INDEPENDENCE GROUP NL

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September 2016 Quarter Results Presentation

26 October 2016

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- Any references to IGO Mineral Resource and Ore Reserve estimates, except the Nova Ore Reserve should be read in conjunction with IGO’s 2016 Mineral Resource and Ore Reserve announcement dated 14 October 2016 and lodged with the ASX, which are available on the IGO website.
- All currency amounts in **Australian Dollars** unless otherwise noted.
- Cash Costs are reported inclusive of Royalties and after by-product credits on per unit of payable metal basis, unless otherwise stated
- IGO reports All-in Sustaining Costs (AISC) per ounce of gold for its 30% interest in the Tropicana Gold Mine using the World Gold Council guidelines for AISC. The World Gold Council guidelines publication was released via press release on 27th June 2013 and is available from the World Gold Council’s website.
- Underlying EBITDA is a non-IFRS measure and comprises net profit or loss after tax, adjusted to exclude tax expense, finance costs, interest income, asset impairments, depreciation and amortisation, and once-off transaction costs.
- Underlying NPAT comprises net profit (loss) after tax adjusted for; post tax effect of acquisition and integration costs, and impairments.

1Q17 highlights

Excellent quarter with all mines at or better than guidance

No lost time safety incidents and no material environmental incidents in 1Q17

- Sustainability report published in October 2016

Tropicana mill expansion project completed

- 30,011oz (IGO 30% share) production at a Cash Cost of A$905/oz and AISC of A$1,097/oz
- 7.5Mtpa annualised run rate expected to be achieved in 2Q17 following completion of plant expansion

Long production and cash costs better than guidance range

- 2,166t contained Ni at a Cash Cost of A$3.23/lb of payable Ni

Jaguar copper production and cash costs better than guidance range

- 10,309t Zn and 1,887t Cu at a Cash Cost of A$0.52/lb of payable Zn

Nova construction complete and first concentrates produced

- First concentrates produced in October 2016
- Construction completed 10 October 2016 and ore commissioning commenced 14 October 2016
- First stope brought into production during 1Q17
- 7.75km of mine development completed at quarter end

Financial and Corporate

- Cash of A$249M and debt of A$271M at quarter end
- Unaudited underlying EBITDA of A$38.1M and unaudited profit after tax of A$10.1M for 1Q17

Unaudited financial results

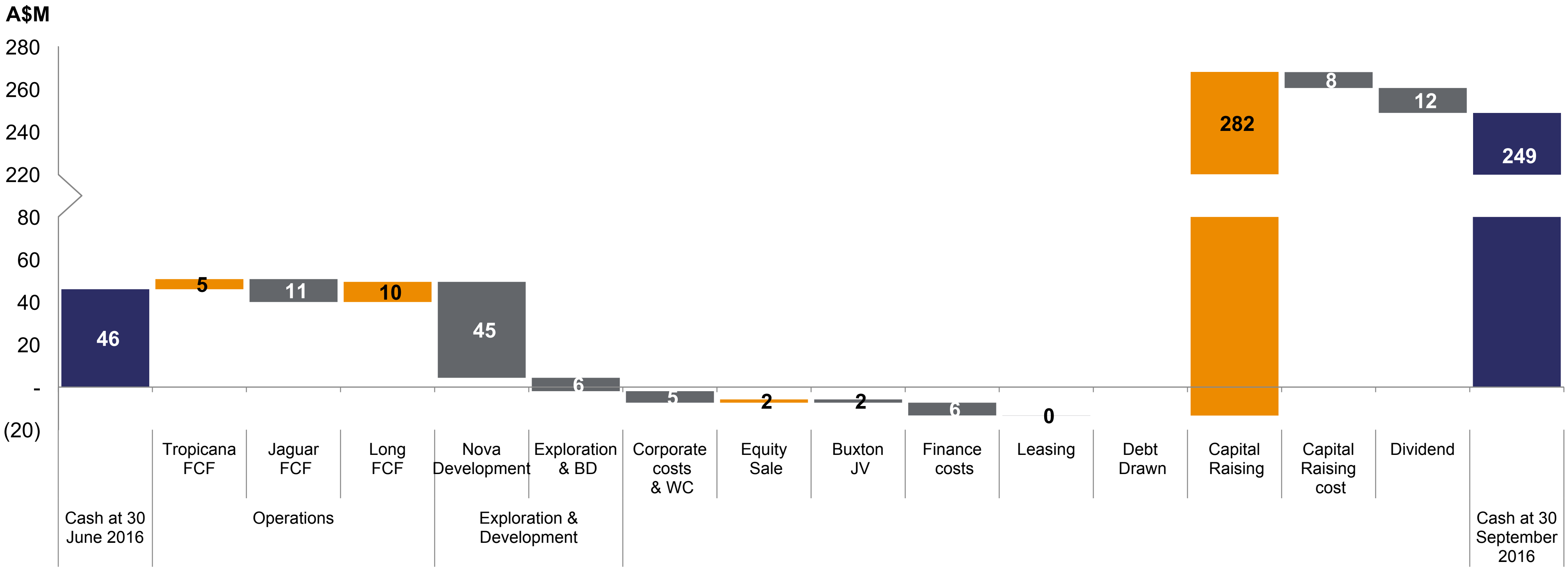
A$274 million received as net proceeds to completed equity placement

