT DIRECTORSHIPS

Non-Executive Chairman – Flinders Mines Limited and HiSeis Pty Ltd (private) and Executive Chairman – White Rivers Exploration (private).

FORMER DIRECTORSHIPS IN THE LAST 3 YEARS

Australian Mines Limited, Namibian Copper Limited, Red Mountain Mining Ltd and Coolgardie Minerals Ltd.

DIRECTORS' REPORT
30 JUNE 2019

Your Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Independence Group NL (referred to hereafter as IGO or the Company) and the entities it controlled at the end of, or during, the year ended 30 June 2019.

DIRECTORS

The following persons held office as Directors of Independence Group NL during the whole of the financial year and up to the date of this report, unless otherwise noted:

Peter Bilbe	Geoffrey Clifford
Peter Bradford	Keith Spence
Debra Bakker	Neil Warburton
Peter Buck	

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were nickel, copper and cobalt mining and processing at the Nova Operation, non-operator gold mining from the Company's 30% interest in the Tropicana Operation and ongoing mineral exploration in Australia and overseas.

DIVIDENDS

Dividends paid to members during the financial year were as follows:

	2019 $'000	2018 $'000
Final ordinary dividend for the year ended 30 June 2018 of 2.0 cents (2017: 1.0 cent) per fully paid share	11,809	5,868
Interim ordinary dividend for the year ended 30 June 2019 of 2.0 cents (2018: 1.0 cent) per fully paid share	11,810	5,868
	23,619	11,736

In addition to the above dividends, since the end of the financial year the Company has announced the payment of a final ordinary dividend of $47,264,000 (8 cents per fully paid share, franked to 97%) to be paid on 26 September 2019.

OPERATING AND FINANCIAL REVIEW

This review should be read in conjunction with the financial statements and the accompanying notes.

COMPANY OVERVIEW

Independence Group NL is a leading ASX-listed (ASX:IGO) mining and exploration company with a strategic focus on high quality assets of scale and longevity, and an evolving strategy to be a globally relevant supplier of metals that are critical to energy storage and renewable energy. The Company's focus is on its 100% owned, world class Nova nickel-copper-cobalt operation, its 30% interest in the Tropicana Operation, a joint venture with AngloGold Ashanti Australia Limited (AGAA), and its portfolio of belt scale exploration projects in Australia (Western Australia, Northern Territory, South Australia) and Greenland. The Company listed on the ASX on 17 January 2002, having traded as Independence Gold NL from 17 January 2002 to 19 December 2003.

The Group currently has the following mining and processing operations in production in Western Australia:

- The Nova Operation, 100% owned, was acquired as a development stage project via the acquisition of Sirius Resources NL (Sirius) in September 2015. The Nova Operation is located in the Fraser Range, approximately 140km east-northeast of Norseman, 360km southeast of Kalgoorlie and 380km from the port of Esperance in Western Australia. The Ngadju People are the Traditional Owners of the land.

  The Nova Operation comprises an underground mine consisting of two orebodies, Nova and Bollinger. The Nova-Bollinger magmatic nickel-copper deposits are hosted within the lower granulite facies mafic rocks of the Fraser Zone of the Albany-Fraser Orogen. The host rocks of the Nova-Bollinger deposit consist of a suite of meta-gabbroic to meta-picrite cumulates which have been metamorphosed to a high metamorphic grade. These units are interpreted to have been emplaced as a layered sill in an extensional sedimentary basis. The deposit is situated on the north-western side of an eye-like structural feature which is best seen in regional and ground magnetics.

  In addition, the Nova Operation consists of a processing facility with nameplate production capacity of 1.5 million tonnes per annum that produces a nickel concentrate and a copper concentrate and associated non-processing infrastructure.

  Commercial production was declared at the Nova Operation on 1 July 2017, with nameplate production capacity reached shortly thereafter. Nova has since demonstrated steady state production at or above the nameplate 1.5 million tonnes per annum rate throughout FY19 and options to increase throughput consistently beyond the nameplate capacity to maximise production as grade drops over the remaining mine life have progressed.

- The Tropicana Operation (IGO 30%; AGAA 70% and operator) is located 330km east northeast of Kalgoorlie. The gold deposits occur over a 5km strike length with gold mineralisation intersected to a depth of 1km vertically beneath the natural surface. Mining is both surface, with production from up to four contiguous open pits extending along the strike length, and more recently underground, with the Boston Shaker Underground being developed and expected to deliver first gold production in the September 2020 quarter.

  The processing plant, utilising conventional crushing, grinding and CIL (carbon-in-leach) recovery technology, was originally designed with a nameplate capacity of 5.8 million tonnes per annum and this was achieved in March 2014. In 2016 and 2017, an optimisation project increased the throughput capacity to 7.5 million tonnes per annum by the second half of FY17. In FY18, the Tropicana Joint Venture partners announced the construction of a second 6 mega-watt ball mill. Installation and commissioning of the mill was completed on time and on budget in December 2018, increasing throughput capacity to 8.2 million tonnes per annum in FY19.

In March 2019, the Tropicana Joint Venture announced the commitment to the development of the Boston Shaker Underground mine following the successful completion of the Feasibility Study (FS). The FS assessed an underground operation with a mining rate of approximately 1.1Mtpa at estimated grades of 3.5g/t Au to produce approximately 100,000 ounces of gold per annum over a period of seven years based on three years production from Ore Reserves and a further four years from Inferred Mineral Resources. Underground material will displace lower grade open pit material, resulting in an improved gold production profile. Underground development commenced in May 2019 and first gold production is expected during the September 2020 quarter.

During the year, the Long Operation located near Kambalda, 60km south of Kalgoorlie, was divested to Mincor Resources NL (Mincor). IGO acquired the Long Operation in 2002 from WMC Resources Ltd. Under IGO's ownership, the Long Operation remained in continuous production from 2002 until mid-2018 when it was placed on care and maintenance following production of more than 135kt of nickel in ore. Completion of the sale transaction occurred on 31 May 2019.

On 2 April 2019, IGO released an update to the work completed to date on the Downstream Nickel Sulphate Study (the Study) to produce high-quality nickel sulphate from nickel sulphide concentrate. This is a new process in respect of which IGO has lodged a patent application (The IGO Process™).

Highlights from the work included:

- Metal recoveries from bench scale and pilot scale testwork of the Nova nickel-cobalt sulphide concentrate are extremely high, achieving extraction rates exceeding 97% of both the nickel and cobalt.
- Based on work completed to date, The IGO Process™ is low cost and well within the lowest quartile of the cost-curve for the integrated production of nickel sulphate.
- The IGO Process™ has less impact on the environment compared to the traditional production methods for nickel sulphate, with lower emissions, lower power consumption and less waste generation.

Since the initial release, all optimisation workstreams have been initiated and confidence in The IGO Process™ to produce high-quality nickel sulphate from nickel sulphide concentrate has continued to strengthen with further testwork successes. IGO continues to engage with potential partners both in Australia and overseas, including off-take agreements, market sensing and reagent supply opportunities.

In addition to its mining operations, the Company is pursuing aggressive growth through its portfolio of high quality belt scale exploration projects across Australia and overseas that prioritise nickel and copper exploration and discovery.

EXPLORATION OVERVIEW

Exploration and discovery are core to the IGO DNA and a key pillar of our Company growth strategy. To this end, the Group has continued to build and develop its unique portfolio of highly prospective brownfields opportunities and belt scale greenfield projects.

Key work activities completed during this period include:

BROWNFIELDS EXPLORATION

- Tropicana Operation – Exploration drilling during the year concentrated on the Tropicana mining lease (M39/1096) with the focus on extensions to the Mineral Resource, specifically scoping the underground potential at Boston Shaker, Tropicana, Havana North and Havana South. In-pit resource definition drilling was also completed at the Boston Shaker, Havana and Havana South pits.

  Regional exploration drilling of a number of targets was progressed.
- Nova Operation – The exploration drilling program around the Nova Operation continued to test historical and new targets generated from the high-resolution 3D seismic survey that was completed during FY18. Drilling targets included 3D seismic features, interpreted to be mafic-ultramafic (M-UM) intrusions up to 5km from known mineralisation, as well as extensions of sulphide mineralisation within the Nova-Bollinger footprint. During FY19, the Company completed its deepest recorded drill hole at 2,506m at the 'Hercules' prospect to test an interpreted M-UM intrusive complex from seismic data.

  A complex network of interconnected intrusives is being unravelled on the Nova Mining Lease with intrusions such as 'Elara' and 'Hercules' having many textural and compositional similarities to the Nova Upper Intrusion. The FY19 Nova near-mine exploration program revealed that the Nova orebody is part of a much larger magmatic nickel system than previously apparent.

  In addition, the Company also continued to screen the tenements adjacent to the Nova Operation for mineralisation using aircore drilling and Low-Temperature SQUID Moving Loop Electromagnetic (MLEM) surveys. Both methods are generating new drill targets.

GREENFIELDS EXPLORATION

- Fraser Range – The Company strengthened its position in the prospective Fraser Range, through joint venture agreements, tenement applications and relinquishment of non-core tenements and at year-end had total tenement holdings of approximately 14,000 square kilometres. Extensive regional exploration activities continued across the Fraser Range including the completion of the regional Airborne Electromagnetic (AEM) survey by Spectrem Air, which brought the total area covered by the AEM survey to approximately 46,000 line kilometres. Numerous high-quality EM targets were being methodically assessed at the end of the financial year.

Aircore drilling and diamond drilling programs continued in FY19 and at year-end the Company had eight active drill rigs across the region with four full-time geophysics teams on board testing geophysical, geochemical and geological targets generated by the Spectrem Air AEM and aircore drilling programs completed in FY18 and FY19.

- Lake Mackay – During FY19, the Company completed the initial earn-in expenditure component under the terms of a Farm-in and Exploration Joint Venture Agreement for the Lake Mackay Project to trigger the formation of the unincorporated Lake Mackay Joint Venture (IGO: Manager, 70% interest). The Lake Mackay Project is 400 kilometres northwest of Alice Springs and comprises approximately 18,700 square kilometres of tenements.

  The Spectrem Air AEM survey which commenced in the prior year was completed in FY19 with a total of approximately 15,000 line kilometres covered. This included several areas that were co-funded by the Northern Territory Government under the Geophysics & Drilling Collaboration Program. Ground moving-loop EM was conducted over several anomalies detected by the AEM survey with results being processed at the end of the financial year.

  RC drilling of EM targets, the 'Grimlock' laterite nickel-cobalt prospect and a gold soil anomaly was undertaken during the year. The drilling program intersected minor sulphides (mainly pyrrhotite) at all EM targets.

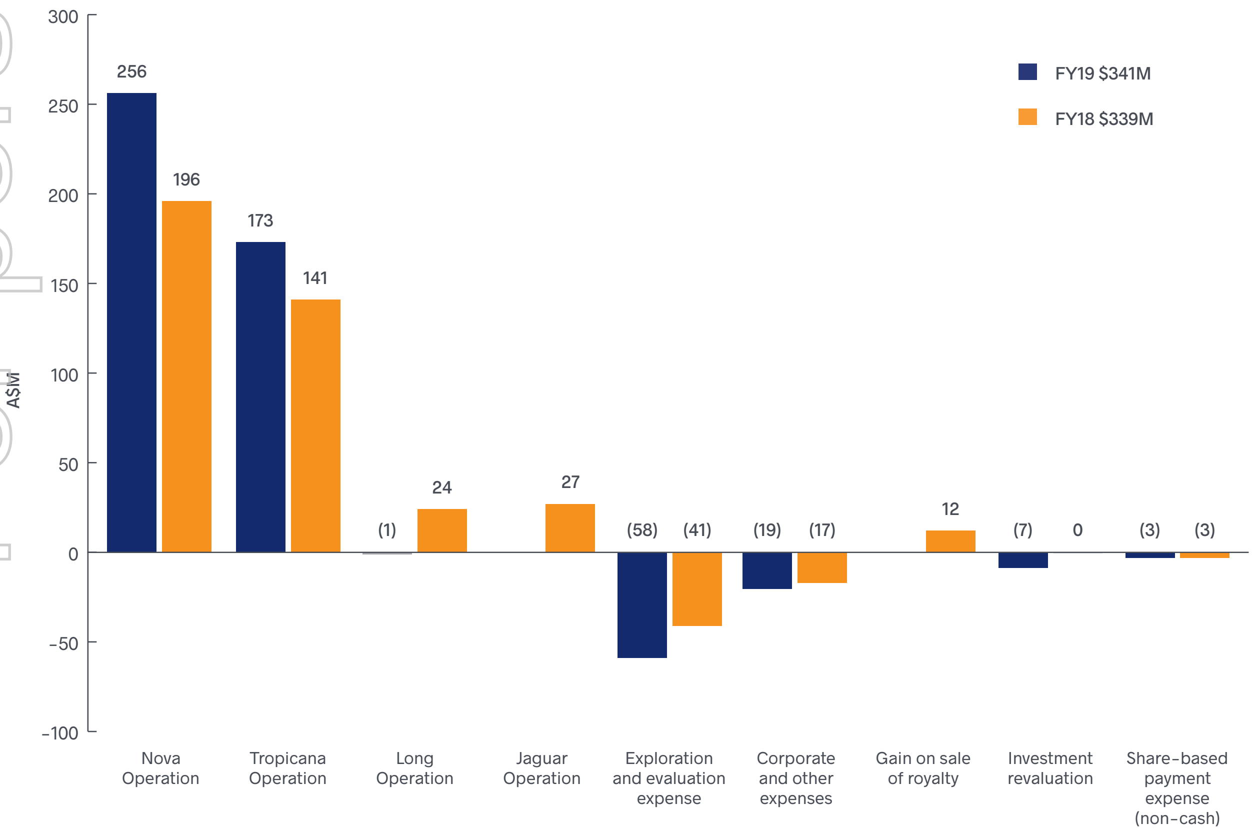
- Raptor -The Raptor Project is 100%-owned by the Company, targeting geology interpreted to be prospective for Nova-style nickel-copper-cobalt mineralisation along the Willowra Gravity Ridge covering 14,450 square kilometres of tenements. An application for collaborative Northern Territory Geological Survey (NTGS) funding of a regional 100 metre-spaced aeromagnetic-radiometric survey was successful.

FINANCIAL OVERVIEW

FY19 was a strong year for the Group from both an operational and financial perspective. The Group generated total revenue and other income of $792.9 million, a 2% increase on the prior year result of $780.6 million. This was predominantly due to increased product revenue from the Nova Operation, as it outperformed from a production perspective in its second year since declaring commercial production and exceeded its production guidance for the FY19 year. Tropicana production and revenue was also up on the previous year, driven by higher throughput, grade and a higher realised gold price. The increased revenue for FY19 was achieved despite the absence of the Jaguar Operation, after it was divested to Round Oak Minerals (CopperChem) in FY18, and the Long Operation, which was placed into care and maintenance in June 2018. The Long Operation was subsequently sold to Mincor in May 2019.

From a financial performance perspective, the Group's Board and management monitor Underlying EBITDA (calculated as profit before tax adjusted for finance costs, interest income, asset impairments, gain on sale of subsidiaries, retention and redundancy costs, depreciation and amortisation). This measure represents a useful proxy for measuring an operation's cash generating capabilities.

Underlying EBITDA increased relative to the previous financial year to a record level, as can be seen in the following chart:

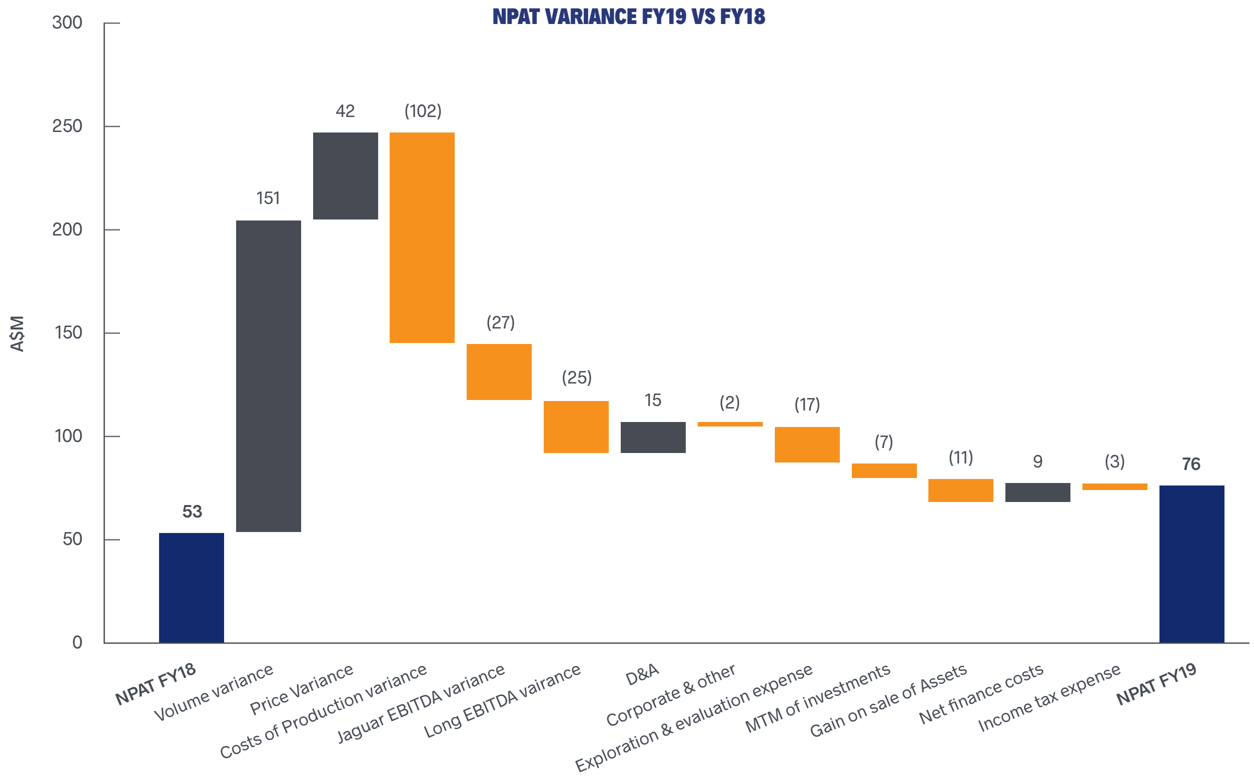


Nova and Tropicana's underlying EBITDA were up on the previous year, primarily due to the higher revenue. The Long and Jaguar Operations were placed into care and maintenance and divested in FY18 respectively, and as such there was limited to no contribution towards the Groups underlying EBITDA in FY19. Exploration and evaluation expenditure increased by $17.2 million in FY19 as the Group ramped up its pursuit of an exploration discovery through numerous prospective targets in its portfolio of high quality belt scale tenement holdings.

Corporate expenditure is up slightly due to additional technical support provided to operations and the investment revaluation of $6.9 million related to mark-to-market adjustment on listed investments.

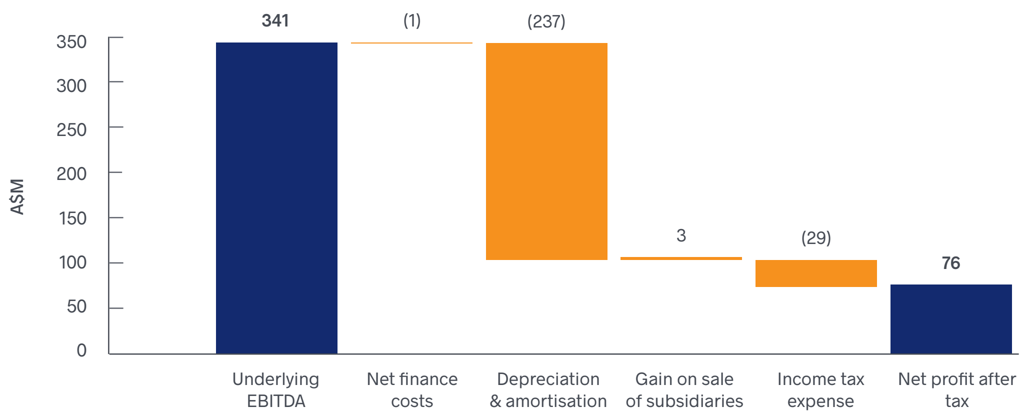
During the previous financial year, the Company sold a royalty to Dacian Gold Limited for $11.5 million.

Net profit after tax (NPAT) for the year was $76.1 million, compared to $52.7 million in the previous financial year, as detailed in the chart below.



Depreciation and amortisation expense of $237.1 million (FY18: $252.1 million) was down slightly on the previous financial year due to the absence of Jaguar Operation and Long Operation from the Group, offset by an increase in Tropicana due to higher ore mined during the year. Net finance costs of $0.7 million were lower than the previous year as the Group builds its cash reserves and has moved to a positive net cash position, generating more interest income.

Below is a reconciliation of Underlying EBITDA to NPAT for FY19:



Cash flows from operating activities for the Group were $372.3 million, compared to the FY18 year of $277.8 million. This was predominantly a result of the Nova Operation's strong production exceeding production in FY18 as well as increased production and realised gold prices at Tropicana.

Nova Operation generated $289.1 million cash flows from operating activities, which was a result of 22,434 tonnes of payable nickel sold (FY18: 14,074 tonnes), 12,208 tonnes of payable copper (FY18: 8,455 tonnes) and 372 tonnes of payable cobalt (FY18: 217 tonnes) sold during the year. Tropicana Operation generated cash from operating activities of $148.0 million following the sale of 154,402 ounces of gold refined and sold. Cash flow from operating activities also included $54.1 million cash outflow for exploration expenditure, $5.6 million for evaluation expenditure, $11.5 million cash inflow for the sale of a royalty and $18.6 million cash outflow for corporate, net borrowing and other costs.

Cash outflows from investing activities decreased to $82.8 million for the year, down from $105.0 million for the FY18 year. The Group spent $78.1 million on development expenditure, with the majority of that being waste stripping at the Tropicana Operation ($51.4 million) and underground mine development at Nova Operation ($26.6 million). During the year, IGO received deferred consideration totalling $26.8 million in respect of the Jaguar Operation and Stockman Project divestments in FY18.

Cash flows from financing activities during the financial year included two semi-annual repayments of borrowings totalling $57.1 million. As at 30 June 2019, the Company's outstanding debt was $85.7 million, with expected repayment by September 2020. Lastly, the Company paid dividends totalling $23.6 million during the year.

At the end of the financial year, the Group had cash and cash equivalents of $348.2 million and marketable securities of $27.5 million (2018: $138.7 million and $24.3 million respectively).

The Group's future prospects are dependent on a number of external factors that are summarised towards the end of this report.

NOVA OPERATION

The Nova Operation commenced commercial production on 1 July 2017, five years from discovery, with FY19 being the second year of commercial production. By the end of the financial year, the majority of the underground capital development had been completed at the Nova and Bollinger orebodies, with a total underground operating and capital development advance of 5,768m for the year. A total of 1,510kt of ore was mined at an average grade of 2.25% nickel and 0.95% copper in FY19.

The Nova process plant milled 1,581kt of ore at an average nickel and copper grade of 2.22% and 0.94% respectively for the year, to produce 30,708t of nickel and 13,693t of copper. Nickel metallurgical recoveries in the processing plant generally performed in line with modelled recoveries at 87.4%, while copper recoveries were 85.6% for the year.

Nova revenue for the period was $501.9 million, compared to $348.8 million for the prior year. This was generated through concentrate sales during the period, sold to Glencore International AG (Glencore), Trafigura Pte Ltd (Trafigura) and BHP Billiton Nickel West Pty Ltd (BHPB Nickel West), with sales amounting to 22,434 tonnes of payable nickel, 12,208 tonnes of payable copper and 372 tonnes of payable cobalt. Nickel cash costs per payable pound, which comprises the costs of producing nickel at the mine site and includes credit adjustments for copper and cobalt sales, were $2.07 per payable pound for the year. Below is a summary of the key physical and financial information relating to the Nova Operation:

NOVA OPERATION			
		2019	2018
Total revenue	$'000	**501,891**	348,792
Segment operating profit before tax	$'000	**95,365**	35,623
Total segment assets	$'000	**1,193,096**	1,372,090
Total segment liabilities	$'000	**66,996**	69,113
Ore mined	tonnes	**1,509,875**	1,511,920
Nickel grade	%	**2.22**	1.83
Copper grade	%	**0.94**	0.75
Cobalt grade	%	**0.08**	0.06
Ore milled	tonnes	**1,580,706**	1,427,072
Metal in concentrate			
– Nickel	tonnes	**30,708**	22,258
– Copper	tonnes	**13,693**	9,545
– Cobalt	tonnes	**1,090**	740
Metal payable – in concentrate produced			
– Nickel	tonnes	**21,500**	15,586
– Copper	tonnes	**12,481**	8,666
– Cobalt	tonnes	**354**	238
Nickel cash costs and royalties*	A$/lb total Ni metal payable	**2.07**	2.78
Nickel All-in Sustaining Costs**	A$/lb total Ni metal payable	**2.79**	4.51

* Includes credits for copper and cobalt

** Includes cash costs, royalties and sustaining capex

TROPICANA OPERATION

During the year, total material mined during was 35.3M bank cubic metres, which comprised of 14.7 million tonnes of ore (>0.6 grams per tonne Au) and 75.9 million tonnes of waste material. The average grade mined for full grade ore (>0.6 grams per tonne Au) was 1.65 grams per tonne Au for the year.

