INDEPENDENCE GROUP NL

Independence Group

ABN 46 092 786 304

ANNUAL REPORT 2013

GROWING A GREAT AUSTRALIAN MINING COMPANY

CORPORATE DIRECTORY

Directors
Peter Bilbe *(Chairman and Non-Executive Director)*
Christopher Bonwick *(Managing Director)*
Kelly Ross *(Non-Executive Director)*
Rod Marston *(Non-Executive Director)*
Geoffrey Clifford *(Non-Executive Director)*

Management
Christopher Bonwick *(Managing Director)*
Brett Hartmann *(Group Operations Manager)*
Tony Walsh *(Company Secretary & General Manager Corporate)*
Scott Steinkrug *(Chief Financial Officer)*
Tim Kennedy *(Exploration Manager)*
Rod Jacobs *(Project Development Manager)*
Andrew Eddowes *(Business Development Manager)*

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Shares
Listed on Australian Securities Exchange [ASX]
ASX code: IGO
Shares on issue: 233,323,905 ordinary shares

CONTENTS

VISION:

TO BUILD A GREAT AUSTRALIAN MINING COMPANY

MISSION:

CREATING VALUE THROUGH INNOVATION, DISCOVERY AND DEVELOPMENT

VALUES:

Innovation:	We foster and value innovation, research and discovery.
Teamwork:	We are one team working towards a common goal, where all team members are treated fairly and with dignity, courtesy and respect.
Leadership:	We value leadership that is evidenced by personal accountability, support for each other and guidance where appropriate.
Achieving excellence:	We strive to excel in everything we do, every time we do it.

Safety / Wellbeing:	Health and safety are a priority in all aspects of our business, to ensure our own wellbeing, and the safety and wellbeing of all of the people with whom we work.
Responsible business conduct:	We act honestly and ethically, mindful of our responsibilities to our shareholders, employees, suppliers, customers, business partners and the communities and environments in which we operate.
Aligned with our Shareholders:	We encourage all employees to "think like an owner" when making decisions.

HIGHLIGHTS:

- The Company realised an $18.3 million Net Profit After Tax in the 2013 Financial Year (FY2013) (FY2012: $285.3 million Net Loss after Tax, which included an after tax non-cash impairment of $288.0 million). FY2013 profits were heavily impacted by a continuing strong A$ and depressed commodity prices, despite strong production results and prudent successful cost control measures.
- FY2013 Underlying Earnings Before Interest, Tax, Depreciation and Amortisation[1] increased to $56.8 million (FY2012: $33.6 million).
- Despite challenging commodity prices, revenue increased to $225.9 million (FY2012: $216.6 million) due primarily to an improved revenue contribution from both the Long and Jaguar Operations.

1. Underlying EBITDA is a non-IFRS measure and comprises $27.8 profit before tax (FY2012:$368.8M loss) less $1.2M interest income net of finance costs (FY2012:$ $9.2M), $24.4M depreciation & amortisation expense (FY2012: $39.2M) and $5.8M exploration impairment expenses (FY2012: $372.4M exploration impairment together with Jaguar and Stockman impairments).

- Operating cash flows doubled to $64.0 million (FY2012: $32.0 million).
- At 30 June 2013 the Company had cash and cash equivalents of $27.2 million (2012: $192.7 million) and debt of $20.0 million (2012: $23.4 million) a net decrease of $165.5 million for FY2013 which is inclusive of the $146.0 million Tropicana project construction spend.
- The Company announced a fully franked Final Dividend of 1.0 cent per share (FY2012: 1.0 cent).
- Total fully franked dividends paid during FY2013 were 2.0 cents per share (FY2012: 5.0 cents).
- New facility agreement signed with National Australia Bank Limited (NAB) totalling A$170 million.

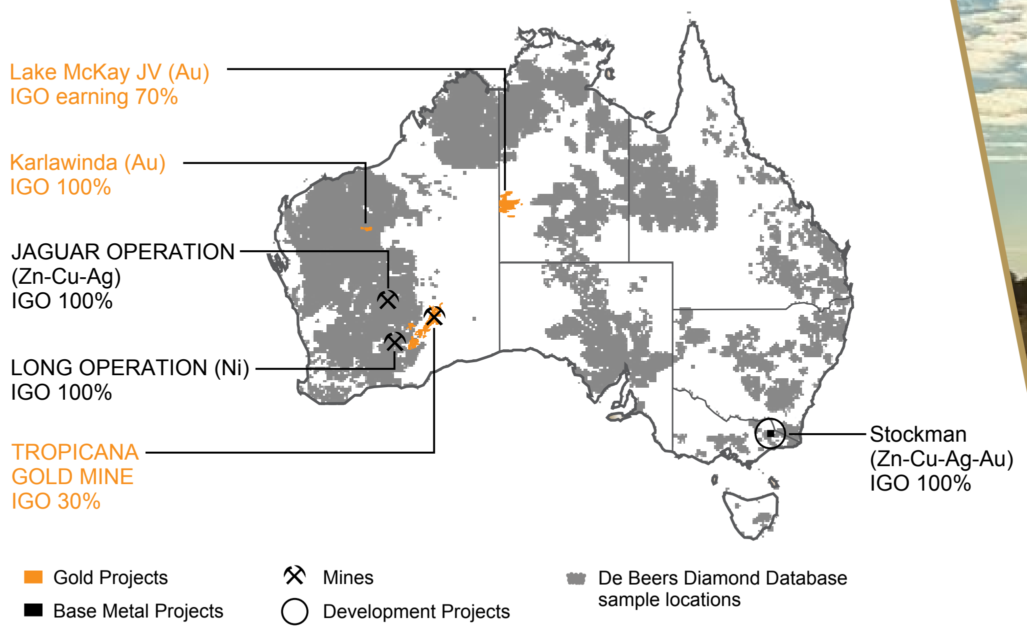


Figure 1: Independence Group NL: Mining operations and major project locations.

OPERATIONAL SUMMARY

- Tropicana Gold Project JV [IGO 30%]: Development and construction is now all but complete following commissioning and the first gold pour took place in the September Quarter 2013. Targeted production from Tropicana (100%) is in the range of 120,000 to 160,000 ounces in the period ending 31 December 2013. IGO's attributable production is estimated to average in the range of 141,000 ounces to 147,000 ounces of gold per annum during the first three years of production, with cash costs plus royalties in those years of A$590 to A$630 per gold ounce[2].
- Long Operation [IGO 100%]: There was record annual production of 11,180 tonnes (t) of contained nickel metal at Long in FY2013 (FY2012: 9,995t) that exceeded the upper range of guidance by 16%. Cash costs including royalties for the year were A$4.34 per payable pound of nickel (FY2012 A$4.56)[3].
- Jaguar Operation [IGO 100%]: Production for FY2013 was 33,809 tonnes of contained zinc metal (FY2012: 16,569t), 4,992 tonnes of contained copper metal (FY2012: 7,257t) and 1,376,804 ounces of contained silver metal (FY2012: 577,726 ounces). The payable cash costs including royalties were A$0.49 per pound zinc (FY2012: A$0.58 per pound zinc), being at the mid-range of market guidance. Production of copper was at the lower end of market guidance, zinc production was 21% above the upper range of market guidance and silver production was 72% above the upper range of market guidance.

2. IGO June 2013 Quarterly Report ASX Release.
3. The FY2012 figure includes a copper credit adjustment of A$0.18 per pound. The previously reported $4.74 per pound excluded this credit.

FINANCIAL SUMMARY

FINANCIAL YEAR ENDED 30 JUNE *	2013	2012	INC/(DEC)
Total Revenue	$225.9M	$216.6M	4%
Underlying EBITDA[4]	$56.8M	$33.6M	69%
Profit (Loss) Before Tax	$27.8M	($368.8)M	increased
Profit (Loss) After Tax	$18.3M	($285.3)M	increased
Net Cash Flow From Operating Activities	$64.0M	$32.0M	100%
Total Assets	$822.0M	$812.9M	1%
Total Liabilities	$172.5M	$170.8M	1%
Shareholders' Equity	$649.5M	$642.1M	1%
Net tangible assets per share	$2.79	$2.76	1%

* See financial statements and notes to the accounts for full details.

4. Underlying EBITDA is a non-IFRS measure and comprises $27.8M profit before tax (FY2012:$368.8M loss) less $1.2M interest income net of finance costs (FY2012:$ $9.2M), $24.4M depreciation & amortisation expense (FY2012: $39.2M) and $5.8M exploration impairment expenses (FY2012: $372.4M exploration impairment together with Jaguar and Stockman impairments).

FEASIBILITY

PROJECT AT FEASIBILITY STUDY STAGE

Stockman Project [IGO 100%]

The Environmental Effects Statement (EES) permitting documentation for the State of Victoria (also accredited with the Federal EPBC Act) is expected to be submitted shortly, which will commence the formal assessment process.

On 5th July 2013 the Company announced its decision to curtail further Enhanced Feasibility Study (EFS) tasks and defer exploration at the site whilst the approvals process is advanced through the Victorian permitting system. The Company believes this is prudent during a time of volatile metal prices and exchange rate fluctuations and will allow an accurate project timeline and approval conditions to be properly assessed and integrated into the final investment assessment.

SCOPING

PROJECTS AT SCOPING STUDY STAGE

Karlawinda Project [IGO 100%]

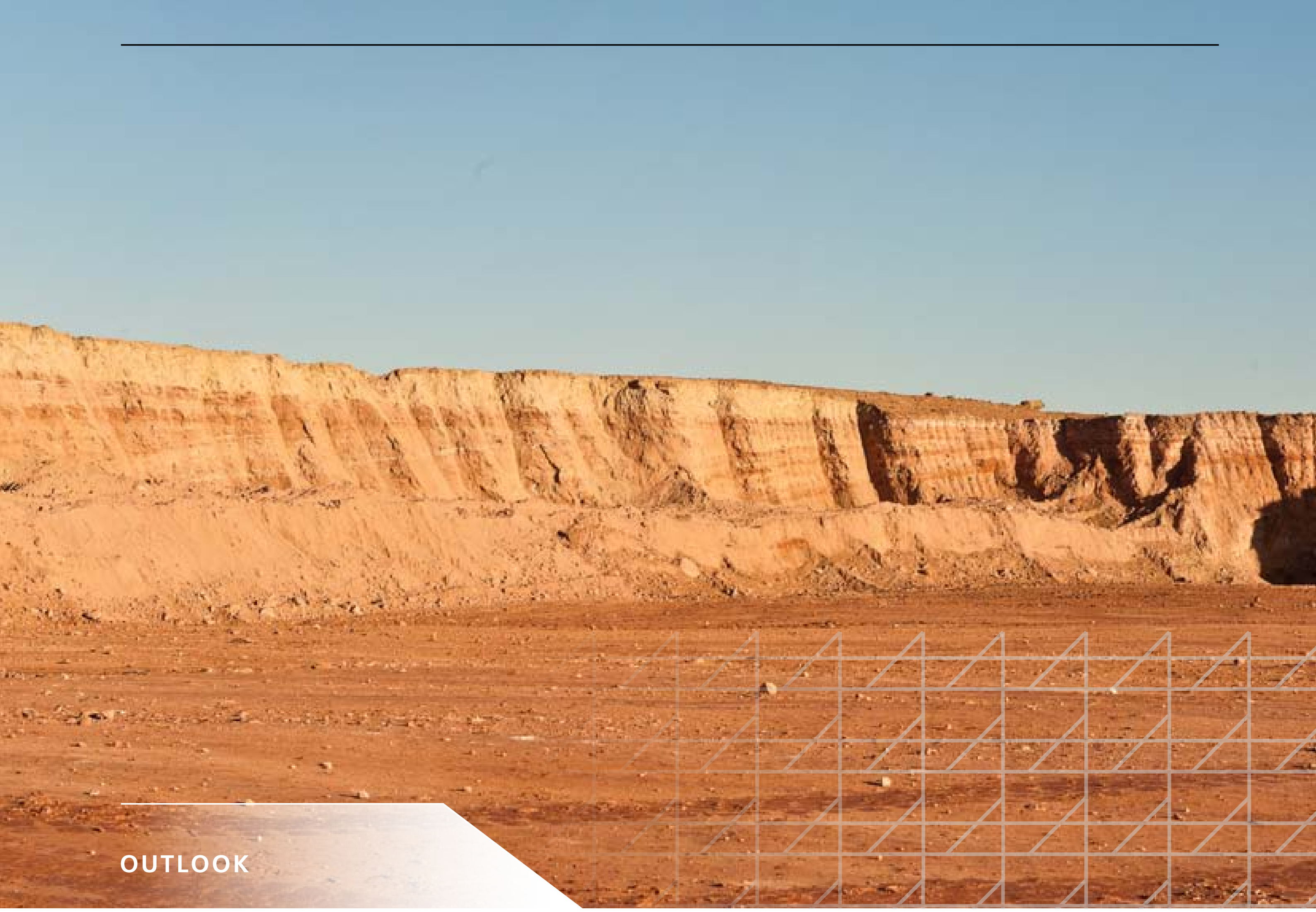
An early draft of the Karlawinda Gold Project Scoping Study was reviewed in light of current gold prices and the Company concluded that the project requires material additions in mineable tonnage and/or grade to meet the Company's investment guidelines.

As a consequence, completion of the scoping study has been deferred until additional mineable tonnes or higher grade material can be located on the project. Exploration on this highly prospective project continues.

Tropicana Gold Project [IGO 30%]

Work on the Havana Deeps Pre-Feasibility study consisted primarily of the development of underground mine design options below the current Havana Open Pit. The economics of the underground design will then be evaluated against an open pit cutback.

The Havana Deeps Pre-Feasibility Study is due for completion in the December 2013 Quarter.



OUTLOOK

A major focus of IGO in the first half of the 2014 financial year (FY2014) will be working with its joint venture partner, AngloGold Ashanti Australia Ltd, on the ramp up of the Tropicana Gold Project. IGO's attributable gold production from this project and the relatively low production costs are expected to provide substantial cash flows and profits to IGO during the FY2014 and beyond.

Production guidance for the Long Operation for FY2014 is 230,000 to 270,000 ore tonnes for production of between 9,000 and 10,000 tonnes of contained nickel. Payable cash costs plus royalties for FY2014 are forecast at A$4.30 to A$4.70 per payable pound of nickel, net of copper credits. Exploration at Long over the next 12 months will continue to test for extensions to existing mines and for new deposits in the tenement area.

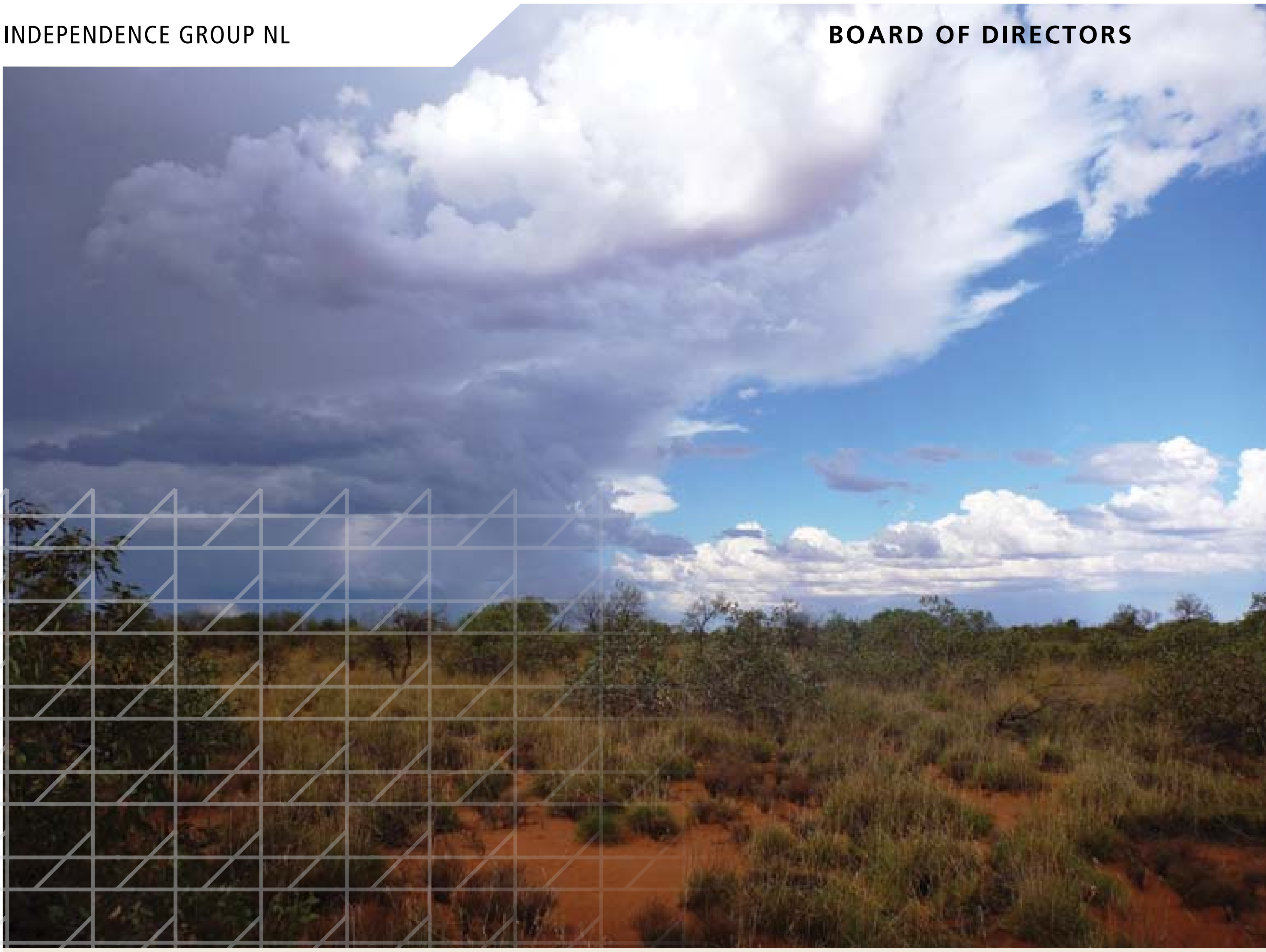
Production guidance for the Jaguar Operation for FY2014 is 420,000 to 460,000 ore tonnes for production of 5,000 to 6,000 tonnes of copper metal, 43,000 to 45,000 tonnes of zinc metal and 900,000 to 1,100,000 ounces of silver metal in-concentrate. Cash costs for FY2014 are forecast at A$0.40 to A$0.60 per payable pound of zinc, including royalty costs and net of copper and silver credits.