Unaudited Metrics	Units	1Q17	4Q16
Revenue	A$M	94.8	105.9
Underlying EBITDA[(1)]	A$M	38.1	39.2
Net Profit After Tax	A$M	10.1	16.5
Net Cash Flow From Operating Activities	A$M	6.8	42.9
Underlying Free Cash Flow[(1,2)]	A$M	(60.5)	(36.3)
Cash (at end of period)	A$M	249.3	46.3
Marketable Securities (at end of period)	A$M	5.6	5.0
Refined bullion (at end of period)	A$M	0	0
Debt (at end of period)	A$M	271.0	271.0

1) Underlying EBITDA are non-IFRS measure (refer to Disclaimer page).
2) Free Cash Flow comprises Net Cash Flow from Operating Activities and Net cash Flow from Investing Activities. Underlying adjustments exclude proceeds from investment sales and payments for investments

1Q17 cash flow reconciliation

Focus on cash management and realisation of asset optimisation



- As at 30 September 2016, A$95M - A$100M capital spend remained to complete the Nova Project
- Undrawn debt facilities of A$279M out of a total of A$550M
- Tropicana Plant expansion complete
- Jaguar cash flows impacted by shipping delays at Geraldton Port due to tidal surge
- Tropicana cash flows impacted by build-up of site Dore, and capital spend to complete plant expansion

Hedging

No additional hedging completed during 1Q17

Current hedging	Units	FY17	FY18	FY19	TOTAL
Gold Hedging					
Gold Collars	oz	5,000			5,000
Gold Call price	A$/oz	1,603			1,603
Gold Put price	A$/oz	1,330			1,330
Gold Par Forwards	oz	56,300	60,000	47,988	164,288
Gold Price	A$/oz	1,653	1,796	1,859	1,766
Total Gold Hedging	oz	61,300	60,000	47,988	169,288
% of Gold Hedged		~70%	~50%	~40%	
Diesel Hedging					
Diesel Par Forwards	kL	6,837	9,912		16,749
Price(1)	A$/L	0.41	0.45		0.43

1) Base diesel price excludes the cost of GST, Government excise and transportation

Tropicana

1Q17 operational scorecard and FY17 guidance

Metric	Units	FY17 Guidance Range	1Q17
Gold produced (100% basis)	oz	390,000 to 430,000	100,038
Gold Sold (IGO’s 30% share)	oz	117,000 to 129,000	26,473
Cash cost	A$/oz Au	850 to 950	905
All-in Sustaining Costs	A$/oz Au	1,150 to 1,250	1,097
Sustaining and improvement capex	A$M	4 to 6	3.6
Capitalised waste stripping	A$M	29 to 36	5.3
Exploration expenditure	A$M	6 to 8	1.7

1Q17 Drivers

- Lower process plant availability due to two planned shutdowns and unplanned replacement of mill gearboxes
- 7.4M BCM material movement ex-pit, strip ratio of 7:1
- 1.69Mt processed at average grade of 2.06g/t and 89.5% recovery for 30,011oz gold produced
- Higher gold dore in inventory at quarter end contributed to lower cash flows for 1Q17

Outlook

- Consistent operation at 7.5Mtpa annualised process plant throughput rate and average reserve grade of ~2g/t
- Progress Long Island Study with initial results expected 2Q17 and decision in mid CY17