Ore milled was 8.2 million tonnes, which was up 5% on the prior year primarily as a result of the introduction of a second ball mill in December 2018. Mill feed grade and recovery were 2.20 grams per tonne and 89.4% for the year respectively.

During the year, the Boston Shaker Underground feasibility study was completed, and approval was given to proceed in March 2019. The development of the underground mine commenced in May 2019, with first gold production expected by September 2020.

Revenue from the Tropicana Operation for the period was $278.5 million, up 16% on the previous year as a result of higher production due to higher throughput and milled grade and a higher realised gold price. The Company's share of gold refined and sold was 154,402 ounces, up 11% on the prior year.

Cash costs per ounce produced, which comprises the costs of producing gold at the mine site and includes credit adjustments for waste stripping costs and inventory build and draw costs, were $680 per ounce, while All-in Sustaining Costs (AISC) per ounce sold were $951 per ounce. AISC comprises cash costs and capitalised sustaining deferred waste stripping costs, sustaining exploration costs, sustaining capital and non-cash rehabilitation accretion costs. AISC excludes improvement capital expenditure and greenfields exploration expenditure.

The table below outlines the key results and operational statistics during the current and prior year.

TROPICANA OPERATION			
		2019	**2018**
Total revenue	$'000	**278,480**	240,377
Segment operating profit before tax	$'000	**97,627**	86,292
Total segment assets	$'000	**314,990**	304,341
Total segment liabilities	$'000	**41,491**	36,486
Gold ore mined (>0.6g/t Au)	'000 tonnes	**14,747**	9,568
Gold ore mined (>0.4 and 0.6g/t Au)	'000 tonnes	**2,464**	884
Waste mined	'000 tonnes	**73,406**	76,544
Gold grade mined (>0.6g/t)	g/t	**1.65**	1.88
Ore milled	'000 tonnes	**8,177**	7,781
Gold grade milled	g/t	**2.2**	2.11
Metallurgical recovery	%	**89.4**	88.9
Gold recovered	ounces	**518,011**	469,071
Gold produced	ounces	**518,172**	467,139
Gold refined and sold (IGO share)	ounces	**154,402**	138,748
Cash Costs	$ per ounce produced	**680**	713
All-in Sustaining Costs (AISC)*	$ per ounce sold	**951**	1,061

* All-in Sustaining Costs is a measure derived by the World Gold Council. On 27 June 2013, the Council released a publication outlining definitions of both Cash Costs and All-in Sustaining Costs.

EXTERNAL FACTORS AFFECTING THE GROUP'S RESULTS

The Group operates in an uncertain economic environment and its performance is dependent upon the result of inexact and incomplete information. As a consequence, the Group's Board and management monitor these uncertainties and, where possible, mitigate the associated risk of adverse outcomes. The following external factors are all capable of having a material adverse effect on the business and will affect the prospects of the Group for future financial years.

COMMODITY PRICES

The Group's operating revenues are sourced from the sale of base metals and precious metals that are priced by external markets and, as the Group is not a price maker with respect to the metals it sells, it is, and will remain, susceptible to adverse price movements. The Group mitigates its exposure to commodity prices through a financial risk management policy in which a percentage of anticipated usage can be hedged. To this end, gold hedging in FY20 represents approximately 53% of the Group's share of forecast annual gold production.

The Company has also initiated diesel hedging in order to protect against increases in oil prices, and as at year end, the Company had hedged approximately 36% of anticipated usage for FY20.

EXCHANGE RATES

The Group is exposed to exchange rate risk on sales denominated in United States dollars (USD) whilst its Australian dollar (AUD) functional currency is the currency of payment to the majority of its suppliers and employees. The daily average AUD/USD currency pair's weakened over the FY19 year. A weaker AUD implies a higher AUD receipt of sales denominated in USD. The Group's policy is to mitigate adverse foreign exchange risk by transacting commodity hedges in AUD equivalent terms where possible.

DOWNSTREAM PROCESSING MARKETS

The price of sea freight, smelting and refining charges are market driven and vary throughout the year. These also impact on the Group's overall profitability. The price paid for the sale of the Company's metal contained in concentrates is subject to payability factors under contractual offtake agreements. These contracts expire during FY20 and the outcome of contract negotiations may result in the negotiation of different terms that will also impact on the Group's profitability.

INTEREST RATES

Interest rate movements affect both returns on funds on deposit as well as the cost of borrowings. Furthermore, AUD and USD interest rate differentials are intimately related to movements in the AUD/USD exchange rate.

NATIVE TITLE

With regard to tenements in which the Group has an existing interest in, or will acquire an interest in the future, it is the case that there are areas over which Native Title rights exist, or may be found to exist, which may preclude or delay exploration, development or production activities. The comparable, albeit lesser risk, arises from the potential presence of archaeological and ethnographic sites.

The Company engages suitably qualified personnel to assist with the management of its exposure to native title and heritage risks, including appropriate legal and community relations experts. These risks are discussed in more detail in the Company's Sustainability Report which can be found on the Company's website.

EXPOSURE TO ECONOMIC, ENVIRONMENTAL AND SOCIAL SUSTAINABILITY RISKS

The Group has material exposure to economic, environmental and social sustainability risks, including changes in community expectations, and environmental, social and governance legislation (including, for example, those matters related to climate change).

The Group employs suitably qualified personnel to assist with the management of its exposure to these risks. These risks are discussed in more detail in the Company's Sustainability Report which can be found on the Company's website.

OTHER EXTERNAL FACTORS AND RISKS

- Operational performance including uncertain mine grades, seismicity, geotechnical conditions, grade control, in fill resource drilling, mill performance and experience of the workforce;
  - Contained metal (tonnes and grades) are estimated annually and published in resource and reserve statements, however actual production in terms of tonnes and grade often vary as the orebody can be complex and inconsistent.
  - Active underground mining operations can be subjected to varying degrees of seismicity. This natural occurrence can represent significant safety, operational and financial risk. To mitigate this risk substantial amounts of resources and technology are used in an attempt to monitor seismicity, and predict and control changing geotechnical conditions.
- Exploration success or otherwise;
  - Due to the nature of an ever-depleting reserve/resource base, the ability to find or replace reserves/resources presents a significant operational risk.
- Operating costs including labour markets and productivity;
  - Labour is one of the main cost drivers in the business and as such can materially impact the profitability of an operation.
- Changes in market supply and demand of products;
  - Any change in supply or demand impacts on the ability to generate revenues and hence the profitability of an operation.
- Changes in the technological advancement of the energy storage market, and the discovery and adoption of alternate product streams;
- Changes in government taxation legislation; and
- Assumption of estimates that impact on reported asset and liability values.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In May 2019, the Company divested the Long Operation to Mincor Resources NL. This was after 12 months of the Long Operation being in care and maintenance following the ceasing of operations in June 2018.

There have been no other significant changes in the state of affairs of the Group during the year.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

On 29 August 2019, the Company announced that a final dividend for the year ended 30 June 2019 would be paid on 26 September 2019. The dividend is 8 cents per share and will be franked to 97%.

Other than the above, there has been no other transaction or event of a material and unusual nature likely, in the opinion of the Directors, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

COMPANY SECRETARY

Ms Joanne McDonald was appointed to the position of Company Secretary on 5 October 2015.

Ms McDonald is a qualified Chartered Secretary with over 16 years' experience working for listed companies in Australia and the UK. Prior to joining IGO, Joanne held positions with Paladin Energy Ltd, Summit Resources Ltd and Unilever plc. Joanne is currently a WA State Councillor for the Governance Institute of Australia.

Ms McDonald is a Fellow of the Governance Institute Australia and a Graduate of the Australian Institute of Company Directors.

MEETINGS OF DIRECTORS

The numbers of meetings of the Directors and of each Board Committee held during the year ended 30 June 2019, and the numbers of meetings attended by each Director were:

			Meetings of committees							
	Full meetings of directors		People & Performance Committee		Audit Committee		Nomination & Governance Committee		Sustainability & Risk Committee	
Name	A	B	A	B	A	B	A	B	A	B
Debra Bakker[1]	8	8	4	4	5	5	1	1	5	5
Peter Bilbe[2]	8	8	4	4	4	5	3	3	1	2
Peter Bradford[3]	8	8	**	**	**	**	1	1	2	2
Peter Buck[4]	6	8	3	4	2	2	1	1	5	5
Geoffrey Clifford[5]	7	8	1	1	4	5	3	3	2	2
Keith Spence[6]	6	8	4	4	1	2	–	1	4	5
Neil Warburton[7]	6	8	–	1	**	**	2	3	3	5

A = Number of meetings attended

B = Number of meetings held during the time the Director was a member of the committee during the year

** = Not a member of the relevant committee

1. Ms Bakker ceased to be a member of the Nomination & Governance Committee effective 25 October 2018.
2. Mr Bilbe ceased to be a member of the Sustainability & Risk Committee effective 25 October 2018.
3. Mr Bradford ceased to be a member of the Nomination & Governance Committee and Sustainability & Risk Committee effective 25 October 2018.
4. Mr Buck ceased to be a member of the Audit Committee and Nomination & Governance Committee effective 25 October 2018.
5. Mr Clifford ceased to be a member of the People & Performance Committee and Sustainability & Risk Committee effective 25 October 2018.
6. Mr Spence ceased to be a member of the Audit Committee and Nomination & Governance Committee effective 25 October 2018.
7. Mr Warburton ceased to be a member of the People & Performance Committee effective 25 October 2018.

Note: Directors who are not members of a specific committee have a standing invitation to attend committee meetings with the consent of the relevant committee chair and in practice generally attend all committee meetings. Their attendance is only included in the table if they are a member of the committee.

DIRECTORS INTEREST IN SHARES AND SHARE RIGHTS OF THE COMPANY

At the date of this report, the interests of the Directors in the shares, performance rights and service rights of Independence Group NL were as follows:

Name	Ordinary fully paid shares	Performance rights	Service rights
Debra Bakker	16,085	–	–
Peter Bilbe	40,000	–	–
Peter Bradford	1,000,000	620,142	93,088[1]
Peter Buck	22,200	–	–
Geoffrey Clifford	15,000	–	–
Keith Spence	22,125	–	–
Neil Warburton	106,034	–	–
Total	1,221,444	620,142	93,088

1. 24,929 service rights have vested due to service condition being achieved and subject to being exercised will convert into ordinary shares

LETTER FROM CHAIR OF PEOPLE & PERFORMANCE COMMITTEE

DEAR SHAREHOLDER

On behalf of the People & Performance Committee, I am pleased to share with you our FY19 Remuneration Report.

Over the past year, we have experienced increasing competition for talent as the resource sector's activities have increased. However, we believe that our strong Company culture and Purpose will be the key to ensuring we have access to and can retain the talented people needed to deliver our strategy. Underpinning this is IGO's Total Rewards Philosophy, which is in its third year since implementation. It ensures that the Company's remuneration approach is focused and holistic, considering not only salary but also addressing work/life balance and opportunity for personal development.

SHORT-TERM INCENTIVE FOR FY19

This has been a year of consolidation and achievement for IGO across every aspect of the business. Our exploration program has gone from strength to strength with the continued expansion of the Company's activities in the Fraser Range, the successful completion of a number of additional joint venture agreements and a record number of drill rigs in the field. We have delivered strong performance at Nova and Tropicana and have successfully divested the Long Operation.

A key element motivating this performance is the set of demanding Short-Term Incentive targets established by the Board and Leadership team each year. For FY19 these included:

1. Health, Safety and Environmental (HS&E) – delivering sustained, improved HS&E performance across all facets of the business. This metric goes directly to efficiently and effectively managing the risks inherent in all of the Company's operations.
2. People and Culture – improvement across a suite of objectives that create a motivated and highly-engaged workforce. This includes specific targets for shaping culture and improving engagement along with increasing diversity and building inclusion.
3. Growth – delivering a suite of strategic growth initiatives that support the Company's overall strategy along with reserves growth – growing the Company's reserves base (excluding Tropicana) net of depletion due to mining is a relevant measure, given the significant tonnes extracted from Nova.
4. Production and financial – delivering strong capital expenditure, operating expenditure and production performance from the Company's operated assets.

Details on how the above KPIs were delivered can be found in the Remuneration Report.

EXECUTIVE REMUNERATION AND REWARD REVIEW

In FY19 we have conducted an expanded review on the fixed and "at risk" remuneration structures of the Executive Leadership Team in preparation for the next three-year cycle of the IGO Total Remuneration Philosophy. Our goal was to ensure that firstly, IGO remains an employer of choice in a competitive talent market; secondly, that executive remuneration remains closely linked to a common effort that drives our achievement of strategic objectives; and thirdly, that the alignment of remuneration with the interests of shareholders is maximised. The structure to achieve this is outlined in this report.

I trust that shareholders will find the 2019 Remuneration Report clearly explains our current remuneration philosophy and executive outcomes for the period and welcome your feedback in our endeavour to provide ongoing clarity and transparency.

KEITH SPENCE
CHAIR – PEOPLE & PERFORMANCE COMMITTEE

REMUNERATION REPORT (AUDITED)

Key Management Personnel (KMP) of the Group (also referred to as Executive Management) are detailed in the table below and are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director, whether executive or otherwise of the Company.

SECTION 1 **2019 OVERVIEW**	Section 1 details organisational developments and outcomes in FY19.
SECTION 2 **REMUNERATION AT IGO**	Section 2 provides an overview of key elements of the Company's remuneration governance and philosophy.
SECTION 3 **EXECUTIVE REMUNERATION IN FY19**	Section 3 details remuneration arrangements in FY19 for the following executives: **Keith Ashby** – Head of Safety, Health, Environment, Quality (SHEQ) & Risk **Kate Barker** – General Counsel **Peter Bradford** – Managing Director and CEO **Matt Dusci** – Chief Operating Officer **Andrew Eddowes** – Head of Corporate Development **Joanne McDonald** – Company Secretary and Head of Corporate Affairs **Sam Retallack** – Head of People & Culture **Ian Sandl** – General Manager – Exploration **Scott Steinkrug** – Chief Financial Officer
SECTION 4 **NON-EXECUTIVE DIRECTOR REMUNERATION**	Section 4 details remuneration and benefits for the Company's Non-executive directors (see pages 34 to 35 for details about each Director) including: **Peter Bilbe** – Non-executive Chairman **Debra Bakker** – Non-executive Director **Peter Buck** – Non-executive Director **Geoffrey Clifford** – Non-executive Director **Keith Spence** – Non-executive Director **Neil Warburton** – Non-executive Director
SECTION 5 **PLANNED REMUNERATION CHANGES FOR FY20**	Section 5 provides an overview of the planned changes in remuneration and reward FY20 for the Executives and the wider organisation.
SECTION 6 **STATUTORY REMUNERATION DISCLOSURES**	Section 6 provides an update for all relevant statutory remuneration disclosures as required by the *Corporations Act 2001*.

SECTION 1.
2019 OVERVIEW AND DEVELOPMENTS

FY19 has been an important year for the Company, we have delivered strong operational performance at our Nova Operation, achieved positive results in the annual employee engagement survey, continued our significant exploration program in the Fraser Range and Northern Territory, successfully completed the divestment of the Long Operation and continued our strategic focus to metals critical to clean energy. This performance is the result of our focus on leadership development and our drive to build a strong and cohesive culture and positions the Company to deliver strong performance in FY20.

FY19 was also the third full year since the implementation of the Company's Total Rewards Philosophy. This philosophy recognises that remuneration and reward is not just about the payment of salary, rather a view of benefits that reward and develop our people to create a holistic value proposition.

To this end, along with Company-wide salary benchmarking and the award of a group wide CPI increment (or consideration of) for all roles, the following initiatives were implemented for all employees in FY19:

- Improved flexible work options to recognise the importance that the ability to successfully blend work and family commitments has on employee engagement;
- Broadening of the Company's equity offering to all employees with the implementation of a salary sacrifice share plan, including a Company sponsored contribution of up to $2,500 to encourage all employees to share in ownership of the Company and the connection that drives (participation in the plan excludes KMP);
- Introduction of a Paid Parental Leave program to increase engagement, retention and to facilitate the combination of work and family responsibilities;
- Further consultative work on operational rosters to ensure the Company maximises operational productivity and individual employee flexibility;
- Business unit programs to build culture and reinforce the values and behaviours that support our Purpose and drive sustainable performance; and
- Strengthening and extension of the Company-wide investment in learning, development and training.

At a Board and Executive level, the following changes were made:

- Kate Barker, General Counsel and Joanne McDonald, Company Secretary and Head of Corporate Affairs, were appointed to the Executive Leadership Team effective 1 July 2018;
- increases in total fixed remuneration (TFR) for KMPs in line with market benchmarking to ensure that Executive fixed remuneration remained competitive within the comparator and broader industry groups for similar roles; and
- an increase in LTI award for the Chief Operating Officer from 80% to 90% and the Head of People & Culture and Head of SHEQ & Risk from 50% to 55%. Similarly, for the General Manager-Exploration, Head of Corporate Development, the Company Secretary and Head of Corporate Affairs and the General Counsel the LTI was increased from 20% to 55% due to a reward grade reclassification of their roles.

No changes were made to:

- Chairman and Non-executive Director remuneration (for the third year in a row); and
- the STI component of KMP remuneration.

SECTION 2.
REMUNERATION AT IGO

2.1 REMUNERATION GOVERNANCE OVERVIEW

The Board recognises that the success of the business depends upon the quality of its people. To ensure the Company continues to succeed and grow, it must attract, motivate and retain highly skilled Directors, Executives and employees and as such has an active People & Performance Committee to ensure that people, performance and culture are a priority.

The Committee, chaired by Keith Spence, held four meetings during FY19. Ms Bakker and Messrs Bilbe and Buck are also Committee members and Messrs Clifford and Warburton were Committee members until 25 October 2018. The Managing Director was invited to attend all meetings which consider the remuneration strategy of the Group and recommendations in relation to Executives. The structure of the relationship between the Board, Committee and remuneration principles is explained in the following table:

BOARD

The Board delegates responsibility in relation to remuneration to the People & Performance Committee (Committee) which operates in accordance with the Company's People & Performance Committee Charter and the requirements of the *Corporations Act 2001* and its regulations.

PEOPLE & PERFORMANCE COMMITTEE

The Committee is made up entirely of independent non-executive directors. The Committee is charged with assisting the Board by reviewing, on an annual basis, and making appropriate recommendations on the following:

- the Company's remuneration policy and structure, to ensure that it remains aligned to business needs and meets the Company's remuneration principles;
- Executive remuneration policy for KMP;
- equity-based remuneration plans for KMP and other employees;
- diversity and culture strategy, policy, practices and performance;
- superannuation arrangements for the organisation; and
- remuneration equity for all employees across the Group.

IGO REMUNERATION PRINCIPLES

Remuneration policy is transparent with information communicated to all employees to create a high level of understanding of the link between pay, performance and delivery against Company objectives and values.

"At Risk" components are designed to motivate and incentivise for high performance and are aligned with the Company's strategic and business objectives to create short and long-term shareholder value.

Learning and development is a quantifiable and essential component of all roles.

Career planning is a valued component of the total reward philosophy and forms part of all development plans.

Work/life programs aim to provide balance and additional value for people at all levels of the organisation.

Equity in the business is important for all employees and prioritised when setting and reviewing remuneration policy and practice.

EXTERNAL ADVICE AND BENCHMARKING

The Committee undertakes a broad review of data derived from remuneration consultants who track industry levels to ensure it is fully informed when making remuneration decisions.

During the year ended 30 June 2019, no remuneration recommendations, as defined by the *Corporations Act 2001*, were provided by remuneration consultants. However, the Committee did utilise data provided by AON Hewitt McDonald ($5,030), Mercer Consulting ($4,700) and BDO Reward (WA) Pty Limited ($7,400) regarding salaries and benefits across the organisation and a third-party benchmark of the CEO Remuneration.

Further information on the Committee's role, responsibilities and membership can be found at **www.igo.com.au**.

SECTION 3.
EXECUTIVE REMUNERATION IN FY19

COMPONENTS OF EXECUTIVE REMUNERATION AT IGO

Executive remuneration at IGO is comprised of fixed and at risk components, as an integrated package, the purpose of which is to align executive reward with shareholder outcomes, executive performance and the retention of key talent. TFR and at risk remuneration is benchmarked annually by the People & Performance Committee.

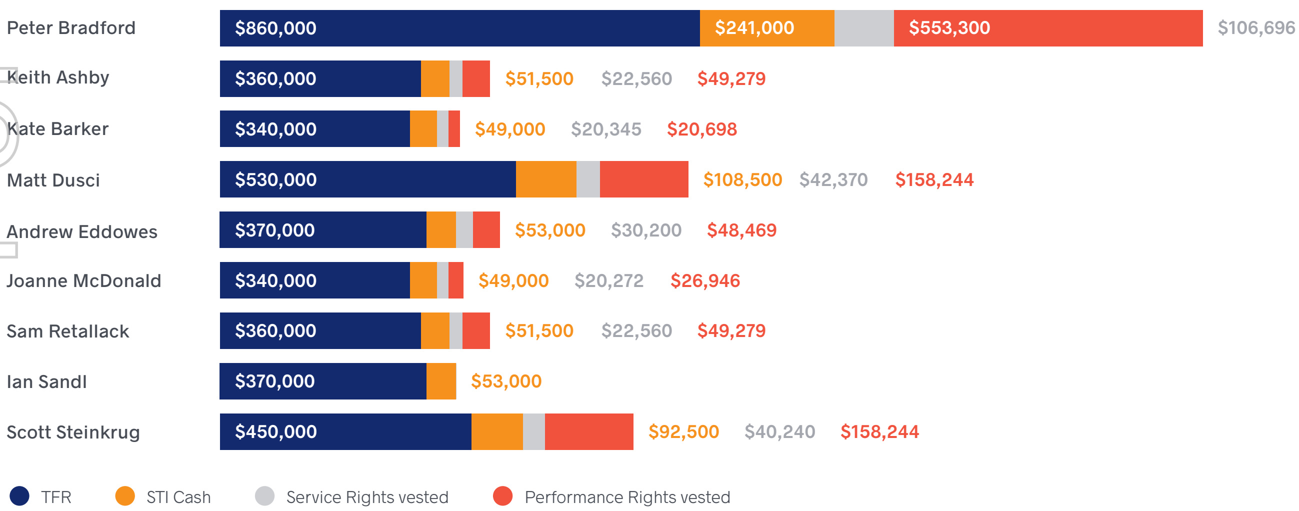
The table below provides an overview of the different remuneration components within the IGO framework.

		Performance related remuneration (at risk)	
OBJECTIVE	**Attract and retain the best talent**	**Reward current year performance**	**Reward long-term sustainable performance**
REMUNERATION COMPONENT	**Total Fixed Remuneration (TFR) – includes salary and superannuation**	**Short-term incentive (STI) – paid as cash and service rights**	**Long-term incentive (LTI) – paid as performance rights**
PURPOSE	TFR provides competitive 'guaranteed' remuneration with reference to; • size and complexity of the role • individual responsibilities and performance; and • experience and skills.	The STI ensures appropriate differentiation of pay for performance, for achievement of a combination of Company and Individual KPIs to drive achievement of near-term strategic objectives and retention.	The LTI is focused on the achievement of mid to long-term shareholder return through the Company's long-term strategic objectives and retention.

TOTAL REALISED EARNINGS FOR KMP IN FY19

The following pages provide details of the actual remuneration earned during FY19 for KMP. Amounts include:

- Total fixed remuneration received;
- The cash component of the STI earned as a result of business and individual performance for FY19;
- Ordinary shares received as a component of the STI service rights that vested during the year; and
- Performance rights that vested during the year.

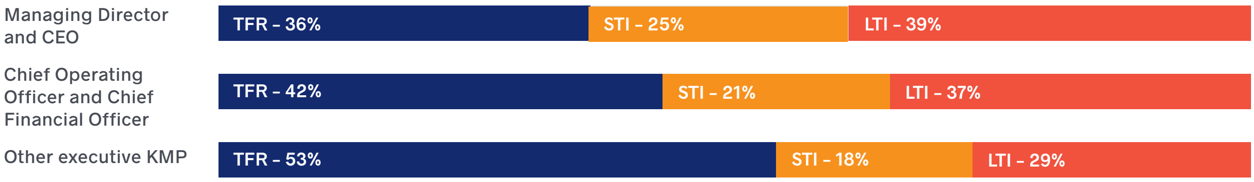


KMP AT RISK REMUNERATION IN FY19

The Company believes that at risk components are important elements of remuneration for all employees in the business to drive the achievement of key strategic initiatives and maintain alignment between employees and creation of sustainable shareholder value.

The mix of fixed and at risk remuneration varies depending on the role and reward grading of Executives. It also depends on the performance of both the Company and the individual.

The following is an overview of the total fixed and at risk remuneration for Executive KMP in FY19:



CLAWBACK PROVISION

In FY17, IGO introduced a clawback provision for any unvested STI and LTI awards in the case of fraud, dishonesty, gross misconduct or a material misstatement of the financial statements and subject to Board discretion.