Drilling over the next 12 months will focus on increasing the confidence in existing Inferred Resources and looking for new deposits.

At the Stockman Project in Victoria work will continue on completing the EES permitting documentation for the State of Victoria and submitting this documentation.

At the Karlawinda Project in Western Australia, the Company is focusing on exploration with a view to finding material additions in mineable tonnage with higher grades to meet the Company's investment guidelines.

IGO is expecting to spend in the range of $30 to $35 million on exploration and feasibility expenditure during FY2014. IGO has an extensive exploration program planned for FY2014 relating to its existing mining operations and its regional exploration program. There will be a reduction in the total cost of that program, compared with the previous year, because of the nature of IGO's priorities during FY2014 and the emphasis on permitting at the Stockman Project



Peter Bilbe (63)
B.Eng. (Mining) (Hons), MAusIMM
Non-Executive Chairman

Mr Bilbe is a mining engineer with 40 years Australian and international mining experience at the operational, managerial and board levels. Mr Bilbe has held senior positions at Mount Gibson Iron Limited, Aztec Resources Limited, Portman Limited, Aurora Gold Limited and Kalgoorlie Consolidated Gold Mines Pty Ltd. Mr Bilbe's most recent executive position was Managing Director of Aztec Resources Limited, which successfully developed the Koolan Island iron ore project from exploration to production. Mr Bilbe is also a past member of the Executive Council of Chamber of Minerals and Energy. Mr Bilbe is currently a director of Northern Iron Limited and Sihayo Gold Limited.

Christopher Bonwick (54)
B.Sc. (Hons), MAusIMM
Managing Director

Mr Bonwick is a geologist with over 30 years' experience in the mineral exploration and mining industry, particularly in the areas of Australian gold and nickel exploration. Mr Bonwick was employed by mining house WMC for ten years, as an open-cut and underground mine geologist, and senior supervising geologist at WMC's Kalgoorlie Exploration Division. In 1991, he moved to Samantha Gold NL where he was employed as Chief Geologist and became Chief Geologist at Resolute Limited in 1994. Mr Bonwick has led teams that have successfully located virgin gold discoveries, including the Chalice (which returned $100 million profit in just over three years and won "Diggers and Dealer's Discovery of the Year" in 1994), Redeemer and Indee deposits, as well as near-mine gold discoveries in Australia (Hill 50 and Marymia satellites) and Africa. Mr Bonwick was also presented with the Geological Society of Australia's Joe Harms Medal in 2010.

Rod Marston (70)
B.Sc. (Hons), Ph.D., MAIG, MSEG
Non-Executive Director

Dr Marston is a geologist with over 40 years' experience in the mineral exploration and mining industry, both in Australia and internationally. He has held senior positions with the Geological Survey of Western Australia and several mineral resource consulting groups. He compiled landmark mineral resource bulletins on copper and nickel mineralisation in Western Australia when at the Survey. Dr Marston played a key role in the discovery, development and management of the multi-million ounce Damang Gold Mine in Ghana, West Africa. Dr Marston was previously a director of Ranger Minerals Ltd (now merged with Perilya Ltd) and is also a director of Kasbah Resources Limited.

Kelly Ross (51)
CPA, ACIS, ACSA
Non-Executive Director

Kelly Ross is an accountant with over 25 years' experience in the mineral exploration and mining industry. Mrs Ross was with the Resolute group from 1987 to 2000, during which time Resolute grew from being a small exploration company to become a major multi-national gold producer. Mrs Ross has held positions with National Resources Exploration Pty Ltd, the Kimseed Group, Murchison United NL and the Department of Mineral & Petroleum Resources. Mrs Ross was the Company Secretary of Independence Group NL until 23 August 2011. She is currently a director of Musgrave Minerals Limited.

Geoffrey Clifford (63)
BBus, FCPA, FCIS, FAICD
Non-Executive Director

Mr Geoffrey T Clifford was appointed as a Non-Executive Director of the Company in December 2012. From 2007 until 2011 Mr Clifford was a Non-Executive Director of Atlas Iron Limited, Centaurus Metals Limited and Fox Resources Limited. From December 2008 to July 2011 he was Non-Executive Chairman of Atlas Iron Limited. During that time Geoff presided over a period of exceptional growth in production and shareholder wealth. From 2005 to 2007 Geoff was a Non-Executive Director of, and consultant to, Aztec Resources Limited and, prior to his time at Aztec, he was General Manager Administration and Company Secretary of Portman Limited for 8 years.

Mr Clifford holds a Bachelor of Business degree from Curtin University and undertook post graduate studies in Administrative and Secretarial Practice. He has more than 35 years' experience in senior accounting, finance, administration and company secretarial roles in the mining, retail and wholesale industries. He was admitted as a Fellow of the Australian Society of Certified Practising Accountants in 1989 and as a Fellow of the Institute of Chartered Secretaries and Administrators in 1995. He was also admitted as a Fellow of the Australian Institute of Company Directors in March 2011.

Left to right: Geoffrey Clifford, Ron Marston, Kelly Ross, Peter Bilbe and Christopher Bonwick.

Dear Shareholders

Following a difficult year in 2012, your Company has turned the corner from losses to profits in challenging commodity markets and continued on course to becoming a Great Australian mining company. The Company is now on the cusp of transforming itself from being a non-ferrous base metal producer to being a producer of gold, nickel, copper, zinc and silver.

With the commissioning of the Tropicana Gold Project (IGO 30%, AngloGold Ashanti 70%) and the first gold pour in September 2013, your Company is set to grow in terms of revenue and profitability. The Company's attributable gold production is expected to exceed 141,000 ounces in each of the first three years of production. Tropicana has the potential to nearly double the Company's revenue and provide a major boost to earnings.

As planned, the Company completed the Definitive Feasibility Study on its Stockman Project (IGO 100%) in Victoria. However in July 2013 the Company decide to curtail further Enhanced Feasibility Study (EFS) tasks and defer exploration at the site whilst the approvals process is advanced. Your directors believe this is prudent during a time of volatile metal price and exchange rate fluctuations and which will allow an accurate project timeline and approval conditions to be properly assessed and integrated into the final investment assessment. The Environmental Effects Statement (EES) permitting documentation for the State of Victoria (also accredited with the Federal EPBC Act) is expected to be formally submitted shortly.


TO BUILD A GREAT AUSTRALIAN MINING COMPANY

Following a detailed review, the Company concluded that at current gold prices the Karlawinda Gold Project requires material additions in mineable tonnage or grade to meet the Company's investment guidelines. As a result, the Karlawinda Gold Project scoping study has been deferred until additional mineable tonnes or higher grade material can be located on the project. Exploration in FY2014 will be directed towards assessing the regional potential at Karlawinda, particularly to the east of Bibra and the 5km corridor between Bibra and Francopan.

Your Company continues to have an active exploration program. With a highly experienced exploration team with a record of success, proprietary exploration technology, ownership of the De Beers geochemical data base and very prospective tenements and joint venture interests, including the recently agreed Lake Mackay joint venture, another economically significant discovery is a constant possibility.

While all of its projects in operation, construction, feasibility study and scoping study stages are currently in Australia, the Company continues to investigate opportunities both overseas and in Australia. In the light of the economic and legislative risks associated with some countries, your Board believes that any overseas opportunity needs to be rigorously assessed against the Company's investment guidelines prior to consideration.

Economic conditions, in particular commodity markets and foreign exchange rates, again changed this year and despite some mitigating strategies such as hedging, these external conditions remain beyond our control. What remains constant is the Company's continued focus on creating value through cost control, innovation, discovery and development.

The Long nickel mine continues to be an important source of revenue for the Company. The mine's nickel metal production was greater than last year and a record since the Company acquired Long. Cash costs per pound nickel payable were kept at a relatively low level ensuring the mine remains profitable in a lower commodity price environment.

Despite depressed base metal prices it was a turnaround year for the Company's Jaguar Operation. Development of the Bentley underground mine continued to progress well during the year where the majority of the ore was sourced. Zinc and silver metal in concentrate production, increased during the year and ahead of production guidance, while copper remained steady at the lower end of guidance.

A prudent approach to the development of the Stockman and Karlawinda projects and a renewed focus on costs at existing operations have substantially improved net cash flow from operating activities and Underlying EBITDA[5].

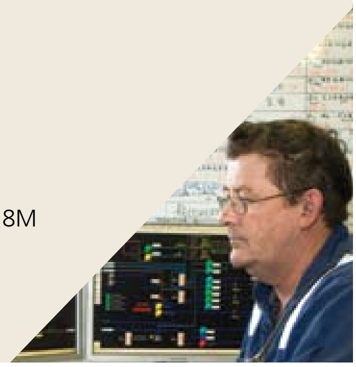
The Company's return to profit in FY2013, low debt and strong financial position has enabled it to continue to pay dividends despite the significant capital investment in Tropicana.

The new financial year ending in June 2014 will be the first year revenue begins to flow to the Company from the Tropicana Gold Mine. It has been eight years since Tropicana's discovery in 2005 and FY2014 will be an exciting year as the Company achieves first gold sales from Tropicana, continues robust operational performances at its existing mines, progresses its Stockman and Karlawinda projects and continues its ongoing investment in state of the art exploration.

I would like to thank the Company's employees for their hard work and achievements during this turnaround year.

On behalf of all the directors and the employees I thank the Company's shareholders for their continued support.

Peter Bilbe
Chairman



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Dear Fellow Shareholders,

Since the Company listed on the ASX in 2001, your directors have had a vision of building a Great Australian mining company that creates value through innovation, discovery, and development. The Company has fostered innovation, teamwork, leadership, safety/well-being, achieving excellence and responsible business conduct as the essential values needed to create sustainable value for shareholders.

This year your Company has made another step towards creating sustainable value for shareholders with the commissioning and first gold pour at the Tropicana Gold Project (IGO 30%, AngloGold Ashanti Australia 70%) in September 2013. The Company has now evolved from a purely nickel production company in January 2011 to a producer of nickel, copper, zinc and silver by January 2012 to a diversified mining company producing gold, nickel, copper, zinc and silver in September 2013.

The completion of construction and commissioning of the Tropicana Gold Project are very important achievements for us. Once the Tropicana Gold Project ramps up to full production, the Company's 30% share of gold production is likely to double the Company's revenue. Because Tropicana will be one of lowest cash cost gold producers in Australia, the increase in the Company's earnings is expected to be significant.


CREATING VALUE THROUGH INNOVATION, DISCOVERY AND DEVELOPMENT

The first gold pour at Tropicana.

The first gold pour at the Tropicana Gold Project is a significant milestone for the Tropicana Gold Project and the culmination of a tremendous amount of hard work by our joint venture partner and project manager, AngloGold Ashanti, and the contractors who assisted with building the project and those who are now operating the mine. Independence Group would like to thank AngloGold Ashanti, its dedicated employees and all the contractors involved in the project for their commitment in getting this world class gold project completed safely, on budget and ahead of schedule.

Our Long nickel operation produced a record 11,180 tonnes of contained nickel metal during the year, the highest during the Company's ownership over the 11 years. I would like to take this opportunity to thank the team at Long for their efforts during another year of economic uncertainty and lower commodity prices. Revenue from Long exceeded last year by 6% and the mine's low cash costs were maintained again this year.

The team at our Jaguar zinc/copper operation have turned performance around exceeding market guidance on zinc and silver and meeting market guidance on copper. Ongoing low metal prices and the strong Australian dollar have created challenges. Despite this, revenue from Jaguar has increased by almost 5%. I would like to thank the team at Jaguar for this tremendous effort particularly after the very challenging year in FY2012.

During the last year many shareholders have expressed their wish that the Company continue to place significant emphasis on exploration. Your Company continues to see great potential at Tropicana and Karlawinda as well as the prospects being generated for us by our wholly-owned De Beers data base.

In March 2013 the Company announced that it had signed a new facility agreement with National Australia Bank Limited (NAB) totalling A$170 million. The agreement provides for a number of

debt facilities and has given the Company financial flexibility to complete the development of the Tropicana Gold Project and to provide support to further the Company's growth strategy.

I thank all shareholders for their continued support during another year of lower commodity prices and fluctuating exchange rates. The Company's employees continue to strive to deliver on our mission to create value for shareholders through innovation, discovery and development.

Christopher Bonwick
Managing Director

Tropicana Gold Project, Western Australia (IGO 30%, AngloGold Ashanti 70% and Manager)

Background

The Tropicana Gold Project comprises 12,000 square kilometres of tenements stretching over more than 300 kilometres in strike length along the Yilgarn Craton and Fraser Range Mobile Belt Collision Zone (Figures 1 and 2). The Company targeted and pegged the area containing the current gold reserves in 2001. AngloGold Ashanti Australia farmed into the project in 2002, discovering Tropicana, Havana and Boston Shaker Gold Deposits respectively in 2005, 2006 and 2010. The gold deposits occur over a 5km strike length with gold mineralisation intersected over 1km vertically beneath the natural surface.

The decision by the Joint Venturers to develop the Tropicana Gold Mine (TGM) was announced to the market in November 2010 following a positive Bankable Feasibility Study (BFS) assessment. Development began in early 2011 with construction of the 220km TGM Access Road, followed by site aerodrome, village and borefield installation to support treatment plant and infrastructure construction activities by mid-2012.

FY2013 activity centred around pit pre-strip and ore stockpiling, treatment plant construction and associated pre-commissioning activities for first gold production in September 2013. Crushing circuit hand-over for plant wet commissioning occurred in July 2013.

Project Design

The TGM deposits are mined as conventional open pits for a Life of Mine (LOM) strip ratio of 5.5:1 (t:t) based on current reserves. Ore treatment utilises three stage crushing, inclusive of energy efficient HPGR technology, followed by conventional ball mill grind and gold leach circuit. Plant design for fresh ore throughput is 5.8Mtpa and metallurgical recovery of gold is 90.4% over the LOM.

Annual gold production is anticipated to be between 470,000-490,000oz pa in the first 3 years. This translates to IGO's attributable gold production averaging in the range of 141,000 ounces to 147,000 ounces of gold per annum during the first three years of production. Average cash costs over the first 3 years of production are expected to be in the range of A$590 – A$630/oz Au. Targeted total production from Tropicana is in the range of 120,000 to 160,000 ounces in the period ending 31 December 2013.

Project capital expenditure was reforecast in the March 2012 Quarter to A$820-845M nominal, inclusive of pre-production spend (IGO 30% share $A246-254M). The June 2011 Ore Reserve of 3.91Moz is scheduled for revision in the December 2013 Quarter.

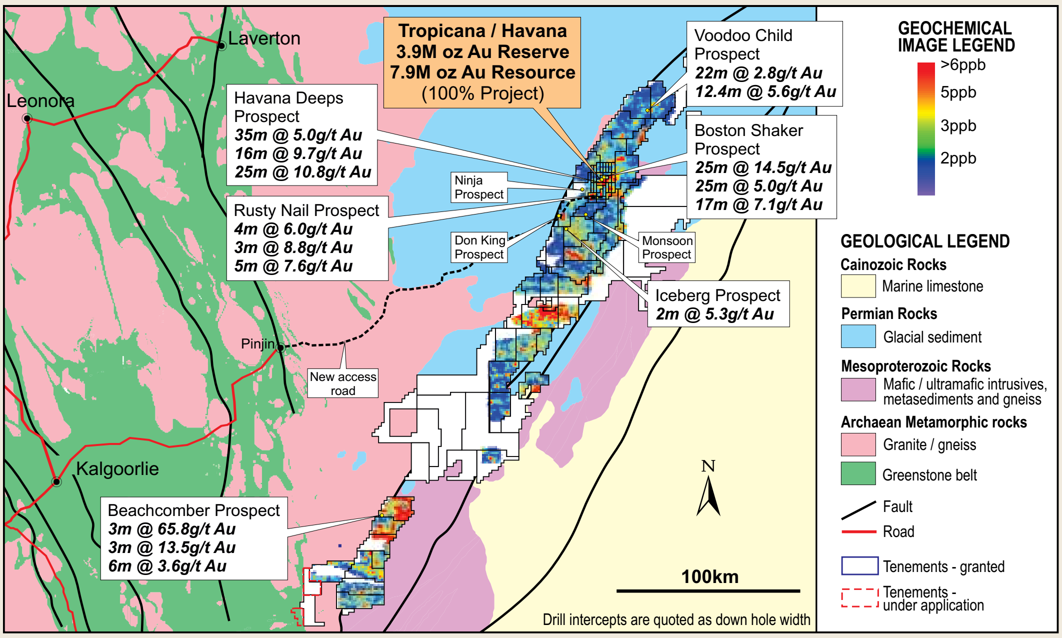


Figure 2: Regional map of the Tropicana JV - significant FY2013 drill hole intercepts and g/t Au x thickness (m) contours.

