ASX Release
24 August 2015

FULL YEAR FINANCIAL RESULTS

Independence Group NL ("IGO" or the "Company") today released its financial results for the year ended 30 June 2015 (ASX Appendix 4E and Annual Financial Report).

FINANCIAL HIGHLIGHTS

- Revenue increased by 25% to $499 million, a record for IGO.
- Underlying EBITDA[1] increased by 44% to $213 million.
- Net Profit After Tax increased by 58% to $77 million.
- Net cash flows from operating activities increased by 57% to $202 million, a record for IGO.
- Total fully franked dividends paid during FY2015 were up 175% to 11 cents per share.
- FY2015 Final Dividend pool of $13 million established with a record date to be set for a date no later than 30 September 2015.
- Minimum surplus franking credit balance of $42 million, post FY2015 Final Dividend, available with future dividends.
- Net cash (cash equivalents and debt) improved 430% to $121 million as at 30 June 2015.

BUSINESS HIGHLIGHTS

- Significant improvement in financial performance and strong financial position reflects the robustness of IGO's diversified resources strategy.
- Tropicana performing as a tier 1 gold project in terms of cost, grade and cash flow generation.
- Progressing value enhancing work streams at Tropicana aimed at improving life of mine performance, including work to increase throughput from the nameplate capacity of 5.8Mtpa to 7.0Mpta to 7.5Mpta with minimal incremental capital expenditure.
- Exploration success demonstrating ability to continue to replace reserves and grow mine life at Tropicana, Long and Jaguar.
- IGO positioned for transformation to leading mid-tier diversified mining company through the announcement to acquire Sirius Resources NL ("Sirius") as part a disciplined strategy of growing a portfolio of tier 1 assets:
  - Transaction has strong support, including Mark Creasy endorsement;
  - Unanimously recommended by Boards and management of IGO and Sirius; and
  - Merger benefits already identified with project optimization and reduced cost of funding leveraging off combined balance sheets and diversified business.

IGO's Managing Director and CEO, Peter Bradford said, "*In FY2015, IGO succeeded in meeting or beating all of its production and cash cost guidance for all three operating mines, Tropicana, Jaguar and Long. Notably, revenue and net cash flow from operating activities were the highest achieved in IGO's 13 year history.*

Tropicana continues to operate as one of Australia's best gold mines in terms of its scale, grade, cost profile, and cash flow, and this is expected to continue going forward. Significant progress has been made on value enhancing work streams aimed at further outperforming market expectations going forward.

[1] See Page 2 for a definition of Underlying EBITDA.

SUMMARISED FINANCIAL RESULTS

HIGHLIGHTS	FY2015	FY2014	% change
Total Revenue[2]	$498.6M	$399.1M	25%
Underlying EBITDA[3]	$212.7M	$147.9M	44%
Profit After Tax	$76.8M	$48.6M	58%
Net Cash Flow From Operating Activities	$201.7M	$128.6M	57%
Other Material Cash Outflows			
Mine and Infrastructure Development	($44.1M)	($76.1M)	(42)%
Capitalised Exploration	($12.4M)	($12.4M)	-
Plant & Equipment	($16.3M)	($8.9M)	83%
Payment for Listed Investments	($13.1M)	($0.1M)	N/A
Free Cashflow[4]	$115.8M	$30.2M	283%
HIGHLIGHTS	**June 2015**	**June 2014**	**% change**
Total Assets	$820.2M	$780.8M	5%
Cash	$121.3M	$57.0M	113%
Refined Bullion	$0.2M	-	-
Marketable Securities	$15.5M	$0.8M	N/A
Total Liabilities	$154.7M	$171.3M	(10)%
Shareholders' Equity	$665.5M	$609.5M	9%
Net tangible assets per share ($ per share)	$2.84	$2.62	8%

In FY2015, IGO had record Revenue and Net Cash Flows from Operating Activities of $498.6 million (FY2014: $399.1 million) and $201.7 million (FY2014: $127.4 million) respectively.

At the end of FY2015, the Group had cash and cash equivalents of $121.3 million (FY2014: $57.0 million). Cash flows from operating activities achieved a record for the Group of $201.7 million (an increase of 57%).

Contributing to this result was a full year contribution of gold sales from Tropicana as against nine months production in FY2014. Segment contribution increases arose from both Tropicana (37%) and the Jaguar Operations (54%) with a reduction of 4% from the Long Operation. Payments for exploration expenditure fell by 15% to $25.7 million in FY2015.