Tropicana

AISC margin reconciliation for 1Q17

Gold sales lower due to increase in gold dore inventory

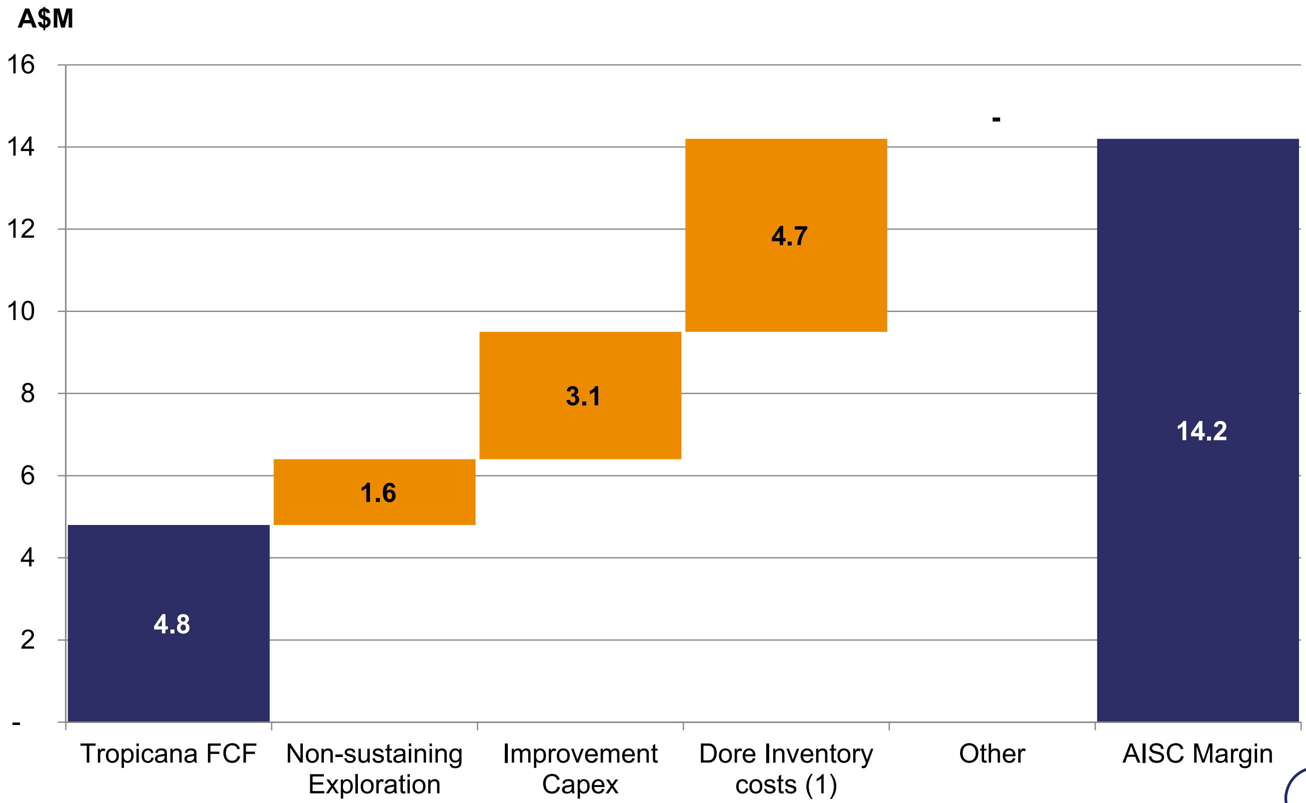
- IGO attributable gold sold during the quarter 26,473oz

Total AISC margin for 1Q17 of A$14.2M

- Tropicana All In Sustaining Costs (AISC) for 1Q17 was A$1,097/oz sold
- Attributable revenue of A$1,632/oz, for a notional AISC margin of A$535/oz sold

Reported free cash flow (FCF) of A$4.8M is lower than the total AISC margin due to:

- A$4.7M Dore inventory build-up
- A$3.1M in improvement capex as part of plant expansion
- A$1.6M in non-sustaining exploration spend



1) September 2016 Quarterly Report

Tropicana resource extension

Long Island Study to be completed in 2Q17

Long Island Study to Unlock full potential of Tropicana through:

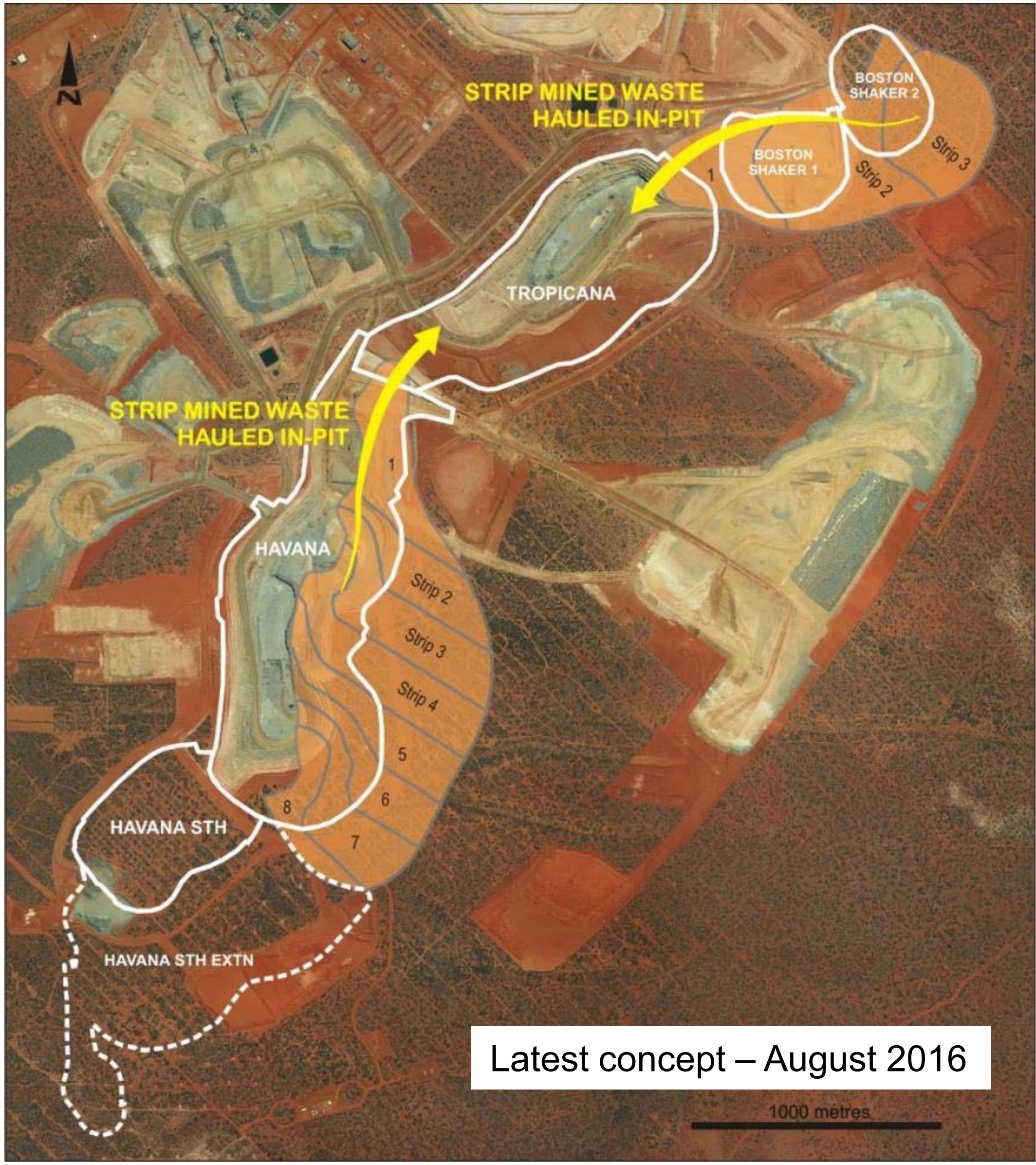
- 100km framework drilling beneath existing pits over last 12 months
- Step change reduction in mining costs through adoption of a strip mining approach
- In pit dumping of waste