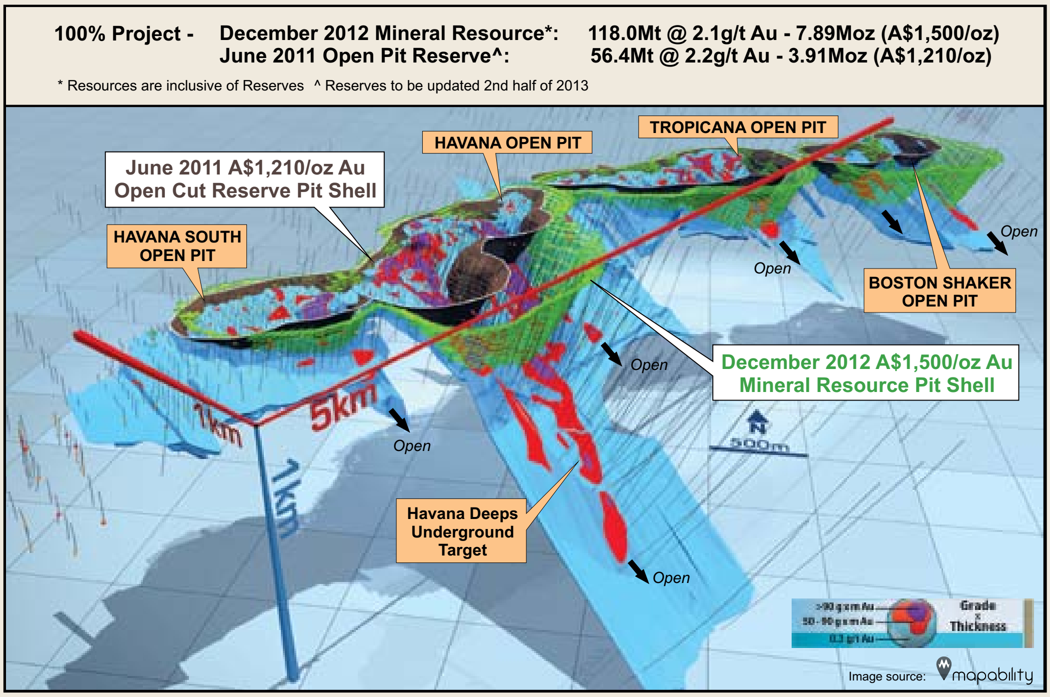


Figure 3: Tropicana Gold Project - Proposed Boston Shaker, Tropicana, Havana and Havana South open pit outlines g/t Au x thickness (m) contours on 3D isometric model

Project Construction

By the end of FY2013, TGM development neared conclusion as on-site construction and overall project development achieved 93% and 96% milestones respectively. With treatment plant civil works, structural steel, plate work and equipment installation complete, and pipework, electrical and instrumentation approaching finalisation, site activity focus in the September 2013 Quarter was on commissioning hand-over and the first gold pour. All regulatory approvals for the plant commissioning operating period are in place.

Key infrastructure completion milestones for the 2012/13 Financial Year included:

- TGM Aerodrome service by 100 seat passenger jet aircraft.
- Modern village complex and associated facilities built, with long term capacity of 550 personnel.
- Communications microwave link to Kalgoorlie.
- Process water supply from Minigwal Trough Borefield.
- Tailings dam first lift civils and associated tailings delivery and return water services.
- 40MW Power Station.
- First fill of site 4Ml diesel storage facility
- Office, maintenance and warehouse facilities.

Project Operations

Mining operations focus has been on the Havana Starter pit, with first ROM ore delivery occurring in the March 2013 Quarter. With two mining fleets based around 400t size excavators commissioned and regular in-cycle drill and blast and grade control activities in place, pit excavation advanced to 35m below surface to access transition ore by June 2013. The third mining fleet based around a 500t size excavator was commissioned in July 2013.

A full complement of site based operations personnel were on roster by June 2013. Process plant operator training is complete and on-site project familiarisation well advanced. Commissioning reagents and consumables, and associated capital and operating spares were delivered to site in July 2013. Long term supply and maintenance contracts tendering is complete and was in place in August 2013.

Havana Deeps Pre-Feasibility Study

The Havana Deeps Pre-feasibility Study (PFS) examines development options for extracting the Havana Resource below the Havana Pit BFS design. Options include expansion of the final Havana Pit cut-back and/or underground extraction utilising footwall decline access and stope and pillar mining methods.

Work completed by June 2013 included detailed metallurgical testwork, hydrological and geotechnical studies, preliminary mine layouts and project scheduling. Metallurgical recovery estimates to date are consistent with that of BFS Havana fresh ore testwork. The study is scheduled for completion in the December 2013 Quarter.

Near Mine exploration

Drilling beneath the Boston Shaker pit outline intersected additional mineralisation which is still open down plunge (see Figure 3).

Regional exploration

Regional aircore drilling targeted a number of prospects throughout the Joint Venture tenements (see Figure 2).

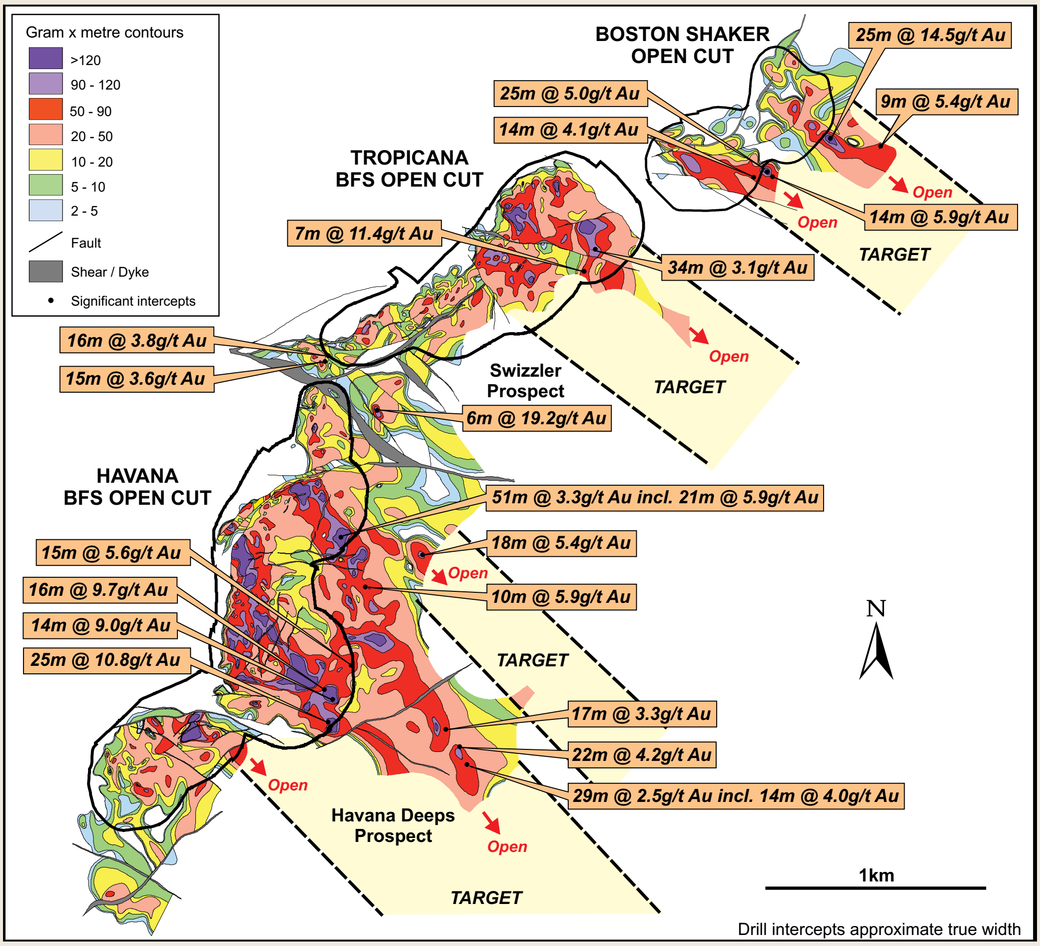


Figure 4: Tropicana Gold Project - Proposed Boston Shaker, Tropicana, Havana and Havana South open pit outlines, significant 2013 financial year intercepts and g/t Au x thickness (m) contours.

Background

The Company acquired the Long Operation and related infrastructure and equipment from WMC Resources Ltd for $15 million in September 2002. The mine was successfully re-commissioned in October 2002. The mine is located at Kambalda in Western Australia (Figures 1 and 5).

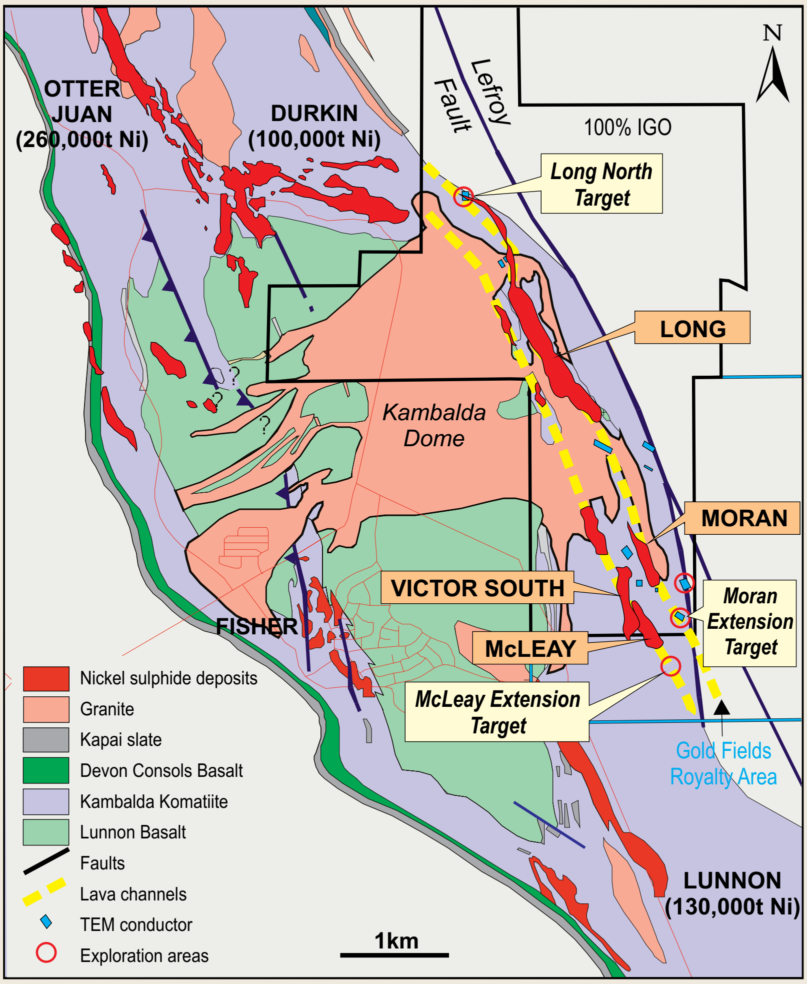


Figure 5: Long Operation - Regional geology, tenure, nickel shoots and targets.

Since October 2002, the Company has produced 2.16 million tonnes of nickel ore at a reconciled grade of 3.9% nickel (83,931 nickel tonnes). A commitment to brownfields exploration has seen the discovery of the McLeay (2005) and Moran (2008) ore bodies and has enabled the operation to develop a reserve base to support a 4 year mine life until at least 2017, at a nominal 9,000 tonnes of contained nickel metal per annum.

Offtake Agreement

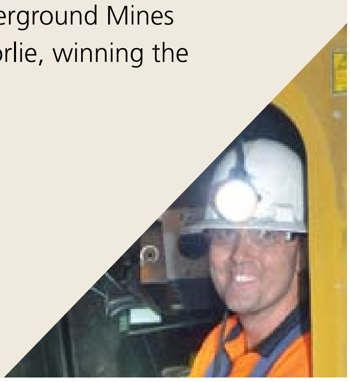
The Company has an agreement with BHP Billiton Nickel West Pty Ltd whereby the ore produced from the mine is delivered to the adjacent Nickel West Kambalda Nickel Concentrator for toll treatment and production of nickel concentrate. This offtake agreement expires on 27 February 2019.

Safety

Six Lost Time Injuries ("LTI") occurred during the 2013 financial year. The operation remains committed to continual improvement and targeting zero injuries. We also recognise that our safety objectives cannot be attained without input from all our employees, so we continue to actively engage and consult all employees to revise safe work practices.

The occupational health and safety regime is stated in the Company's Safety Policy for Long, which is based on the belief that profits can be made without compromising safety. It is management's conviction that a positive attitude is the key to any safety programme. Hazard identification, accident/incident investigation, competency training, work procedures development, competency reassessment and regular workplace inspections are carried out with the help of our employees.

There continues to be a strong focus on risk mitigation with crisis management procedures reviewed and mock training undertaken throughout the year. Mines Rescue teams continue to develop and practice specialist skills, with our Mine Rescue team having success in the annual Underground Mines rescue competition held in Kalgoorlie, winning the "Search and Rescue" event.



Geotechnical Conditions and Seismicity

Mining induced and regional seismicity is an inherent risk at the Long Operation. The ore bodies are to a varying degree disrupted by a swarm of cross-cutting porphyries, some of which are stressed. When mining the discrete ore blocks within the mine, procedures to manage these conditions are built into the operating standards and are well understood by our mining team.

To ensure continued compliance, the Company undertakes regular internal audits on its geotechnical systems and ground control practices. In addition, geotechnical professionals are also utilised to undertake external independent geotechnical audits. This constant feedback is not only part of our compliance but forms part of our continued focus on safety.

The Company also remains an advocate of world leading geotechnical and seismicity research. Our involvement in such things allows us to remain abreast of advances and ensure that our systems and overall approach remains industry best practice.

Mine Production

Various mining methods are utilised at Long, ranging from mechanised cut and fill, long-hole open stoping, long-stoping with backfill and non-mechanised methods. Safety and the practicalities of the ore body dictate which extraction method is utilised.

FY2013 saw production improvements due to mining of the high grade Moran ore body. Production achieved (Table 1) was 291,195 tonnes (FY2012: 282,177t) at an average head grade of 3.84% nickel (FY2012: 3.5%) for 11,180 tonnes of contained nickel metal (FY2012: 9,995t), 16% above the upper range of FY2013 guidance. This was the highest production achieved at Long since recommissioning in 2002.

Payable cash costs for the year including royalties were A$4.34 per pound nickel (FY2012 A$4.56), which was 9% below the lower end of FY2013 market guidance.

Table 1: Long Nickel Operation – 2012/13 Ore Production

	Tonnes	Ni %	Ni Tonnes
Long (mechanised and hand-held)	20,799	3.2	655
Victor South (mechanised)	41,244	4.0	1,653
McLeay (mechanised and hand-held)	77,935	2.6	2,010
Moran (mechanised)	151,217	4.5	6,862
TOTAL	**291,195**	**3.8**	**11,180**

FY2014 Production Guidance

Production guidance for the Long Operation for FY2014 is 230,000 to 270,000 ore tonnes for production of between 9,000 and 10,000 tonnes of contained nickel. Payable cash costs plus royalties for FY2014 are forecast at A$4.30 to A$4.70 payable per pound nickel, net of copper credits. Exploration at Long over the next 12 months will continue to test for extensions to existing ore bodies and for new deposits in the tenement area.

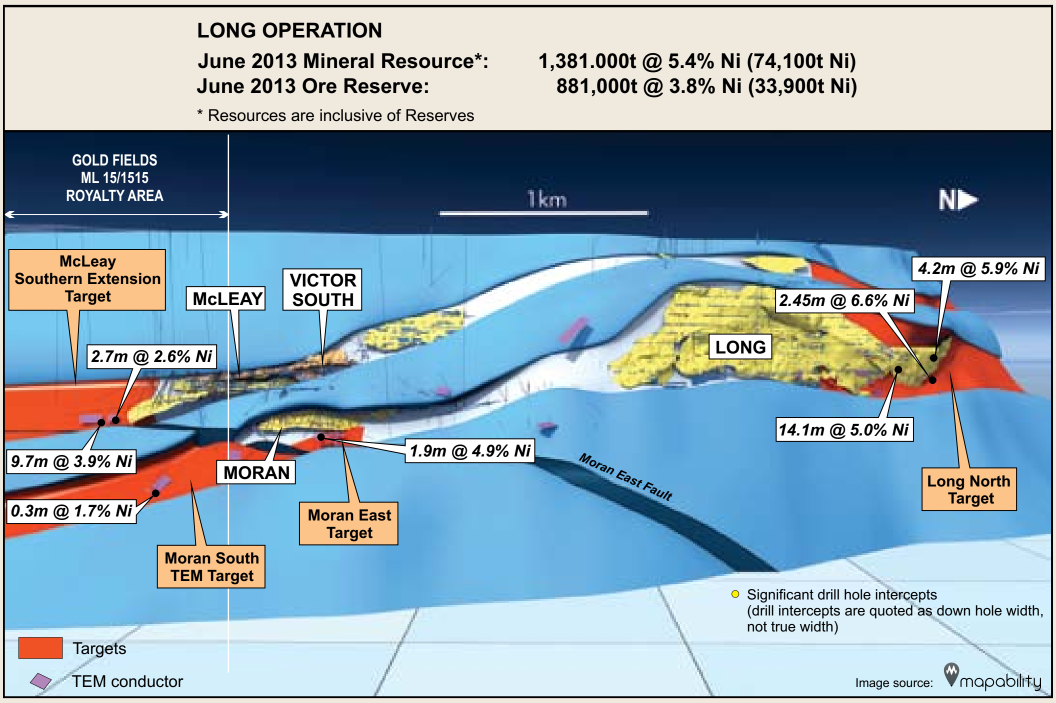


Figure 6: Long Operation - Longitudinal Projection showing target areas, TEM conductors and significant intercepts.