IGO STIP OUTLINE FOR FY19

An outline of the key elements of the Short-Term Incentive Program (STIP) as it relates to the Company's KMP is provided below:

STIP OPPORTUNITY	The STIP opportunity offered to each Executive as a percentage of TFR is defined by the individual's role and reward grade. The STIP opportunity is market benchmarked and reviewed by the Board annually. STIP payments are awarded 50% cash and 50% equity (service rights) on or above threshold performance against a range of business objectives (Company KPI) and individual performance objectives (Individual KPI).
PERFORMANCE TARGETS	The payment of a short-term incentive to KMP is an at risk component of the individual's total remuneration given that a set of performance targets must be met prior to payment. These targets are based on metrics that are measurable, transparent, and achievable, designed to motivate and incentivise the recipient to achieve high performance aligned with Company objectives and near-term shareholder value creation.
PERFORMANCE ASSESSMENT	The Company employs a system of continuous performance feedback to drive performance throughout the year, however a final performance assessment occurs annually following the completion of the financial year for each Executive. Executives are assessed on their contribution to the achievement of Company KPIs (80%), individual KPIs (20%) and their demonstrated support for the Company's values.
MEASUREMENT PERIOD	The STIP program is an annual program and operates from 1 July to 30 June each year.
STIP DEFERRAL COMPONENT	The service rights component of the STI vest in two tranches, with the first tranche of 50% vesting on the 12 month anniversary of the STI award date, and the second tranche of 50% on the 24 month anniversary of the STI award date. Vesting of the service rights component of the STI granted to Executive KMP is based on a continuous service condition being met and is designed to act as a driver of retention and medium-term value creation.
CESSATION OF EMPLOYMENT	In the event that the Executive's employment with IGO terminates prior to the vesting of all service rights, outstanding unvested rights will be reviewed by the Board and may or may not vest depending on the circumstances of the Executive's cessation of employment.
BOARD DISCRETION	The payments of all STIs are subject to Board approval. The Board has the discretion to adjust remuneration outcomes higher or lower to prevent any inappropriate reward outcomes, including reducing (down to zero, if appropriate) any STI payment.

HOW PERFORMANCE WAS LINKED TO STIP OUTCOMES IN FY19

As part of the annual business planning process the Board determines the KPIs to reflect targets for the key strategic drivers of the business for the following year. The KPIs and performance achieved against them for FY19 are listed in the table below:

Key Result Area	Rationale for inclusion	Performance and commentary
SAFETY, HEALTH, ENVIRONMENT AND COMMUNITY	**10% weighting**	**10% achieved**
• Year-on-year improvement in safety related metrics in the Engagement Survey • Year-on-year improvement in Group TRIFR • Group HSEC strategic actions including: – rewrite of IGO's Group Safety Standards (https://www.igo.com.au/site/work-with-us/suppliers-information); – the ongoing promotion of IGO's visual safety leadership program; – the introduction of an enterprise risk management system; – the introduction of a Mental Health & Wellbeing Strategy; and – the implementation of a community engagement strategy.	A range of backward and forward-looking measures focuses performance on metrics that go directly and indirectly to efficiently and effectively managing the risks inherent in the Company's operations.	Above target performance was achieved for: • Safety related metrics in the Engagement Survey - achieved 90% (Target = 86%) • Group TRIFR - achieved 9.58 (Target = 14.18) • Group HSEC strategic actions all completed to plan.
PEOPLE AND CULTURE	**15% weighting**	**10% achieved**
Deliver year-on-year improvement in: • Annual Engagement Survey Score • Diversity metrics for the female and aboriginal employment across the business.	Engagement and diversity metrics are designed to focus achievement on key strategic people enablers and programs of work that result in a workforce that has the motivation, skills and capabilities to drive the delivery of the Company's strategic plan.	The Company achieved above target performance for the Engagement Survey score: Engagement Survey Score 70% (Target = 60%) Targets for the delivery of year-on-year improvement for diversity metrics were challenged throughout the year resulting in: • 25% Female employment (Target = 32.5%) • 3% Aboriginal employment (Target = 3.5%) Although improvement was challenged in overall gender and aboriginal employment significant improvement was achieved in the promotion and development of women across the business where 27% of internal promotions were awarded to female candidates and 60% of manager roles were awarded to internal female candidates.
GROWTH/STRATEGY*	**30% weighting**	**25% achieved**
Complete nominated number of agreed strategic priorities.	Outlines performance achieved to deliver a suite of strategic initiatives, brownfields/greenfields opportunities and value accretive M&A opportunities important to growing shareholder value along with performance in achieving the organic growth of current assets.	Good progress achieved for all strategic priorities
PRODUCTION	**25% weighting**	**25% achieved**
Achieve consolidated production targets for Nova on a nickel metal equivalent basis Target = 42,577 tonnes	Delivery of strong production performance is a key enabler to funding the achievement of the Company's strategic plan.	The production outcome of 43,951 nickel metal equivalent tonnes achieved at Nova represented a strong operational result in excess of the target performance for FY19.
FINANCIAL	**20% weighting**	**10% achieved**
Achieve consolidated capital and operating costs (production and non-production) for the Group Target = $343M total capital and operating costs	Strong budgeting and financial management is a key enabler to funding the achievement of the Company's strategic plan.	Achieved better than targeted capital costs but did not achieve targeted operating costs: • Capital $42.3M (Target = $54.1M) • Operating $338M (Target = $289M)
	Total weighting 100%	**Total outcome 80%**

*Due to the sensitive nature of some corporate KPIs the full detail on measures and achievement is confidential.

KRA measure achieved KRA measure partially achieved KRA measure not met

GATING RELATING TO PAYMENT OF STI FOR FY19

COMPANY SCORECARD GATING

- No Production or Financial component in the event of Company NPAT being negative before abnormals.
- No Growth/Strategy component in the event of a material downward restatement of the previous year's Reserves.
- No Safety, Health, Environment and Community or People and Culture component in the event of a fatality, permanent disabling injury and/or material environmental breach.

INDIVIDUAL KPI GATING

No individual component in the event of a material breach of the Company's Code of Conduct by the individual.

FY19 STIP OUTCOMES

Name	Position	FY19 Potential STI %[1]	FY19 Declared $[2]	FY18 Potential STI %[3]	FY18 Paid $
Peter Bradford	Managing Director	70	482,000	70	364,000
Keith Ashby	Head of SHEQ & Risk	35	103,000	35	78,155
Kate Barker[4]	General Counsel	35	98,000	–	–
Matt Dusci	Chief Operating Officer	50	217,000	50	159,500
Andrew Eddowes	Head of Corporate Development	35	106,000	35	82,307
Joanne McDonald[4]	Company Secretary and Head of Corporate Affairs	35	98,000	–	–
Sam Retallack	Head of People & Culture	35	103,000	35	76,685
Ian Sandl	General Manager – Exploration	35	106,000	35	69,659
Scott Steinkrug	Chief Financial Officer	50	185,000	50	142,850

1. % of TFR (base salary plus superannuation).
2. To be paid in August 2019 – 50% in cash and 50% in service rights (vesting in equal parts in September 2020 and September 2021).
3. Paid in September 2018 – 50% in cash and 50% in service rights (vesting in equal parts in September 2019 and September 2020).
4. Ms Barker and Ms McDonald were appointed to the Executive Leadership Team effective 1 July 2018.

IGO LTIP OUTLINE FOR FY19

An outline of the key elements of the Company's Long-Term Incentive Program (LTIP), as it relates to the Company's KMP, is provided below:

LTIP OPPORTUNITY

The LTIP opportunity is determined by the Executive's role within the business and is awarded by the offer of a number of performance rights based on a percentage of TFR. The LTIP opportunity for each individual KMP is outlined on page 56.

PERFORMANCE HURDLES

For performance rights issued in FY19 there are two equally weighted performance hurdles utilising the following measures:

1. relative TSR; and
2. absolute TSR.

VESTING OF PERFORMANCE RIGHTS

Vesting of the performance rights granted to Executive KMP is based on a continuous service condition and performance conditions as detailed below.

SERVICE CONDITIONS

Performance rights are subject to a service condition. This condition is met if the KMP's employment with IGO is continuous for three years commencing on or around the grant date and is aimed at the retention of key personnel.

PERFORMANCE CONDITIONS FOR PERFORMANCE RIGHTS

Relative TSR

The TSR scorecard for the three year measurement period is determined based on a percentile ranking of the Company's TSR results relative to the TSR of each of the companies in the peer group over the same three year measurement period.

The Board considers that relative TSR is an appropriate performance hurdle because it ensures that a proportion of each participant's remuneration is linked to the return received by shareholders from holding shares in a company in the peer group for the same period.

Absolute TSR

The increase in the Company's absolute TSR will be measured over a three year period.

The Board considers that absolute TSR is an appropriate performance hurdle because it ensures KMP performance is rewarded when a year-on-year improvement in shareholder value is achieved.

VESTING SCHEDULE

Relative TSR

The vesting schedule of the performance rights subject to relative TSR testing is as follows:

Relative TSR performance	Level of vesting
Less than 50th percentile	Zero
Between 50th and 75th percentile	Pro-rata straight line percentage between 50% and 100%
75th percentile or better	100%

Absolute TSR

The vesting schedule of the performance rights subject to absolute TSR testing is as follows:

Absolute TSR performance	% of Performance Rights that will vest
10% per annum return	33%
Above 10% per annum and below 20% per annum return	Pro-rata straight line percentage between 33% and 100%
Above 20% per annum return	100%

MEASUREMENT PERIOD

Testing occurs three years from 1 July of the relevant financial year.

CESSATION OF EMPLOYMENT

In the event that the KMP's employment with IGO terminates prior to the vesting of all performance rights, outstanding unvested rights will be reviewed by the Board and may or may not vest depending on the circumstances of the cessation of employment.

BOARD DISCRETION

The Board has absolute discretion to adjust performance rights vesting if, on assessment, absolute TSR is negative over the performance period.

PEER GROUP

The Company's relative TSR performance for performance rights issued during FY19 will be assessed against all members of the S&P ASX 300 Metals and Mining Index.

LTI - NON-EXECUTIVE DIRECTORS

The overarching Employee Incentive Plan (EIP) permits non-executive directors to be eligible employees and therefore to participate in the plan. It is not currently intended that non-executive directors will be issued with share rights under the EIP and any such issue would be subject to all necessary shareholder approvals.

FY19 LTIP OUTCOMES

Name	Position	Number of performance rights issued for FY19 period[1]	Number of performance rights issued for FY18 period[2]
Peter Bradford	Managing Director	218,475[3]	266,667
Keith Ashby	Head of SHEQ & Risk	45,727	53,031
Kate Barker[4]	General Counsel	43,187	–
Matt Dusci	Chief Operating Officer	110,161	121,213
Andrew Eddowes[5]	Head of Corporate Development	47,251	22,131
Joanne McDonald[4]	Company Secretary and Head of Corporate Affairs	43,187	–
Sam Retallack	Head of People & Culture	45,727	53,031
Ian Sandl[5]	General Manager – Exploration	46,997	22,182
Scott Steinkrug	Chief Financial Officer	83,140	109,091

1. Performance rights awarded at 20 day VWAP to 23 August 2018 of $4.33.
2. Performance rights awarded at 20 day VWAP to 25 August 2017 of $3.30.
3. Approved by shareholders at the 2018 Annual General Meeting.
4. Ms Barker and Ms McDonald were appointed to the Executive Leadership Team effective 1 July 2018.
5. Mr Eddowes and Mr Sandl were appointed to the Executive Leadership Team effective 1 February 2018. Performance rights reflect total number issued for FY18.

APPROVED BY SHAREHOLDERS AT THE 2016 ANNUAL GENERAL MEETING

The Independence Group NL Employee Incentive Plan (EIP) was approved by shareholders at the Annual General Meeting in November 2016.

The number of eligible products able to be issued under the EIP is limited to 5% of the issued capital of the Company. The 5% limit includes grants under all plans made in the previous three years (with certain exclusions under the *Corporations Act 2001*). At the end of FY19 this percentage stands at 0.62%. There are no voting or dividend rights attached to the share rights.

SECTION 4.
NON-EXECUTIVE DIRECTOR REMUNERATION

The remuneration of Non-executive Directors is determined by the Board within the maximum amount approved by shareholders in general meeting. Non-executive Directors are not entitled to retirement benefits other than statutory superannuation or other statutory required benefits. Non-executive Directors do not participate in share or bonus schemes designed for Executive Directors or employees.

TOTAL REALISED EARNINGS

Name	Year	Cash fees $	Superannuation $	Total $
Debra Bakker	**2019**	**123,288**	**11,712**	**135,000**
	2018	115,297	10,953	126,250
Peter Bilbe	**2019**	**210,046**	**19,954**	**230,000**
	2018	215,373	20,460	235,833
Peter Buck	**2019**	**123,288**	**11,712**	**135,000**
	2018	123,288	11,712	135,000
Geoffrey Clifford	**2019**	**118,721**	**11,279**	**130,000**
	2018	121,385	11,532	132,917
Keith Spence	**2019**	**123,288**	**11,712**	**135,000**
	2018	123,288	11,712	135,000
Neil Warburton	**2019**	**109,589**	**10,411**	**120,000**
	2018	109,589	10,411	120,000
Total non-executive director remuneration	**2019**	**808,220**	**76,780**	**885,000**
	2018	808,220	76,780	885,000

The remuneration of Non-executive Directors is fixed to encourage impartiality, high ethical standards and independence on the Board. The available Non-executive Directors' fees pool is $1,500,000 which was approved by shareholders at the Annual General Meeting on 16 December 2015, of which $885,000 was being utilised at 30 June 2019 (2018: $885,000).

Non-executive Directors may provide additional consulting services to the Group, at a rate approved by the Board. No such amounts were paid to Directors during the current or prior year.

In FY19 the Board resolved, for a third consecutive year, not to increase Non-executive Directors' fees. There was market evidence to support an increase to the remuneration for the Chairman for FY19, however the Board resolved not to make any adjustment to the Chairman's remuneration for FY19.

For FY20 the annual benchmark review of Board fees indicated reasonable grounds for a review of Board remuneration. Based on market data from both the IGO peer group and the market more broadly the Board has approved an increase to the remuneration for both the Chairman and Committee Chairs, however has resolved not to make any adjustment to Non-executive Director base remuneration for FY20.

Details of Non-executive Director fees are as follows:

	Approved 2020	30 June 2019	30 June 2018
Non-executive Director base fees			
Board Chairman	250,000	230,000	230,000
Board Member	120,000	120,000	120,000
Board Member Committee Fees			
Chair Audit Committee	20,000	15,000	15,000
Chair People & Performance Committee	20,000	15,000	15,000
Chair Sustainability & Risk Committee	20,000	15,000	15,000
Chair Nomination & Governance Committee	20,000	10,000	10,000
Committee Members	Nil	Nil	Nil

SECTION 5.
PLANNED REMUNERATION CHANGES FOR FY20

The Board and Executive team appreciate the importance of competitive remuneration however also recognise that sustained and enduring performance can only be achieved through a strong culture, an individual's connection to their team and a clearly defined organisational purpose. This culture underpins our ability to create long-term value for our stakeholders and generate long-term, sustainable returns for our shareholders.

In FY20, teams across the Company will continue the structured programs of work in progress to build the culture and capabilities required for the future. The Company will place greater emphasis on talent identification and development of existing employees, along with programs for the identification of world class external talent to build a broader base of opportunities for finding talented people at all levels. In FY20, we will also expand our Graduate Program to build "home grown" capability across a broader range of disciplines beyond traditional pathways, along with growing our Vacation Program to increase the feeder route to the Graduate path.

Looking forward, speed of learning and the development of a range of "non-traditional" skills with our people that include emotional intelligence, creativity, cognitive flexibility and critical thinking will be key in the preparation of our people for the future of work. In FY20, we intend to continue to build the IGO culture with work in developing our values, supporting behaviours and an IGO specific leadership model.

The Company reviews all remuneration practices annually. As a result of the review conducted in FY19, a number of changes will be implemented for FY20, with effect from 1 July 2019. Completed changes and/or progress towards remuneration objectives will be reported in more detail in the 2020 Remuneration Report, however a summary of the key elements of the proposed FY20 program are provided below:

GROUP-WIDE REMUNERATION	• Review of group-wide remuneration benchmarking and award of a group-wide CPI increment (or consideration of) for all roles was awarded in August 2019. • No group-wide change in STI or LTI programs or opportunities for FY20. • Further enhancement of the Company's equity offering to all employees with the expansion of a salary sacrifice share plan to include a Company sponsored one-for-one contribution of up to $5,000 (FY19: $2,500) to encourage all employees to share in ownership of the Company and the connection that drives. • A continued focus on operational rosters to ensure the Company maximises operational productivity while focused on individually flexible work options.
KMP TFR	• The TFR for the Managing Director will increase by 1.16% from $860,000 to $870,000 to reflect market movement in comparator CEO fixed remuneration. • The TFR for the COO will increase from $530,000 to $560,000. • Other increases in TFR for Executive KMPs are in line with market benchmarking and are structured to ensure that Executive fixed remuneration remains competitive within the comparator and broader industry groups for similar roles (see page 56).
REVIEW OF INCENTIVE ARRANGEMENTS	Following the completion of the three-year cycle a comprehensive review was completed in FY19 with a decision by the Board to maintain the components of the KMP incentive arrangements currently in place. There was also agreement by the Board to alter the reporting structure of the STI and LTI programs in favour of an increased weighting to the long-term incentive. All other elements of the Company's Total Reward Program will remain unchanged as they are deemed to be both competitive and appropriate in mobilising the required performance and behaviours for KMP and IGO employees to maximise shareholder value. Prior to the issue of any LTI for FY20, the Board will review and approve the performance conditions and comparator group for the award. Further details of any changes made will be provided in the FY20 Remuneration Report.
LONG-TERM INCENTIVE	Along with changes to the classification of service rights into the LTIP there will be some minor adjustments in LTI levels for KMP actioned for FY20 (see page 56). All changes to the LTIP are designed to achieve a better balance between the weighting of STIs and LTIs to drive an increased connection between and focus on long-term value creation and retention of the executive team.

The following table reflects remuneration changes available to Executives for FY20, effective 1 July 2019:

Name	Position	Total Remuneration FY20			Total Remuneration FY19		
		TFR $	STI %	LTI %	TFR $	STI %	LTI %
Peter Bradford	Managing Director	870,000	50	150	860,000	70	110
Keith Ashby	Head of SHEQ & Risk	370,000	25	75	360,000	35	55
Kate Barker	General Counsel	350,000	25	75	340,000	35	55
Matt Dusci	Chief Operating Officer	560,000	40	120	530,000	50	90
Andrew Eddowes	Head of Corporate Development	380,000	25	75	370,000	35	55
Joanne McDonald	Company Secretary and Head of Corporate Affairs	350,000	25	75	340,000	35	55
Sam Retallack	Head of People & Culture	370,000	25	75	360,000	35	55
Ian Sandl	General Manager – Exploration	400,000	25	75	370,000	35	55
Scott Steinkrug	Chief Financial Officer	460,000	25	105	450,000	50	80

COMPANY PERFORMANCE

A key and continued focus for the Board and Company is to align Executive remuneration to the achievement of strategic and business objectives of the Group and the creation of shareholder value. The table below illustrates a summary of the Group's financial performance over the last five years as required by the *Corporations Act 2001*.

	2019	2018	2017	2016	2015
Revenue ($ millions)	**784.5**	777.9	421.9	413.2	495.3
Profit (loss) for the year attributable to owners ($ milions)	**76.1**	52.7	17.0	(58.8)	76.8
Dividend payments (cents per share)	**4.0**	2.0	3.0	2.5	11.0
Share price at year end ($ per share)	**4.72**	4.17	3.15	3.28	4.17

SECTION 6.
STATUTORY REMUNERATION DISCLOSURES

EXECUTIVE CONTRACTS

Remuneration and other terms of employment for the Executives are formalised in service agreements. The service agreements specify the components of remuneration, benefits and notice periods. Participation in the STI and LTI plans is subject to the Board's discretion. Other major provisions of the agreements relating to remuneration are set out below.

Name	Position	Term of agreement	Base Salary including superannuation at 1 July 2019	Notice period	Termination Benefit
Peter Bradford	Managing Director/CEO	No fixed term	870,000	6 months	6 months[1]
Keith Ashby	Head of SHEQ & Risk	No fixed term	370,000	3 months	6 months
Kate Barker	General Counsel	No fixed term	350,000	3 months	6 months
Matt Dusci	Chief Operating Officer	No fixed term	560,000	3 months	6 months
Andrew Eddowes	Head of Corporate Development	No fixed term	380,000	3 months	6 months
Joanne McDonald	Company Secretary and Head of Corporate Affairs	No fixed term	350,000	3 months	6 months
Sam Retallack	Head of People & Culture	No fixed term	370,000	3 months	6 months
Ian Sandl	General Manager – Exploration	No fixed term	400,000	3 months	6 months
Scott Steinkrug	Chief Financial Officer	No fixed term	460,000	3 months	6 months

1. In addition to the above, Mr Bradford is entitled to a maximum termination benefit payable of up to 12 months of average annual base salary should the Company terminate the employment contract without cause, but only if such payment would not breach ASX Listing Rules. A termination benefit of three month's remuneration is payable to Mr Bradford should the Company terminate the employment contract due to illness, injury or incapacity.

(I) REMUNERATION EXPENSES FOR EXECUTIVE KMP

The following table shows the value of earnings realised by executive KMP during FY19. The cash value of earnings realised includes cash salary, superannuation and cash bonuses earned during the year, plus the intrinsic value of service rights and performance rights vested during the financial year.

This is in addition and different to the disclosures required by the Corporations Act and Accounting Standards, particularly in relation to share rights. As a general principle, the Accounting Standards require a value to be placed on share rights based on probabilistic calculations at the time of grant, which may be reflected in the Remuneration Report even if ultimately the share rights do not vest because performance and service hurdles are not met. By contrast, this table discloses the intrinsic value of share rights, which represents only those share rights which actually vest and result in shares issued to a KMP. The intrinsic value is the Company's closing share price on the date of vesting.

Remuneration received during the period

Name	TFR $[1]	STI Cash Component $ Value[2]	STI Vested Service Rights Component $ Value	LTI Vested Share Rights Component $ Value	Total Actual Remuneration $ Value
Peter Bradford	860,000	241,000	106,696	553,300	1,760,996
Keith Ashby	360,000	51,500	22,560	49,279	483,339
Kate Barker	340,000	49,000	20,345	20,698	430,043
Matt Dusci	530,000	108,500	42,370	158,244	839,114
Andrew Eddowes	370,000	53,000	30,200	48,469	501,669
Joanne McDonald	340,000	49,000	20,272	26,946	436,218
Sam Retallack	360,000	51,500	22,560	49,279	483,339
Ian Sandl	370,000	53,000	–	–	423,000
Scott Steinkrug	450,000	92,500	40,240	158,244	740,984

1. Includes base salary and superannuation.
2. Represents the amounts to be paid in August 2019 for performance in FY19.

The following table shows details of the remuneration expense recognised for the Group's KMP for the current and previous financial year measured in accordance with the requirements of the Accounting Standards.

Name	Year	Cash salary and fees[1] $	Cash bonus[2] $	Super-annuation $	Long service leave[3] $	Share rights[4] $	Total $	Performance Related %
Executive Directors								
Peter Bradford	2019	786,877	241,000	25,000	23,795	707,930	1,784,602	53
	2018	768,158	182,000	25,000	22,113	595,593	1,592,864	49
Other key management personnel								
Keith Ashby	2019	343,623	51,500	25,000	9,048	132,244	561,415	33
	2018	332,682	39,078	25,000	8,092	80,028	484,880	25
Kate Barker[5]	2019	316,689	49,000	25,000	18,039	89,757	498,485	28
Rob Dennis[6]	2018	406,077	–	20,833	(23,779)	209,694	612,825	34
Matt Dusci	2019	516,497	108,500	25,000	15,549	297,588	963,134	42
	2018	486,057	79,750	25,000	15,123	184,288	790,218	33
Andrew Eddowes[7]	2019	361,167	53,000	25,000	(18,797)	113,021	533,391	31
	2018	135,362	41,154	10,417	3,495	27,180	217,608	31
Joanne McDonald[8]	2019	317,100	49,000	25,000	9,387	93,416	493,903	29
Sam Retallack	2019	337,833	51,500	25,000	14,764	131,803	560,900	33
	2018	335,173	38,343	25,000	13,392	80,028	491,936	24
Ian Sandl[9]	2019	348,786	53,000	25,000	3,664	77,428	507,878	26
	2018	150,163	34,830	12,506	515	5,820	203,834	20
Scott Steinkrug	2019	427,409	92,500	25,000	10,617	258,739	814,265	43
	2018	428,457	70,425	25,000	23,082	174,412	721,376	34
Total executive directors and other KMPs	2019	3,755,981	749,000	225,000	86,066	1,901,926	6,717,973	
	2018	3,042,129	485,580	168,756	62,033	1,357,043	5,115,541	
Total NED remuneration (see page 54)	2019	808,220	–	76,780	–	–	885,000	
	2018	808,220	–	76,780	–	–	885,000	
Total KMP remuneration expensed	2019	4,564,201	749,000	301,780	86,066	1,901,926	7,602,973	
	2018	3,850,349	485,580	245,536	62,033	1,357,043	6,000,541	

1. Cash salary and fees includes movements in annual leave provision during the year.
2. Cash bonus represents bonuses that were awarded to each KMP in relation to FY19 and will be paid in September 2019 (2018: Related to FY18 and paid in September 2018). Cash bonus excludes superannuation contribution component of STI which is shown in Post-employment benefits where applicable.
3. Long service leave relates to movements in long service leave provision during the year.
4. Rights to shares granted under the EIP are expensed over the performance period, which includes the vesting period of the rights, in accordance with AASB2 *Share-based Payment*. Refer to note 25 for details of the valuation techniques used for the EIP.
5. Ms Barker was appointed to the Executive Leadership Team effective 1 July 2018.
6. Mr Dennis resigned effective 30 April 2018. An amount of $91,270 accrued for annual leave was paid out on termination, this amount has been offset against the movement in the provision for the 2018 financial year.
7. Mr Eddowes was appointed to the Executive Leadership Team on 1 February 2018. Remuneration for FY18 has been included from the date of his appointment as a KMP.
8. Ms McDonald was appointed to the Executive Leadership Team effective 1 July 2018.
9. Mr Sandl was appointed to the Executive Leadership Team on 1 February 2018. Remuneration has been included from the date of his appointment as a KMP.