Mineral Resources updated at 30 June 2016[(1)]

- Does not capture expected mining cost reductions as part of Long Island study

Technical Studies to be completed in 2Q17

- Development of favourable economic business case funded through operating cash flow
- Ongoing extensional drilling at Havana South



Latest concept – August 2016

1) For further information on Mineral Resources and Ore Reserves refer to ASX release dated 14 October 2016

Long

1Q17 operational scorecard and FY17 guidance

Metric	Units	FY17 Guidance Range	1Q17
Nickel (contained metal)	tonnes	7,400 to 8,200	2,166
Cash Cost (payable)	A$/lb Ni	3.50 to 3.90	3.23
Sustaining capex	A$M	1	0.1
Exploration expenditure	A$M	2 to 3	0.3

1Q17 Drivers

- Production and cash costs benefited from higher grades
- 51,881t mined at an average grade of 4.19% Ni
- Majority of ore sourced from Moran orebody

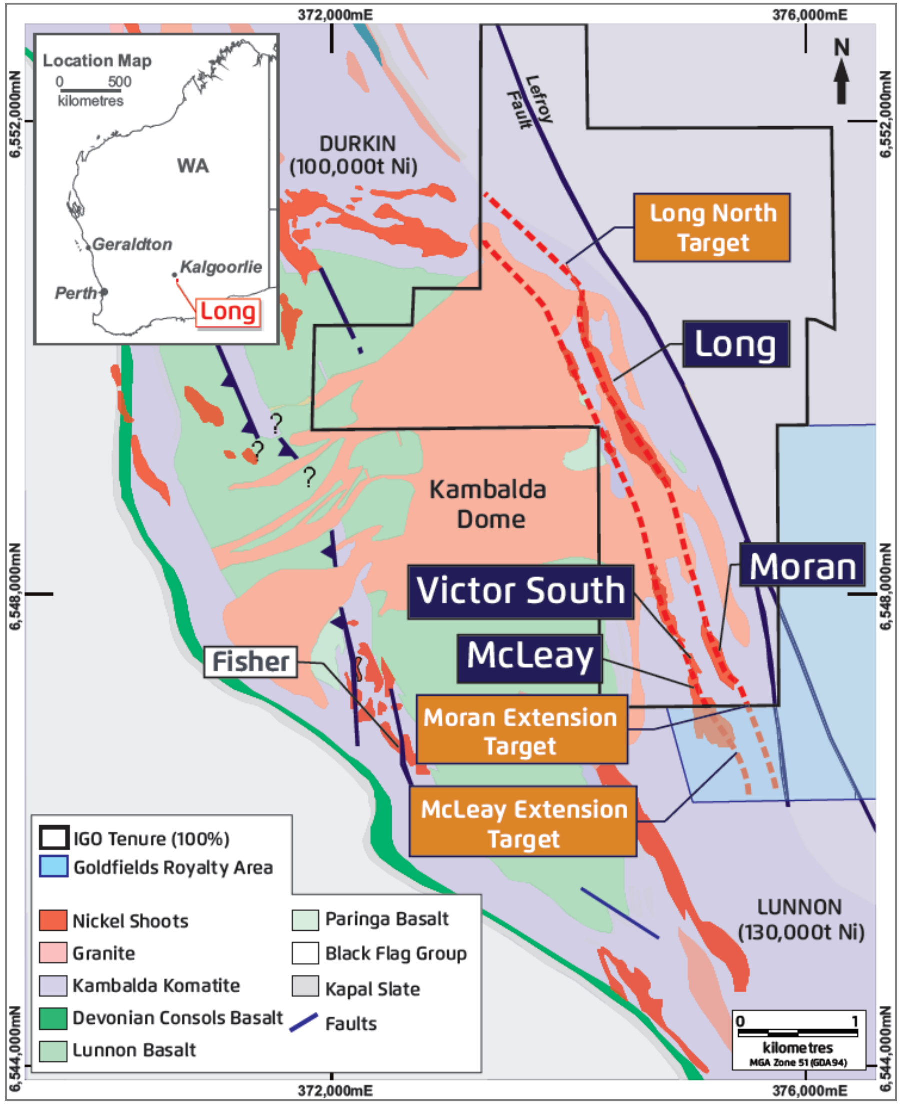
Outlook

- Continued focus on cost management and productivity
- Ongoing in mine exploration to test targets near existing mine development

Long

In-mine exploration recommenced