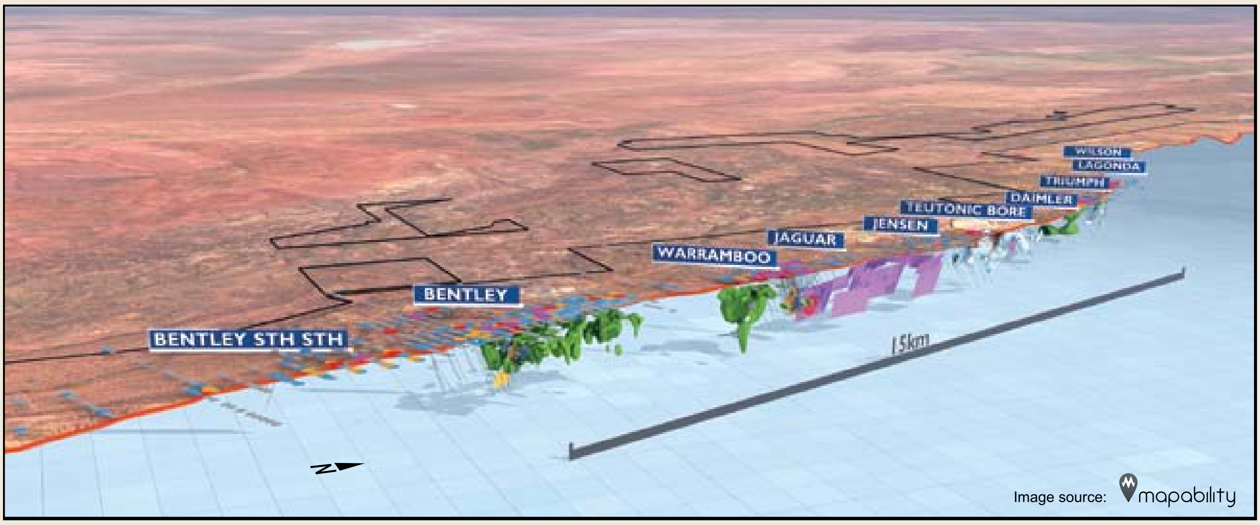


Figure 7: Jaguar Operation – Tenure, Regional Geology, Mines and Significant Prospect Locations

Background

The Company completed the acquisition of the Jaguar Operation, located 60km north of Leonora and 250km north of Kalgoorlie (Figure 1) in the June 2011 Quarter. The rationale for the acquisition included a history of low operating costs, potential for a plus seven year mine life and significant exploration upside along the 50km of prospective tenure.

The Operation comprises the Jaguar and Bentley zinc-copper-silver-gold underground mines and processing facility. The Jaguar deposit was discovered in 2002 approximately 4km south of the historic Teutonic Bore open cut and underground copper-zinc-silver mine. Bentley was discovered in 2008 and brought into production in 2011 when development intersected the top of the ore body. Ore is processed at the Jaguar concentrator which produces a copper and zinc concentrate. The copper concentrate also contains significant silver and gold credits. The concentrates are trucked to the Port of Geraldton where they are shipped to our customers.

Safety

During the year Jaguar's Lost Time Injury ("LTI") rate continued to fall, however unfortunately one LTD was incurred. IGO is committed to the belief that profits can be made without compromising safety. Safety remains our highest priority with the key being engagement of employees. Proactive hazard identification, competency training, continual reviewing of safe work procedures, competency reassessment and regular workplace inspections all play a large role in our safety culture and commitment.

This financial year some of our objectives in safety include: standardise systems and practices, ongoing improvements in our 'risk base approach' to all activities and risk management as a whole.

Mine Production

A total of 446,584t was mined during the year predominantly from the Bentley underground mine, with a minor contribution from the Jaguar underground mine (Table 2).

Table 2: Jaguar Operation – 2012/13 Ore Production

	Tonnes	Cu%	Zn%	Ag g/t
Jaguar	85,511	2.2	2.1	38
Bentley	361,073	1.3	11.7	164
TOTAL	**446,584**	**1.5**	**9.8**	**139**

While Jaguar is nearing the end of its mine life, mining at Bentley has progressed well with the development of the first nine levels into the ore body (Figure 8).

JAGUAR OPERATION

June 2013 Bentley Mineral Resource*: **2,771,000t @ 1.9% Cu, 9.6% Zn, 139g/t Ag, 0.8g/t Au**

June 2013 Bentley Ore Reserve: **1,261,000t @ 1.6% Cu, 9.6% Zn, 126g/t Ag, 0.7g/t Au**

* Resources are inclusive of Reserves

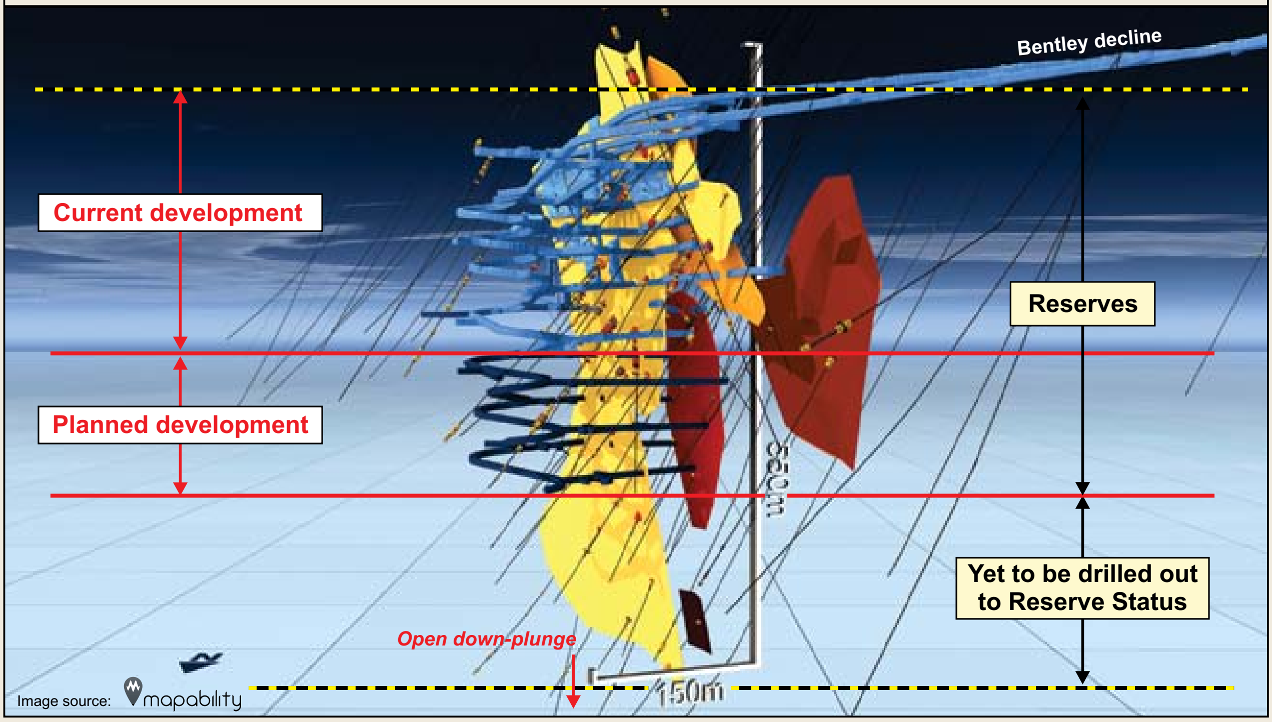


Figure 8: Jaguar/Bentley Zn-Cu-Ag Operation - Bentley Mine - 3D isometric projection showing mineralised envelopes, drilling and planned development.

Mill Production

Mill production was 392,125 tonnes @ 1.63% copper, 10.1% zinc and 143g/t silver (FY2012: 366,891 tonnes @ 2.28% copper, 5.95% zinc and 87g/t silver). Metal production in concentrate was 4,992 tonnes of contained copper metal (FY2012: 7,257 tonnes), 33,809 tonnes of contained zinc metal (FY2012: 16,569 tonnes) and 1,376,804 ounces of contained silver metal (FY2012: 577,726 ounces) Production of copper was at the lower end of market guidance of 5,000 to 6,000 tonnes. Zinc production exceeded guidance of 27,000 to 28,000 tonnes by 21% and silver production was over 70% above guidance.

The payable cash cost and royalty was A$0.49 per pound zinc (FY2012: A$0.58 per pound), within FY2013 guidance.

FY2014 Production Guidance

Production guidance for the Jaguar Operation for FY2014 is 420,000 to 460,000 ore tonnes for production of 5,000 to 6,000 tonnes of copper metal, 43,000 to 45,000 tonnes of zinc metal and 900,000 to 1,100,000 ounces of silver metal in-concentrate. Cash costs for FY2014 are forecast at A$0.40 to A$0.60 per pound of zinc, including royalty and net of copper and silver credits. Drilling over the next 12 months will continue to focus on defining high grade massive copper-zinc sulphides.

Exploration

The Jaguar Regional Exploration Project covers 50km of strike of stratigraphy prospective for VMS mineralisation. It encompasses three high-grade Zinc-Copper-Lead-Silver-Gold deposits: The previously mined Teutonic Bore and Jaguar deposits and the Bentley deposit which is currently in production.

The deposits, which occur at or near the base of a mafic volcanic succession overlying a felsic volcanic package, typically comprise massive sulphide lenses with semi-massive and stringer style mineralisation both below and lateral to the massive ore. They dip steeply to the west and have strike and dip extents of approximately 400m.

The Jaguar and Bentley deposits, located 250 to 300m below surface, display strong plunge trends along which there is potential for additional deposits to be discovered. The Far Side ore lens, discovered in 2010 occurs 300m to the east of the Jaguar deposit. The Jaguar and Far Side lenses are interpreted to represent a "stacked lens" system, which demonstrates additional potential for discovery at various levels within the host stratigraphy. Interpreted large scale structural repetition of the host stratigraphy suggests the true prospective strike within the project area may be well in excess of 50km.

Fertile VMS belts generally contain numerous deposits and accordingly the Teutonic Bore belt has high potential for the discovery of additional ore lenses. Drilling outside the resource envelope of the known deposits has been limited to date and much of it has been directed at gold exploration rather than base metals.

Unlike most other major VMS belts elsewhere around the globe, the surface geophysical and geochemical expression of buried deposits in Western Australia is generally subtle to non-existent due to a very strong weathering profile. The relatively short strike length of deposits combined with the complex interplay of post-mineralising structures and intrusives further complicates exploration. Accordingly successful targeting within the Jaguar Project requires the careful integration of multidisciplinary datasets including regolith geochemistry, geophysics (IP and EM), spectral and stratigraphic and structural interpretation followed by aggressive multi-phase drilling programs.

During the year a total of 18 prospects, mostly representing interpreted hydrothermal centres, were defined including some prospects containing multiple target positions. Base metal exploration during the year comprised a two-pronged approach; firstly aircore drilling was used to infill and better refine known targets in the key 15km Lagonda to Bentley South trend and as an initial test along strike of this trend to identify new target areas, and secondly diamond drilling and down hole EM were used to test specific target positions within the trend.

Diamond drilling 200m to the south and down plunge of the Bentley ore body has confirmed and extended a strong zone of footwall stringer mineralisation.

Two diamond holes some 400m apart testing the "Bentley South South" +1km long aircore geochemical anomaly did not intersect mineralisation but subsequent down hole EM probing of the drill holes identified a conductor between the two holes which remains as a target to be followed up. The Bentley South South area also has prospectivity for gold. The gold potential of this area is being assessed as part of a project wide gold prospectivity assessment.

Exploration at the Jaguar Project over the forthcoming year will continue with systematic diamond drill testing of priority targets and the definition of new target areas using aircore geochemical drilling.

Background

The Stockman Project is located in Eastern Victoria, 300km north-east of Melbourne (Figure 1). The project encompasses two copper-zinc-lead-silver-gold deposits, Wilga and Currawong, which were discovered by Western Mining in 1978 and 1979. The larger Currawong deposit is fully intact, whilst a core of copper-rich ore from the Wilga deposit was mined and processed onsite between 1992 and 1996.

The Wilga and Currawong Volcanogenic hosted Massive Sulphide (VMS) deposits are hosted within the Gibson's Folly Formation, a part of the Cowombat Rift that comprises the southern-most of the series of Silurian basins within the Lachlan Fold Belt that are known to contain VMS deposits. Both massive sulphide deposits are approximately 350m in strike and dip extent, dip shallowly to the north (local grid) and are located only 100m below the surface (Figures 10 and 11). The Currawong deposit comprises five massive sulphide lenses and associated stringer style mineralisation stacked by a series of post-mineralisation faults. Located approximately 4km to the south, Wilga comprises a single massive sulphide lens with an extensive halo of stringer style mineralisation that contributes significantly to the resource. The sulphide mineralogy is predominantly pyrite, sphalerite, chalcopyrite and galena.

The massive sulphide lenses contain copper-rich domains that in part reflect primary hydrothermal fluid pathways controlled by original structural trends. The structural complexity of the area is being interpreted and the potential for additional host stratigraphy under barren cover is being investigated in the vicinity of the two deposits and regionally.

The diagrams below (Figures 10 and 11) show the two deposits (approximately 4km apart), along with their respective resource and reserve estimates.

Feasibility Studies

Substantial work has been undertaken throughout the year in assessing the technical and economic feasibility of the project, culminating in the release of the initial Ore Reserve estimate in January 2013. The scope of the project encompasses concurrent development of the two underground deposits to feed a central 1.0Mtpa differential flotation Mineral Separation Plant (MSP) that could produce approximately 150,000tpa of copper and zinc concentrates over a project life of approximately nine years.

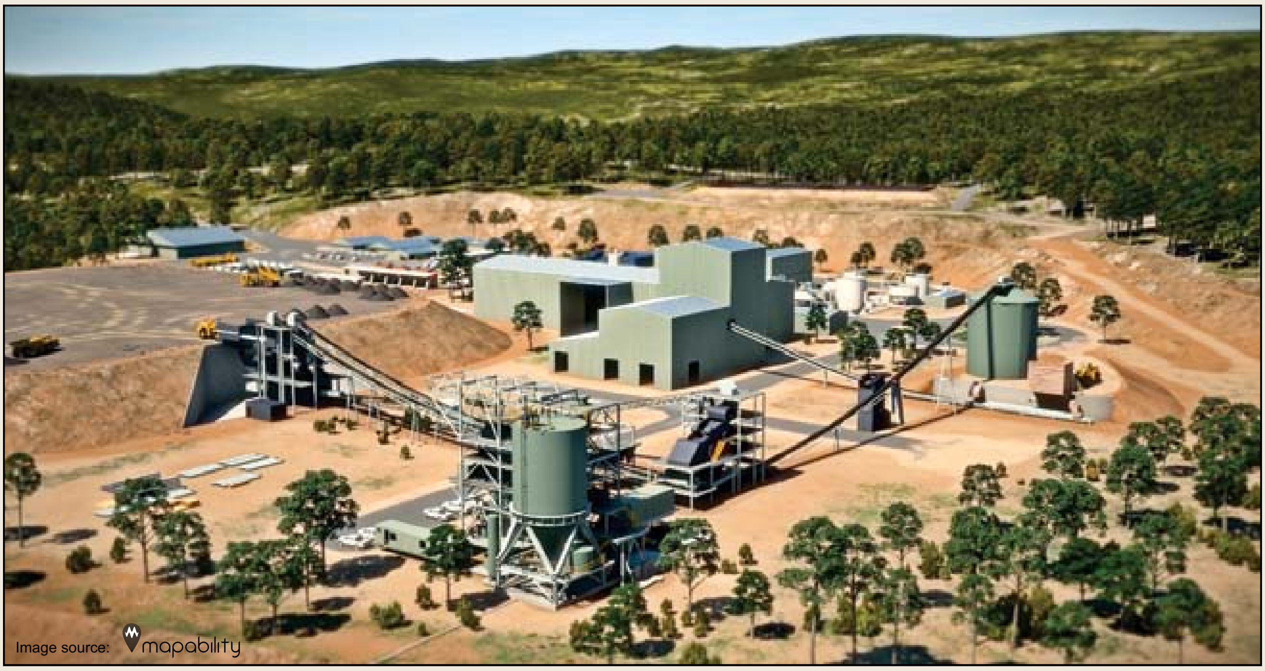


Figure 9: Artist's impression of proposed Stockman mineral separation plant.

The concentrate products would be exported to customer smelters in the southern Asia region.

The existing Tailings Storage Facility (TSF) would be expanded for use by the project, whilst additional water would be sourced from the Benambra plains, some 30km from site. Other key infrastructure would include a site gas-fired power station, an accommodation village for the drive-in drive-out regional workforce and re-commissioning a nearby Telstra communications tower.

Figure 9 shows the planned MSP and administration area adjacent to the Currawong deposit:

Key project parameters are as follows:

- Annual payable metal: approximately 16,000t copper, 25,000t zinc, 450,000oz silver, 5,000oz gold
- C1 (post ramp-up period) cash costs of A$1.55/lb
- Pricing assumptions: A$7,685/t copper, A$1,973/t zinc, A$30.78/oz silver, A$1,607/oz gold
- Net operating LOM cashflow: A$540M

A full list of parameters is detailed in the Company's Quarterly activities report released on 31st January 2013.

On 5th July 2013 the Company announced its decision to curtail further Enhanced Feasibility Study (EFS) tasks and defer exploration at the site whilst the permitting process is advanced through the Victorian approvals system. The Company believes this is a prudent undertaking during a time of volatile metal price and exchange rate fluctuations and will allow an accurate project timeline and the actual regulatory conditions to be properly assessed and integrated into the final investment decision.

Stockman Exploration

Exploration during the year focused on a number of key positions proximal to the Wilga and Currawong deposits, as well as geochemical, geophysical and conceptual targets generated from historical datasets and a comprehensive and detailed Versatile Time-Domain Electromagnetic (VTEM) survey covering the entire project area.

Exploration drilling during the year resulted in the discovery of the Eureka massive sulphide lens (Figure 10) located approximately 350m to the north east of Currawong. The lens is in the same stratigraphic position as the main massive sulphide lens at Currawong, and is immediately along strike and stratigraphically beneath the Bigfoot discovery outlined last year.