ADDITIONAL STATUTORY INFORMATION

(II) PERFORMANCE BASED REMUNERATION GRANTED AND FORFEITED DURING THE YEAR

The table below shows for each KMP how much of their STI cash bonus was awarded and how much was forfeited. It also shows the value of performance rights that were granted, vested and forfeited during FY19. The number of performance rights and percentages vested/forfeited for each grant are disclosed in the table on page 60.

2019	Total STI bonus (cash and service rights)				LTI performance rights		
	Total opportunity $	Awarded[1] $	Awarded %	Forfeited %	Value granted[2] $	Value vested[3] $	Value forfeited[3] $
Executive Directors							
Peter Bradford	602,000	482,000	80	20	473,384	171,996	167,917
Keith Ashby	126,000	103,000	82	18	128,656	11,732	11,453
Kate Barker	119,000	98,000	82	18	121,509	4,928	4,812
Matt Dusci	265,000	217,000	82	18	309,945	37,675	36,781
Andrew Eddowes	129,500	106,000	82	18	132,944	11,540	11,265
Joanne McDonald	119,000	98,000	82	18	121,509	6,415	6,262
Sam Retallack	126,000	103,000	82	18	128,656	11,732	11,453
Ian Sandl	129,500	106,000	82	18	132,229	–	–
Scott Steinkrug	225,000	185,000	82	18	233,920	37,675	36,781

1. Payable 50% in cash and 50% in service rights (vesting in equal parts in September 2020 and September 2021).
2. The value at grant date for share rights granted during the year as part of remuneration is calculated in accordance with AASB 2 *Share-based Payment*. Refer to note 25 for details of the valuation techniques used for the EIP.
3. Value of shares vested and forfeited is based on the value of the share rights at grant date.

(III) TERMS AND CONDITIONS OF THE SHARE-BASED PAYMENT ARRANGEMENTS

Share rights under the Company's EIP

Share rights under the Company's EIP are granted annually. The shares vest after three years from the start of the financial year, subject to meeting certain performance conditions. On vesting, each right automatically converts into one ordinary share. The Executives do not receive any dividends and are not entitled to vote in relation to the rights during the vesting period. If an Executive ceases employment before the rights vest, the rights will be forfeited, except in certain circumstances that are approved by the Board.

The value at grant date for share rights granted during the year as part of remuneration is calculated in accordance with AASB 2 *Share-based Payment*. Refer to note 25 for details of the valuation techniques used for the EIP.

Grant date	Vesting date	Grant date value	Performance achieved	% Vested
20 November 2018	1 July 2021	$2.17	To be determined	n/a
28 September 2018	1 July 2021	$2.81	To be determined	n/a
24 November 2017	1 July 2020	$3.14	To be determined	n/a
29 September 2017	1 July 2020	$2.29	To be determined	n/a
22 May 2017	1 July 2019	$2.30	To be determined	n/a
24 November 2016	1 July 2019	$2.26	To be determined	–
18 November 2016	1 July 2019	$2.21	To be determined	–
22 January 2016	1 July 2018	$1.20	Between 50th and 75th percentile	50.6
16 December 2015	1 July 2018	$1.56	Between 50th and 75th percentile	50.6

Rights to service rights

Rights to service rights issued under the EIP are granted following the determination of the final performance measure for the performance year. The service rights component of the STI vest in two tranches, with the first tranche of 50% vesting on the 12 month anniversary of the award date, and the second tranche of 50% vesting on the 24 month anniversary of the award date. The Executives do not receive any dividends and are not entitled to vote in relation to the rights during the vesting period. If an Executive ceases employment before the rights vest, the rights will be forfeited, except in limited circumstances that are approved by the Board on a case-by-case basis.

The fair value of the rights is determined based on the 5 day VWAP of the Company's shares after release of the IGO financial statements.

Grant date	% Vesting	Vesting date	Grant date value
5 October 2018	50%	2 September 2019	$4.21
	50%	1 September 2020	$4.21
9 October 2017	50%	3 September 2018	$3.51
	50%	1 September 2019	$3.51

(IV) RECONCILIATION OF LTI PERFORMANCE RIGHTS, SERVICE RIGHTS AND ORDINARY SHARES HELD BY KMP

Performance rights

The table below shows the number of LTI performance rights that were granted, vested and forfeited during the year.

2019		Balance at start of the year	Granted during the year	Vested during the year		Forfeited during the year[1]		Balance at the end of the year (unvested)	Maximum value yet to vest
Name and grant dates	Year granted	Number	Number	Number	%	Number	%	Number	$
Peter Bradford	**2019**	**–**	**218,475**	**–**	**–**	**–**	**–**	**218,475**	**316,021**
	2018	266,667	–	–	–	–	–	266,667	279,861
	2017	135,000	–	–	–	–	–	135,000	–
	2016	217,391	–	110,000	50.6	107,391	49.4	–	–
Keith Ashby	**2019**	**–**	**45,727**	**–**	**–**	**–**	**–**	**45,727**	**91,308**
	2018	53,031	–	–	–	–	–	53,031	43,618
	2017	17,000	–	–	–	–	–	17,000	–
	2016	19,361	–	9,797	50.6	9,564	49.4	–	–
Kate Barker	**2019**	**–**	**43,187**	**–**	**–**	**–**	**–**	**43,187**	**86,236**
	2018	17,371	0	–	–	–	–	17,371	14,288
	2017	10,157	–	–	–	–	–	10,157	–
	2016	8,133	–	4,115	50.6	4,018	49.4	–	–
Matt Dusci	**2019**	**–**	**110,161**	**–**	**–**	**–**	**–**	**110,161**	**219,971**
	2018	121,213	–	–	–	–	–	121,213	99,697
	2017	41,000	–	–	–	–	–	41,000	–
	2016	62,174	–	31,460	50.6	30,714	49.4	–	–
Andrew Eddowes	**2019**	**–**	**47,251**	**–**	**–**	**–**	**–**	**47,251**	**94,351**
	2018	22,131	–	–	–	–	–	22,131	18,203
	2017	16,000	–	–	–	–	–	16,000	–
	2016	19,043	–	9,636	50.6	9,407	49.4	–	–
Joanne McDonald	**2019**	**–**	**43,187**	**–**	**–**	**–**	**–**	**43,187**	**86,236**
	2018	17,819	–	–	–	–	–	17,819	14,656
	2017	14,000	–	–	–	–	–	14,000	–
	2016	10,568	–	5,357	50.6	5,229	49.4	–	–
Sam Retallack	**2019**	**–**	**45,727**	**–**	**–**	**–**	**–**	**45,727**	**91,308**
	2018	53,031	–	–	–	–	–	53,031	43,618
	2017	17,000	–	–	–	–	–	17,000	–
	2016	19,361	–	9,797	50.6	9,564	49.4	–	–

Ian Sandl	**2019**	–	**46,997**	–	–	–	–	**46,997**	**93,844**
	2018	22,182	–	–	–	–	–	22,182	18,245
Scott Steinkrug	**2019**	–	**83,140**	–	–	–	–	**83,140**	**166,015**
	2018	109,091	–	–	–	–	–	109,091	89,726
	2017	41,000	–	–	–	–	–	41,000	–
	2016	62,174	–	31,460	50.6	30,714	49.4	–	–

1. The Company achieved relative TSR performance over the 3 year period to 30 June 2018 of 25.1% which resulted in 50.6% of the 2015 Series Performance Rights vesting and ordinary shares issued. The balance of the 2015 Series Performance Rights lapsed and were cancelled.

Note: The relative TSR performance condition of the share rights granted in FY16 (which were due to vest on 1 July 2019) was tested post 30 June 2019. This resulted in a relative TSR performance for the period 1 July 2016 to 30 June 2019 of less than the 50th percentile of the comparator group and as such all performance rights lapsed and were cancelled. This will be accounted for in the FY20 Remuneration Report.

Service rights

The table below shows the number of service rights that were granted, vested and forfeited during the year.

		Balance at start of the year	Granted during the year	Vested during the year		Forfeited during the year		Balance at end of the year		Maximum value yet to vest
Name	**Year granted**	**Number**	**Number**	**Number**	**%**	**Number**	**%**	**Vested and exercisable[1]**	**Unvested**	**$**
Peter Bradford	2019	–	43,230	–	–	–	–	–	43,230	73,056
	2018	49,858	–	24,929	50.0	–	–	24,929	24,929	7,851
Keith Ashby	2019	–	9,282	–	–	–	–	–	9,282	15,686
	2018	10,542	–	5,271	50.0	–	–	–	5,271	1,660
Kate Barker	2019	–	7,648	–	–	–	–	–	7,648	12,925
	2018	9,509	–	4,754	50.0	–	–	4,754	4,755	1,497
Matt Dusci	2019	–	18,942	–	–	–	–	–	18,942	32,011
	2018	19,801	–	9,900	50.0	–	–	9,900	9,901	3,118
Andrew Eddowes	2019	–	9,775	–	–	–	–	–	9,775	16,519
	2018	14,112	–	7,056	50.0	–	–	7,056	7,056	2,222
Joanne McDonald	2019	–	7,723	–	–	–	–	–	7,723	13,051
	2018	9,475	–	4,737	50.0	–	–	–	4,738	1,492
Sam Retallack	2019	–	9,107	–	–	–	–	–	9,107	15,390
	2018	10,542	–	5,271	50.0	–	–	5,271	5,271	1,660
Ian Sandl[2]	2019	–	8,273	–	–	–	–	–	8,273	13,981
Scott Steinkrug	2019	–	16,728	–	–	–	–	–	16,728	28,269
	2018	18,804	–	9,402	50.0	–	–	–	9,402	2,961

1. Service rights have vested due to service condition being achieved and, subject to being exercised, will convert into ordinary shares.
2. Mr Sandl commenced employment with the Company on 4 September 2017 and as such was not entitled to service rights relating to FY17 performance.

Shareholdings of KMP

The number of ordinary shares in the Company held by each Director and other KMP, including their personally related entities, are set out below.

2019 Name	Balance at start of the year	Received on vesting of share rights	Other changes during the period	Balance at the end of the year
Directors				
Debra Bakker	11,085	–	5,000	16,085
Peter Bilbe	40,000	–	–	40,000
Peter Bradford	830,000	110,000	60,000	1,000,000
Peter Buck	22,200	–	–	22,200
Geoffrey Clifford	15,000	–	–	15,000
Keith Spence	22,125	–	–	22,125
Neil Warburton	106,034	–	–	106,034
Other key management personnel				
Keith Ashby	–	15,068	–	15,068
Kate Barker	–	4,115	–	4,115
Matt Dusci	9,900	31,460	–	41,360
Andrew Eddowes	101,447	9,636	–	111,083
Joanne McDonald	–	10,094	–	10,094
Sam Retallack	19,865	9,797	–	29,662
Ian Sandl	–	–	2,503	2,503
Scott Steinkrug	78,549	40,862	–	119,411
Total	**1,256,205**	**231,032**	**67,503**	**1,554,740**

Whilst IGO does not have a written policy stating a minimum shareholding in IGO shares for Directors, a written guideline on this subject was adopted by the Company in FY18. The guideline states, that in order to achieve a greater alignment with shareholder interests, Non-executive Directors are encouraged to hold shares in the Company. IGO is committed to achieving greater diversity throughout the business and this includes the membership of the Board of Directors. To this end, the Board of Directors acknowledges that each current or future Non-executive Director may have different personal circumstances. As such, no minimum shareholding requirement has been set in order to maximise the Company's opportunity to achieve the broadest range of diversity of directors on the Board.

Accordingly, Non-executive Directors are encouraged to acquire and hold shares in IGO commensurate with their personal circumstances.

(V) OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

During the current financial year, there were no other transactions with key management personnel or their related parties.

(VI) VOTING OF SHAREHOLDERS AT LAST YEAR'S ANNUAL GENERAL MEETING

Independence Group NL received more than 99% of "yes" votes on its remuneration report for the 2018 financial year. The Company sought feedback throughout the year on its remuneration practices through communications with key shareholders and proxy advisors. This feedback included advice on continuing to provide the level of current level of transparency within the Remuneration Report and ensure remuneration across the business reflects the strategic direction of the Company.

END OF AUDITED REMUNERATION REPORT

SHARES UNDER OPTION

At the reporting date, there were no unissued ordinary shares under options, nor were there any ordinary shares issued during the year ended 30 June 2019 on the exercise of options.

INSURANCE OF OFFICERS AND INDEMNITIES

During the financial year, the Company paid an insurance premium in respect of a contract insuring the Directors and executive officers of the Company and of any related body corporate against a liability incurred as such a Director or executive officer to the extent permitted by the Corporations Law. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify any officer of the Company or of any related body corporate against a liability incurred by such an officer.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the auditor (BDO Audit (WA) Pty Ltd) for non-audit services provided during the year are set out below.

The Directors are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* nor the principles set out in APES110 *Code of Ethics for Professional Accountants*.

During the period the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2019 $	2018 $
Other services		
BDO Audit (WA) Pty Ltd firm:		
Other services in relation to the entity and any other entity in the consolidated Group	**20,000**[1]	20,500
Total remuneration for non-audit services	**20,000**	20,500

1. Other services relate to review of the 2018 Sustainability Report, Form 5 Expenditure Audits, BDO Secure Reporting Line and Salary and Benefits benchmarking.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 64.

ROUNDING OF AMOUNTS

The Company is of a kind referred to in ASIC Corporation Legislative Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Legislative Instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of Directors.

PETER BRADFORD
MANAGING DIRECTOR

Perth, Western Australia
Dated this 28th day of August 2019

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF INDEPENDENCE GROUP NL

As lead auditor of Independence Group NL for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

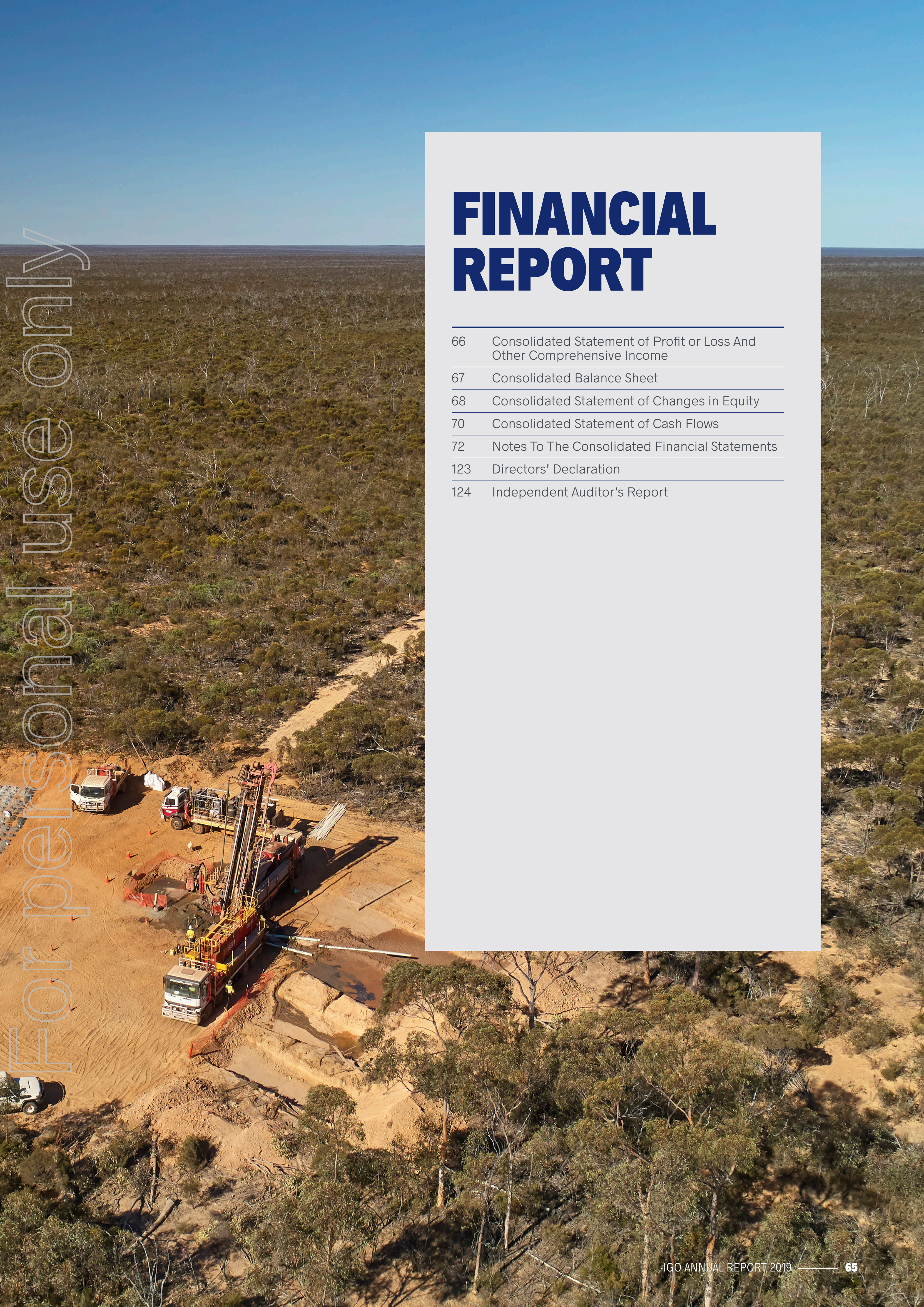
This declaration is in respect of Independence Group NL and the entities it controlled during the period.

Glyn O'Brien

Director

BDO Audit (WA) Pty Ltd

Perth, 28 August 2019



FINANCIAL REPORT

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 $'000	2018 $'000
Revenue from continuing operations	2	**784,512**	777,946
Other income	3	**8,377**	2,689
Mining, development and processing costs		**(262,851)**	(241,302)
Employee benefits expense		**(53,234)**	(88,795)
Share-based payments expense		**(3,123)**	(3,267)
Fair value movement of financial investments		**(6,915)**	231
Depreciation and amortisation expense		**(237,118)**	(252,133)
Exploration and evaluation expense		**(57,317)**	(38,926)
Royalty expense		**(30,506)**	(30,489)
Ore tolling expense		**(57)**	(8,776)
Shipping and wharfage costs		**(18,340)**	(19,787)
Borrowing and finance costs		**(6,638)**	(10,699)
Other expenses		**(11,342)**	(7,626)
Profit before income tax		**105,448**	79,066
Income tax expense	5	**(29,363)**	(26,380)
Profit after income tax for the period		**76,085**	52,686
Other comprehensive income			
Items that may be reclassified to profit or loss			
Effective portion of changes in fair value of cash flow hedges, net of tax		**(1,054)**	1,784
Exchange differences on translation of foreign operations		**(27)**	42
Other comprehensive (loss)/income for the period, net of tax		**(1,081)**	1,826
Total comprehensive income for the period		**75,004**	54,512
Profit for the period attributable to the members of Independence Group NL		**76,085**	52,686
Total comprehensive income for the period attributable to the members of Independence Group NL		**75,004**	54,512

	Notes	Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share	6	**12.89**	8.98
Diluted earnings per share	6	**12.84**	8.94

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 $'000	2018 $'000
ASSETS			
Current assets			
Cash and cash equivalents	7	**348,208**	138,688
Trade and other receivables	8	**47,748**	94,093
Inventories	9	**70,274**	82,487
Financial assets at fair value through profit or loss	10	**27,531**	24,294
Derivative financial instruments	20	**484**	1,990
Total current assets		**494,245**	341,552
Non-current assets			
Receivables	8	**14,998**	29,495
Inventories	9	**52,594**	33,012
Property, plant and equipment	13	**41,622**	35,417
Mine properties	14	**1,311,376**	1,457,688
Exploration and evaluation expenditure	15	**95,197**	70,493
Deferred tax assets	5	**180,237**	207,271
Total non-current assets		**1,696,024**	1,833,376
TOTAL ASSETS		**2,190,269**	2,174,928
LIABILITIES			
Current liabilities			
Trade and other payables	11	**49,902**	56,586
Borrowings	16	**56,226**	56,226
Provisions	12	**5,180**	4,894
Total current liabilities		**111,308**	117,706
Non-current liabilities			
Borrowings	16	**28,363**	84,589
Provisions	12	**63,626**	62,168
Deferred tax liabilities	5	**137,912**	131,638
Total non-current liabilities		**229,901**	278,395
TOTAL LIABILITIES		**341,209**	396,101
NET ASSETS		**1,849,060**	1,778,827
EQUITY			
Contributed equity	17	**1,895,855**	1,879,094
Reserves	18(a)	**15,777**	14,771
Accumulated losses	18(b)	**(62,572)**	(115,038)
TOTAL EQUITY		**1,849,060**	1,778,827

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Contributed equity $'000	Accumulated losses $'000	Hedging reserve $'000	Share-based payments reserve $'000	Acquisition reserve $'000	Foreign currency translation reserve $'000	Total equity $'000
Balance at 1 July 2017	1,878,469	(159,130)	(391)	10,698	3,142	(4)	1,732,784
Profit for the period	-	52,686	-	-	-	-	52,686
Other comprehensive income							
Currency translation differences - current period	-	-	-	-	-	42	42
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	1,784	-	-	-	1,784
Total comprehensive income for the period	-	52,686	1,784	-	-	42	54,512
Transactions with owners in their capacity as owners:							
Dividends paid	-	(11,736)	-	-	-	-	(11,736)
Share-based payments expense	-	-	-	3,267	-	-	3,267
Issue of shares - Employee Incentive Plan	625	-	-	(625)	-	-	-
Transfer acquisition reserve to accumulated losses	-	3,142	-	-	(3,142)	-	-
Balance at 30 June 2018	1,879,094	(115,038)	1,393	13,340	-	38	1,778,827

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Contributed equity $'000	Accumulated losses $'000	Hedging reserve $'000	Share-based payments reserve $'000	Acquisition reserve $'000	Foreign currency translation reserve $'000	Total equity $'000
Balance at 1 July 2018	1,879,094	(115,038)	1,393	13,340	-	38	1,778,827
Profit for the period	-	76,085	-	-	-	-	76,085
Other comprehensive income							
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	(1,054)	-	-	-	(1,054)
Currency translation differences - current period	-	-	-	-	-	(27)	(27)
Total comprehensive income for the period	-	76,085	(1,054)	-	-	(27)	75,004
Transactions with owners in their capacity as owners:							
Dividends paid	-	(23,619)	-	-	-	-	(23,619)
Share-based payments expense	-	-	-	3,123	-	-	3,123
Issue of shares - Employee Incentive Plan	1,036	-	-	(1,036)	-	-	-
Shares issued on acquisition of Southern Hills Tenements	15,725	-	-	-	-	-	15,725
Balance at 30 June 2019	1,895,855	(62,572)	339	15,427	-	11	1,849,060

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	Notes	2019 $'000	2018 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**841,684**	783,395
Payments to suppliers and employees (inclusive of GST)		**(426,194)**	(457,652)
		415,490	325,743
Interest and other costs of finance paid		**(4,538)**	(7,896)
Interest received		**3,973**	659
Payments for exploration activities		**(54,123)**	(40,729)
Receipts from other operating activities		**11,508**	28
Net cash inflow from operating activities	7(a)	**372,310**	277,805
Cash flows from investing activities			
Interest and other costs of finance paid		**-**	(1,008)
Payments for property, plant and equipment		**(16,384)**	(20,498)
Proceeds from sale of property, plant and equipment and other investments		**3,268**	198
Payments for development expenditure		**(78,056)**	(114,536)
Payments for purchase of listed investments		**(6,652)**	(8,919)
Payments for capitalised exploration and evaluation expenditure		**(11,753)**	(5,162)
Net proceeds on sale of Stockman Project		**10,000**	21,782
Net proceeds on sale Jaguar Operation		**16,764**	23,140
Net cash (outflow) from investing activities		**(82,813)**	(105,003)
Cash flows from financing activities			
Repayment of borrowings	16	**(57,142)**	(57,142)
Payment of dividends	19	**(23,619)**	(11,736)
Net cash (outflow) from financing activities		**(80,761)**	(68,878)
Net increase in cash and cash equivalents		**208,736**	103,924
Cash and cash equivalents at the beginning of the period		**138,688**	35,763
Effects of exchange rate changes on cash and cash equivalents		**784**	(999)
Cash and cash equivalents at the end of the period	7	**348,208**	138,688

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

About this report

Independence Group NL is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Group are described in the directors' report.

The financial report of Independence Group NL (the Company) and its subsidiaries (collectively, the Group) for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the Directors on 27 August 2019.