Cash flows for investing activities fell 12% during the year. This fall was primarily due to:

- higher construction and development spend at Tropicana during FY2014, when Tropicana was in the final stages of construction, and then ramp-up to nameplate capacity;
- development capital expenditure decreased by 42% to $44.1 million;
- a $7.7 million increase in property, plant and equipment expenditure to $16.6 million (primarily at Jaguar); and
- the acquisition of approximately 33.8 million shares in Gold Road Resources Limited (ASX: GOR) for a total consideration of $13.1 million in the second half of FY2015.

Cash flows from financing activities during FY2015 rose significantly from "neutral" in FY2014 to an outflow of $54.4 million in FY2015. Significant movements include:

- the repayment of $25.0 million in debt from the Company's corporate finance facility with National Australia Bank ($47.0 million debt was drawn from the facility in FY2014). The facility matures in December 2015 and as at 30 June 2015 was fully repaid and is currently undrawn; and
- higher dividends paid of $25.8 million (FY2014: $9.3 million).

[2] Includes Other Income of $3.3M (FY2014: $0.96M)
[3] Underlying EBITDA is a non-IFRS measure and comprises net profit or loss after tax, adjusted to exclude tax expense, finance costs, interest income, asset impairments, depreciation and amortisation (see Page 7 for detailed breakdown).
[4] Free Cashflow comprises Net Cash Flow from Operating Activities and Net Cashflow from Investing Activities.

In line with IGO's stated Dividend Policy, a Final Dividend pool of $13 million has been established. In accordance with IGO's agreement with Sirius in the Scheme Implementation Deed ("SID"), the record date for the Final Dividend will be set for a date no later than 30 September 2015, such that, if the scheme is implemented by 30 September 2015, Sirius shareholders will be able to participate in the Final Dividend. The Final Dividend will be fully franked and IGO intends to pay the Final Dividend rounded to the nearest half cent.

ACQUISITION OF SIRIUS (NOVA PROJECT)

Transaction

On 25 May 2015, IGO and Sirius announced the execution of a binding SID under which IGO will acquire all the issued capital of Sirius by way of an Acquisition Scheme of Arrangement (the "Acquisition Scheme"). Under the Acquisition Scheme, Sirius shareholders will receive:

- 0.66 IGO shares and 52 cents cash for each Sirius share; and
- pro-rata holding in a new Company, S2 Resources, which will hold the Sirius non-Fraser Range assets.

The transaction will create a leading diversified Australian mining company with a strong portfolio of high-margin/long-life mining assets, across a range of base and precious metals. The combination of the two companies has a clear strategic rationale and will generate significant value for the shareholders of both companies. The acquisition will combine the world-class Nova Project with IGO's portfolio of cash flow generating projects.

The Board of Sirius has unanimously recommended that, in the absence of a superior proposal, all Sirius shareholders vote in favour of the Acquisition Scheme. Sirius' major shareholder, Mr Mark Creasy, has also advised that, in the absence of superior proposal, he intends to vote in favour of the transaction.

The transaction remains on track, with Sirius shareholders expected to approve the Acquisition Scheme on 3 September 2015. IGO expects to complete the transaction in September 2015. For further details on the transaction, please refer to the ASX announcement dated 25 May 2015 titled "Independence to Acquire Sirius" and the Acquisition Scheme Booklet released to the ASX on 31 July 2015.

Financing

To support the Sirius transaction, IGO has entered into a syndicated facility agreement ("Finance Agreement") with National Australia Bank Limited, Australia and New Zealand Banking Group Limited and Commonwealth Bank of Australia Limited for a $550 million committed term finance facility on an unsecured basis. The Finance Agreement comprises:

- A five year $350 million amortising term loan facility that will be used to refinance the existing Nova Project finance facility, and provide funds for the continued development, construction and operation of the Nova Project; and
- A five year $200 million revolving loan facility that will be used to partially fund the payment of the cash component of the Acquisition Scheme and transaction costs, in addition to providing funding for general corporate purposes.

The Finance Agreement provides IGO with significantly more operational and financial flexibility than alternative financing options, including retaining the existing Nova Project finance facility. The Finance Agreement has been executed on favourable terms, within an accelerated time period with a strong and supportive bank group. This reflects the value of IGO's diversified asset portfolio and its strong balance sheet, along with the low technical and commercial risk of the Nova Project.

The Finance Agreement is senior unsecured and cross guaranteed by IGO's Australian subsidiaries with no forward looking covenants. The competitive terms are expected to deliver substantial benefits to IGO over the life of the Finance Agreement relative to the existing Nova Project finance facility.