CURRAWONG DEPOSIT
June 2013 Mineral Resource[1]: 10,329,000t @ 2.0% Cu, 4.0% Zn, 40g/t Ag, 1.1g/t Au
June 2013 Ore Reserve: 7,333,000t @ 2.2% Cu, 4.1% Zn, 40g/t Ag, 1.2g/t Au

[1] Resources are inclusive of Reserves
[2] Bigfoot and Eureka are exploration targets and are not included in the resource estimate

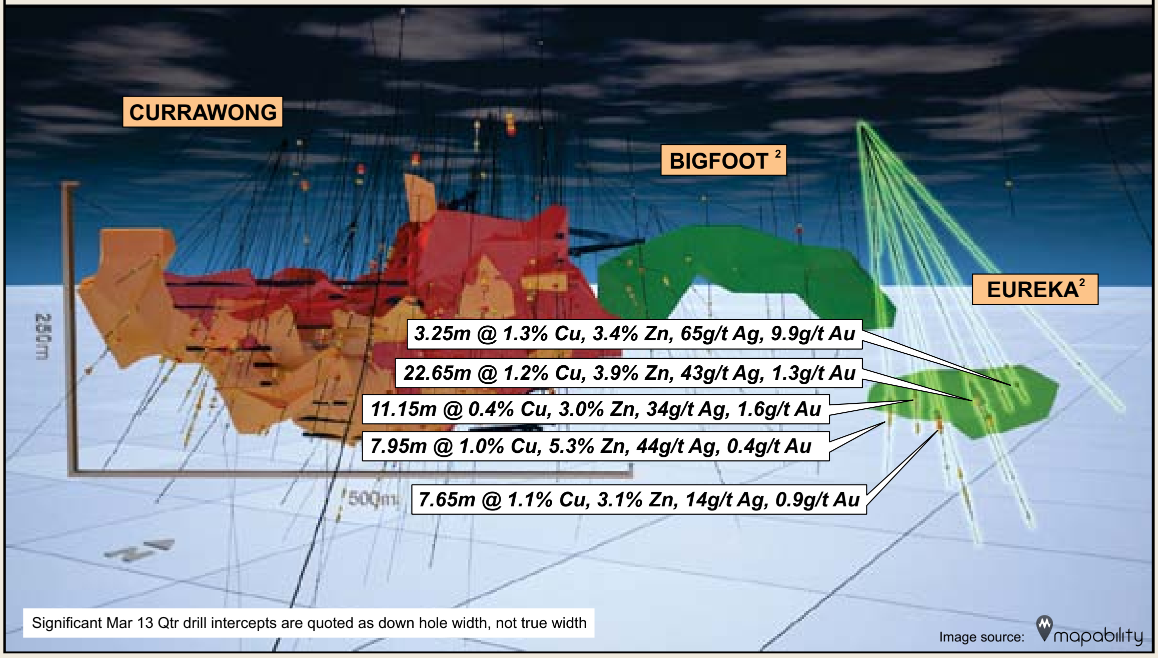


Figure 10: Currawong Deposit at Stockman.

WILGA DEPOSIT
June 2013 Mineral Resource:* 3,657,000t @ 2.3% Cu, 4.9% Zn, 32g/t Ag, 0.5g/t Au
January 2013 Ore Reserve: 1,099,000t @ 2.5% Cu, 5.3% Zn, 30g/t Ag, 0.5g/t Au

* Resources are inclusive of Reserves

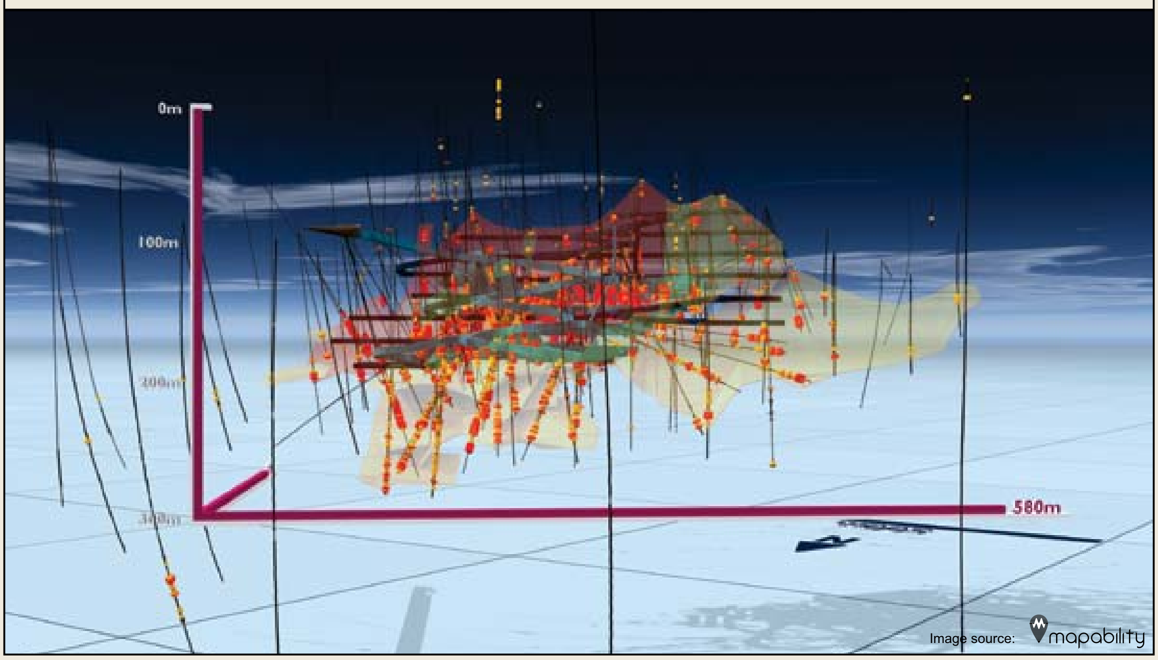


Figure 11: Wilga Deposit at Stockman.

Six of the eight drill holes completed to date at Eureka have intersected varying widths of massive sulphide mineralisation and together define a mineralised body extending for approximately 200m along strike and 90m down dip with an average thickness of approximately 9m that remains open along plunge.

Mineralisation occurs in two sub-parallel lenses that are hosted within a sedimentary package, in the direct footwall to a thick dacite. The two lenses are interpreted to represent structural stacking of one original lens, similar to the structural stacking that occurs at Currawong. The upper lens has only been intersected in one hole to date. Eureka remains open along plunge to the north east and south west.

The Eureka discovery, which is the second new massive sulphide discovery on the project since 1979, was made as a result of drill testing a very subtle Downhole Electromagnetic (DHEM) anomaly detected using IGO's proprietary high powered transmitter. It is significant that the Eureka lens, which has a surface geochemical signature, was not detected by the project wide VTEM survey completed in 2008, which did detect both Wilga and Currawong. There are numerous untested or poorly tested geochemical anomalies in the Currawong/Wilga belt similar to the geochemical anomaly at Eureka that are considered prospective for the discovery of new massive sulphide lenses using IGO's DHEM system.

Permitting

The Environment Effects Statement (EES) for Stockman, required under the Victorian Environment Effects Act 1978 for the project, is on track to be submitted for public exhibition in the December Quarter 2013. The EES, commenced in 2010/11, covers all aspects of the Stockman project, and has involved the Company working with a wide range of stakeholders over this period. The EES also addresses matters raised by the Commonwealth through the Environmental Biodiversity and Conservation Act 1999, and in total some 26 separate studies have been completed and reported, covering biophysical, social and economic impacts and benefits from the project. Post exhibition, the EES is expected to be the subject of a public inquiry, Ministerial consideration of the inquiry's conclusions, condition setting, and licencing by the specific regulatory authorities. This process is expected to be completed around mid-2014.

The Company is confident that all issues related to the project have been adequately addressed. Tailings and water management have been subject to high levels of scrutiny by Government agencies and other stakeholders, and these topics, with ecological studies, have been the subject of much of the work for the EES. The intensity of investigations required in these areas has caused some delay in finalisation of the document.

The project has the strong support of a wide range of stakeholders. This support comes from, in particular, the results of the economic assessment of the project by Deloitte Access Economics, which shows very positive outcomes for Victoria, especially regional Victoria, in terms of economic stimulus and job creation. Coupled with the conclusion of the EES that environmental impacts are relatively minor, and can be readily and effectively managed, the Company is confident that the required approvals will be obtained.

Background

The Karlawinda Gold Project is located approximately 1,000km NNE of Perth and 65km SE of the regional mining centre of Newman in Western Australia (Figure 1). In June 2012 the Company released an updated Mineral Resource of 674,300oz Au (ASX Release 28 June 2012). The project continues to have potential to increase resources down dip and along strike.

Aircore drilling during the year focused on finding additional mineralisation outside the Bibra resource area. This drilling has identified a zone of anomalous results outlining a prospective corridor between Bibra and the Bibra East prospect.

Bibra Deposit

Reverse Circulation (RC) and diamond drilling during the year focused on infill and extensional drilling at the Bibra deposit. Diamond drill holes were also used to provide geotechnical information and samples for metallurgical testwork as part of the Scoping Study. Results from infill drilling were in line with previous results. Some previously reported intercepts are shown in the following table:

Drillhole	Sample type	Width (downhole m)	Intercept grade (g/t Au)	Depth (from) (downhole m)
KBD030	Diamond core	6.0	3.2	95.0
KBRC242	RC chips	5.0	8.0	57.0
and	RC chips	20	1.6	65.0
KBRC248	RC chips	9.0	4.7	57.0
incl.	RC chips	1.0	37.1	
incl.	RC chips	10.0	1.6	
KBD042	Diamond core	8.6	6.4	153.4
and	Diamond core	16	1.2	171.0
KBRC254	RC chips	16	1.9	86.0
KBRC263	RC chips	6.0	6.7	78.0

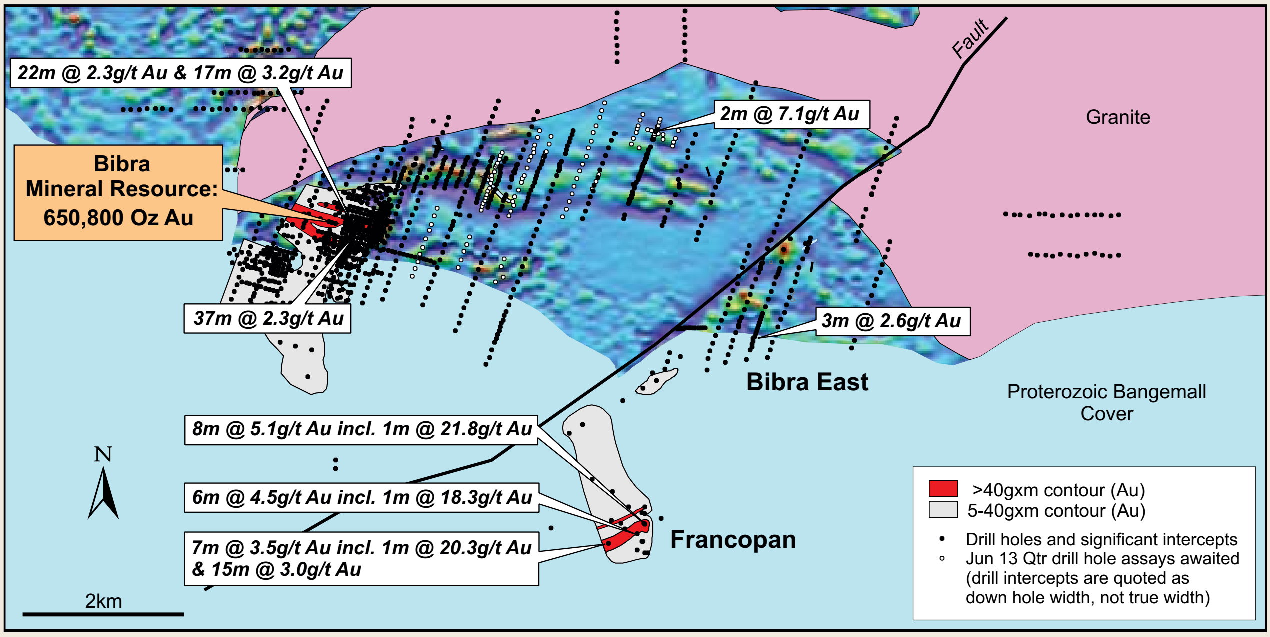


Figure 12: Karlawinda Gold Project

Native Title and Tenure Status

The Company's application for the granting of mining tenement M52/1058 has been the subject of ongoing discussion with the Yamatji Marlpa Aboriginal Corporation legal team, representing the Native Title claimants for the lease area, the Nyiyaparli People. These discussions have been positive and focused on reaching a land use agreement at the appropriate time to allow the lease to be granted by the Department of Mines and Petroleum. As IGO has concluded further exploration is required to enhance the project, the two groups have agreed additional time be allowed for an agreement to be reached.

A heritage agreement was also signed with Karlka Nyiyaparli Aboriginal Corporation (The Heritage Body) as Heritage Provider for the Nyiyaparli Claim Group for granted exploration tenement E52/2769, adjacent to M52/1058.

Technical studies

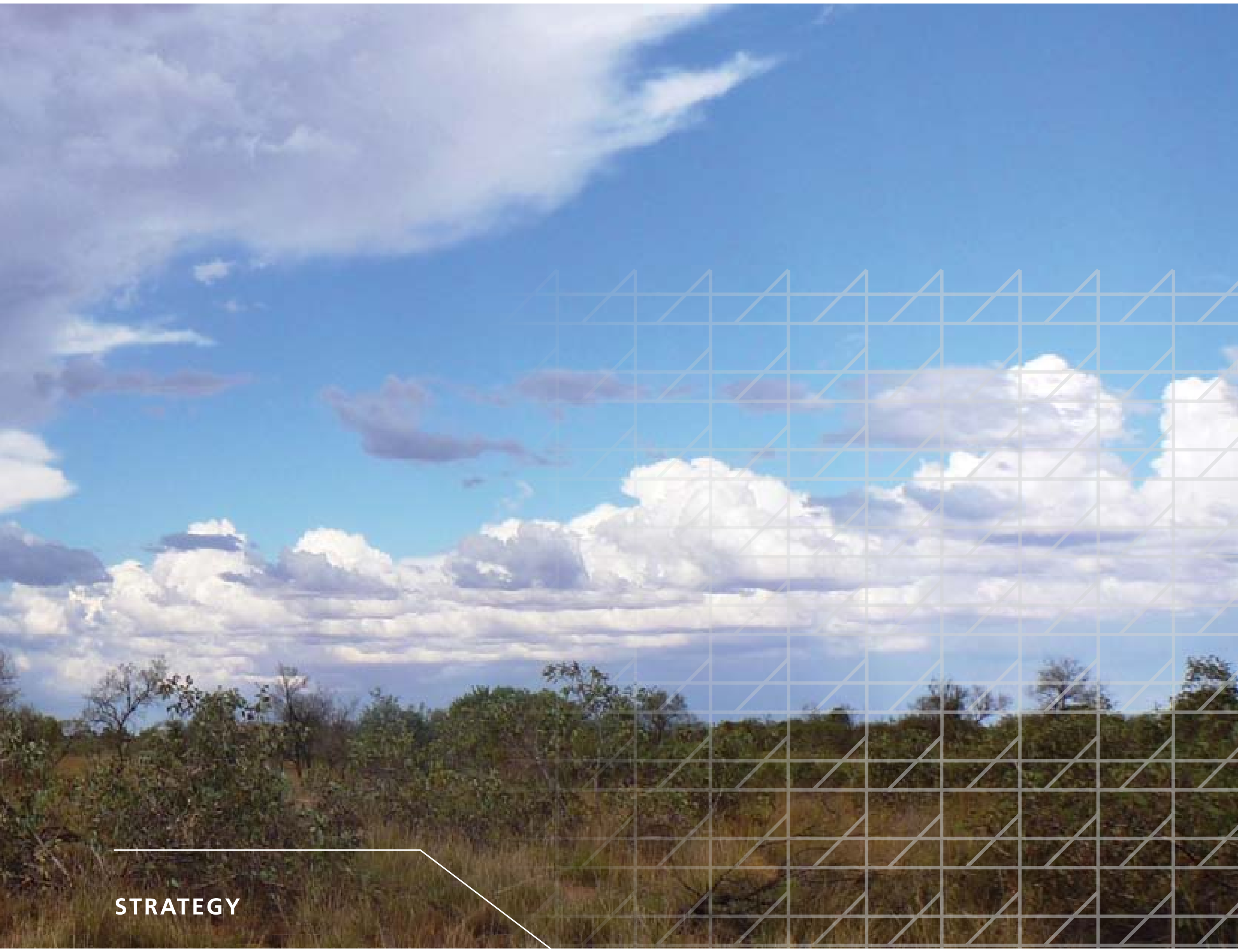
The Karlawinda Gold Project Scoping Study progress was reviewed in light of current metal prices and the Company concluded that at current gold prices the project requires material additions in mineable tonnage and/or grade to meet the Company's investment guidelines. As a consequence, the Scoping Study has been deferred whilst exploration on this highly prospective project continues.

OVERVIEW

Exploration over the past 12 months has focused on target refinement and drill testing at the Jaguar and Stockman base metals projects and the Karlawinda Gold Project. Exploration also commenced on a number of early stage projects such as the Dingo Range Nickel Project north of Laverton in WA. A number of new projects were acquired including the Empress Springs mesothermal gold project south of Croydon in Queensland.

Target generation activities continued in Australia, South America and Scandinavia boosted by the application of the Global Lithospheric Architecture Mapping (GLAM) database. These targeting initiatives together with the ongoing De Beers generative work and the current market downturn are expected to create a significant number of new exploration opportunities during the coming 12 months. With its high calibre exploration team, strong pipeline of quality projects and robust exploration budget, the Company is confident of adding value to the Company's assets through ongoing exploration success.

The Company's commitment to exploration continues in the 2014 financial year with funding of some $20.8M on 17 regional generative and exploration programs. This is in addition to funds committed to ongoing exploration at the Tropicana Gold Project and the Company's in-mine programs at Long and Jaguar.