- In-mine exploration commenced in 1Q17
- Three conceptual targets proximal to existing mine development
- At quarter end 1,237m drilling was completed at the Victor West target
- Results and interpretation are pending



Jaguar

1Q17 operational scorecard and FY17 guidance

Metric	Units	FY17 Guidance Range	1Q17
Zinc in concentrate	tonnes	39,000 to 43,000	10,309
Copper in concentrate	tonnes	4,600 to 5,100	1,887
Cash cost (payable)	A$/lb Zn	0.70 to 0.80	0.52
Sustaining capex	A$M	8 to 9	2.8
Development capex	A$M	12 to 13	2.3
Exploration expenditure	A$M	3 to 4	0.5

1Q17 Drivers

- Extended process plant shutdown during 1Q17 but process plant still met quarterly quota
- 129,821t mined
- 121,453t milled at average grade of 9.53% Zn and 1.82% Cu
- 1Q17 operating cash flows negatively impacted by shipping delays at the Geraldton Port due to tidal surge and timing of payments for concentrates until October

Outlook

- Lower copper grades over remainder of FY17

Jaguar

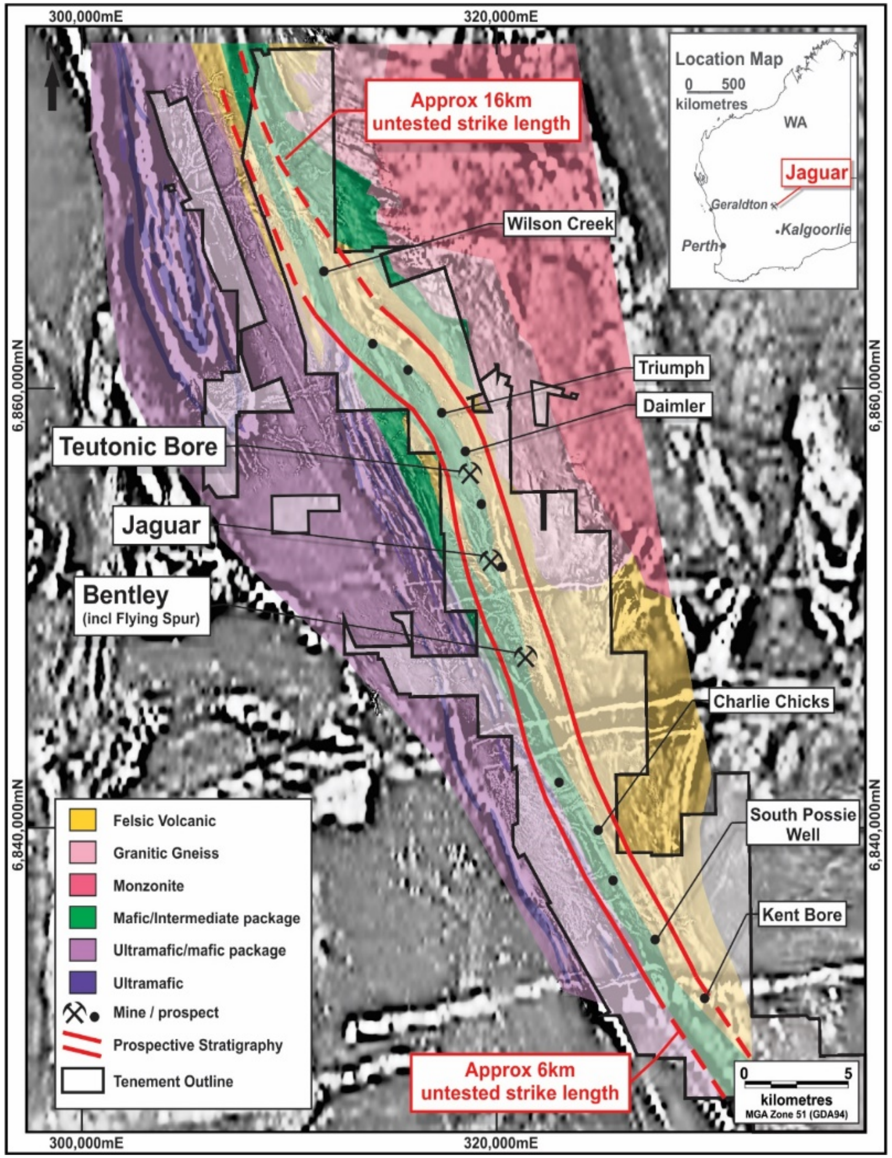
Three areas of exploration focus at Jaguar