TROPICANA JOINT VENTURE (TJV) (30% IGO)

Total revenue from the Tropicana JV increased by 59%, benefiting from the first full year of production. Total segment assets increased by 46% due to ongoing contributions by the Company to the operation by way of cash calls paid to the joint venture manager. Cash calls paid during the year totalled $142.5 million (FY2014: $110.2 million). Another significant contribution to total assets included capitalised inventories (increase of

97% to $43.8 million). This is the outcome of the current grade streaming strategy whereby more ore than is required for the processing plant is being mined, thereby allowing the lower grade portion to be stockpiled and the higher grade portion preferentially fed to the processing plant. At year end, the capitalised run of mine stockpile comprised ore > 0.6g/t and totalled 8.2 million tonnes grading an average of 1.09g/t (2014: 3.2 million tonnes at 1.22g/t).

Construction of the 292km long gas pipeline remains on target to be completed by the end of 2015 with first delivery of gas to Tropicana scheduled for early 2016.

The table below outlines the key Tropicana operating statistics during FY2015 and the prior year:

Operating Parameter	Units	FY2015	FY2014*
Total revenue	*$'000*	**218,966**	137,918
Segment operating profit before tax	*$'000*	**76,117**	48,332
Total segment assets	*$'000*	**645,071**	440,585
Total segment liabilities	*$'000*	**31,748**	29,705
Gold ore mined (>0.6g/t Au)	*'000 wmt*	**10,763**	5,721
Gold ore mined (>0.4 and 0.6g/t Au)	*'000 wmt*	**1,601**	1,088
Waste mined	*'000 wmt*	**42,761**	25,251
Gold grade mined (>0.6g/t)	*g/t*	**2.06**	2.22
Ore milled	*'000 tonnes*	**5,826**	4,043
Gold grade milled	*g/t*	**2.98**	3.02
Metallurgical recovery	*%*	**90.2**	89.4
Gold recovered	*ounces*	**492,780**	350,743
Gold produced	*ounces*	**496,413**	348,371
Gold refined and sold (IGO share)	*ounces*	**150,836**	100,167
Cash Costs	*$/oz Au produced*	**568**	552
All-in Sustaining Costs ("AISC")**	*$/oz Au sold*	**795**	740

* 2014 refers to the period October 2013 to June 2014 being the period when the first full month of commissioning commenced.

** 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.

LONG OPERATION (100% IGO)

During the year, a total of 258,634 tonnes of ore was mined at the Long Operation, sourced from Moran (68%), Long Lower (15%), McLeay (12%) and Victor South (5%). The majority of ore continued to be mined from long hole stoping (70%) with lesser amounts coming from other mechanised mining methods and non-mechanised methods. Total segment revenue decreased by 6% during 2015; a result which is volume driven with 6% lower payable nickel sold. Net operating profit before income tax fell 12% during 2015 due to lower nickel tonnage sold together with 6% higher cash costs during the year.

The table below highlights the key Long operational statistics for FY2015 and the prior year:

Operating Parameter	*Units*	FY2015	FY2014
Total revenue	*$'000*	**111,423**	118,859
Segment operating profit before tax	*$'000*	**32,180**	37,233
Total segment assets	*$'000*	**92,546**	111,854
Total segment liabilities	*$'000*	**36,180**	29,960
Ore mined	*tonnes*	**258,634**	268,162
Nickel grade	*%*	**3.94**	4.07
Copper grade	*%*	**0.28**	0.29
Tonnes milled	*tonnes*	**258,634**	268,162
Nickel delivered	*tonnes*	**10,198**	10,909

Operating Parameter	Units	FY2015	FY2014
Copper delivered	*tonnes*	**723**	769
Metal payable (IGO share)			
- Nickel	*tonnes*	**6,151**	6,589
- Copper	*tonnes*	**293**	312
Ni cash costs and royalties	*$/lb Ni payable*	**4.01**	3.78

JAGUAR OPERATION (100% IGO)

Revenue from the Jaguar Operation increased by 16% during FY2015. The main drivers of this result were an increase in zinc revenue of 48%, due to a combination of 30% higher payable zinc sold and 18% higher realised prices. Copper revenue decreased 10% due to lower realised prices.

The performance of the Bentley underground mine continued to outperform the previous year; ore mined increased by 13% and ore milled increased by 11%. Copper grade fell 10% to 1.8% while zinc grades mined were constant at 10.6%. This variation in run of mine grades is an outcome of mine scheduling and is not as a result of resource reconciliation as both reserve and reserves are reconciling well. Copper and zinc concentrate sales are paid on a quotational period that varies between one and four months with generally 90% of the sales receipt payable by the customer shortly after shipment. The one month or four month average LME copper and zinc price ultimately determines the final price paid by the customer.