STRATEGY

A strong commitment to exploration and discovery is a cornerstone of the Company's growth strategy. The Company has established a highly skilled and motivated multidisciplinary team of geoscientists with a proven track record of success to identify and explore projects with high potential for discovery. Each year since its IPO in 2002 the Company has funded aggressive exploration programs resulting in significant discoveries in the near-mine and green-fields environments including Moran and McLeay at Long (Ni), Tropicana (Au), Duketon (Ni-Cu-PGE) and Karlawinda (Au).

The Company firmly believes that there are many more ore bodies to be found in covered and frontier belts in Australia with Tropicana, a world class discovery in a previously overlooked belt, being a good example. The focus for discovery remains gold, nickel and copper deposits. However, projects that have potential for other commodities, including rare earths and tin, are being assessed as part of the De Beers database initiative. While Australia remains the preferred destination, opportunities are regularly assessed in other regions with active generative programs in South America and Scandinavia.

Technology

A key component of the Company's strategy is the development and application of new and improved exploration tools to generate new projects, unlock value in existing projects and provide a competitive advantage. The Company has assisted in the development of, or gained access to, technologies that provide significant advantages in mine-site and green-fields target generation and exploration. These technologies include:

- High-Powered TEM Transmitter - significantly more powerful than conventional systems - and TEM Torch System to identify ore positions overlooked by traditional techniques.
- Subscription to the Global Lithospheric Architecture Mapping database identifying geodynamic settings permissive for the formation of large ore bodies.
- 3D Seismic used at the Long Nickel Mine helping to better understand the geological framework.
- 3D Spectral Mapping using a multi-spectral scanner to define 3D alteration vectors to base metal mineralisation.
- Enhanced "maglag" surface geochemistry using an in-house derived methodology to highlight low order cohesive geochemical anomalies not evident using conventional techniques.
- Chromite trace element geochemical "finger-printing" from regional heavy mineral concentrate sample libraries as a vector to fertile ultramafic belts.
- Collaborative R&D programs with CSIRO and others, examining the application of bio-geochemical and hydro-geochemical sampling in the exploration of covered terrains.

Lake Mackay Exploration Alliance (IGO has potential to earn up to 70%).

Subsequent to year end, the Company entered into an exploration alliance with ABM Resources under which the Company could earn up to 70% of a portfolio of tenements in the Lake Mackay region in the Northern Territory.

The Year Ahead

IGO has budgeted $20.8 million for regional gold and base metals exploration in FY2014. Much of this expenditure will continue to be directed towards testing the 50km long prospective mafic-felsic contact at Jaguar and also assessing the regional potential at Karlawinda, particularly to the east of Bibra and the 5km corridor between Bibra and Francopan. Exploration is expected to commence on the Empress Springs mesothermal gold project south of Croydon during FY 2014 subject to granting of the tenure and access being obtained. A number of new gold and base metal exploration projects are currently being evaluated and a budget has been set aside to commence exploration on one or more of these in the coming 12 months. There will be a continued strong focus on target generation including ongoing evaluation of the DeBeers database.

De Beers Project Generation

The Company owns the non-diamond specific exploration database (including sample archive) of De Beers Australia Exploration Limited ("De Beers"). This database represents the culmination of more than 30 years of exploration by De Beers in Australia. The key assets of the database are the 292,000 surface geochemical samples covering many mineral prospective regions throughout Australia (Figure 14). As De Beers was focused on diamond exploration, less than half of the samples were appraised for commodities other than diamonds. The Company views the database as a very powerful tool for rapidly generating new projects in Australia across a range of commodities.

Database Highlights:

- Over 2,200 samples in the database reporting visible gold
- 103,000 analysed samples
- 189,000 unanalysed samples
- 300,000 diamond concentrates available
- 893,000 microprobes analyses
- 175 geophysical surveys covering 306,000km^2

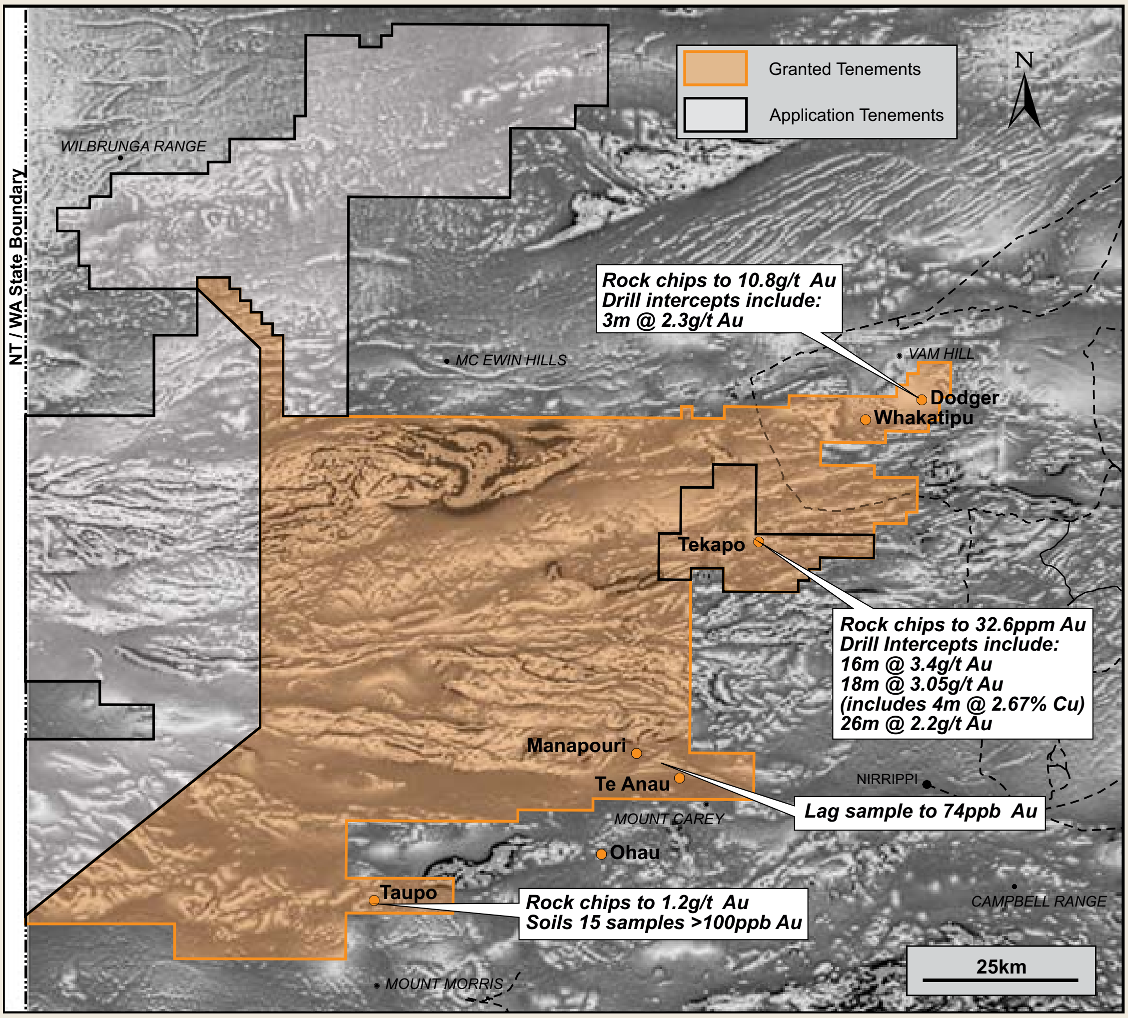


Figure 13: Lake Mackay Regional Project Area Location Map.

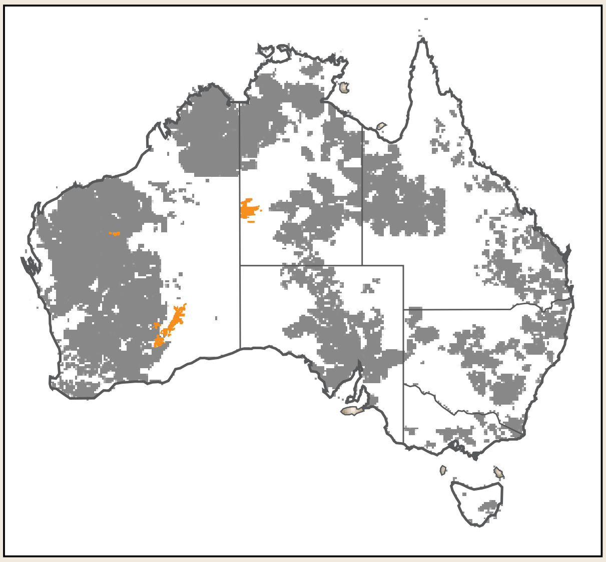


Figure 14: De Beers diamond database sample locations.

The current priority for the Company is analysis of samples covering under-explored Proterozoic basins and cratonic margins in Western Australia and the Northern Territory, prospective for poly-metallic base metals and gold mineralisation.

Over 57,000 samples have been analysed by the Company to date.

This work continues to generate a number of anomalies in gold, base metals and other commodities. Systematic prioritisation and field appraisal of these anomalies are progressing.

The Company has a structured Community Development and Assistance Program (CDAP) in place in addition to providing assistance to community groups from time to time on an as-needs basis.

The CDAP provides targeted assistance to a range of community-based programs with an emphasis on education and capacity building for Indigenous and non-Indigenous groups across urban, regional and disadvantaged communities. Generally, the programs have a 3 – 5 year timeframe so that the respective organisations have sufficient time to develop, progress and eventually maintain the programs as a component of their normal operations.

The CDAP is run with the guidance of the Company's Program Facilitator who identifies appropriate opportunities for the Company and makes recommendations for participation in the programs in consultation with the relevant organisations. The Facilitator works closely with these organisations during the entire program cycle to help them achieve the planned and potentially sustainable outcomes. The Directors of the Company are keen to be involved with the programs, ensuring that the Company remains informed and responsive to the community's needs. In recent years a greater focus has been placed on programs in regions where the Company has its mining operations (Kambalda, Kalgoorlie, Coolgardie and proposed development and assistance in Leonora from 2014).

Structured programs to which the Company contributed during the year under its CDAP were as follows:

The Aboriginal Student Scholarship Program with Mt Lawley Senior High School

This program has been designed to provide Aboriginal students with sound academic aptitude the opportunity to attend a premier High School in Perth. Participating students receive strong encouragement from teachers to reach graduation and continue on to tertiary education or vocational outcomes. The program provides personalised learning plans, homework classes, university student mentors, access to the adjoining facilities at Edith Cowan University and cultural excursions as part of the program. Students are also required to complete and present an Indigenous research project during the final Semester. The Company is providing scholarships to twelve students in 2013.

The Challis Early Childhood Education Centre (ECEC)

Challis ECEC, located in Armadale, Perth, is in a disadvantaged area experiencing a range of social issues. The program aims to encourage parent participation in the crucial early years of a child's education. The program has included playgroups and workshops on child development, healthy eating, cooking and art. The Company is currently supporting a school initiative for an Artist in Residence program to develop a Literacy Resource Book which will be published later this year.

The Kambalda West District High School Youth Leadership Program

The town of Kambalda, 550km east of Perth, is where the Company's Long Nickel Mine is located. The Company is providing funding to support various programs which encourage students to engage in leadership training and skill development. This has seen them develop plans to establish better facilities for the general community and young people in the Kambalda region, including a successful partnership with the Shire and local businesses to build a skate park adjacent to the High School. Their external leadership activities have now become part of the school's processes in terms of student leadership initiatives and programs.

The Mt Magnet District High School Artist in Residence Program

This program was funded to enable the school to engage Aboriginal artist/choreographer/performer Karla Hart to establish a system of learning through the history and application of Aboriginal art and dance. In November 2012 participating students took part in a successful dance tour with performances at Perth primary schools and high schools. Funding for this program, which has now concluded, has produced many positive outcomes including improved engagement, self-esteem, increased awareness of the students' own abilities and confidence to explore vocational options outside the Mt Magnet area. The success and tangible benefits of this program has seen the school commit ongoing resources to maintain the program in 2013 and beyond.

Teach Learn Grow

Teach Learn Grow (TLG) is a 'volunteer based' tutoring program that sees university students give up their vacation time to spend a week in rural and remote schools working with students throughout WA. The Company sponsored the TLG team to work with primary school students in Kalgoorlie and Coolgardie as part of its CDAP in the Goldfields. The tutors engaged in pre-service training, and worked in teams to provide assistance to teachers and students, with positive feedback received from all parties. Tutors will engage in follow-up sessions with students later this year.

Mineral Resources & Ore Reserves – 2013

Table 1: Long Nickel Operation – June 2013 Resources (and 2012 comparison)

		Mineral Resource - 30 June 2012			Mineral Resource - 30 June 2013		
		Tonnes	**Ni %**	**Ni Tonnes**	**Tonnes**	**Ni %**	**Ni Tonnes**
Long	Measured	47,000	3.7	1,700	61,000	5.4	3,300
	Indicated	220,000	5.1	11,200	213,000	5.2	11,100
	Inferred	167,000	5.1	8,600	116,000	5.1	5,900
	Sub-Total	**434,000**	**5.0**	**21,500**	**390,000**	**5.2**	**20,300**
Victor South	Measured	-	-	-	-	-	-
	Indicated	53,000	7.3	3,900	212,000	2.4	5,000
	Inferred	34,000	1.5	500	28,000	1.4	400
	Sub-Total	**87,000**	**5.1**	**4,400**	**240,000**	**2.3**	**5,400**
McLeay	Measured	49,000	7.2	3,600	79,000	6.7	5,300
	Indicated	145,000	5.5	7,900	164,000	5.7	9,300
	Inferred	79,000	4.2	3,300	75,000	4.5	3,400
	Sub-Total	**273,000**	**5.4**	**14,800**	**318,000**	**5.6**	**18,000**
Moran	Measured	-	-	-	181,000	6.7	12,200
	Indicated	498,000	7.1	35,300	241,000	7.4	17,700
	Inferred	11,000	5.3	600	11,000	4.5	500
	Sub-Total	**509,000**	**7.0**	**35,900**	**433,000**	**7.0**	**30,400**
GRAND TOTAL		**1,303,000**	**5.9**	**76,600**	**1,381,000**	**5.4**	**74,100**

Notes:

1. Mineral Resources are reported using a 1% Ni Cut-off Grade as at 30 June 2013.
2. Excludes Victor South disseminated mineralisation of 175,000t @ 1.3% Ni using a cut-off grade of 0.6% Ni.
3. Mining depletion as at 30 June 2013 has been removed from the 2013 resource estimate.
4. Resources are inclusive of Reserves.
5. Ore tonnes have been rounded to the nearest thousand tonnes and nickel tonnes have been rounded to the nearest hundred tonnes.
6. The Competent Persons statement is incorporated in the JORC Code and Forward-Looking Statements section of this report.
7. See IGO's ASX Release of 25 October 2013 for JORC (2012) Table 1 Parameters.

Table 2: Long Nickel Operation – June 2013 Reserves (and 2012 comparison)

		Ore Reserve - 30 June 2012			Ore Reserve - 30 June 2013		
		Tonnes	**Ni %**	**Ni Tonnes**	**Tonnes**	**Ni %**	**Ni Tonnes**
Long	Proven	5,000	3.0	100	45,000	3.1	1,400
	Probable	91,000	2.6	2,400	66,000	2.9	1,900
	Sub-Total	**96,000**	**2.6**	**2,500**	**111,000**	**3.0**	**3,300**
Victor South	Proven	-	-	-	-	-	-
	Probable	55,000	4.2	2,300	20,000	3.9	800
	Sub-Total	**55,000**	**4.2**	**2,300**	**20,000**	**3.9**	**800**
McLeay	Proven	63,000	2.4	1,500	46,000	3.0	1,400
	Probable	139,000	2.8	3,900	70,000	3.6	2,500
	Sub-Total	**202,000**	**2.7**	**5,400**	**116,000**	**3.3**	**3,900**
Moran	Proven	-	-	-	229,000	4.5	10,300
	Probable	768,000	4.1	31,700	405,000	3.9	15,600
	Sub-Total	**768,000**	**4.1**	**31,700**	**634,000**	**4.1**	**25,900**
GRAND TOTAL		**1,121,000**	**3.7**	**41,900**	**881,000**	**3.8**	**33,900**

Notes:

1. Ore Reserves are reported above an economic Ni Cut-off Grade as at 30 June 2013.
2. A Net Smelter Return (NSR) value of $239 per ore tonne has been used in the evaluation of the 2013 reserve.
3. Mining depletion as at 30 June 2013 has been removed from the 2013 reserve estimate.
4. Ore tonnes have been rounded to the nearest thousand tonnes and nickel tonnes have been rounded to the nearest hundred tonnes.
5. Revenue factor inputs (US$): Ni $18,087/T, Cu $7,694/T. Exchange rate AU$1.00 : US$1.01.
6. The Competent Persons statement is incorporated in the JORC Code and Forward-Looking Statements section of this report.
7. See IGO's ASX Release of 25 October 2013 for JORC (2012) Table 1 Parameters.