Ore reserves

- Mineral Resource conversion drilling program delivered 155%, 143% and 142% increase in zinc, silver and gold contained metal respectively to the Ore Reserve as at 30 June 2016[1]

Three areas of focus for FY17 exploration

- Mineralisation at Bentley remains open down plunge and further work testing continuity of the Flying Spur and Arnage lenses is budgeted in FY17
- Definition drilling commenced at the Triumph prospect in October 2016
- Regional work to identify further prospects, with focus on Wilson Creek in 1Q17



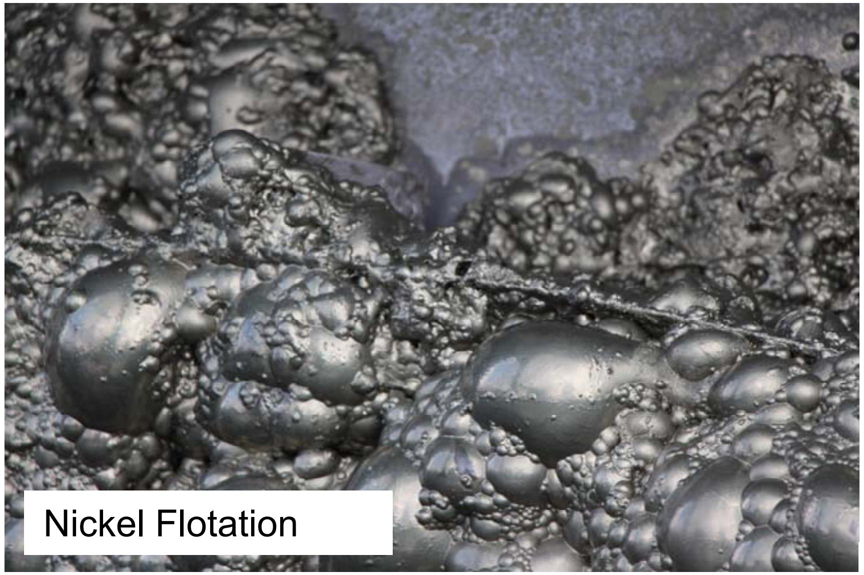
1) For further information on Mineral Resources and Ore Reserves refer to ASX release dated 14 October 2016

Nova Project

Significant milestones achieved

Project remains on budget and ahead of schedule

- First stope brought into production during the quarter
- Early grade control drilling delivered positive reconciliation
- Construction completed 10 October 2016
- Ore commissioning commenced 14 October 2016
- First nickel and copper concentrates production announced 26 October 2016
- Targeting first concentrate shipments in December 2016