The table below outlines the key Jaguar operational statistics for FY2015 and the prior year:

Operating Parameter	Units	FY2015	FY2014
Total revenue	*$'000*	**164,016**	141,795
Segment operating profit before tax	*$'000*	**47,665**	42,703
Total segment assets	*$'000*	**134,569**	102,828
Total segment liabilities	*$'000*	**24,374**	30,535
Ore mined	*tonnes*	**485,302**	431,362
Copper grade	*%*	**1.8**	2.0
Zinc grade	*%*	**10.6**	10.6
Silver grade	*g/t*	**156**	145
Gold grade	*g/t*	**0.7**	0.7
Ore milled	*tonnes*	**488,466**	441,867
Metal in concentrate			
- Copper	*tonnes*	**7,380**	7,692
- Zinc	*tonnes*	**44,999**	41,162
- Silver	*ounces*	**1,876,384**	1,657,461
- Gold	*ounces*	**4,439**	4,834
Metal payable (IGO share)			
- Copper	*tonnes*	**7,090**	7,396
- Zinc	*tonnes*	**37,551**	34,258
- Silver	*ounces*	**1,293,858**	1,233,972
- Gold	*ounces*	**4,110**	4,467
Zinc cash costs and royalties	*$/lb Zn Payable*	**0.43**	0.31

EXPLORATION AND DEVELOPMENT PROJECTS

Stockman Base Metals Project (100% IGO)

The results of the Stockman Optimisation Study were released in November 2014 (see IGO's ASX release dated 28 November 2014 for full details). The Stockman Project's Environmental Effects Statement (EES) permitting approval from the State of Victoria and the Commonwealth (under the Federal EPBC Act) was received in the first half of FY2015. Detailed permitting to satisfy the approval conditions is being progressed in FY2016.

Exploration and Evaluation

FY2015 cash outflows included $38.2 million on exploration and evaluation expenditure (FY2014: $42.9 million).

Exploration in FY2015 focused on target generation, prospect delineation and drill testing at the Company's Brownfields and Greenfields projects. Highlights on the Brownfields projects include:

- generation of new high priority near mine structural targets at Tropicana with the potential extension of mineralization to the south with encouraging drilling intersections at Crouching Tiger;
- identification of extensions to the McLeay and Moran deposits at Long; and
- discovery of the Triumph VMS system at Jaguar.

The Brownfields exploration success delivered in FY2015 will likely deliver significant value to the life of mine profile for each of our operations.

Progress on the Greenfields projects included the delineation of the Neptune VMS prospect at the Bryah Basin JV, completion of regional sampling and first pass drilling a Lake Mackay, and the identification of several coincident Ni-Cu anomalies on the Salt Creek JV.

In FY2016, Brownfields exploration will focus on continuing to deliver success bringing the projects to account and into the mine plan. Greenfields exploration will include evaluation of results at Lake Mackay and follow-up as warranted, drill testing the Neptune Prospect and prospective contact at the Bryah JV and aircore and MLEM testing of the Ni-Cu anomalies and prospective intrusives at the Salt Creek JV. The aim of these projects are to deliver a new discovery to the IGO portfolio.

OUTLOOK FOR FY2016

Business Segment	Units	FY2016 Guidance Range
Tropicana (IGO 30%)		
Gold produced (100% basis)	ounces	**430,000 to 470,000**
Gold (IGO's 30% share)	ounces	**129,000 to 141,000**
Cash cost	$/oz Au	**$640 to $710**
All-in Sustaining Costs	$/oz Au	**$820 to $910**
Sustaining capex	$M	**$8M to $10M**
Exploration expenditure	$M	**$9M to $11M**
Long		
Nickel (contained metal)	tonnes	**9,000 to 10,000**
Cash cost	$/lb Ni	**$4.00 to $4.50**
Sustaining capex	$M	**$5M to $6M**
Exploration expenditure	$M	**$18M to $20M**
Jaguar		
Zinc in concentrate	tonnes	**35,000 to 40,000**
Copper in concentrate	tonnes	**7,500 to 8,500**
Cash cost	$/lb Zn	**$0.40 to $0.60**
Sustaining capex	$M	**$4M to $5M**
Development capex	$M	**$12M to $14M**
Exploration expenditure	$M	**$10M to $12M**
Greenfields & generative	$M	**$10M to $12M**

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Important information

About this release

IGO today released its financial results for the year ended 30 June 2015 (ASX Appendix 4E and Annual Financial Report).This ASX release is a summary document and readers are directed to the full text of the Appendix 4E and Annual Financial Report on the ASX platform, which is also available on the IGO website.

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 Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)

Underlying EBITDA is a non-IFRS measure and comprises $110.0M profit before tax (FY2014:$70.7M) add $0.7M finance costs net of interest income (FY2014: $5.2M), $98.6M depreciation & amortisation expense (FY2014: $65.9M) and $3.4M exploration impairment expenses (FY2014: $6.1M).

Currency

All currency amounts in this report are Australian Dollars unless otherwise stated