Table 3: Jaguar/Bentley Operation – June 2013 Resources (and 2012 comparison)

		Mineral Resource - 30 June 2012					Mineral Resource - 30 June 2013				
		Tonnes	Cu %	Zn %	Ag g/t	Au g/t	Tonnes	Cu %	Zn %	Ag g/t	Au g/t
Jaguar	Measured	429,000	2.5	4.4	61	-	264,000	2.4	3.4	47	-
	Indicated	129,000	1.8	2.6	32	-	181,000	1.8	2.0	28	-
	Inferred	31,000	2.6	2.7	43	-	30,000	2.6	2.7	42	-
	Stockpiles	6,000	1.9	3.7	54	-	-	-	-	-	-
	Sub-Total	**595,000**	**2.3**	**3.9**	**54**	**-**	**475,000**	**2.2**	**2.8**	**39**	**-**
Bentley	Measured	-	-	-	-	-	453,000	1.6	17.1	212	1.0
	Indicated	2,118,000	1.7	10.5	125	0.7	1,442,000	1.7	7.9	103	0.6
	Inferred	795,000	2.5	9.6	160	0.9	849,000	2.4	8.4	161	1.0
	Stockpiles	1,000	0.8	6.5	66	0.3	27,000	1.3	11.0	135	0.4
	Sub-Total	**2,914,000**	**1.9**	**10.2**	**134**	**0.7**	**2,771,000**	**1.9**	**9.6**	**139**	**0.8**
Teutonic Bore		**Mineral Resource - August 2009**					**Mineral Resource - August 2009**				
	Measured	-	-	-	-	-	-	-	-	-	-
	Indicated	946,000	1.7	3.6	65	-	946,000	1.7	3.6	65	-
	Inferred	608,000	1.4	0.7	25	-	608,000	1.4	0.7	25	-
	Sub-Total	**1,554,000**	**1.6**	**2.5**	**49**	**-**	**1,554,000**	**1.6**	**2.5**	**49**	**-**
GRAND TOTAL		**5,063,000**	**1.9**	**7.1**	**99**	**-**	**4,800,000**	**1.8**	**6.6**	**100**	**-**

Notes:

1. Teutonic Bore Mineral Resource estimate is as at August 2009 and was previously reported in accordance with the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.
2. Mineral Resources include massive sulphide and stringer sulphide mineralisation. Massive sulphide resources are geologically defined, stringer sulphide resources are reported above cut-off grades of 0.5% Cu for Bentley and Jaguar, 0.7% Cu for Teutonic Bore.
3. Block modelling used ordinary kriging grade interpolation methods within wireframes for all elements and density.
4. Mining depletion as at 30 June 2013 has been removed from the 2013 resource estimates for Jaguar and Bentley.
5. Resources are inclusive of Reserves.
6. The Competent Persons statement is incorporated in the JORC Code and Forward-Looking Statements section of this report.
7. See IGO's ASX Release of 25 October 2013 for JORC (2004 and 2012) Table 1 Parameters.

Table 4: Jaguar/Bentley Operation – June 2013 Reserves (and 2012 comparison)

		Ore Reserve - 30 June 2012					Ore Reserve - 30 June 2013				
		Tonnes	**Cu %**	**Zn %**	**Ag g/t**	**Au g/t**	**Tonnes**	**Cu %**	**Zn %**	**Ag g/t**	**Au g/t**
Jaguar	Proved	73,000	1.9	0.5	15	-	20,000	1.7	0.4	15	-
	Probable	6,000	1.5	0.4	10	-	3,000	1.8	0.3	11	-
	Sub-Total	**79,000**	**1.8**	**0.4**	**14**	**-**	**23,000**	**1.7**	**0.4**	**14**	**-**
Bentley	Proved	-	-	-	-	-	431,000	1.3	13.4	163	0.8
	Probable	2,373,000	1.3	8.5	100	0.5	830,000	1.8	7.7	107	0.6
	Sub-Total	**2,373,000**	**1.3**	**8.5**	**100**	**0.5**	**1,261,000**	**1.6**	**9.6**	**126**	**0.7**
GRAND TOTAL		**2,452,000**	**1.3**	**8.2**	**98**	**-**	**1,284,000**	**1.6**	**9.4**	**124**	**-**

Notes:

1. Cut-off values were based on Net Smelter Return (NSR) values of \$180 per ore tonne for direct mill feed and \$120 per ore tonne for HMS feed.
2. Revenue factor inputs (US\$): Cu \$7,694/T, Zn \$2,270/T, Ag \$33/troy oz, Au \$1,740/troy oz. Exchange rate AU\$1.00 : US\$1.01.
3. Metallurgical recoveries – 82% Cu, 53% Ag, 43% Au in Cu concentrate; 83% Zn and 22% Ag in Zn concentrate.
4. Longitudinal sub-level long hole stoping will be used at Bentley and sub-level caving at Jaguar.
5. All Measured Resource and associated dilution was classified as Proved Reserve. All Indicated Resource and associated dilution was classified as Probable Reserve.
6. Mining depletion as at 30 June 2013 has been removed from the 2013 reserve estimate.
7. The Competent Persons statement is incorporated in the JORC Code and Forward-Looking Statements section of this report.
8. See IGO's ASX Release of 25 October 2013 for JORC (2012) Table 1 Parameters.

Table 5: Tropicana Gold Project – December 2012 Resources (unchanged as at 30 June 2013) - 100% ownership basis, not IGO attributable

		Mineral Resource 3 December 2012		
	Classification	**Tonnes (Mt)**	**Au g/t**	**Contained Au (M Oz)**
Open Pit	Measured	29.8	2.12	2.03
	Indicated	74.0	1.90	4.51
	Inferred	5.8	2.57	0.48
	Sub-Total	**109.6**	**1.99**	**7.02**
Underground	Measured	-	-	-
	Indicated	2.4	3.58	0.27
	Inferred	6.1	3.07	0.60
	Sub-Total	**8.5**	**3.21**	**0.87**
Total Tropicana	Measured	29.8	2.12	2.03
	Indicated	76.4	1.95	4.78
	Inferred	11.9	2.83	1.08
GRAND TOTAL		**118.0**	**2.08**	**7.89**

Notes:

1. For the Open Pit Mineral Resource estimate, mineralisation in the Havana, Havana South, Tropicana and Boston Shaker areas was calculated within a US$1,550/oz pit optimisation at an AUD:USD exchange rate of 1.03 (A$1,500/oz).
2. The Open Pit Mineral Resources have been estimated using the geostatistical technique of Uniform Conditioning, using cut-off grades of 0.3g/t Au for Transported and Saprolite material, 0.4g/t Au for Transitional and Fresh material.
3. The Havana Deeps Mineral Resource estimate has been reported outside the US$1,550/oz pit optimisation at a cut-off grade of 1.73g/t Au, which was calculated using a gold price of US$2,000/oz (AUD:USD 1.05) (A$1,896/oz).
4. The Havana Deeps Underground Mineral Resource was estimated using the geostatistical technique of Ordinary Kriging using average drill hole intercepts.
5. Resources are inclusive of Reserves.
6. JV partner and TGP Manager AngloGold Ashanti Limited reports Mineral Resources and Ore Reserves by calendar year. An updated Mineral Resource estimate is expected at the end of calendar 2013. JV partner AngloGold Ashanti Limited has advised that, as of 30 June 2013, there has been no material change to the Mineral Resource as reported in 2012.
7. The Competent Persons statement is incorporated in the JORC Code and Forward-Looking Statements section of this report.
8. See IGO's ASX Release of 4 December 2012 for JORC (2004) Table 1 Parameters.

Table 6: Tropicana Gold Project – December 2012 Reserves (and June 2011 comparison - 100% Project (IGO Share 30%)

		Ore Reserve – June 2011			Ore Reserve – December 2012		
	Classification	Tonnes (Mt)	Au g/t	Contained Au (M Oz)	Tonnes (Mt)	Au g/t	Contained Au (M Oz)
Open Pit	Proved	25.8	2.30	1.90	25.9	2.28	1.90
	Probable	30.6	2.04	2.01	31.2	1.99	2.00
GRAND TOTAL		**56.4**	**2.16**	**3.91**	**57.1**	**2.12**	**3.90**

Notes:

1. The Proved and Probable Ore Reserve (December 2012) is reported above economic break-even gold cut-off grades of 0.4 g/t for Transported/Upper Saprolite material, 0.5 g/t for Lower Saprolite material, 0.6g/t for Sap-Rock (Transitional) material and 0.7g/t for Fresh material at nominated gold price US$1,300/oz, oil price US$86/barrel and exchange rate 1.02 AUD:USD (equivalent to A$1,278/oz Au).
2. The Competent Persons statement is incorporated in the JORC Code and Forward-Looking Statements section of this report.

Table 7: Stockman Project – June 2013 Resources (and 2012 comparison)

	Mineral Resource - 30 June 2012					Mineral Resource - 30 June 2013				
	Tonnes	Cu %	Zn %	Ag g/t	Au g/t	Tonnes	Cu %	Zn %	Ag g/t	Au g/t
Currawong										
Measured	-	-	-	-	-	-	-	-	-	-
Indicated	9,548,000	2.0	4.2	42	1.2	9,548,000	2.0	4.2	42	1.2
Inferred	781,000	1.4	2.2	23	0.5	781,000	1.4	2.2	23	0.5
Sub-Total	**10,329,000**	**2.0**	**4.0**	**40**	**1.1**	**10,329,000**	**2.0**	**4.0**	**40**	**1.1**
Wilga										
Measured	-	-	-	-	-	-	-	-	-	-
Indicated	2,987,000	2.0	4.8	31	0.5	2,987,000	2.0	4.8	31	0.5
Inferred	670,000	3.7	5.5	34	0.4	670,000	3.7	5.5	34	0.4
Sub-Total	**3,657,000**	**2.3**	**4.9**	**32**	**0.5**[3]	**3,657,000**	**2.3**	**4.9**	**32**	**0.5**[3]
GRAND TOTAL	**13,986,000**	**2.1**	**4.3**	**38**	**1.0**[3]	**13,986,000**	**2.1**	**4.3**	**38**	**1.0**[3]

Notes:

1. All Resources tonnes have been rounded to the nearest one thousand tonnes and grade to the nearest 1/10th percentage/gram per tonne.
2. Mineral Resources include massive sulphide and stringer sulphide mineralisation. Massive sulphide resources are geologically defined, stringer sulphide resources are reported above cut-off grades of 0.5% Cu.
3. Au grades for Wilga are all inferred due to paucity of Au data in historic drilling.
4. Block modelling used ordinary kriging grade interpolation methods within wireframes for all elements and density.
5. Mining depletion as at end of historic mine life (1996) has been removed from the Resource estimate for Wilga.
6. Resources are inclusive of Reserves. The Resource estimate is unchanged since 2012.
7. The Competent Persons statement is incorporated in the JORC Code and Forward-Looking Statements section of this report.
8. See IGO's ASX Release of 25 October 2013 for JORC (2012) Table 1 Parameters.

Table 8: Stockman Project – June 2013 Reserves (and 2012 comparison)

		Ore Reserve - 30 June 2012					Ore Reserve - 30 June 2013				
		Tonnes (Mt)	Cu %	Zn %	Ag g/t	Au g/t	Tonnes (Mt)	Cu %	Zn %	Ag g/t	Au g/t
Currawong											
	Proved	-	-	-	-	-	-	-	-	-	-
	Probable	-	-	-	-	-	7.3	2.2	4.1	40	1.2
	Sub-Total	**-**	**-**	**-**	**-**	**-**	**7.3**	**2.2**	**4.1**	**40**	**1.2**
Wilga											
	Proved	-	-	-	-	-	-	-	-	-	-
	Probable	-	-	-	-	-	1.1	2.5	5.3	30	0.5[3]
	Sub-Total	**-**	**-**	**-**	**-**	**-**	**1.1**	**2.5**	**5.3**	**30**	**0.5**[3]
GRAND TOTAL		**-**	**-**	**-**	**-**	**-**	**8.4**	**2.3**	**4.3**	**39**	**1.1**[3]

Notes:

1. All Reserves tonnes have been rounded to the nearest one hundred thousand tonnes and grade to the nearest 1/10th percentage/gram per tonne.
2. No Ore Reserves were reported in 2012.
3. Gold (Au) grades are Inferred at Wilga due to a paucity of gold assays in historic drilling. Revenue from gold in the Wilga ore was included in the estimation of the Ore Reserve. The contribution to Revenue of this gold was estimated to be $3.84 per gram of gold in situ. This inclusion did not make any material difference to the value of the mining envelopes considered and did not warrant downgrading of any portion of the Ore Reserve attributable to Wilga. The contribution from Wilga represents 13% of the Total Ore Reserve.
4. Historic mining depletion for Wilga has been removed from the 2013 reserve estimate.
5. The Competent Persons statement is incorporated in the JORC Code and Forward-Looking Statements section of this report.
6. See IGO's ASX Release of 25 October 2013 for JORC (2012) Table 1 Parameters.

Table 9: Karlawinda Gold Project – Bibra Prospect - June 2013 Resources (and 2012 comparison)

	Mineral Resource - 30 June 2012			Mineral Resource - 30 June 2013		
Classification	**Tonnes (Mt)**	**Au g/t**	**Contained Au (Oz)**	**Tonnes (Mt)**	**Au g/t**	**Contained Au (Oz)**
Measured	-	-	-	-	-	-
Indicated	-	-	-	-	-	-
Inferred	18.5	1.1	674,300	18.0	1.1	650,800
GRAND TOTAL	**18.5**	**1.1**	**674,300**	**18.0**	**1.1**	**650,800**

Notes:

1. The Mineral Resource estimate was estimated within a conceptual A$1,600/oz Au pit optimisation shell completed in 2012 and for the area of drill coverage at 100m x 50m spacing or less. Contained gold (oz) figures have been rounded to the nearest one hundred ounces.
2. Mostly RC drilling with 1m cone split samples analysed for Au by 50g fire assay.
3. Mineralisation was wireframed at a cut-off grade of 0.3g/t Au and Mineral Resources were reported above a cut-off grade of 0.5g/t Au.
4. The 2013 Mineral Resource estimate has reduced slightly from the 2012 estimate due to the closer spaced drilling in certain areas allowing refinement of the wireframes and grade interpolation search distances.
5. Block modelling used ordinary kriging grade interpolation methods for composites that were top-cut to 10g/t Au in the supergene zone and 16g/t Au for the remaining mineralisation. Top-cuts are not severe, trimming no greater than 0.5% of the samples.
6. There are no Ore Reserves for Karlawinda
7. The Competent Persons statement is incorporated in the JORC Code and Forward-Looking Statements section of this report.
8. See IGO's ASX Release of 25 October 2013 for JORC (2012) Table 1 Parameters.

General

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

The Exploration Results in this Annual Report have been reported previously in accordance with the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. They have not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Long Resources and Reserve

The information in this report that relates to the Long Nickel Mine's Mineral Resources is based on information compiled by Ms Somealy Sheppard. The information in this report that relates to the Long Nickel Mine's Ore Reserves is based on information compiled by Mr Brett Hartmann. Ms Sheppard is a full-time employee of the Company and is a member of the Australian Institute of Geoscientists. Mr Hartmann is a full-time employee of the Company and is a member of the Australasian Institute of Mining and Metallurgy. Ms Sheppard and Mr Hartmann have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the JORC Code, and consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Jaguar / Bentley / Teutonic Bore Resources and Reserve

The information in this report that relates to the Jaguar Copper-Zinc-Silver Mineral Resources is based on information compiled by Mr Graham Sweetman. The information in this report that relates to the Bentley Mineral Resources is based on information compiled by Ms Michelle Wild. The information in this report that relates to the Jaguar and Bentley Zinc-Copper-Silver Ore Reserves is based on information compiled by Mr Brett Hartmann. Mr Sweetman, Ms Wild and Mr Hartmann are full-time employees of the Company and are members of the Australasian Institute of Mining and Metallurgy. Mr Sweetman, Ms Wild and Mr Hartmann have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they have undertaken to qualify as Competent Persons as defined in the 2012 edition of the JORC Code. Mr Sweetman, Ms Wild and Mr Hartmann consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to the Teutonic Bore Copper-Zinc-Silver Mineral Resources is based on information compiled by Mr Graham Sweetman. Mr Sweetman is a full-time employee of the Company and a member of the Australasian Institute of Mining and Metallurgy. Mr Sweetman has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 edition of the JORC Code. Mr Sweetman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The Teutonic Bore Mineral Resource estimate is as at August 2009 and was previously reported in accordance with the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Tropicana Gold Project Resources and Reserve

The information in this report that relates to Tropicana Gold Project Mineral Resources and Ore Reserves was included in the 2012 AngloGold Ashanti Annual Reports, available from the AngloGold Ashanti website (www.anglogoldashanti.com). The information that relates to Mineral Resources was based on information compiled by Mr Mark Kent, a full-time employee of AngloGold Ashanti Australia Limited, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Kent has sufficient experience relevant to the type and style of mineral deposits under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined in the 2004 edition of the JORC Code. Mr Kent consents to the release of the Mineral Resource estimate, based on his information in the form and context in which it appeared in the 2012 AngloGold Ashanti Annual Reports. The information that relates to Ore Reserves was based on information compiled by Dr Salih Ramazan, a full-time employee of AngloGold Ashanti Australia Limited, who is a member of the Australasian Institute of Mining and Metallurgy. Dr Ramazan has sufficient experience relevant to the type and style of mineral deposit under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined in the 2004 edition of the JORC Code. Dr Ramazan consented to the release of the Ore Reserve, based on his information, in the form and context in which it appeared in the 2012 AngloGold Ashanti Annual Reports .

Joint Venture partner and Tropicana Gold Project Manager AngloGold Ashanti Limited reports Mineral Resources and Ore Reserves by calendar year. A new Mineral Resource position is expected at the end of calendar 2013. Since the Mineral Resource estimate of 31 December 2012 there has been no further update. The Tropicana Gold Project Mineral Resource estimate and Ore Reserve were previously reported in accordance with the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. They have not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Currawong and Wilga Stockman Resources and Reserve

The information in this report that relates to the Stockman Mineral Resources is based on information compiled by Mr Bruce Kendall who is a member of the Australian Institute of Geoscientists and is a full-time employee of the Company. Mr Kendall has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Mr Kendall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the Stockman Ore Reserve is based on information compiled by Mr Geoff Davidson who is a member of the Australasian Institute of Mining and Metallurgy. Mr Davidson is a consultant working for Mining and Cost Engineering Pty Ltd. Mr Davidson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Mr Davidson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Karlawinda Resource

Bibra Prospect: The information in this report that relates to the Bibra Prospect Mineral Resources is based on information compiled by Ms Michelle Wild who is a member of The Australasian Institute of Mining and Metallurgy and is a full-time employee of the Company. Ms Wild has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Ms Wild consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

Annual Report Mineral Resources and Ore Reserve Statement

The information in this report that relates to the Independence Group Annual Report Mineral Resources and Ore Reserve Statement as a whole is based on information compiled by Ms Michelle Wild who is a member of The Australasian Institute of Mining and Metallurgy and is a full-time employee of the Company. The Annual Report Mineral Resources and Ore Reserve Statement as a whole has been approved by Mr Christopher Bonwick who is a member of The Australasian Institute of Mining and Metallurgy and is a full-time employee of the Company. The Annual Report Mineral Resources and Ore Reserve Statement is based on, and fairly represents, information and supporting documentation prepared by the above-named Competent Persons. The Annual Report Mineral Resources and Ore Reserve Statement has been issued with the prior written consent of Mr Bonwick, in the form and context in which it appears in the Annual Report.