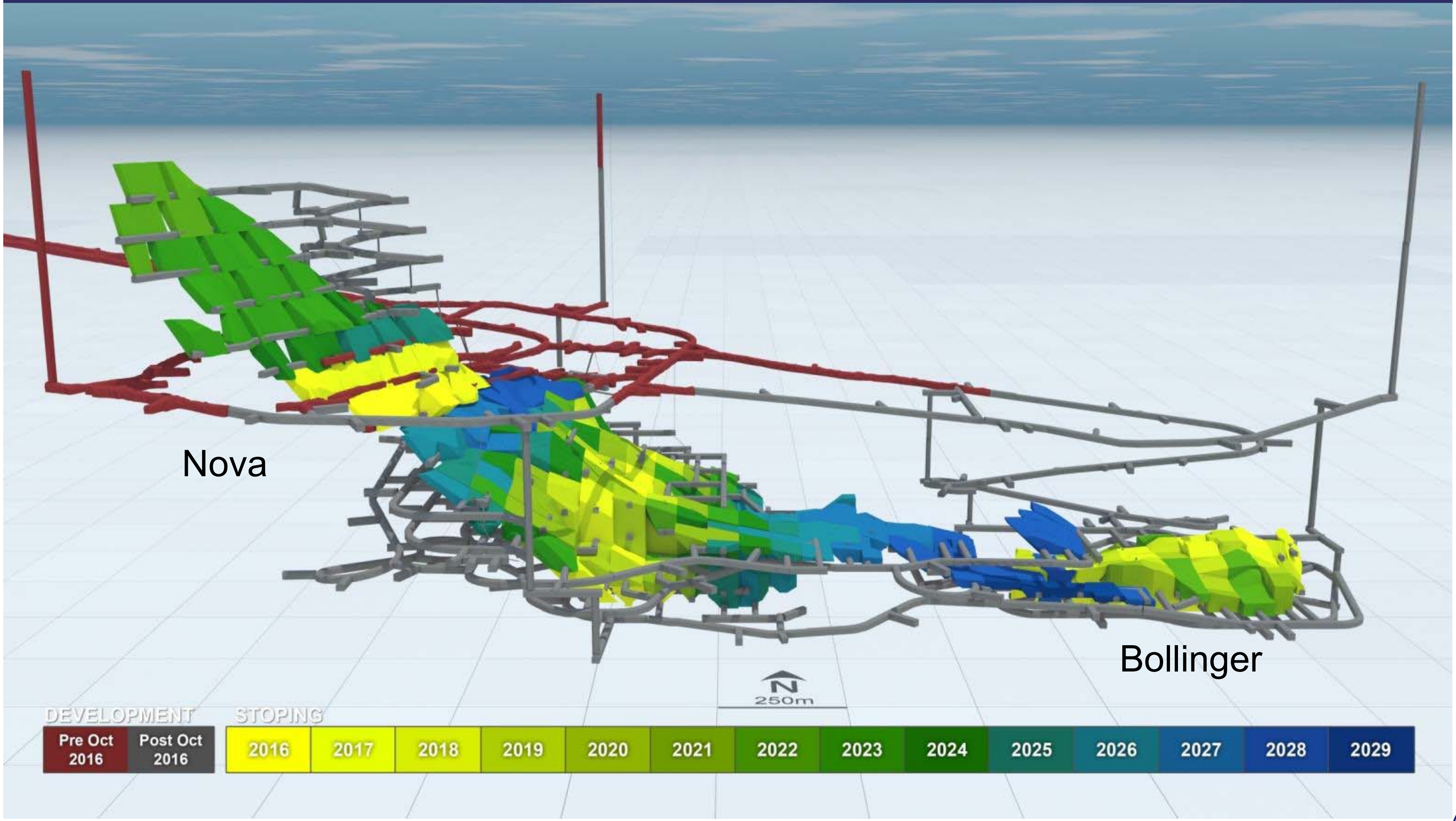
Nickel Flotation

Copper Flotation

Nova Project

8km of mine development completed to date

Nova Mining Schedule



Nova Project next steps

Ramp up to full production by mid CY17

- Process plant performance testing in November 2016 and practical completion in December 2016
- First shipment of concentrates to BHP Billiton Nickel West in December 2016
- Ramp up underground mine to full production at 1.5Mtpa by mid CY17
- Further enhancements will be pursued following commissioning and ramp up phases

Metric	Units	FY17(1)	FY18	FY19
Nickel Production	tonnes	9,000 to 10,000	27,000 to 30,000	27,000 to 30,000
Copper Production	tonnes	3,900 to 4,400	12,000 to 13,000	12,000 to 13,000
Cobalt Production	tonnes	280 to 320	900 to 1,000	900 to 1,000
Cash costs (real)(2)	A$/lb Ni	4.00 to 4.50	1.50 to 2.00	1.50 to 2.00
Remaining Initial Capital Cost(3)	A$M	140 to 150	0	0
Sustaining Capex	A$M	3 to 5	25 to 30(4)	5 to 7(4)
Development Capex	A$M	22 to 25		
Exploration expenditure	A$M	3.5 to 4.5		

1) FY17 excludes production achieved during commissioning.
2) Cash Cost includes royalty per pound of payable nickel (after by-product credits) and applies to ramp-up period following plant commissioning
3) Remaining Initial Capital Costs includes the key capital activities (outstanding from the A$443M Project Capital Costs) outlined in the company's 28 June release titled "First Ore Mine in Development at Nova" including but not limited to, the power station, plant piping/ electronical, past plant and decline development. The amount also includes capital required for the Bollinger Decline as outlined in this ASX release.
4) Sustaining capex includes Development capex