Basis of preparation

This financial report is a general purpose financial report, prepared by a for-profit entity, which:

- Has been prepared in accordance with the requirements of the *Corporations Act 2001,* Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);
- Has been prepared on a historical cost basis, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss and certain classes of property, plant and equipment;
- Is presented in Australian dollars with values rounded to the nearest thousand dollars or in certain cases, the nearest dollar, in accordance with the Australian Securities and Investments Commission 'ASIC Corporation Legislative Instrument 2016/191';
- Presents comparative information where required for consistency with the current year's presentation;
- Adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2018 as disclosed in note 30; and
- Does not early adopt Accounting Standards and Interpretations that have been issued or amended but are not yet effective, with the exception of AASB 9 *Financial Instruments* (December 2010) as amended by 2013-0 (AASB 9 (2013)) which was adopted in the year ended 30 June 2016.

Key estimates and judgements

In the process of applying the Group's accounting policies, management has made a number of judgements and applied estimates of future events. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the following notes:

Note 2	Revenue
Note 5	Income tax
Note 8	Trade and other receivables
Note 9	Inventories
Note 12	Provisions
Note 13	Property, plant and equipment
Note 14	Mine properties
Note 15	Exploration and evaluation expenditure
Note 25	Share-based payments

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group. A list of controlled entities (subsidiaries) at year end is contained in note 22.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

In preparing the consolidated financial statements, all inter-company balances and transactions, income and expenses and profit or losses resulting from intra-Group transactions have been eliminated. Subsidiaries are consolidated from the date on which control is obtained to the date on which control is disposed. The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

CONTENTS OF THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS — **PAGE**

Financial Performance

This section of the notes includes segment information and provides further information on key line items relevant to financial performance that the Directors consider most relevant, including accounting policies, key judgements and estimates relevant to understanding these items.

1 Segment information

(a) Identification of reportable segments

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions. The Group operates predominantly in only one geographic segment (Australia). During the year, the following segments were in operation: The Nova Operation, the Tropicana Operation and Growth, which comprises Regional Exploration Activities and Project Evaluation. The Jaguar Operation was sold effective 31 May 2018 and the Long Operation was placed in care and maintenance in June 2018, and subsequently sold effective 31 May 2019.

The Nova Operation primarily produces nickel and copper concentrates. Revenue is derived from the sale of these concentrates containing nickel, copper and cobalt to multiple customers. The General Manager of the Nova Operation is responsible for the budgets and expenditure of the Operation. The Nova Operation and exploration properties are owned by the Group's wholly owned subsidiary Independence Nova Pty Ltd.

The Tropicana Operation represents the Group's 30% joint venture interest in the Tropicana Gold Mine. AngloGold Ashanti Australia Limited (AngloGold Ashanti) is the manager of the Operation and holds the remaining 70% interest. Programs and budgets are provided by AngloGold Ashanti and are considered for approval by the Company's Board.

The Group's General Manager Exploration is responsible for budgets and expenditure relating to the Group's regional exploration, scoping studies, feasibility studies and new business development. The Growth division does not normally derive any income. Should a project generated by the Growth division commence generating income or lead to the construction or acquisition of a mining operation, that operation would then be disaggregated from the Growth division and become reportable in a different segment.

The Long Operation produced primarily nickel, together with copper, until June 2018. Revenue derived by the Long Operation was received from one customer, being BHP Billiton Nickel West Pty Ltd. The Registered Manager of the Long Operation was responsible for the budgets and expenditure of the Operation, which included exploration activities on the mine's tenure. The Long Operation and exploration properties were owned by the Group's wholly owned subsidiary Independence Long Pty Ltd. The Long Operation was placed in care and maintenance during June 2018, and subsequently sold effective 31 May 2019.

The Jaguar Operation primarily produced zinc and copper concentrate. The General Manager of the Jaguar Operation was responsible for the budgets and expenditure of the operation. The Jaguar Operation and exploration properties were owned by the Group's wholly owned subsidiary Independence Jaguar Pty Ltd. The Jaguar Operation was sold effective 31 May 2018.

1 Segment information (continued)

(b) Segment results

Year ended 30 June 2019	Nova Operation $'000	Tropicana Operation $'000	Jaguar Operation $'000	Long Operation $'000	Growth $'000	Total $'000
Nickel revenue	389,105	-	-	-	-	389,105
Gold revenue	-	277,429	-	-	-	277,429
Copper revenue	96,781	-	-	-	-	96,781
Silver revenue	953	1,051	-	-	-	2,004
Cobalt revenue	27,218	-	-	-	-	27,218
Shipping and insurance service revenue	5,336	-	-	-	-	5,336
Other revenue	(17,502)	-	-	(1,189)	3	(18,688)
Total segment revenue	501,891	278,480	-	(1,189)	3	779,185
Segment operating profit/(loss) before income tax	95,365	97,627	-	(1,400)	(59,148)	132,444
Total segment assets	1,193,096	314,990	-	-	95,551	1,603,637
Total segment liabilities	66,996	41,491	-	-	2,107	110,594
Acquisition of property, plant and equipment	11,315	6,802	-	125	-	18,242
Depreciation and amortisation	160,456	74,731	-	681	44	235,912
Other non-cash expenses	956	401	-	59	-	1,416

Year ended 30 June 2018	Nova Operation $'000	Tropicana Operation $'000	Jaguar Operation $'000	Long Operation $'000	Growth $'000	Total $'000
Nickel revenue	232,722	-	-	57,517	-	290,239
Gold revenue	-	239,472	1,459	-	-	240,931
Copper revenue	69,435	-	17,064	1,410	-	87,909
Silver revenue	725	905	16,259	-	-	17,889
Cobalt revenue	22,277	-	-	-	-	22,277
Zinc revenue	-	-	78,100	-	-	78,100
Shipping and insurance service revenue	3,643	-	1,025	-	-	4,668
Other revenue	19,990	-	(1,771)	5,855	11	24,085
Total segment revenue	348,792	240,377	112,136	64,782	11	766,098
Segment net operating profit/(loss) before income tax	35,623	86,292	12,893	1,368	(42,390)	93,786
Total segment assets	1,372,090	304,341	-	21,848	83,225	1,781,504
Total segment liabilities	69,113	36,486	-	8,572	1,360	115,531

1 Segment information (continued)

(b) Segment results (continued)

Year ended 30 June 2018	Nova Operation $'000	Tropicana Operation $'000	Jaguar Operation $'000	Long Operation $'000	Growth $'000	Total $'000
Acquisition of property, plant and equipment	6,106	4,229	8,283	547	-	19,165
Depreciation and amortisation	159,777	54,532	13,826	22,835	55	251,025
Other non-cash expenses	827	396	276	110	-	1,609

(c) Segment net profit before income tax

A reconciliation of reportable segment profit before income tax to profit before income tax is as follows:

	2019 $'000	2018 $'000
Segment profit before income tax	**132,444**	93,786
Interest revenue on corporate cash balances and other unallocated revenue	**5,327**	11,848
Fair value movement of corporate financial investments	**(6,915)**	(587)
Share-based payments expense	**(3,123)**	(3,267)
Corporate and other costs and unallocated other income	**(18,445)**	(15,054)
Borrowing and finance costs	**(5,222)**	(9,090)
Depreciation expense on corporate assets	**(1,205)**	(1,108)
Net gain on disposal of subsidiaries and other assets	**2,587**	2,538
Total profit before income tax	**105,448**	79,066

(d) Segment revenue

A reconciliation of reportable segment revenue to total revenue is as follows:

	2019 $'000	2018 $'000
Total revenue for reportable segments	**779,185**	766,098
Other revenue from continuing operations	**5,327**	11,848
Total revenue	**784,512**	777,946

Revenues for the Nova Operation were received from BHP Billiton Nickel West Pty Ltd (BHP Billiton Nickel West), Glencore International AG and Trafigura Pte Ltd.

Revenues for the Tropicana Operation were received from The Perth Mint, Australia and the Company's financiers via forward sales contracts.

Revenues for the Long Operation were all derived from a single customer, being BHP Billiton Nickel West.

Revenues for the Jaguar Operation in the prior year were received from Glencore International AG and Trafigura Pte Ltd.

1 Segment information (continued)

(e) Segment assets

A reconciliation of reportable segment assets to total assets is as follows:

	2019 $'000	2018 $'000
Total assets for reportable segments	**1,603,637**	1,781,504
Unallocated assets:		
Deferred tax assets	**180,237**	207,271
Listed equity securities	**27,531**	22,376
Cash and receivables held by the parent entity	**373,433**	159,595
Office and general plant and equipment	**5,431**	4,182
Total assets as per the balance sheet	**2,190,269**	2,174,928

(f) Segment liabilities

A reconciliation of reportable segment liabilities to total liabilities is as follows:

	2019 $'000	2018 $'000
Total liabilities for reportable segments	**110,594**	115,531
Unallocated liabilities:		
Deferred tax liabilities	**137,912**	131,638
Creditors and accruals of the parent entity	**4,634**	5,103
Provision for employee entitlements of the parent entity	**3,480**	3,014
Bank loans	**84,589**	140,815
Total liabilities as per the balance sheet	**341,209**	396,101

2 Revenue

	2019 $'000	2018 $'000
Sales revenue from contracts with customers		
Sale of goods revenue	**792,537**	737,345
Shipping and insurance service revenue	**5,336**	4,668
	797,873	742,013
Other revenue		
Interest revenue	**5,877**	731
Other revenue	**15**	11,528
Provisional pricing adjustments	**(19,253)**	23,674
	(13,361)	35,933
Total revenue	**784,512**	777,946

2 Revenue (continued)

(a) Recognition and measurement

(i) Revenue from sale of goods

Revenue from the sale of goods is recognised when control of the goods has passed to the buyer based upon agreed delivery terms.

Sale of concentrates

Revenue from the sale of concentrates is recognised when control has passed to the buyer based upon agreed delivery terms, generally being when the product is loaded onto the ship and bill of lading received, or delivered to the customer's premises. In cases where control of product is transferred to the customer before shipping takes place, revenue is recognised when the customer has formally acknowledged their legal ownership of the product, which includes all inherent risks associated with control of the product. In these cases, the product is clearly identified and immediately available to the customer. This is when the performance obligation is met.

The price to be received on sales of concentrate is provisionally priced and recognised at the estimate of the consideration receivable that is highly probable of not reversing by reference to the relevant contractual price and the estimated mineral specifications, net of treatment and refining charges where applicable. Subsequently, provisionally priced sales are repriced at each reporting period up until when final pricing and settlement is confirmed with revenue adjustments relating to the quality and quantity of commodities sold being recognised in sales revenue.

Provisionally priced sales for which price finalisation is referenced to the relevant metal price index have an embedded commodity derivative. The embedded derivative is carried at fair value through profit or loss as part of trade receivables. The period between provisional pricing and final invoices is generally between 30 to 90 days.

Sale of gold bullion

Revenue from the sale of gold bullion is recognised when control of the inventory has transferred to the customer, being when the gold is credited to the metals account of the customers. It is at this point that control over the gold bullion has been passed to the customer and the Group has fulfilled its performance obligation under the contract.

(ii) Revenue from Services - Shipping and Insurance

Sales of nickel and copper concentrates are on terms that include the Group being responsible for shipping and insurance costs. Shipping and insurance is a separate performance obligation from the sale of the commodity with the revenue allocated to shipping and insurance being recognised over the period of transfer to the customer.

(iii) Provisional pricing adjustments

The Group's sales contracts may provide for provisional pricing of sales at the time the product is delivered to the vessel with final pricing determined using the index on or after the vessel's arrival to the port of discharge. This provisional pricing relates to the quality and quantity of the commodity sold, which is included in sales revenue, and an embedded derivative relating to the pricing of the commodity sold. Provisional pricing adjustments relating to the embedded derivative are separately identified as movements in the financial instrument rather than being included within Sales revenue. The final pricing adjustment mechanism, being an embedded derivative, is separated from the host contract and recognised at fair value through profit or loss. These amounts are disclosed separately as Provisional pricing adjustments in Other revenue, rather than being included within Sales revenue for the Group.

(iv) Interest revenue

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

2 Revenue (continued)

(b) Key estimates and judgements

Judgement is exercised in estimating variable consideration. This is determined by past experience with respect to the goods returned to the Group where the customer maintains a right of return pursuant to the customer contract or where goods or services have a variable component. Revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised under the contract will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

3 Other income

	2019 $'000	2018 $'000
Net foreign exchange gains	**1,967**	-
Net gain on disposal of property, plant and equipment	**2,636**	135
Net gain on sale of tenements	**-**	13
Write-back of rehabilitation provision	**1,187**	-
Net gain on sale of subsidiaries	**2,587**	2,541
	8,377	2,689

4 Expenses and losses

	2019 $'000	2018 $'000
Cost of sale of goods	**327,569**	373,725
Employee benefits expenses	**53,234**	88,795
Share-based payments expense	**3,123**	3,267
Exploration and growth costs	**57,317**	38,926
Rental expense relating to operating leases	**1,933**	1,872
Net foreign exchange losses	**-**	582
Amortisation expense	**228,121**	237,993
Depreciation expense	**8,997**	14,140
Borrowing and finance costs		
Rehabilitation and restoration borrowing costs	**1,416**	1,609
Borrowing and finance costs - other entities	**4,306**	8,174
Amortisation of borrowing costs	**916**	916
Finance costs expensed	**6,638**	10,699

5 Income tax

(a) Income tax expense

	2019 $'000	2018 $'000
The major components of income tax expense are:		
Deferred income tax expense	**29,363**	26,380
Current income tax expense	**-**	-
Income tax expense	**29,363**	26,380
Deferred income tax expense included in income tax expense comprises:		
Decrease in deferred tax assets	**24,204**	23,039
Increase in deferred tax liabilities	**5,159**	3,341
Deferred income tax expense	**29,363**	26,380

(b) Amounts recognised directly in equity

Deferred income tax (benefit)/expense related to items charged or credited to other comprehensive income or directly to equity:		
Recognition of hedge contracts	**(452)**	765
Income tax (benefit)/expense reported in equity	**(452)**	765

(c) Numerical reconciliation of income tax expense to prima facie tax payable

	2019 $'000	2018 $'000
Profit from continuing operations before income tax expense	**105,448**	79,066
Tax expense at the Australian tax rate of 30% (2018: 30%)	**31,634**	23,720
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share-based payments	**317**	897
Other non-deductible items	**519**	1
Adjustment to tax cost base of asset on acquisition of subsidiary	**-**	(11,038)
Impairment of tax losses previously recognised	**-**	14,032
Non-assessable gain on disposal of subsidiary	**(811)**	(1,341)
Capital losses not brought to account	**16**	-
Previously unrecognised capital losses brought to account	**(27)**	(86)
Difference in overseas tax rates	**7**	46
Overseas tax losses not brought to account	**20**	126
Adjustments for current tax of prior periods	**(2,312)**	23
Income tax expense	**29,363**	26,380

5 Income tax (continued)

(d) Reconciliation of carry forward tax losses and income tax paid

	2019 $'000	2018 $'000
Tax effected balances at 30%		
Carry forward tax losses at the beginning of the year	**180,695**	198,571
Tax losses recouped from current year	**(26,307)**	(3,844)
Impairment of tax losses	**-**	(14,032)
Carry forward tax losses at the end of the year	**154,388**	180,695
Effective income tax rate based on income tax paid	**-%**	-%

(e) Deferred tax assets and liabilities

	Balance Sheet		Profit or loss		Equity		Disposal of Subsidiary	
	2019 $'000	2018 $'000	**2019 $'000**	2018 $'000	**2019 $'000**	2018 $'000	**2019 $'000**	2018 $'000
Deferred tax liabilities								
Capitalised exploration expenditure	**(2,163)**	(3,915)	**(3,319)**	(8,729)	**-**	-	**1,567**	(641)
Mine properties	**(128,960)**	(121,034)	**7,926**	14,212	**-**	-	**-**	(8,899)
Property, plant and equipment	**(1,673)**	-	**1,673**	-	**-**	-	**-**	-
Deferred gains and losses on hedging contracts	**(145)**	(597)	**-**	-	**(452)**	400	**-**	-
Trade debtors	**(2,852)**	(2,606)	**246**	(3,226)	**-**	-	**-**	(1,074)
Consumable inventories	**(1,815)**	(1,905)	**(90)**	750	**-**	-	**-**	(1,359)
Other	**(304)**	(1,581)	**(1,277)**	334	**-**	-	**-**	(33)
Gross deferred tax liabilities	**(137,912)**	(131,638)	**5,159**	3,341	**(452)**	400	**1,567**	(12,006)
Deferred tax assets								
Property, plant and equipment	**-**	514	**(967)**	2,766	**-**	-	**1,481**	14,685
Deferred losses on hedged commodity contracts	**-**	-	**-**	-	**-**	365	**-**	-
Business-related capital allowances	**1,831**	3,593	**1,762**	1,916	**-**	-	**-**	-
Provision for employee entitlements	**1,910**	1,738	**(172)**	1,851	**-**	-	**-**	1,151
Provision for rehabilitation	**18,732**	18,380	**(1,701)**	(391)	**-**	-	**1,349**	3,824
Mining information	**-**	-	**-**	172	**-**	-	**-**	543
Carry forward tax losses	**154,388**	180,695	**26,307**	17,876	**-**	-	**-**	-
Other	**3,376**	2,351	**(1,025)**	(1,151)	**-**	-	**-**	551
Gross deferred tax assets	**180,237**	207,271	**24,204**	23,039	**-**	365	**2,830**	20,754
Deferred tax expense/(benefit)	**42,325**	75,633	**29,363**	26,380	**(452)**	765	**4,397**	8,748

5 Income tax (continued)

(f) Tax losses

In addition to the above recognised tax losses, the Group also has the following revenue and capital tax losses for which no deferred tax asset has been recognised:

	2019 $'000	2018 $'000
Unrecognised revenue tax losses	**46,775**	46,775
Potential tax benefit @ 30.0% (2018: 30%)	**14,032**	14,032
Unrecognised capital tax losses	**85,546**	85,304
Potential tax benefit @ 30% (2018: 30%)	**25,664**	25,591

(g) Tax transparency code

The Group has adopted the Board of Taxation's voluntary Tax Transparency Code (TTC). The TTC requires additional tax disclosures in two parts (Part A and Part B), which includes addressing the Company's approach to tax strategy and governance. The Group has addressed these Part A and Part B disclosures in this note and in its 2018 Tax Transparency Report. In relation to the year ended 30 June 2019, the Part A and Part B disclosures will be addressed in the Group's 2019 Annual Sustainability Report.

(h) Recognition and measurement

Current taxes

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred taxes

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

5 Income tax (continued)

(h) Recognition and measurement (continued)

Offsetting deferred tax balances

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(i) Significant estimates

In addition, deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future forecast taxable profits are available to utilise those temporary differences and losses, and the tax losses continue to be available having regard to the relevant tax legislation associated with their recoupment.

The Australian consolidated tax group has recognised a deferred tax asset relating to carry forward tax losses of $154,388,000 at 30 June 2019 (2018: $180,695,000). The utilisation of this deferred tax asset amount depends upon future taxable amounts in excess of profits arising from the reversal of temporary differences. The Group believes this amount to be recoverable based on taxable income projections.

6 Earnings per share

(a) Earnings used in calculating earnings per share

Profit used in calculating basic and diluted earnings per share attributable to ordinary equity holders of the parent is $76,085,000 (2018: $52,686,000).

(b) Weighted average number of shares used as the denominator

	2019 Number	2018 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**590,335,278**	586,808,843
Adjustments for calculation of diluted earnings per share:		
Share rights	**2,524,470**	2,261,529
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	**592,859,748**	589,070,372

(c) Information concerning the classification of securities

Share rights

Share rights granted to Executives and employees under the Company's Employee Incentive Plan and any outstanding service rights are included in the calculation of diluted earnings per share as they could potentially dilute basic earnings per share in the future. The share rights are not included in the determination of basic earnings per share. Further information about the share rights is provided in note 25.

(d) Calculation of earnings per share

(i) ***Basic earnings per share***

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares,
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) ***Diluted earnings per share***

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Working Capital and Provisions

This section of the notes provides further information about the Group's working capital and provisions, including accounting policies and key judgements and estimates relevant to understanding these items.

7 Cash and cash equivalents

	2019 $'000	2018 $'000
Cash at bank and in hand	**108,178**	138,658
Deposits at call	**240,030**	30
	348,208	138,688

The Group has cash balances of $1,633,000 (2018: $1,864,000) not generally available for use as the balances are held by the Tropicana Joint Venture and may only be used in relation to joint venture expenditure.

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 21.

(a) Reconciliation of profit after income tax to net cash inflow from operating activities

	2019 $'000	2018 $'000
Profit for the period	**76,085**	52,686
Depreciation and amortisation	**237,118**	252,133
Net gain on sale of non-current assets	**(2,636)**	(148)
Fair value of movement of financial investments	**6,915**	(231)
Non-cash employee benefits expense - share-based payments	**3,123**	3,267
Gain on disposal of subsidiaries	**(2,587)**	(2,541)
Amortisation of borrowing expenses	**916**	916
Amortisation of lease incentive	**(79)**	(78)
Foreign exchange (gains) losses on cash balances	**(784)**	999
Change in fair value measurement of receivables	**(1,574)**	-
Change in operating assets and liabilities:		
Decrease (increase) in trade receivables	**25,371**	(26,912)
(Increase) in inventories	**(7,375)**	(49,692)
Decrease in deferred tax assets	**24,204**	23,404
Decrease (increase) in other operating receivables and prepayments	**9,855**	(8,152)
(Increase) in derivative financial instruments	**-**	(29)
(Decrease) increase in trade and other payables	**(2,080)**	34,135
Increase in deferred tax liabilities	**5,159**	2,976
Increase (decrease) in other provisions	**679**	(4,928)
Net cash inflow from operating activities	**372,310**	277,805

(b) Non-cash investing and financing activities

During the current year, the Company issued 3,095,408 shares totalling $15,725,000 for the acquisition of the Southern Hills tenements (refer note 17(b)). The Company also received 7,777,778 shares in Mincor Resources NL totalling $3,500,000 relating to the sale of the Long Operation during the year (refer to Note 22(b)). There were no other non-cash investing and financing activities during the current or previous year.

7 Cash and cash equivalents (continued)

(c) Recognition and measurement

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

8 Trade and other receivables

	2019 $'000	2018 $'000
Current		
Trade receivables	**24,568**	50,858
GST Receivable	**2,463**	738
Other receivables	**18,556**	40,563
Prepayments	**2,161**	1,934
	47,748	94,093
Non-current		
Other receivables	**14,998**	29,495
	14,998	29,495

(a) Recognition and measurement

(i) ***Trade receivables***

Trade receivables are generally received in the current month, or up to three months after the shipment date. The receivables are initially recognised at fair value, less any allowance for expected credit losses.

The Group has applied the simplified approach to measuring expected credit losses, which applies a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Trade receivables are subsequently revalued by the mark-to-market of open sales. The Group determines mark-to-market prices using forward prices at each period end for nickel, copper and cobalt sales.

(ii) ***Other receivables***

Other receivables include amounts outstanding on the sale of the Jaguar Operation in May 2018. The discounted values (using a discount rate of 3.5%) of the outstanding cash proceeds of $15,519,000 (2018: $15,520,000) and $14,994,000 (2018: $29,480,000) are shown in current and non-current receivables respectively. Refer further information at note 22(c).

(iii) ***Impairment and risk exposure***

Note 21(b)(i) sets out information about the impairment of financial assets and the Group's exposure to credit risk. Given our credit risk management processes, the resulting level of expected credit losses are insignificant.

(b) Key estimates and judgements

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a estimation based on a degree of judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

9 Inventories

	2019 $'000	2018 $'000
Current		
Mine spares and stores	**19,023**	13,831
ROM inventory	**32,866**	39,943
Concentrate inventory	**12,006**	23,258
Gold in circuit	**1,454**	1,585
Gold dore	**4,925**	3,870
	70,274	82,487

	2019 $'000	2018 $'000
Non-current		
ROM inventory	**52,594**	33,012
	52,594	33,012

(a) Classification of inventory

Inventory classified as non-current relates to low grade (0.6g/t to 1.2g/t) gold ore stockpiles which are not intended to be utilised within the next 12 months but are anticipated to be utilised beyond that period.

(b) Recognition and measurement

(i) Ore, concentrate and gold inventories

Inventories, comprising nickel, copper and cobalt in concentrate, gold dore, gold in circuit and ore stockpiles, are valued at the lower of weighted average cost and net realisable value. Costs include fixed direct costs, variable direct costs and an appropriate portion of fixed overhead costs. A portion of the related depreciation, depletion and amortisation charge is included in the cost of inventory.

(ii) Mine spares and stores

Inventories of consumable supplies and spare parts are valued at the lower of cost and net realisable value. Cost is assigned on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion, and the estimated costs necessary to make the sale.

The recoverable amount of surplus items is assessed regularly on an ongoing basis and written down to its net realisable value when an impairment indicator is present.

(c) Key estimates and judgements

The Group reviews the carrying value of inventories regularly to ensure that their cost does not exceed net realisable value. In determining net realisable value various factors are taken into account, including estimated future sales price of the product based on prevailing spot metals prices at the reporting date, less estimated costs to complete production and bring the product to sale.