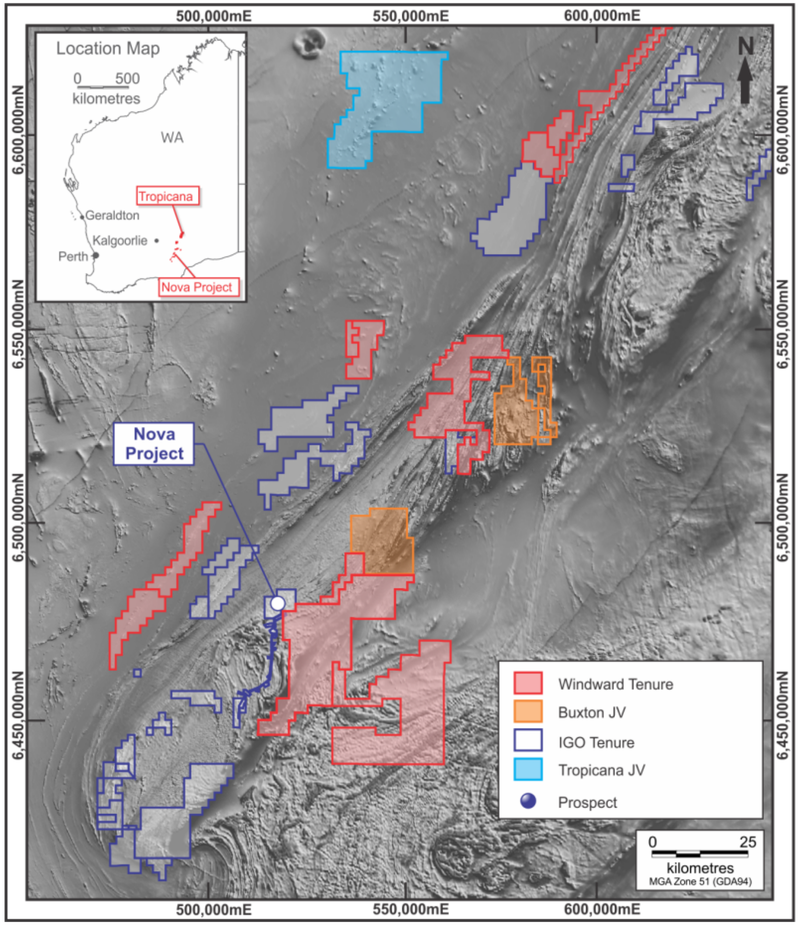
Note:For further information on Nova production guidance see ASX release Accelerated Bollinger Decline at Nova Project dated 21 July 2016

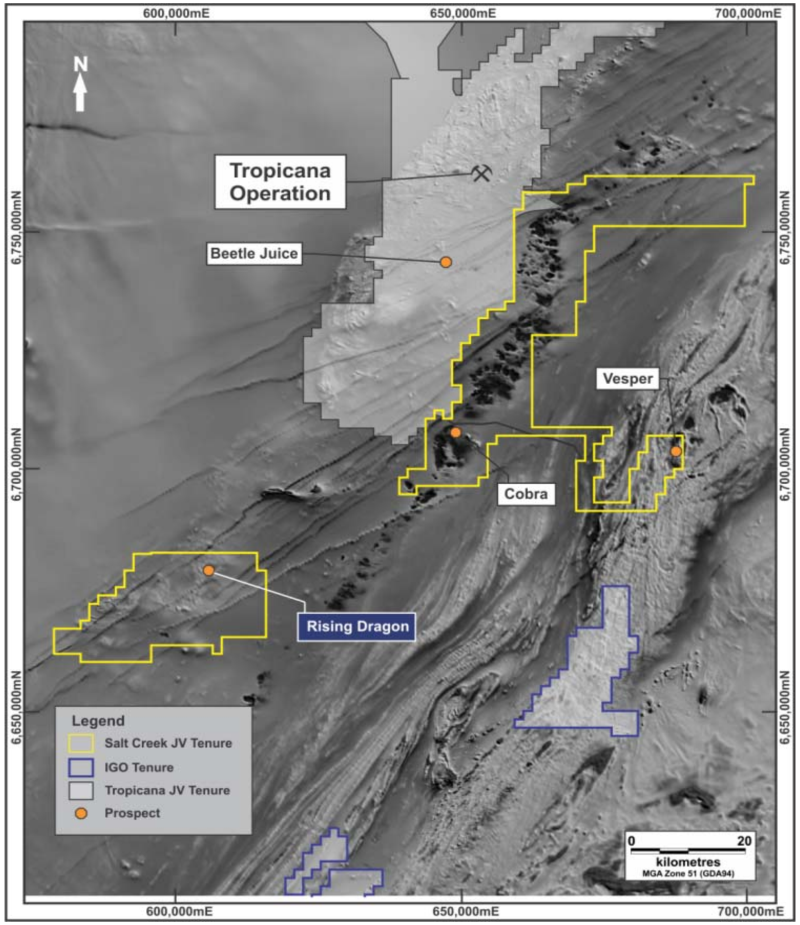
Nova – Tropicana Belt

Two of Australia's best exploration discoveries in the last 15 years

Consolidation of prospective tenure proximal to Nova Project

- IGO entered into JV(1) with Buxton Resources Limited with an initial interest of 90% over 592km^2
- Subsequent to quarter end IGO announced(2) a recommended takeover bid for Windward Resources who holds 1,700km^2 of under explored tenure





1) See ASX release dated 24 August 2016 BUX: BUX & IGO enter into Fraser Range Joint Venture
2) See ASX release dated 5 October 2016 IGO Announces Takeover Bid for Windward Resources

Concluding comments

Diversified mining company delivering cash flow and growth

Strong focus on operational performance and cost control

- Solid operating performance across the portfolio
- Tropicana plant expansion complete
- Nova ahead of schedule and on budget
- Nova construction complete and successfully commissioning
- First Nova stope brought into production
- First Nova nickel and copper concentrates produced
- A$95-A$100M capital spend remaining at Nova
- At quarter end A$279M of A$550M debt facility remains undrawn

Outlook and catalysts for value recognition

- Long Island Study results 2Q17
- Ramp up in production at Nova
- In mine exploration around the Nova orebody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