Stockpiles are measured by estimating the number of tonnes added and removed from the stockpile, the amount of contained metal based on assay data, and the estimated recovery percentage based on the expected processing method.

10 Financial assets at fair value through profit or loss

	2019 $'000	2018 $'000
Shares in Australian listed companies - at fair value through profit or loss	**27,531**	24,294
	27,531	24,294

(i) Amounts recognised in profit or loss

During the current year, the changes in fair values of financial assets resulted in a loss to the profit or loss of $6,915,000 (2018: profit of $231,000). Changes in fair values of financial assets at fair value through profit or loss are recorded in fair value movement of financial investments in the profit or loss.

(ii) Recognition and measurement

The Group classifies financial assets at fair value through profit or loss if they are acquired principally for the purpose of selling in the short term, ie are held for trading. They are presented as current assets if they are expected to be sold within 12 months after the end of the reporting period; otherwise they are presented as non-current assets. Refer to note 21(d) for fair value measurement.

11 Trade and other payables

	2019 $'000	2018 $'000
Current liabilities		
Trade payables	**2,827**	14,447
Other payables	**47,075**	42,139
	49,902	56,586

(a) Recognition and measurement

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

12 Provisions

	2019 $'000	2018 $'000
Current		
Provision for employee entitlements	**5,180**	4,322
Provision for restructuring costs	**-**	572
	5,180	4,894

12 Provisions (continued)

	2019 $'000	2018 $'000
Non-current		
Provision for employee entitlements	**1,185**	901
Provision for rehabilitation costs	**62,441**	61,267
	63,626	62,168

(a) Movements in provisions

Movements in the provision for rehabilitation costs during the financial year are set out below:

	2019 $'000	2018 $'000
Carrying amount at beginning of financial year	**61,267**	72,687
Additional provision	**5,564**	86
Rehabilitation and restoration borrowing costs expense	**1,416**	1,609
Payments during the period	**(122)**	(369)
Disposal of subsidiary	**(4,497)**	(12,746)
Write-back of provision	**(1,187)**	-
Carrying amount at end of financial year	**62,441**	61,267

(b) Recognition and measurement

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as rehabilitation and restoration borrowing expense in the profit or loss.

(i) ***Rehabilitation and restoration***

Long-term environmental obligations are based on the Group's environmental management plans, in compliance with current environmental and regulatory requirements.

Full provision is made based on the net present value of the estimated cost of rehabilitating and restoring the environmental disturbance that has occurred up to the reporting date. To the extent that future economic benefits are expected to arise, these costs are capitalised and amortised over the remaining lives of the mines.

Annual increases in the provision relating to the change in the net present value of the provision are recognised as finance costs (and disclosed as Rehabilitation and restoration borrowing costs). The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean-up at closure.

(ii) ***Employee benefits***

The provision for employee benefits represents annual leave and long service leave entitlements accrued by employees.

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The amounts are presented as current employee entitlements in the balance sheet.

12 Provisions (continued)

(b) Recognition and measurement (continued)

(ii) Employee benefits (continued)

Other long-term employee benefit obligations

The liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the consolidated balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(c) Key estimates and judgements

Rehabilitation and restoration provisions

The provision for rehabilitation and restoration costs is based on the net present value of the estimated cost of rehabilitating and restoring the environmental disturbance that has occurred up to the reporting date. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at reporting date represents management’s best estimate of the present value of the future rehabilitation costs required.

Long service leave

Long service leave is measured at the present value of benefits accumulated up to the end of the reporting period. The liability is discounted using an appropriate discount rate. Management requires judgement to determine key assumptions used in the calculation, including future increases in salaries and wages, future on-costs rates and future settlement dates of employees' departures.

Invested Capital

This section of the notes provides further information about property, plant and equipment, mine properties and exploration and evaluation expenditure and the carrying amount of these non-financial assets, including accounting policies, key judgements and estimates relevant to understanding these items.

13 Property, plant and equipment

	Land and buildings $'000	Mining plant and equipment $'000	Furniture, fittings and other equipment $'000	Motor vehicles $'000	Assets under construction $'000	Total $'000
Year ended 30 June 2019						
Cost	25,040	27,670	14,118	4,589	9,326	80,743
Accumulated depreciation and impairment	(14,334)	(11,989)	(9,014)	(3,784)	-	(39,121)
Net book amount	10,706	15,681	5,104	805	9,326	41,622
Movements						
Opening net book amount	12,663	13,548	4,132	1,013	4,061	35,417
Additions	667	4,344	1,742	293	9,338	16,384
Disposals	-	(632)	-	-	-	(632)
Transfers	117	3,178	756	22	(4,073)	-
Depreciation charge	(2,741)	(4,288)	(1,493)	(475)	-	(8,997)
Disposal of subsidiary	-	(469)	(33)	(48)	-	(550)
Closing net book amount	10,706	15,681	5,104	805	9,326	41,622
Year ended 30 June 2018						
Cost	24,257	62,710	12,483	5,583	4,061	109,094
Accumulated depreciation and impairment	(11,594)	(49,162)	(8,351)	(4,570)	-	(73,677)
Net book amount	12,663	13,548	4,132	1,013	4,061	35,417
Movements						
Opening net book amount	14,622	20,301	3,783	2,227	3,989	44,922
Additions	1,202	8,714	1,951	911	7,847	20,625
Disposals	-	(52)	-	(16)	-	(68)
Transfers	1,262	1,868	269	153	(3,552)	-
Depreciation charge	(2,851)	(8,521)	(1,617)	(1,151)	-	(14,140)
Disposal of subsidiary	(1,572)	(8,762)	(254)	(1,111)	(4,223)	(15,922)
Closing net book amount	12,663	13,548	4,132	1,013	4,061	35,417

(a) Non-current assets pledged as security

Refer to note 16 for information on non-current assets pledged as security by the Group.

13 Property, plant and equipment (continued)

(b) Recognition and measurement

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. It also includes the direct cost of bringing the asset to the location and condition necessary for first use and the estimated future cost of rehabilitation, where applicable. The assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation

Land is not depreciated. Depreciation on other assets is calculated using either units-of-production or straight-line depreciation as follows:

Depreciation periods are primarily:	
Buildings	5 - 10 years
Mining plant and equipment	2 - 10 years
Motor vehicles	3 - 8 years
Furniture and fittings	3 - 10 years

Depreciation is expensed as incurred, unless it relates to an asset or operation in the construction phase, in which case it is capitalised.

Derecognition

An item of property, plant and equipment is derecognised when it is sold or otherwise disposed of, or when its use is expected to bring no future economic benefits. Any gain or loss from derecognising the asset (being the difference between the proceeds of disposal and the carrying amount of the asset) is included in the profit or loss in the period the item is derecognised.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

(c) Key estimates and judgements

The estimations of useful lives, residual values and depreciation methods require significant management judgements and are regularly reviewed. If they need to be modified, the depreciation and amortisation expense is accounted for prospectively from the date of the assessment until the end of the revised useful life (for both the current and future years).

14 Mine properties

	Mine properties in development $'000	Mine properties in production $'000	Deferred stripping $'000	Total mine properties $'000
Year ended 30 June 2019				
Cost	**4,271**	**1,720,121**	**198,031**	**1,922,423**
Accumulated amortisation and impairment	**-**	**(464,628)**	**(146,419)**	**(611,047)**
Net book amount	**4,271**	**1,255,493**	**51,612**	**1,311,376**
Movements				
Carrying amount at beginning of the period	**-**	**1,391,143**	**66,545**	**1,457,688**
Additions	**1,497**	**41,482**	**36,056**	**79,035**
Transfers from exploration and evaluation expenditure	**2,774**	**-**	**-**	**2,774**
Amortisation expense	**-**	**(177,132)**	**(50,989)**	**(228,121)**
Closing net book amount	**4,271**	**1,255,493**	**51,612**	**1,311,376**
Year ended 30 June 2018				
Cost	-	1,831,083	161,975	1,993,058
Accumulated amortisation and impairment	-	(439,940)	(95,430)	(535,370)
Net book amount	-	1,391,143	66,545	1,457,688
Movements				
Carrying amount at beginning of the period	1,355,722	202,282	54,915	1,612,919
Additions	-	74,734	43,396	118,130
Transfers to exploration and evaluation expenditure	-	(1,473)	-	(1,473)
Amortisation expense	-	(206,227)	(31,766)	(237,993)
Transfers	(1,355,722)	1,355,722	-	-
Disposal of subsidiary	-	(33,895)	-	(33,895)
Closing net book amount	-	1,391,143	66,545	1,457,688

(a) Recognition and measurement

(i) Mine properties in development

Mine properties in development represent the expenditure incurred when technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, and includes the costs incurred up until such time as the asset is capable of being operated in a manner intended by management. These costs are not amortised but the carrying value is assessed for impairment whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

14 Mine properties (continued)

(a) Recognition and measurement (continued)

(ii) Mine properties in production

Mine properties in production represent the accumulation of all acquisition, exploration, evaluation and development expenditure incurred by or on behalf of the Group in relation to areas of interest in which mining of the mineral resource has commenced. When further development expenditure, including waste development and stripping, is incurred in respect of a mine property after the commencement of production, such expenditure is carried forward as part of the cost of that mine property only when substantial future economic benefits are established, otherwise such expenditure is classified as part of the cost of production.

Amortisation is provided on a units-of-production basis, with separate calculations being made for each mineral resource. The units-of-production method results in an amortisation charge proportional to the depletion of the economically recoverable mineral resources (comprising proven and probable reserves).

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. An impairment exists when the carrying value of mine properties exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount and the impairment losses are recognised in profit or loss.

(iii) Deferred stripping

Stripping activity costs incurred in the development phase of a mine are capitalised as part of the cost of constructing the mine and subsequently amortised over the life of the mine on a units-of-production basis.

Stripping activity incurred during the production phase of a mine is assessed as to whether the benefit accruing from that activity is to provide access to ore that can be used to produce ore inventory, or whether it in addition provides improved access to ore that will be mined in future periods.

To the extent that the benefit from the stripping activity is realised in the form of inventory produced, the Group accounts for those stripping activity costs in accordance with AASB102 *Inventories*. A stripping activity asset is brought to account if it is probable that future economic benefits (improved access to the ore body) will flow to the Group, the component of the ore body for which access has been improved can be identified and costs relating to the stripping activity can be measured reliably.

The amount of stripping activity costs that are capitalised is determined based on a comparison of the stripping ratio in the relevant period with the life of mine stripping ratio. To the extent that there is a period of sustained stripping that exceeds the average life of mine stripping ratio, mine waste stripping costs are capitalised to the stripping activity asset. Such capitalised costs are amortised over the life of that mine on a units-of-production basis. The life of mine ratio is based on ore reserves of the mine. Changes to the life of mine are accounted for prospectively.

(b) Key estimates and judgements

(i) Proved and probable ore reserves

The Group uses the concept of life of mine to determine the amortisation of mine properties. In determining life of mine, the Group prepares ore reserve estimates in accordance with the JORC Code 2012, guidelines prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia. The estimate of these proved and probable ore reserves, by their very nature, require judgements, estimates and assumptions.

Where the proved and probable reserve estimates need to be modified, the amortisation expense is accounted for prospectively from the date of the assessment until the end of the revised mine life (for both the current and future years).

(ii) Deferred stripping

The Group defers advanced stripping costs incurred during the production stage of its open cut mining operations. This calculation requires the use of judgements and estimates, such as estimates of tonnes of waste to be removed over the life of the mining area and economically recoverable reserves extracted as a result. Changes in a mine's life and design may result in changes to the expected stripping ratio (waste to mineral reserves ratio). Any resulting changes are accounted for prospectively.

15 Exploration and evaluation

	Nova Operation $'000	Windward $'000	Stockman Project $'000	Jaguar Operation $'000	Other $'000	Total $'000
Year ended 30 June 2019						
Opening net book amount	34,100	17,823	13,052	-	5,518	70,493
Additions*	-	-	-	-	27,478	27,478
Transfer from (to) mine properties in production	-	-	-	-	(2,774)	(2,774)
Closing net book amount	34,100	17,823	13,052	-	30,222	95,197
Year ended 30 June 2018						
Opening net book amount	34,100	17,823	13,052	5,250	2,843	73,068
Additions	-	-	-	2,486	2,675	5,161
Transfer from (to) mine properties in production	-	-	-	1,473	-	1,473
Disposal of subsidiary	-	-	-	(9,209)	-	(9,209)
Closing net book amount	34,100	17,823	13,052	-	5,518	70,493

* Additions during the current financial year includes $22,243,000 relating to acquisition of the Southern Hills tenements.

(a) Impairment

The Group did not recognise any impairment charges during the current or previous reporting period.

(b) Recognition and measurement

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource.

Exploration and evaluation expenditure is expensed to the profit or loss as incurred except in the following circumstances in which case the expenditure may be capitalised:

- The existence of a commercially viable mineral deposit has been established and it is anticipated that future economic benefits are more likely than not to be generated as a result of the expenditure; and
- The exploration and evaluation activity is within an area of interest which was acquired as an asset acquisition or in a business combination and measured at fair value on acquisition.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. An impairment exists when the carrying value of expenditure exceeds its estimated recoverable amount. The area of interest is then written down to its recoverable amount and the impairment losses are recognised in profit or loss.

Upon approval for the commercial development of an area of interest, exploration and evaluation assets are tested for impairment and transferred to 'Mine properties in development'. No amortisation is charged during the exploration and evaluation phase.

(c) Key estimates and judgements

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective area of interest.

The Group reviews the carrying value of exploration and evaluation expenditure on a regular basis to determine whether economic quantities of reserves have been found or whether further exploration and evaluation work is underway or planned to support continued carry forward of capitalised costs. This assessment requires judgement as to the status of the individual projects and their estimated recoverable amount.

Capital structure and financing activities

This section of the notes provides further information about the Group's borrowings, contributed equity, reserves, accumulated losses and dividends, including accounting policies relevant to understanding these items.

16 Borrowings

	2019 $'000	2018 $'000
Current		
Unsecured		
Bank loans	**56,226**	56,226
Total current borrowings	**56,226**	56,226

	2019 $'000	2018 $'000
Non-current		
Unsecured		
Bank loans	**28,363**	84,589
Total non-current borrowings	**28,363**	84,589

(a) Corporate loan facility

In July 2015, the Company entered into a Syndicated Facility Agreement (Facility Agreement) with National Australia Bank Limited, Australia and New Zealand Banking Group Limited and Commonwealth Bank of Australia Limited for a $550,000,000 unsecured committed term finance facility comprising: a five year $350,000,000 amortising loan facility and a five year $200,000,000 revolving loan facility. Subsequent restructures, cancellations and repayments of the Facility Agreement have resulted in an outstanding balance of the amortising loan facility of $85,716,000 which expires in September 2020.

Transaction costs are accounted for under the effective interest rate method. These costs are incremental costs that are directly attributable to the loan and include loan origination fees, commitment fees and legal fees. At 30 June 2019, a balance of unamortised transaction costs of $1,127,000 (2018: $2,043,000) was offset against the bank loans contractual liability of $85,716,000 (2018: $142,858,000). Total capitalised transaction costs to 30 June 2019 are $5,495,000 (2018: $5,495,000).

The Facility Agreement has certain financial covenants that the Company has to comply with. All such financial covenants have been complied with in accordance with the Facility Agreement.

(b) Assets pledged as security

There were no assets pledged as security at 30 June 2019 (2018: $nil).

16 Borrowings (continued)

(c) Financing arrangements

The Group had access to the following financing arrangements at the reporting date:

	2019 $'000	2018 $'000
Total facilities		
Corporate debt facility	**85,716**	142,858
Contingent instrument facility[1]	**1,131**	1,311
	86,847	144,169
Facilities used as at reporting date		
Corporate debt facility	**85,716**	142,858
Contingent instrument facility	**1,131**	1,311
	86,847	144,169

1. This facility provides financial backing in relation to non-performance of third party guarantee requirements.

(d) Recognition and measurement

(i) ***Borrowings***

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs and amortised over the period of the remaining facility.

(ii) ***Borrowing costs***

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

17 Contributed equity

(a) Share capital

	2019 $'000	2018 $'000
Fully paid issued capital	**1,895,855**	1,879,094

17 Contributed equity (continued)

(b) Movements in ordinary share capital

Details	2019 Number of shares	2019 $'000	2018 Number of shares	2018 $'000
Balance at beginning of financial year	586,923,035	1,879,094	586,747,023	1,878,469
Issue of shares under the Employee Incentive Plan	459,376	1,036	176,012	625
Issue of shares on acquisition of Southern Hills Tenements	3,095,408	15,725	-	-
Balance at end of financial year	590,477,819	1,895,855	586,923,035	1,879,094

(c) Capital management

The Board's policy is to preserve a strong balance sheet so as to maintain investor, creditor and market confidence, and to sustain ongoing and future development of the business. Demonstrating the Company's balance sheet strength are various financing and liquidity ratios, supported by strong EBITDA margins:

	2019	2018
Current ratio (times)	**4.4**	**2.9**
Debt to equity	**5%**	**8%**
Underlying EBITDA margin	**43%**	**44%**

The Group's capital comprises equity, including reserves, and net debt/(cash). As at 30 June 2019 this totalled $1,586,568,000 (2018: $1,782,997,000), a decrease of 11% over 2018. Contributing to this decrease was the reduction in debt as a result of debt repayments of $57,142,000 during the year and the strong cash flow generation during the year from deploying our existing capital.

The Company's capital management framework aims to respond to a dynamic commodity and investment cycle. To this end, the goals of the framework are to:

- Ensure that the Company's operations are able to generate cash flows safely, at appropriate margins, and according to plan;
- Provide a buffer from future potential adverse price movements as a result of the Company operating in a cyclical commodity price environment;
- Raise and repay debt and invest in growth and replenish and acquire new assets; and
- Raise capital and to repay capital to shareholders by way of dividends or capital returns in accordance with the Company's capital allocation policy. This policy targets the return of between 15 and 25 percent of free cash flow to shareholders with the policy to be reviewed every two years based on financial results, outlook for commodity prices, long-term growth capital requirements for the business and balance sheet strength.

None of the Group's entities are currently subject to externally imposed capital requirements.

There were no changes in the Group's approach to capital management during the year.

(d) Recognition and measurement

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. Every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

18 Reserves and accumulated losses

(a) Reserves

	2019 $'000	2018 $'000
Hedging reserve	**339**	1,393
Share-based payments reserve	**15,427**	13,340
Foreign currency translation reserve	**11**	38
	15,777	14,771

(i) Movements in reserves

The following table shows a breakdown of the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	Hedging reserve $'000	Share- based payments reserve $'000	Acquisition reserve $'000	Foreign currency translation reserve $'000	Total $'000
Balance at 1 July 2018	1,393	13,340	-	38	14,771
Revaluation - gross	515	-	-	-	515
Deferred tax	(154)	-	-	-	(154)
Transfer to profit or loss - gross	(2,021)	-	-	-	(2,021)
Deferred tax	606	-	-	-	606
Currency translation differences - current period	-	-	-	(27)	(27)
Share-based payment expenses	-	3,123	-	-	3,123
Issue of shares under the Employee Incentive Plan	-	(1,036)	-	-	(1,036)
Balance at 30 June 2019	339	15,427	-	11	15,777
Balance at 1 July 2017	(391)	10,698	3,142	(4)	13,445
Revaluation - gross	4,504	-	-	-	4,504
Deferred tax	(1,351)	-	-	-	(1,351)
Transfer to profit or loss - gross	(1,955)	-	-	-	(1,955)
Deferred tax	586	-	-	-	586
Transfer to accumulated losses	-	-	(3,142)	-	(3,142)
Currency translation differences - current period	-	-	-	42	42
Share-based payment expenses	-	3,267	-	-	3,267
Issue of shares under the Employee Incentive Plan	-	(625)	-	-	(625)
Balance at 30 June 2018	1,393	13,340	-	38	14,771

18 Reserves and accumulated losses (continued)

(a) Reserves (continued)

(ii) Nature and purpose of reserves

Hedging reserve

The hedging reserve is used to record gains or losses on derivatives that are designated and qualify as cash flow hedges and that are recognised in other comprehensive income. Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

Share-based payments reserve

The share-based payments reserve is used to record the value of share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to note 25 for further details of these plans.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

(b) Accumulated losses

Movements in accumulated losses were as follows:

	Notes	**2019** **$'000**	2018 $'000
Balance at beginning of financial year		**(115,038)**	(159,130)
Net profit for the period		**76,085**	52,686
Dividends paid during the period	19	**(23,619)**	(11,736)
Transfer from acquisition reserve		**-**	3,142
Balance at end of financial year		**(62,572)**	(115,038)

19 Dividends paid and proposed

(a) Ordinary shares

	2019 **$'000**	2018 $'000
Final ordinary dividend for the year ended 30 June 2018 of 2 cents (2017: 1 cent) per fully paid share	**11,809**	5,868
Interim dividend for the year ended 30 June 2019 of 2 cents (2018: 1 cent) per fully paid share	**11,810**	5,868
Total dividends paid during the financial year	**23,619**	11,736

(b) Dividends not recognised at the end of the reporting period

	2019 **$'000**	2018 $'000
In addition to the above dividends, since year end the Directors have recommended the payment of a final dividend of 8 cents per fully paid ordinary share, franked to 97% (2018: 2 cents per fully paid ordinary share fully franked), based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 26 September [2019out of retained earnings at [30 June 2019 but not recognised as a liability at year end, is:	**47,264**	11,809

19 Dividends paid and proposed (continued)

(c) Franked dividends

	2019 $'000	2018 $'000
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2018: 30%)	**19,661**	29,799

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for:

(a) franking credits that will arise from the payment of the amount of the provision for income tax;
(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

The impact on the franking account of the dividend recommended by the Directors since the end of the reporting period, but not recognised as a liability at the reporting date, will be a reduction in the franking account of $19,648,000 (2018: $5,061,000).

(d) Recognition and measurement

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period. A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

Risk

This section of the notes includes information on the Group's exposure to various risks and shows how these could affect the Group's financial position and performance.

20 Derivatives

The Group has the following derivative financial instruments:

	2019 $'000	2018 $'000
Current assets		
Diesel hedging contracts - cash flow hedges	**484**	1,990
	484	1,990

(a) Instruments used by the Group

Derivative financial instruments may be used by the Group in the normal course of business in order to hedge exposure to fluctuations in foreign exchange rates, commodity prices and diesel prices.

The derivative financial instruments are classified as held for trading and accounted for at fair value through profit or loss unless they are designated as cash flow hedges. The Group's accounting policy for its cash flow hedges is set out below.

The fair value of the derivative instruments at the reporting date is reflected in current and non-current assets and liabilities in the balance sheet and is calculated by comparing the contracted rate to the market rates for derivatives with the same length of maturity.

Refer to note 21 and below for details of the diesel fuel risk being mitigated by the Group’s derivative instruments as at 30 June 2019 and 30 June 2018.

Diesel

The Group held various diesel fuel hedging contracts at 30 June 2019 and 30 June 2018 to reduce the exposure to future increases in the price of the Singapore gasoil component of landed diesel fuel cost.

The following table details the diesel fuel hedging contracts outstanding at the reporting date:

	Litres of oil ('000)		Weighted average price (AUD/litre)		Fair value	
	2019	2018	**2019**	2018	**2019 $'000**	2018 $'000
0 - 6 months	8,756	5,400	0.67	0.51	272	1,342
6 -12 months	8,818	2,700	0.67	0.51	212	648
Total	17,574	8,100	0.67	0.51	484	1,990

(b) Recognition and measurement

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges); or
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

20 Derivatives (continued)

(b) Recognition and measurement (continued)

The Group documents, at the inception of the hedging transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability. Movements in the hedging reserve in shareholder's equity are shown in note 18.

(i) ***Fair value hedges***

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) ***Cash flow hedges***

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the hedging reserve in equity, limited to the cumulative change in the fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of forward foreign exchange contracts hedging export sales is recognised in profit or loss within 'sales revenue'.

The changes in the time value component of options that relate to hedged items are recognised with other comprehensive income in the hedging reserve within equity. The cumulative changes accumulated in the hedge reserve are reclassified to the profit or loss when the hedged item affects profit or loss.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

(iii) ***Derivatives that do not qualify for hedge accounting***

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss.

21 Financial risk management

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance.

Financial instruments are held by the Group for various purposes, including:

- Operational: Activities of the Group generate financial instruments which include cash, trade receivables and trade payables;
- Financing: The Company may enter into debt instruments in order to finance both internal growth opportunities and acquire assets. Types of instruments used include syndicated and other bank loans and hire purchase agreements. Surplus funds are held either at call or as short-term deposits; and

21 Financial risk management (continued)

- Risk management: The Group is exposed to commodity and foreign exchange risk which is overseen by management, under policies approved by the Board. Management identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. Financial instruments used by the Group to mitigate these risks include forward exchange contracts, commodity swaps and forward sales agreements.

By holding these financial instruments, the Group exposes itself to risk. The Board reviews and agrees the Group's policies for managing each of these risks, which are summarised below:

(a) Market risk

(i) Foreign currency risk

As the Group's sales revenues for base and precious metals are denominated in United States dollars (USD) and the majority of operating costs are denominated in Australian dollars (AUD), the Group's cash flow is exposed to movements in the AUD:USD exchange rate. The Group may mitigate this risk through the use of derivative instruments, including, but not limited to, forward contracts denominated in AUD.

Financial instruments, including derivative instruments, denominated in USD and then converted into the functional currency (i.e. AUD) were as follows:

	2019 $'000	2018 $'000
Financial assets		
Cash and cash equivalents	**1,891**	11,578
Trade receivables	**24,568**	50,858
Net financial assets	**26,459**	62,436

The cash balance above only represents the cash held in the USD bank accounts at the reporting date and converted into AUD at the 30 June 2019 AUD:USD exchange rate of 0.7013 (2018: 0.7391). The remainder of the cash balance of $346,317,000 (2018: $127,110,000) was held in AUD and therefore not exposed to foreign currency risk.

The trade receivables amounts represent the USD denominated trade debtors. All other receivables were denominated in AUD at the reporting date.

The following table summarises the Group's sensitivity of financial instruments held at 30 June 2019 to movements in the AUD:USD exchange rate, with all other variables held constant.

Sensitivity of financial instruments to foreign currency movements	**Impact on post-tax profit** 2019 $'000	2018 $'000
Increase/decrease in foreign exchange rate		
Increase 5.0%	**(702)**	(2,605)
Decrease 5.0%	**961**	2,879

(ii) Commodity price risk

The Group's sales revenues are generated from the sale of nickel, copper, cobalt, gold and silver. Accordingly, the Group's revenues, derivatives and trade receivables are exposed to commodity price risk fluctuations, primarily nickel, copper, cobalt, gold and silver.

The markets for base and precious metals are freely traded and can be volatile. As a relatively small producer, the Group has no ability to influence commodity prices. The Group mitigates this risk through derivative instruments, including, but not limited to, quotational period hedging, forward contracts and collar arrangements.

21 Financial risk management (continued)

(a) Market risk (continued)

(ii) Commodity price risk (continued)

Nickel

Nickel concentrate sales have an average price finalisation period of two to three months until the sale is finalised with the customer.

It is the Board’s policy to hedge between 0% and 50% of total nickel production tonnes.

Copper

Copper concentrate sales during the year had an average price finalisation period of up to three months from shipment date.

It is the Board’s policy to hedge between 0% and 50% of total copper production tonnes.

Gold

It is the Board’s policy to hedge between 0% and 50% of forecast gold production from the Company’s 30% interest in the Tropicana Gold Mine.

Diesel fuel

It is the Board's policy to hedge up to 75% of forecast diesel fuel usage. Diesel fuel price comprises a number of components, including Singapore gasoil and various other costs such as shipping and insurance. The total of all costs represents the wholesale or Terminal Gate Price (TGP) of diesel. The Group only hedges the Singapore gasoil component of the diesel TGP, which represents approximately 40% of the total diesel price.

At the reporting date, the carrying value of the financial instruments exposed to commodity price movements were as follows:

Financial instruments exposed to commodity price movements	**2019 $'000**	2018 $'000
Financial assets		
Trade receivables	**26,501**	44,705
Derivative financial instruments - diesel hedging contracts	**484**	1,990
Net exposure	**26,985**	46,695

The following table summarises the sensitivity of financial instruments held at 30 June 2019 to movements in the nickel price, with all other variables held constant. Trade receivables valuation uses a sensitivity analysis of 5.0% (2018: 5.0%).

Sensitivity of financial instruments to nickel price movements	**Impact on post-tax profit**	
	2019 $'000	2018 $'000
Increase/decrease in nickel price		
Increase	**2,924**	3,326
Decrease	**(2,924)**	(3,326)

The following table summarises the sensitivity of financial instruments held at 30 June 2019 to movements in the copper price, with all other variables held constant. Trade receivables valuation uses a sensitivity analysis of 5.0% (2018: 5.0%).

21 Financial risk management (continued)

(a) Market risk (continued)

(ii) Commodity price risk (continued)

Sensitivity of financial instruments to copper price movements	**Impact on post-tax profit**	
	2019	2018
	$'000	$'000
Increase/decrease in copper price		
Increase	**949**	1,250
Decrease	**(949)**	(1,250)

The following table summarises the sensitivity of financial instruments held at 30 June 2019 to movements in the Singapore gasoil price, with all other variables held constant.

Sensitivity of financial instruments to Singapore gasoil price movements	**Impact on other components of equity**	
	2019	2018
	$'000	$'000
Increase/decrease in Singapore gasoil price		
Increase 20% (2018: 20%)	**1,713**	852
Decrease 20% (2018: 20%)	**(1,713)**	(852)

(iii) Equity price risk sensitivity analysis

The following sensitivity analysis has been determined based on the exposure to equity price risks at the reporting date. Each equity instrument is assessed on its individual price movements with the sensitivity rate based on a reasonably possible change of 20% (2018: 20%). At reporting date, if the equity prices had been higher or lower, net profit for the year would have increased or decreased by $3,854,000 (2018: $3,389,000).

(iv) Cash flow and fair value interest rate risk

The Group's exposure to interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. At the reporting date, the Group had the following exposure to interest rate risk on financial instruments:

	30 June 2019		30 June 2018	
	Weighted average interest rate %	**Balance $'000**	Weighted average interest rate %	Balance $'000
Financial assets				
Cash and cash equivalents	**1.9%**	**348,208**	1.5%	138,688
	1.9%	**348,208**	1.5%	138,688
Financial liabilities				
Bank loans	**3.7%**	**85,716**	3.8%	142,858
	3.7%	**85,716**	3.8%	142,858

The sensitivity analysis below has been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period.

21 Financial risk management (continued)

(a) Market risk (continued)

*(iv) **Cash flow and fair value interest rate risk (continued)***

Sensitivity of interest revenue and expense to interest rate movements	Impact on post-tax profit 2019 $'000	2018 $'000
Interest revenue		
Increase 1.0% (2018: 1.0%)	**2,425**	957
Decrease 1.0% (2018: 1.0%)	**(2,425)**	(957)
Interest expense		
Increase 1.0% (2018: 1.0%)	**(600)**	(1,000)
Decrease 1.0% (2018: 1.0%)	**600**	1,000

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including only transacting with high quality financial institutions and customers with an appropriate credit history. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The Group does not hold any collateral.

The maximum exposure to credit risk at the reporting date was as follows:

	2019 $'000	2018 $'000
Financial assets		
Cash and cash equivalents	**348,208**	138,688
Trade receivables	**24,568**	50,858
Other receivables	**36,017**	70,796
Financial assets at fair value through profit or loss	**27,531**	24,294
Derivative financial instruments	**484**	1,990
	436,808	286,626

*(i) **Impairment of financial assets***

The Group has two types of financial assets that are subject to the expected credit loss model:

- trade receivables, and
- other receivables and financial assets.

While cash and cash equivalents are also subject to the impairment requirements of AASB 9, no impairment loss was identified.

Trade receivables

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history.

21 Financial risk management (continued)

(b) Credit risk (continued)

Gold bullion sales

Credit risk arising from the sale of gold bullion to the Company's customer is low as the payment by the customer (being The Perth Mint Australia) is guaranteed under statute by the Western Australian State Government. In addition, sales are made to high credit quality financial institutions, hence credit risk arising from these transactions is considered to be low.

Nickel, copper and cobalt concentrate sales

Credit risk arising from sales to customers is managed by contracts that stipulate a provisional payment of between 90% and 100% of the estimated value of each sale. Provisional payments are predominantly made via an unconditional and irrevocable letter of credit, governed by the laws of Western Australia, or alternatively via direct payment from the customer, and are expected to be received within a few business days of the sale. Final payment is dependent on the quotation period of the respective purchase contract, and is also made via an irrevocable letter of credit or direct payment from the customer.

Due to the large size of concentrate shipments, there are a relatively small number of transactions each month and therefore each transaction and receivable balance is actively managed on an ongoing basis, with attention to timing of customer payments and imposed credit limits. The resulting exposure to impairment losses is not considered significant.

Other receivables and financial assets

The Group recognises a loss allowance for expected credit losses on other financial assets which are either measured at amortised cost, fair value through profit or loss or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired, or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

In respect of cash and cash equivalents, financial assets at fair value through profit or loss and derivative financial instruments, the Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Group does not hold any credit derivatives to offset its credit exposure.

Derivative counterparties and cash transactions are restricted to high credit quality financial institutions.

(ii) ***Significant estimates and judgements***

Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial liabilities as they fall due. The Group’s approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation. Management and the Board monitors liquidity levels on an ongoing basis.

21 Financial risk management (continued)

(c) Liquidity risk (continued)

Maturities of financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

Contractual maturities of financial liabilities	Less than 6 months $'000	6 - 12 months $'000	Between 1 and 5 years $'000	Total contractual cash flows $'000	Carrying amount $'000
At 30 June 2019					
Trade and other payables	**49,902**	**-**	**-**	**49,902**	**49,902**
Bank loans*	**29,100**	**29,900**	**28,842**	**87,842**	**84,589**
	79,002	**29,900**	**28,842**	**137,744**	**134,491**
At 30 June 2018					
Trade and other payables	56,586	-	-	56,586	56,586
Bank loans*	29,652	31,544	88,163	149,359	140,815
	86,238	31,544	88,163	205,945	197,401

* Includes estimated interest payments.

(d) Recognised fair value measurements

(i) Fair value hierarchy

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities measured and recognised at fair value at 30 June 2019 and 30 June 2018 on a recurring basis.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
At 30 June 2019				
Financial assets				
Listed investments	**27,531**	**-**	**-**	**27,531**
Derivative instruments				
Diesel hedging contracts	**-**	**484**	**-**	**484**
	27,531	**484**	**-**	**28,015**

21 Financial risk management (continued)

(d) Recognised fair value measurements (continued)

(i) Fair value hierarchy (continued)

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
At 30 June 2018				
Financial assets				
Listed investments	24,294	-	-	24,294
Derivative instruments				
Diesel hedging contracts	-	1,990	-	1,990
	24,294	1,990	-	26,284

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2019 and did not transfer any fair value amounts between the fair value hierarchy levels during the year ended 30 June 2019.

(ii) Valuation techniques used to determine level 1 fair values

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

(iii) Valuation techniques used to determine level 2 and level 3 fair values

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of commodity and forward foreign exchange contracts is determined using forward commodity and exchange rates at the reporting date.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

All of the resulting fair value estimates are included in level 2.

(iv) Fair value of other financial instruments

The Group also has a number of financial instruments which are not measured at fair value in the balance sheet. These instruments had the following fair value at the reporting date.

	30 June 2019		30 June 2018	
	Carrying amount $'000	Fair value $'000	Carrying amount $'000	Fair value $'000
Current assets				
Cash and cash equivalents	**348,208**	**348,208**	138,688	138,688
	348,208	**348,208**	138,688	138,688
Current liabilities				
Bank loans	**56,226**	**57,142**	56,226	57,142
	56,226	**57,142**	56,226	57,142
Non-current liabilities				
Bank loans	**28,363**	**28,574**	84,589	85,716
	28,363	**28,574**	84,589	85,716

Group structure

This section of the notes provides information which will help users understand how the group structure affects the financial position and performance of the Group.

22 Subsidiaries

(a) Significant investments in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of Independence Group NL and the subsidiaries listed in the following table:

Name of entity	Note	Country of incorporation	Equity holding 2019 %	2018 %
Independence Long Pty Ltd	(a),(b)	Australia	**-**	100
Independence Newsearch Pty Ltd		Australia	**100**	100
Independence Stockman Parent Pty Ltd		Australia	**100**	100
Independence Stockman Project Pty Ltd		Australia	**100**	100
Independence Windward Pty Ltd		Australia	**100**	100
Flinders Prospecting Pty Ltd		Australia	**100**	100
Independence Europe Pty Ltd		Australia	**100**	100
Independence Nova Holdings Pty Ltd	(a)	Australia	**100**	100
Independence Nova Pty Ltd	(a)	Australia	**100**	100
Independence Group Europe AB		Sweden	**100**	100
IGO Downstream Technologies Pty Ltd		Australia	**100**	-

(a) These subsidiaries have been granted relief from the necessity to prepare financial reports in accordance with ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 issued by the Australian Securities and Investments Commission. For further information refer to note 28.

(b) Independence Long Pty Ltd was disposed of on 31 May 2019.

(b) Sale of Independence Long Pty Ltd

On 23 May 2019, the Company announced that it had entered into an agreement with Mincor Resources NL (Mincor) to divest the Long Operation for a total consideration of up to $9,500,000. The consideration comprised $3,500,000 in Mincor shares on completion of the transaction and an additional $6,000,000 in payments contingent upon future production from the mine. The transaction was completed on 31 May 2019.

The sale of the Long Operation resulted in a net gain on sale before tax of $3,010,000, which is included in Other income in profit or loss.

(c) Sale of Independence Jaguar Pty Ltd

In the previous financial year, the Company divested its Jaguar Operation to CopperChem Limited (CopperChem) for a total consideration of $73,200,000. The consideration comprised $25,000,000 in cash on completion of the transaction and an additional $48,200,000 in deferred cash payments.

The discounted values (using a discount rate of 3.5%) of the outstanding cash proceeds of $15,519,000 (2018: $15,520,000) and $14,994,000 (2018: $29,480,000) are shown in current and non-current receivables respectively.

The sale of the Jaguar Operation resulted in a net loss on sale before tax of $423,000 (2018: profit of $2,541,000), which is included in Other income in profit or loss. Net cash proceeds of $16,764,000 (2018: $23,140,000) are shown as Net cash proceeds on sale of Jaguar Operation in investing activities in the Statement of cash flows.

(d) Principles of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entities. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 30(c)(i)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Unrecognised items

This section of the notes provides information about items that are not recognised in the financial statements as they do not yet satisfy the recognition criteria but could potentially have an impact on the Group's financial position and performance.

23 Commitments and contingencies

(a) Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2019 $'000	2018 $'000
Mine properties in development	**30,666**	-
	30,666	-

(b) Commitments

(a) Leasing commitments

	2019 $'000	2018 $'000
Operating lease commitments		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	**10,635**	10,264
Later than one year but not later than five years	**37,397**	39,093
Later than five years	**26,080**	35,019
Total minimum lease payments	**74,112**	84,376

(c) Gold delivery commitments

	Gold for physical delivery oz	**Average contracted sale price A$/oz**	**Value of committed sales $'000**
Within one year	**76,020**	**1,818**	**138,182**
Later than one but not later than five years	**49,320**	**1,814**	**89,452**
Total	**125,340**	**1,816**	**227,634**

The physical gold delivery contracts are settled by the physical delivery of gold as per the contract terms. The contracts are accounted for as sales contracts with revenue recognised once gold has been delivered to the counterparties. The physical gold delivery contracts are considered to sell a non-financial item and therefore do not fall within the scope of AASB 139 *Financial Instruments: Recognition and Measurement.* Hence, no derivatives have been recognised in respect of these contracts.

(d) Contingencies

The Group had guarantees outstanding at 30 June 2019 totalling $1,131,000 (2018: $1,311,000) which have been granted in favour of various third parties. The guarantees primarily relate to environmental and rehabilitation bonds at the various mine sites.

24 Events occurring after the reporting period

On 29 August 2019, the Company announced a final dividend of 8 cents per share, franked to 97%, to be paid on 26 September 2019.

Other than the above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years, other than as stated elsewhere in the financial report.

Other information

This section of the notes includes other information that must be disclosed to comply with the accounting standards and other pronouncements, but are not considered critical in understanding the financial performance or position of the Group.

25 Share-based payments

The Group provides benefits to employees (including executive directors) of the Group through share-based incentives. Information relating to these schemes is set out below.

(a) Employee Incentive Plan

The Independence Group NL Employee Incentive Plan (EIP) was approved by shareholders at the Annual General Meeting of the Company in November 2016. The EIP incorporates both broad based equity participation for eligible employees as well as key executive incentive schemes designed to provide long-term incentives to senior management (including executive directors) to deliver long-term shareholder returns.

The EIP comprised the following schemes during the current financial year:

- Long-term incentive (LTI) - performance rights;
- Service rights;
- Employee share ownership award; and
- Employee salary sacrifice share plan.

LTI - Performance Rights

Under the LTI scheme, participants are granted share rights which will only vest if certain performance conditions are met and the employees are still employed by the Group at the end of the vesting period. Participation in the LTI scheme is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Equity settled awards outstanding

Set out below are summaries of share rights granted under the LTI scheme:

	2019		2018	
	Number of share rights	**Weighted average fair value at grant date**	**Number of share rights**	**Weighted average fair value at grant date**
Outstanding at the beginning of the year	**2,042,619**	**2.14**	1,648,285	2.00
Rights issued during the year	**953,229**	**2.67**	1,246,722	2.46
Rights vested during the year	**(281,388)**	**1.34**	-	-
Rights lapsed during the year	**(326,175)**	**1.51**	(622,637)	2.34
Rights cancelled during the year	**(19,144)**	**2.28**	(229,751)	2.22
Outstanding at the end of the year	**2,369,141**	**2.54**	2,042,619	2.14

The share-based payments expense relating to performance rights included in profit or loss for the year totalled $1,883,700 (2018: $2,034,404).

25 Share-based payments (continued)

Equity settled awards outstanding (continued)

Fair value of performance rights granted

The fair value of the share rights granted during the year ended 30 June 2019 are determined using a trinomial tree which has been adopted by the Boyle and Law (1994) node alignment algorithm to improve accuracy, with the following inputs:

Fair value inputs	CEO	Senior management	Other employees
Grant date	23 November 2018	28 September 2018	28 September 2018
Vesting date	1 July 2021	1 July 2021	1 July 2021
Share price at grant date	3.89	4.66	4.66
Fair value estimate at grant date	2.17	2.81	2.81
Expected share price volatility (%)	47	48	48
Expected dividend yield (%)	1.29	1.07	1.07
Expected risk-free rate (%)	2.11	2.08	2.08

Vesting conditions of performance rights granted

Vesting of the performance rights granted to executive directors and executives during the year is based on two equally weighted performance hurdles as follows:

- Relative TSR; and
- Absolute TSR.

Relative TSR

The relative TSR scorecard for the three year measurement period will be determined based on a percentile ranking of the Company's TSR results relative to the TSR of each of the companies in the peer group over the same three year measurement period.

The peer group is to comprise the constituents of the S&P ASX 300 Metals and Mining Index.

The vesting schedule of the performance rights subject to relative TSR testing is as follows:

Relative TSR performance	Level of vesting
Less than 50th percentile	Zero
Between 50th and 75th percentile	50% plus pro-rata straight line percentage between 50% and 100%
75th percentile or better	100%

The Company's TSR performance for share rights issued during the current financial year will be assessed against the following members of the S&P ASX 300 Metals and Mining Index:

25 Share-based payments (continued)

Vesting conditions of performance rights granted (continued)

Peer companies	
* Alacer Gold Corp	* Orocobre Ltd
* Beadell Resources Ltd[1]	* OZ Minerals Ltd
* Dacian Gold Ltd	* Perseus Mining Ltd
* Doray Minerals Ltd	* Pilbara Minerals Ltd
* Evolution Mining Ltd	* Regis Resources Ltd
* Fortescue Metals Group Ltd	* Resolute Mining Ltd
* Galaxy Resources Ltd	* Sandfire Resources NL
* Gold Road Resources Ltd	* Saracen Mineral Holdings Ltd
* Iluka Resources Ltd	* Silver Lake Resources Ltd
* Lynas Corp Ltd	* South32 Ltd
* Magnis Resources Ltd	* St Barbara Ltd
* Mineral Resources Ltd	* Syrah Resources Ltd
* Newcrest Mining Ltd	* Western Areas Ltd
* Northern Star Resources Ltd	* Westgold Resources Ltd
* OceanaGold Corp	

1. To be removed from peer group of companies following delisting of the company.

Absolute TSR

The absolute TSR scorecard for the three year measurement period will be determined based on an increase in absolute TSR of the Company over the three year measurement period.

The vesting schedule of the performance rights subject to absolute TSR testing is as follows:

Absolute TSR performance	Level of vesting
10% per annum return	33%
Above 10% per annum and below 20% per annum return	Straight line pro-rata between 33% and 100%
Above 20% per annum return	100%

Service rights - short-term incentive (STI) scheme

Under the Group's short-term incentive (STI) scheme, Executives and selected employees receive 50% of the annual STI achieved in cash and 50% in the form of rights to deferred shares in Independence Group NL (referred to as service rights). The service rights are granted following the determination of the STI for the performance year and vest in two equal tranches. The first tranche of 50% vests on the 12 month anniversary of the STI award date, and the second tranche of 50% vests on the 24 month anniversary of the STI award date.

The service rights automatically convert into one ordinary share each on vesting at an exercise price of nil. The Executives and employees do not receive any dividends and are not entitled to vote in relation to the service rights during the vesting period. If an Executive or employee ceases to be employed by the Group within the vesting period, the service rights will be forfeited, except in circumstances that are approved by the Board on a case-by-case basis.

The number of rights to be granted is determined based on the 5 day VWAP of the Company's shares after release of the Independence Group NL financial statements.

Set out below are summaries of movements in service rights during the year:

25 Share-based payments (continued)

Service rights - short-term incentive (STI) scheme (continued)

	2019		2018	
	Number of share rights	**Weighted average fair value**	**Number of share rights**	**Weighted average fair value**
Outstanding at the beginning of the year	**290,202**	**3.51**	-	-
Rights issued during the year	**320,780**	**4.21**	423,357	3.51
Rights vested during the year	**(152,650)**	**3.51**	(99,560)	3.51
Rights lapsed during the year	**(20,646)**	**3.87**	(33,595)	3.51
Outstanding at the end of the year	**437,686**	**4.01**	290,202	3.51

The share-based payments expense relating to service rights included in profit or loss for the year totalled $1,116,176 (2018: $956,481).

Employee Share Ownership Award

In accordance with the terms of the EIP, the Employee Share Ownership Award (ESOA) provides for shares to be issued by the Company to employees for no cash consideration. All employees (excluding executive directors, senior management and other employees entitled to participate in the LTI scheme and non-executive directors) who have been continuously employed by the Group for a period of at least three months prior to 1 July are eligible to participate in the ESOA.

Under the ESOA, eligible employees may be granted up to $1,000 worth of fully paid ordinary shares in Independence Group NL annually for no cash consideration. The number of shares issued to participants in the scheme is the offer amount divided by the weighted average price at which the Company's shares are traded on the Australian Securities Exchange for the 20 days up to and including the date of grant.

	2019 Number	2018 Number
Number of shares issued under the plan to participating employees	**25,338**	76,452

Each participant was issued with shares worth $1,000 based on the weighted average market price of $4.85 (2018: $3.61). The share-based payments expense relating to EOSA included in profit or loss for the year totalled $122,889 (2018: $275,991).

The performance rights will not be subject to any further escrow restrictions once they have vested to the employees.

Employee Salary Sacrifice Share Plan

During the current year, and in accordance with the terms of the EIP, the Company introduced an Employee Salary Sacrifice Plan whereby employees, excluding KMP, can purchase up to $5,000 of shares in the Company via salary sacrifice. The Company will match any two shares purchased with one share, up to a maximum of $2,500. The number of shares acquired on-market by the Company during the year for the purposes of this plan were 69,970 shares with an average price per share of $4.50.

The share rights issued under the EIP will not be subject to any further escrow restrictions once they have vested to the employees.

Share trading policy

The trading of shares issued to participants under the Company's EIP is subject to, and conditional upon, compliance with the Company's employee share trading policy.

Non-executive Directors

The EIP permits non-executive directors to be eligible employees and therefore to participate in the plan. It is not currently intended that non-executive directors will be issued with performance rights under the EIP and any such issue would be subject to all necessary shareholder approvals.

(b) Recognition and measurement

Equity-settled transactions

The fair values of equity settled awards are recognised in share-based payments expense, together with a corresponding increase in share-based payments reserve within equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date).

25 Share-based payments (continued)

(b) Recognition and measurement (continued)

Equity-settled transactions (continued)

The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value is determined with the assistance of a valuation software using a trinomial tree which has been adopted by the Boyle and Law (1994) node alignment algorithm to improve accuracy. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Independence Group NL (market conditions).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects: (i) the extent to which the vesting period has expired, and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at the reporting date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award is treated as if it was a modification of the original award, as described in the previous paragraph.

Upon the settlement of equity settled share awards, the balance of the share-based payments reserve relating to those rights and awards is transferred to share capital. The dilutive effect, if any, of outstanding rights is reflected as additional share dilution in the computation of diluted earnings per share.

26 Related party transactions

(a) Transactions with other related parties

During the financial year, a wholly-owned subsidiary paid dividends of $78,000,000 to Independence Group NL (2018: $nil). Any such amounts are eliminated on consolidation for the purposes of calculating the profit of the Group for the financial year.

Loans were made between Independence Group NL and certain entities in the wholly-owned group. The loans receivable from controlled entities are interest-free and repayable on demand.

(b) Key management personnel

Compensation of key management personnel

	2019 **$**	2018 $
Short-term employee benefits	**5,313,201**	4,335,929
Post-employment benefits	**301,780**	245,536
Long-term benefits	**86,066**	62,033
Share-based payments	**1,901,926**	1,357,043
	7,602,973	6,000,541

Detailed remuneration disclosures are provided in the remuneration report on pages 45 to 62 .

27 Parent entity financial information

(a) Summary financial information

The following information relates to the parent entity, Independence Group NL, at 30 June.

	2019 $'000	2018 $'000
Balance sheet		
Current assets	**432,362**	183,409
Non-current assets	**1,550,426**	1,773,911
Total assets	**1,982,788**	1,957,320
Current liabilities	**80,620**	80,027
Non-current liabilities	**98,663**	153,744
Total liabilities	**179,283**	233,771
Net assets	**1,803,505**	1,723,549
Equity		
Contributed equity	**1,895,855**	1,879,094
Reserves		
Hedging reserve	**136**	464
Share-based payments reserve	**15,427**	13,340
Accumulated losses	**(107,913)**	(169,349)
Total equity	**1,803,505**	1,723,549

	2019 $'000	2018 $'000
Profit for the year	**85,055**	50,612
Other comprehensive income for the period	**(329)**	531
Total comprehensive income for the year	**84,726**	51,143

(b) Guarantees entered into by the parent entity

The parent entity has no unsecured guarantees in respect of finance leases of subsidiaries (2018: $nil).

There are cross guarantees given by Independence Group NL, Independence Nova Holdings Pty Ltd and Independence Nova Pty Ltd as described in note 28. No deficiencies of assets exist in any of these companies.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2019 or 30 June 2018.

(d) Contractual commitments for the acquisition of property, plant or equipment

The parent entity did not have any outstanding contractual commitments for the acquisition of property, plant and equipment at 30 June 2019 or 30 June 2018.

28 Deed of cross guarantee

Independence Group NL, Independence Nova Holdings Pty Ltd and Independence Nova Pty Ltd are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 (as amended) issued by the Australian Securities and Investments Commission. Independence Long Pty Ltd and Independence Jaguar Pty Ltd were also parties to the deed of cross guarantee until their divestment on 31 May 2019 and 31 May 2018 respectively.

(a) Consolidated statement of profit or loss and other comprehensive income and summary of movements in consolidated retained earnings

The above companies represent a 'closed group' for the purposes of the Legislative Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Independence Group NL, they also represent the 'extended closed group'.

Set out below is a consolidated statement of profit or loss and other comprehensive income and a summary of movements in consolidated retained earnings for the year ended 30 June 2019 of the closed group consisting of Independence Group NL, Independence Nova Holdings Pty Ltd and Independence Nova Pty Ltd. The results of Independence Long Pty Ltd and Independence Jaguar Pty Ltd are included until the date of their divestment on 31 May 2019 and 31 May 2018 respectively.

Consolidated statement of profit or loss and other comprehensive income	**2019 $'000**	2018 $'000
Revenue from continuing operations	**784,509**	777,935
Other income	**8,377**	2,600
Mining, development and processing costs	**(262,851)**	(241,302)
Employee benefits expense	**(53,234)**	(88,795)
Share-based payments expense	**(3,123)**	(3,267)
Fair value movement of financial investments	**(5,796)**	(587)
Depreciation and amortisation expense	**(204,531)**	(234,845)
Exploration and growth expense	**(29,412)**	(22,695)
Royalty expense	**(30,506)**	(30,489)
Ore tolling expense	**(57)**	(8,776)
Shipping and wharfage expense	**(18,340)**	(19,787)
Borrowing and finance costs	**(6,237)**	(10,302)
Impairment and forgiveness of loans to subsidiaries	**(21,168)**	(21,718)
Other expenses	**(11,207)**	(9,465)
Profit before income tax	**146,424**	88,507
Income tax expense	**(52,794)**	(36,711)
Profit after income tax for the period	**93,630**	51,796
Other comprehensive income		
Items that may be reclassified to profit or loss		
Effective portion of changes in fair value of cash flow hedges, net of tax	**(1,054)**	1,784
Other comprehensive (loss)/income for the period, net of tax	**(1,054)**	1,784
Total comprehensive income for the period	**92,576**	53,580

Summary of movements in consolidated accumulated losses	**2019 $'000**	2018 $'000
Accumulated losses at the beginning of the financial year	**(77,338)**	(120,540)
Profit for the year	**93,630**	51,796
Dividends paid	**(23,619)**	(11,736)
Transfer from acquisition reserve	**-**	3,142
Accumulated losses at the end of the financial year	**(7,327)**	(77,338)

28 Deed of cross guarantee (continued)

(b) Consolidated balance sheet

Set out below is a consolidated balance sheet as at 30 June 2019 of the closed group consisting of Independence Group NL, Independence Nova Holdings Pty Ltd and Independence Nova Pty Ltd. Independence Long Pty Ltd is also included in the consolidated balance sheet at 30 June 2018.

	2019 $'000	2018 $'000
ASSETS		
Current assets		
Cash and cash equivalents	**346,451**	136,276
Trade and other receivables	**45,486**	81,238
Inventories	**25,889**	45,247
Financial assets at fair value through profit or loss	**26,732**	22,376
Derivative financial instruments	**484**	1,990
Total current assets	**445,042**	287,127
Non-current assets		
Receivables	**14,998**	29,485
Property, plant and equipment	**23,088**	14,140
Mine properties	**1,116,014**	1,250,298
Exploration and evaluation expenditure	**36,338**	34,600
Deferred tax assets	**172,694**	203,995
Investments in controlled entities	**35,195**	35,195
Investments in joint ventures	**384,364**	343,416
Total non-current assets	**1,782,691**	1,911,129
TOTAL ASSETS	**2,227,733**	2,198,256
LIABILITIES		
Current liabilities		
Trade and other payables	**96,891**	107,284
Borrowings	**56,226**	56,226
Provisions	**5,180**	4,894
Total current liabilities	**158,297**	168,404
Non-current liabilities		
Borrowings	**28,363**	84,589
Provisions	**39,018**	41,958
Deferred tax liabilities	**97,761**	86,816
Total non-current liabilities	**165,142**	213,363
TOTAL LIABILITIES	**323,439**	381,767
NET ASSETS	**1,904,294**	1,816,489
EQUITY		
Contributed equity	**1,895,855**	1,879,094
Reserves	**15,766**	14,733
Accumulated losses	**(7,327)**	(77,338)
TOTAL EQUITY	**1,904,294**	1,816,489

29 Remuneration of auditors

The auditor of Independence Group NL is BDO Audit (WA) Pty Ltd.

	2019 **$**	2018 $
Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:		
Audit and review of financial statements	**168,500**	189,500
Other services in relation to the entity and any other entity in the consolidated Group	**20,000**	20,500
	188,500	210,000

30 Summary of significant accounting policies

(a) New and amended standards and interpretations adopted by the Group

A number of new or amended standards became applicable for the current reporting period resulting in a change to the Group's accounting policies. Retrospective adjustments were made as a result of adopting the following standard:

- AASB 15 *Revenue from Contracts with Customers*

The impact of the adoption of this standard and the new accounting policies are disclosed below. AASB9 *Financial Instruments* was previously early adopted in the year ended 30 June 2016.

The Group has not elected to early adopt any new standards or amendments during the current financial year.

(i) ***AASB 15 Revenue from Contracts with Customers***

The Group has applied AASB 15 *Revenue from Contracts with Customers* (as amended) for the first time in the current reporting period. AASB 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and replaces the previous standard AASB 118 *Revenue*.

The core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under AASB 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer.

The Group has considered AASB 15 in detail and determined the following relevant impacts for the Group:

30 Summary of significant accounting policies (continued)

(a) New and amended standards and interpretations adopted by the Group (continued)

- The Group sells a significant proportion of its products on Cost, Insurance and Freight (CIF) terms, which means that the Group is responsible for shipping the product to a destination port specified by the buyer. There is not a significant impact on the Group's other commodity sales contracts under AASB 15.

  Under the Group's prior period accounting policy, the Group recognised the total contract revenue when there was persuasive evidence indicating that there has been a transfer of risks and rewards to the customer, typically on the bill of lading date when the concentrate is delivered to the ship and the related shipping costs were recognised in full at that point. Under AASB 15, the sale of the concentrate is recognised when control has passed to the customer, which is upon loading onto the ship or delivered to the customer's premises. The revenue recognised in relation to the sale of the concentrate is priced at the amount for which it is expected to be highly probable of not reversing. The shipping and insurance service represents a separate performance obligation, being recognised separately from the sale of the concentrate over the period the shipping and insurance service is provided.

- The Group's nickel and copper concentrate sales contracts provide for provisional pricing of sales at the time the product is delivered to the vessel, with final pricing determined using the relevant metal price index on or after the vessel's arrival to the port of discharge. The provisional pricing related to the quality and quantity of the commodity sold is included in sales revenue. The provisional pricing related to the pricing of the commodity sold is an embedded derivative which is accounted for in accordance with AASB 9 *Financial Instruments.* Following the adoption of AASB 15, provisional pricing adjustments to revenue relating to the embedded derivative are separately identified as movements in the financial instrument and disclosed separately as Provisional pricing adjustments in Other revenue, rather than being included within Sales revenue.

New Revenue Accounting Policy

Revenue from Sale of Goods

Revenue is recognised when control of the goods has passed to the buyer based upon agreed delivery terms. For sales of concentrate, this is when the product is loaded onto the ship or delivered to the customer's premises. In cases where control of product is transferred to the customer before shipping takes place, revenue is recognised when the customer has formally acknowledged their legal ownership of the product, which includes all inherent risks associated with control of the product. In these cases, the product is clearly identified and immediately available to the customer.

The price to be received on sales of concentrate is provisionally priced and recognised at the estimate of the consideration receivable that is highly probable of not reversing by reference to the relevant contractual price and the estimated mineral specifications. Subsequently, provisionally priced sales are repriced at each reporting period up until when final pricing and settlement is confirmed, with revenue adjustments relating to the quality and quantity of commodities sold being recognised in sales revenue.

Provisionally priced sales for which price finalisation is referenced to the relevant metal price index have an embedded commodity derivative. The embedded derivative is carried at fair value through profit or loss as part of trade receivables. The period between provisional pricing and final invoices is approximately 30 to 90 days.

Revenue from Services - Shipping and Insurance

Sales of nickel and copper concentrates are on terms that include the Group being responsible for shipping and insurance costs. Shipping and insurance is a separate performance obligation from the sale of the commodity with the revenue allocated to shipping and insurance being recognised over the period of transfer to the customer.

Application of new and revised Australian Accounting Standards

The Group adopted AASB 15 using the retrospective method. The nature and effect of these disclosures changes are shown below.

30 Summary of significant accounting policies (continued)

(a) New and amended standards and interpretations adopted by the Group (continued)

	Application of AASB 118 $'000	AASB 15 adjustments $'000	30 June 2019 $'000
Impact of disclosures the year ended 30 June 2019			
Revenue - sale of products	778,620	13,917	792,537
Revenue - shipping and insurance services	-	5,336	5,336
Other revenue - provisional pricing adjustments	-	(19,253)	(19,253)
	778,620	-	778,620

	As previously reported under AASB 118 $'000	AASB 15 adjustments $'000	30 June 2018 $'000
Impact on disclosures for the year ended 30 June 2018			
Revenue - sale of products	765,687	(28,342)	737,345
Revenue - shipping and insurance services	-	4,668	4,668
Other revenue - provisional pricing adjustments	-	23,674	23,674
	765,687	-	765,687

Under AASB 118 *Revenue,* the Group recognised the total contract revenue when there was persuasive evidence indicating that there had been a transfer of risks and rewards to the customer, typically on the bill of lading date when concentrate was delivered to the ship, including the related shipping and insurance costs. On adoption of AASB 15, the shipping and insurance service represents a separate performance obligation, and are recognised separately from the sale of the concentrate over the period the shipping and insurance service is provided.

As explained in the new revenue accounting policy above, the Group's sales contracts may provide for provisional pricing of sales at the time the product is delivered to the vessel with final pricing determined using the quotational period of the month of the vessel's arrival to the port of discharge. This provisional pricing relates to the quality and quantity of the commodity sold, which is included in sales revenue, and an embedded derivative relating to the pricing of the commodity sold. On adoption of AASB 15, provisional pricing adjustments relating to the embedded derivative are separately identified as movements in the financial instrument rather than being included within Sales revenue. The final pricing adjustment mechanism, being an embedded derivative, is separated from the host contract and recognised at fair value through profit or loss. These amounts are disclosed separately as Provisional pricing adjustments in Other revenue, rather than being included within Sales revenue for the Group.

Under AASB 9, the receivable asset is measure at fair value through profit or loss which will result in a similar overall impact on the income statement and balance sheet. AASB 9 introduces an expected credit loss model for impairment of financial assets which replaces the incurred loss model. This does not have a significant impact on the Group given the Group's credit risk management processes, and the resulting insignificant level of credit losses.

(b) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2019 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

30 Summary of significant accounting policies (continued)

(b) New standards and interpretations not yet adopted (continued)

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. As a result, the Group will be adopting this standard from 1 July 2019. The standard replaces AASB 117 *Leases* and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the balance sheet, measured at the present value of unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings before interest, tax, depreciation and amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (operating activities) component. The Group has undertaken work to date in preparedness for the new standard, including identification and analysis of contracts relating to mining services, power generation, logistics and property leases that are likely to contain a lease (as newly defined).

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(c) Other significant accounting policies

(i) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

(ii) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

In the Directors' opinion:

(a) the financial statements and notes set out on pages 66 to 122 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

  (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of Directors.

Peter Bradford
Managing Director

Perth, Western Australia
Dated this 28th day of August 2019

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Independence Group NL

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Independence Group NL (the Company) and its subsidiaries (the Group), which comprises the consolidated balance sheet as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context

of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO

Carrying Value of Mine Properties

Key audit matter	*How the matter was addressed in our audit*
Refer to Note 14 of the financial statements, for disclosure of the mine properties asset. The carrying value of mine properties is impacted by various key estimates and judgements in particular: • Ore Reserves and estimates; • Amortisation rates; • Capitalisation and attribution of mining costs; and • Life of mine average stripping ratio. The Group is also required to assess for indicators of impairment at each reporting period. The assessment of impairment indicators in relation to the mine assets requires management to make significant accounting judgements and estimates which includes discount rates, commodity price and ore reserve estimates. This is a key audit matter due to the quantum of the asset and the significant judgement involved in management's assessment of the carrying value of mine properties.	Our work included, but was not limited, to the following procedures: • Reviewing management's amortisation models, including agreeing key inputs to supporting information; • Assessing the competency and objectivity of, and work performed by, management's experts in respect of the ore reserve estimates; • Challenging management's judgements over capitalisation of development costs of underground mining operations; • Assessing whether the recognition of the deferred stripping assets was consistent with the requirements of IFRIC 20; • Evaluating and challenging management's assessment of indicators of impairment under the Australian Accounting Standards for the mining assets by: - Comparing the carrying amount of the Group's net assets against the market capitalisation, both as at 30 June 2019, and subsequent movements; - Considering commodity price assumptions at 30 June 2019, including forecasts; - Reviewing board and sub-committee meeting minutes, and holding discussions with key management, including non-finance personnel; - Assessing economic indicators for impacts on appropriate discount rates; and • We also assessed the adequacy of related disclosures in Note 14 to the financial statements.

BDO

Carrying Value of Mining Inventories

Key audit matter	*How the matter was addressed in our audit*
We consider accounting for inventory to be a key audit matter because of the: • Quantitative significance of the inventory balance; • Complexity involved in determining inventory quantities on hand due to the assumptions used such as grades, volumes and densities; • Significant judgement in applying an appropriate costing methodology in accordance with the Group's accounting policy and estimates for calculating stockpiles and concentrate on hand; • Judgemental aspect of the carrying amount of the non-current stockpile at Tropicana; and • Significant judgements made in determining net realisable value, including estimating the future sales price of commodities, less any estimated costs to complete production. Refer to Note 9 for the detailed disclosures which include the related accounting policies, including a description of the major estimates management are required to make.	Our work included but was not limited to the following procedures: • Testing the controls over the appropriate allocation of costs to ensure that they are absorbed into inventory accurately; • Reconciling ore stockpile and concentrate inventory balances held at 30 June 2019 to supporting documentation; • Verifying the physical inputs included in the cost models as at 30 June 2019 to stockpile survey and technical reports; • Assessing the competence and objectivity of the experts used by management in the preparation of stockpile surveys; • Assessing the methodology applied by management to record all appropriate costs into the calculation of inventories on hand; • Evaluating management's Net Realisable Value assessment and agree that the inventory cost carried is lower than Net Realisable Value; and • Testing the net realisable value by assessing management's calculation including: - Future commodity pricing; - Expected cost to complete; - In the case of the non-current inventory, a review of management's plans to blend the low grade stockpile with future high grade production over several years; and • We also assessed the adequacy of related disclosures in Note 9 to the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 45 to 62 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Independence Group NL, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit (WA) Pty Ltd

BDO

Glyn O'Brien

Glyn O'Brien

Director

Perth, 28 August 2019

The following additional information not shown elsewhere in this report is required by ASX Limited in respect of listed companies only. This information is current as at 19 August 2019.

1. SHAREHOLDING

a. Distribution of shareholders

RANGE	TOTAL HOLDERS	UNITS	% OF ISSUED CAPITAL
1 – 1,000	3,511	1,259,663	0.21
1,001 – 5,000	2,640	6,831,528	1.16
5,001 – 10,000	880	6,551,573	1.11
10,001 – 100,000	852	21,288,383	3.61
100,001 – Over	103	554,585,912	93.92
Total	**7,986**	**590,517,059**	**100**

b. The number of shareholders holding less that a marketable parcel of fully paid ordinary shares is 1,077.

c. The Company has received the following notices of substantial shareholding (Notice):

SUBSTANTIAL SHAREHOLDER	RELEVANT INTEREST PER THE NOTICE – NUMBER OF SHARES
Mark Creasy	90,941,075
T. Rowe Price Group, Inc.	48,341,790
FIL Limited	45,566,028
Ausbil Investment Management Limited	30,311,742

d. Voting rights: The voting rights of the fully paid ordinary shares are one vote per share held.

2. TWENTY LARGEST HOLDERS OF ORDINARY SHARES

ORDINARY SHAREHOLDERS	NO. OF SHARES HELD	PERCENTAGE HELD
1 J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	140,059,562	23.72
2 HSBC CUSTODY NOMINEES <AUSTRALIA>	136,873,746	23.18
3 CITICORP NOMINEES PTY LIMITED	80,433,951	13.62
4 NATIONAL NOMINEES LIMITED	46,832,850	7.93
5 YANDAL INVESTMENTS PTY LTD	42,421,310	7.18
6 FRASERX PTY LTD	13,415,188	2.27
7 PONTON MINERALS PTY LTD	12,046,611	2.04
8 LAKE RIVERS GOLD PTY LTD	10,964,531	1.86
9 BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	10,668,699	1.81
10 FREE CI PTY LTD	6,000,000	1.02
11 BNP PARIBAS NOMS PTY LTD <DRP>	5,533,335	0.94
12 HSBC CUSTODY NOMINEES <AUSTRALIA>	5,407,721	0.92
13 PERTH SELECT SEAFOODS PTY LTD	2,837,200	0.48
14 WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	2,470,051	0.42
15 PERTH SELECT SEAFOODS PTY LTD	2,166,800	0.37
16 HSBC CUSTODY NOMINEES <AUSTRALIA>	2,142,293	0.36
17 CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	2,087,115	0.35
18 XNI PTY LTD	2,013,329	0.34
19 MR KENNETH JOSEPH HALL <HALL PARK A/C>	1,847,830	0.31
20 HSBC CUSTODY NOMINEES <AUSTRALIA>	1,814,642	0.31
Top 20 holders of Independence Ordinary Share Class (Total)	**528,036,764**	**89.42**
Total Remaining Holders Balance	**62,480,295**	**10.58**

3. UNQUOTED SECURITIES

IGO has 1,904,658 performance rights and 431,288 service rights on issue. The number of beneficial holders of performance rights and service rights are 73 and 43 respectively.

IMPORTANT DATES

Please note that the dates below are subject to change.
Please check the IGO website nearer the time to confirm dates.

2019

22 October 2019	September 2019 Quarterly Activities Report
22 October 2019	September 2019 Quarter Investor Webcast
20 November 2019	Annual General Meeting, Four Points by Sheraton, Perth, Western Australia

2020

30 January 2020	FY20 Half Yearly Financial Statements (incorporating December 2019 Quarterly Activities Report)
30 January 2020	FY20 Half Year Investor Webcast
30 April 2020	March 2020 Quarterly Activities Report
30 April 2020	March 2020 Quarter Investor Webcast
29 July 2020	June 2020 Quarterly Activities Report
29 July 2020	June 2020 Quarter Investor Webcast

GLOSSARY OF TERMS

AC	air core usually in the context of drilling or drill holes
AGAA	AngloGold Ashanti Australia
Ag	silver
Au	gold
BCM	bulk cubic metres
Co	cobalt
Cu	copper
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EM	electromagnetic
EM conductors	electromagnetic conductors returned from EM surveys
FLEM	Fixed-Loop electromagnetic
HPGR	High Pressure Grinding Rolls
HPM	high precious metal
IGO	Independence Group NL
LTIFR	lost time injury frequency rate per million hours worked
MLEM	moving-loop electromagnetic surveys
Mt	million metric tonnes
Mtpa	million metric tonnes per annum
NPAT	Net Profit After Tax
Ni	nickel
oz	ounce
RC drilling	reverse circulation drilling
t	metric tonnes
Tropicana Operation	Tropicana Gold Mine that is 30% owned by the Company and 70% owned by AngloGold Ashanti Australia under the TJV agreement
TJV	Tropicana Joint Venture that is 30% owned by the Company and 70% owned by AngloGold Ashanti Australia
Zn	zinc
$	Australian dollars. All currency amounts in this report are Australian Dollars unless otherwise stated
$M	million Australian dollars

FORWARD-LOOKING STATEMENTS

This document may include Forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning IGO's planned production and 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 IGO 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.

CASH COSTS

All cash costs quoted include royalties and net of by-product credits unless otherwise stated

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, gain on sale of subsidiary, redundancy and restructuring costs, depreciation and amortisation, and once-off transaction costs.

CURRENCY

All currency amounts in this report are Australian Dollars unless otherwise stated.

ALL-IN SUSTAINING COSTS (AISC) PER OUNCE OF GOLD SOLD

IGO reports All-in Sustaining Costs (AISC) per ounce of gold sold in AUD 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.

COMPANY DIRECTORY

DIRECTORS

PETER BILBE
Non-executive Chairman

PETER BRADFORD
Managing Director & CEO

DEBRA BAKKER
Non-executive Director

PETER BUCK
Non-executive Director

GEOFFREY CLIFFORD
Non-executive Director

KEITH SPENCE
Non-executive Director

NEIL WARBURTON
Non-executive Director

EXECUTIVE LEADERSHIP TEAM

PETER BRADFORD
Managing Director & CEO

KEITH ASHBY
Head of SHEQ & Risk

KATE BARKER
Legal Counsel

MATT DUSCI
Chief Operating Officer

ANDREW EDDOWES
Head of Corporate Development

JOANNE McDONALD
Company Secretary and Head of Corporate Affairs

SAM RETALLACK
Head of People & Culture

IAN SANDL
General Manager Exploration

SCOTT STEINKRUG
Chief Financial Officer and Joint Company Secretary

PERTH OFFICE

Suite 4, Level 5
South Shore Centre
85 South Perth Esplanade
South Perth WA 6151

POSTAL
PO Box 496
South Perth WA 6951

Telephone +61 8 9238 8300
Facsimile +61 8 9238 8399
Email contact@igo.com.au
Website www.igo.com.au

EXTERNAL AUDITOR

BDO AUDIT (WA) PTY LTD
38 Station Street
Subiaco WA 6008

Telephone +61 8 6382 4600

SHARE REGISTRY

COMPUTERSHARE INVESTOR SERVICES PTY LIMITED
Level 11,
172 St Georges Terrace
Perth WA 6000

Telephone 1300 850 505 (within Australia),
+61 3 9415 4000 (outside Australia)
Facsimile +61 3 9473 2500
Email www.investorcentre.com/contact
Web www.computershare.com

SHARES

LISTED ON AUSTRALIAN SECURITIES EXCHANGE (ASX)
ASX code: IGO
Shares on issue: 590,517,059 ordinary shares

WEBSITE

Through the use of the internet, we have ensured that our corporate reporting is timely, complete and available at minimum cost to the Company. All ASX releases, investor presentations, financial statements and other information are available on our website.

www.igo.com.au

CAUTIONARY NOTES AND DISCLAIMER

This annual report 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 annual report 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 Australian Securities Exchange (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 annual report 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 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 publicly 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.

The information in this annual report that relates to Exploration Results is extracted from the ASX announcements released on 26 July 2018 entitled '2018 Mineral Resources and Ore Reserves Update', 20 February 2019 entitled 'CY18 Mineral Resources and Ore Reserve statement', 30 May 2019 entitled 'PRX: Lake Mackay JV High grade Cobalt intersect at Grimlock', and 1 July 2019 entitled 'RTR: Significant High Grade Gold Mineralisation in Fraser Range', and for which Competent Person's consents were obtained. The Competent Person's consents remain in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

The information in this annual report that relates to Mineral Resources or Ore Reserves is extracted from the Mineral Resource and Ore Reserve Statement released to the Australian Securities Exchange on 20 February 2019 and for which Competent Person's consents were obtained. The Competent Person's consents remain in place for subsequent releases by the Company of the same information in the same form and context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original ASX announcements released on 26 July 2018, 20 February 2019, 30 May 2019 and 1 July 2019 and, in the case of estimates or Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the original ASX announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original ASX announcement.

igo.com.au