The Board of Directors is responsible for the Company's corporate governance. It recognises the importance of its corporate governance framework in establishing accountabilities, guiding and regulating activities, monitoring and managing risks and optimising the Company's performance. The Board also recognises the need to review regularly its system of corporate governance as best practice evolves over time. This Statement outlines the Company's current corporate governance framework, by reference to the Corporate Governance Principles and Recommendations ("CGC Principles and Recommendations") of the ASX Corporate Governance Council.

The CGC Principles and Recommendations presently consist of 30 Recommendations relating to 8 Principles. The ASX Corporate Governance Council recognises that not all Recommendations are appropriate for all companies and acknowledges that a company should only adopt those Recommendations that are suitable for its circumstances. The Board believes that the corporate governance policies and procedures in place as at the date of this Statement follow all Recommendations.

The Recommendations were followed throughout the entire financial year and up to the date of this Statement with one exception. Measurable objectives for achieving gender diversity referred to in Recommendations 3.2 and 3.3 under Principle 3 were set during the year. See the relevant sections for further detail.

Principle 1: Lay solid foundations for management and oversight

The matters reserved to the Board are set out in the Board Charter in the Corporate Governance section of the Company's website. In summary, the Board is responsible for corporate strategy, implementation of business plans, allocation of resources, approval of budgets and capital expenditure, and the adherence to Company policies.

The Board is also responsible for compliance with the Code of Conduct, overseeing risk management and internal controls, and the assessment, appointment and removal of the Managing Director, Company Secretary and other senior management.

The Board has delegated the following functions to the Managing Director and the other senior executives:

- Manage the day to day operations of the Company in an efficient and responsible manner in accordance with the directions, policies, plans and approved budgets of the Board;
- Maintain and develop the Risk Management system of the Company in accordance with the Risk Management Policy of the Board and its directions;
- Ensure that the Company complies with its statutory, contractual and ethical obligations;
- Develop appropriate strategies and plans for the Company, make recommendations to the Board for their approval and implement approved strategies and plans; and
- Keep the Board fully informed so that it is able to carry out its responsibilities in an effective manner.

The process for evaluating the performance of senior executives is carried out within the framework of the Remuneration Policy which is set out in the Corporate Governance section of the Company's website. Evaluations are conducted annually. The evaluations of the Managing Director are conducted by the Remuneration Committee. Their most recent evaluation was carried out in September 2013. The evaluations of the other senior executives are conducted by the Managing Director, through a structured interview process. The most recent evaluations were carried out in June 2013. All evaluations were carried out in accordance with the process disclosed.

Principle 2: Structure the Board to add value

The Board of the Company currently consists of one executive director (the Managing Director) and four non-executive directors (including the Chairman). The Board considers that three of the five directors are independent: Mr Peter Bilbe (Chairman), Dr Rod Marston and Mr Geoff Clifford.

The Board considers that Mrs Kelly Ross is not independent because she was an executive of the Company within the last three years. In making these assessments of independence the Board has followed the evaluation criteria of the Board's Director Independence Policy which is set out in the Corporate Governance section of the Company's website. That Policy is in conformity with the guidelines of the ASX Corporate Governance Council and requires the satisfaction of all of the items on a list of criteria, the most significant of which are:

- The director must be in a non-executive role where any fees payable by the Company could not be considered to make the director reliant on such remuneration;
- The director must have no other material contractual relationship with the Company other than as a director of the Company;
- The director is not a substantial shareholder of the Company;
- The director has not been employed in an executive capacity by the Company and has not been a principal of a material adviser or consultant to the Company within the last 3 years; and
- The director is free from any interest which could reasonably be perceived to materially interfere with the director's ability to act in the best interests of the Company.

Information pertaining to the relevant skills, experience and expertise of the directors of the Company as at the date of this Statement is included at the front of this 2013 Annual Report.

As at that date the period in office of each of those directors was as follows:

Mr Peter Bilbe:	4 years
Mr Chris Bonwick:	13 years
Dr Rod Marston:	13 years
Mrs Kelly Ross:	11 years
Mr Geoff Clifford:	10 months

The Board has a Nomination Committee pursuant to its Nomination of Directors Policy and the Nomination Committee Charter, both of which are set out in the Corporate Governance section of the Company's website. Given that the current total number of directors is five, the Board considers it appropriate that all of the directors should be members of that Nomination Committee. It is chaired by an independent director, the Board's Chairman, Mr Peter Bilbe.

In accordance with the Nomination Committee Charter and the Diversity Policy, both of which are set out in the Corporate Governance section of the Company's website, the Board seeks to achieve in its membership persons with demonstrable skills, experience and ability to question and debate with other Board members, the ability to operate as part of a team, the ability to contribute outstanding performance and have a track record of impeccable ethics and values. The Board seeks to have a mix of age, experience, mining, financial and corporate expertise in its ranks.

In considering new appointments the Board will have regard to the need to augment the skills, knowledge, experience and capabilities of the current members and to meet its future needs and diversity aspirations. In doing so the Board recognises the unique skills, experience and outlook that women can bring to the group.

The process which has been adopted by the Board for evaluating the performance of the Board, its Committees and non-executive directors is that every second year the Board engages the services of an independent facilitator with expertise in this field to guide the Board through a comprehensive evaluation process. In the alternate years the Board carries out an internal evaluation. A comprehensive evaluation with the assistance of an independent consultant was carried out in the June 2013 Quarter. The experience, performance and composition of the Board was reviewed at that time. The results of this comprehensive evaluation and the recommendations of the consultant have been implemented after year end. The process for evaluating the performance of the only executive director, the Managing Director, was referred to above in the section relating to Principle 1.

Board members have the right to seek independent professional advice in the furtherance of their duties as directors at the Company's expense.

Principle 3: Promote ethical and responsible decision making

The Board is responsible for setting the tone of legal, ethical and moral conduct to ensure that the Company is considered reputable by the industry and other outside entities. This involves considering the impact of the Company's decisions on the industry, its colleagues and the general community. In summary, the Code of Conduct adopted by the Company and set out in the Corporate Governance section of the Company's website requires that all employees and directors:

- act with honesty and integrity
- respect the law and act accordingly
- respect confidentiality and not misuse information
- value and maintain professionalism
- avoid conflicts of interest
- strive to be good corporate citizens on responsibilities such as sustainable development, health, safety, environment and community, and
- have respect for each other, including by embracing diversity, openness, sharing, mutual trust and teamwork.

The Code of Conduct imposes a responsibility on individuals to report breaches of the Code to executive management or to a director so that appropriate remedial action can be taken.

The Company has a Diversity Policy set out in the Corporate Governance section of its website. The Board recognises that corporate performance is enhanced when a company has an appropriate and diverse mix of skills and experience. The policy aims to ensure fair and unbiased remuneration between the genders, recruitment and retention campaigns that encourage diversity, no gender bias when considering senior executive and Board positions and that no discrimination on the basis of gender or race takes place within the Company. The Nomination Committee Charter requires the Committee to encourage diversity within the Company, to monitor compliance with the Diversity Policy and to ensure that there is annual reporting of the achievement of performance measures contained in that Policy.

Recommendation 3.2 of the CGC Principles and Recommendations requires the Diversity Policy to include requirements for the Board to establish measurable objectives to achieve gender diversity.

Recommendation 3.3 states that the company should disclose those measurable objectives in each annual report. The Board advised in its Corporate Governance Statement 2012 that it had to set measurable objectives after the end of June 2012. The Board advises the following measurable objectives and progress were set early in the June 2013 year:

MEASURABLE OBJECTIVES AND PROGRESS TOWARDS ACHIEVEMENT

A. All persons with appropriate experience and qualifications are to be considered equally when new employees or directors are being recruited. All recruitment is being carried out on this basis. The Company's Human Resources Manager, who oversees recruitment processes, is a female who is sensitive to the importance of the Board's Diversity Policy.

B. All persons with appropriate experience and qualifications are to be considered equally when opportunities for promotion or advancement arise. All such opportunities are being carried out on this basis.

C. There is to be at least one female representative of the Company involved in the selection process for all new senior executives and directors. This procedure is being followed.

D. Promotion of equality in remuneration levels: A review of gender remuneration parity is required to be carried out at least once each year, taking into account relative performance, experience, location and job nature and a report is to be provided to the Board. This objective was set early in the year and updated in June 2013. The first review was carried out in the second half of the year ending June 2013 and presented to the Board.

The Nomination Committee is responsible for reporting each year key statistics relating to gender diversity within the Company. The latest annual statistics are as follows:

(a) Proportion of women employees in the Group: 30 June 2013: 17% (2012: 15%).

(b) Proportion of senior executives in the Group: 30 June 2013: 20% (2012: 9%).

(c) Proportion of women on the Board of the Company: 30 June 2013: 20% (2012: 20%).

For the purposes of (b) above, senior executives are categorised those who hold a senior manager or senior executive role.

Principle 4: Safeguarding integrity in financial reporting

The Board has an Audit Committee, structured in accordance with the CGC Principles and Recommendations. The Board's Audit Committee's Charter is set out in the Corporate Governance section of the Company's website. The Chairman of the Committee is Mr Geoff Clifford, a non-executive director who is not the Chairman of the Board.

Mr Clifford was appointed to the Audit Committee following Mr John Christie's resignation in November 2012. The other members of the Committee are non-executive directors Dr Rod Marston and Mrs Kelly Ross. The majority of the members are independent directors. Mr Clifford and Mrs Ross are qualified accountants/chartered secretaries with considerable financial and managerial experience. Dr Marston is a geologist with considerable corporate experience. There were two meetings of the Audit Committee held during the 2013 financial year and they were attended by all three members.

The Audit Committee reports to the Board and is responsible in summary for the following:

- overseeing the existence and maintenance of internal controls and accounting systems, including the implementation of mandatory and non-mandatory accounting policies and reporting requirements;
- overseeing the financial reporting process, including reviewing and reporting to the Board on the accuracy of all financial reports lodged with ASX which include the half-yearly and annual financial reports;
- recommending to the Board the nomination, removal and remuneration of the external auditors; and
- reviewing the external audit arrangements, including ensuring that any non-audit services provided do not impair auditor independence.

Principle 5: Make timely and balanced disclosure

The Company has established policies and procedures, set out in its Continuous Disclosure Policy, relating to the disclosure of information to interested parties. A copy of the Policy is in the Corporate Governance section of the Company's website.

The Company Secretary is responsible for ensuring the Company complies with ASX Listing Rules and is responsible for communicating with the ASX.

Principle 6: Respect the rights of shareholders

The Company has established a communications policy, entitled Investor Relations & Media Interaction Policy. A copy is set out in the Corporate Governance section of the Company's website. It is designed to ensure that the Company communicates effectively with its shareholders and the investment community and that information is released and made available in an equitable manner.

All relevant announcements made to the market are made available on the Company's website www.igo.com.au immediately after they are released to ASX.

There is a facility on the website for shareholders and other interested parties to register their email addresses so that they receive from the Company an automatic email notification as soon as a new ASX announcement is made available on the Company's website. An electronic, inter-active, version of the Company's Annual Report is made available on the website for ease of access.

The Company's Managing Director makes regular presentations to investors, providing up-to-date information on the Company's activities. Copies of those presentations are released to ASX and the Company's website immediately before being presented.

Principle 7: Recognise and manage risk

The Board is responsible for the identification of significant areas of business risk, implementing procedures to manage such risks and developing policies regarding the establishment and maintenance of appropriate ethical standards to:

- ensure compliance in legal, statutory and ethical matters;
- monitor the business environment;
- identify business risk areas;
- identify business opportunities; and
- monitor systems established to ensure prompt and appropriate responses to shareholder complaints and enquiries.

The Board's Risk Management Policy is set out in the Corporate Governance section of the Company's website.

Management has in place a risk management system which requires all identified risks to be entered into a risk register. Any controls implemented to mitigate these risks are then linked to the risks to produce a mitigated risk register. The Board discusses with senior management regularly at Board Meetings the subject of risk management. The Board meets at least annually with senior management to interrogate the risk register and to ensure that all reasonable procedures have been put in place to mitigate the Company's risks. The last risk management review by the Board was held on 26 June 2013. At that Meeting the Board carried out the above-mentioned procedures and senior management reported on the effectiveness of the Company's management of its material business risks.

The Managing Director and Chief Financial Officer provided a declaration in accordance with Section 295A of the Corporations Act most recently on 28 August 2013 and assured the Board that the declaration is founded on a sound system of risk management and internal controls and that the systems are operating effectively and efficiently in all material respects.

With the approval of the Board, in 2012 senior management initiated the expansion of the risk management program from the areas of operations, exploration and corporate to an overall approach to risk management through the implementation of an Enterprise Risk Management (ERM) Program. The ERM Program was further developed during the year and was rolled out progressively during the year ended June 2013, with risk management activity being governed by an annual work plan and an overall 3 year plan approved by the Board to ensure that appropriate and timely risk management activities are aligned to overall business needs.

The ERM Program, through its framework and standards, is designed to ensure that the Company captures and proactively manages material risks in a systematic way and that a culture of risk management is even more strongly embedded within its business.

The ERM Program incorporates within a single system five categories of risk management; strategic, business, operational, sustainability and resilience. This structure enables consideration of both the long term interests of the business as well as the day to day operations. It also ensures focus is given to those unlikely events with potentially catastrophic impacts to our business.

Hedging Committee

The Company has a Hedging Committee to make recommendations to the Board on hedging policies, consider relevant financial risk management strategies and to maintain the hedging portfolio. The members of the Hedging Committee at the date of this Statement are director, Mr Geoff Clifford, director, Mrs Kelly Ross and Chief Financial Officer, Mr Scott Steinkrug.

Share Trading Policy

The Company has put in place guidelines to ensure that directors, officers and employees do not trade in the Company's shares if they are aware of non-public information that could be expected to have a material effect on the market price of the Company's shares. The Company has also put in place a restriction on any employee or director securing 3% or more of the Company's shares by way of margin loans. Directors and employees are prohibited from entering into transactions or arrangements which limit the risk of participating in unvested employee entitlements (i.e. hedging arrangements). A copy of the Share Trading Policy is set out in the Corporate Governance section of the Company's website.

Principle 8: Remunerate fairly and responsibly

The Board has a Remuneration Committee, structured in accordance with the CGC Principles and Recommendations. The Chairman of the Committee is Dr Rod Marston. The other two members are Mr Geoff Clifford and Mr Peter Bilbe. All three are independent directors. The Board's Remuneration Policy is set out in the Corporate Governance section of the Company's website.

The Company has clearly distinguished the remuneration structures of the non-executive directors from that of executive directors and executives. The full details of the remuneration of these persons during the year ended 30 June 2013 is set out in the Remuneration Report within the Directors' Report in this 2013 Annual Report.

Non-executive directors are not entitled to retirement benefits other than statutory superannuation or other statutory required benefits.

Environmental Policy

The Company has an Environmental Policy which requires that all employees comply with the environmental regulations in force in the region in which work is undertaken. The Company is committed to dealing fairly and equitably with interested parties relating to environmental issues, such as landholders, governmental agencies and native title claimants.

Sustainability Report

The Long Nickel Operation, acquired by the Company in 2002, is one of the oldest operating mines in the Kambalda Nickel field. Accordingly, there is limited scope to change the mine's environmental footprint. Mine management at the Long Operation continues to work closely with the Company's environmental consultants, who undertake regular audits and advise on compliance and improvement. Working together, specific plans have been introduced over several years to improve in areas such as mine rehabilitation and the consumption of key resources.

To reduce potable water consumption, the Company continues to introduce water recycling initiatives at Long. Water is typically recycled numerous times prior to becoming unusable and water collected from surface run-off is now introduced underground to supplement potable water usage. Hydrocarbon management has been improved at the mine by the building of a concrete wash-down and service bay for the heavy mining fleet. Hydrocarbons are captured before they enter the environment. An improved steel and polypipe recycling system has also been introduced.

Two activities have recently been introduced at the Long Operation: trial vegetation plots as part of the planned minesite re-vegetation program; and, a feral animal (primarily goats) management program, in order to assist re-vegetation.

At the Jaguar/Bentley Operation an in-house environmental officer is employed. This officer's skills and knowledge base is supplemented with regular site visits by external environmental consultants and specialists. An operational environmental plan is in place to minimise the future environmental footprint and to continually monitor and rehabilitate previously disturbed areas when appropriate. As has been the case at Long Operation, an improved steel and polypipe recycling system has been installed at the Jaguar/Bentley Operation. A program to recycle waste sewerage water is also in place .

At both the Long Operation and the Jaguar/Bentley Operation external specialists are employed to undertake annual environmental audits. These audits focus on all areas of environmental responsibility and feedback into the operational planning phase. This process also forms the basis of and assists with the Company's annual regulatory compliance reporting.

The Company has developed specific policies and procedures to ensure that we are able to comply with the laws and regulations that affect the mining and exploration activities being conducted by the Company. These are reviewed as part of the Company's Risk Management system and varied as necessary to ensure compliance in all jurisdictions in which we operate.

Policies and Procedures on the Company's website

The following policies and procedures are contained in the Corporate Governance section of the Company's website www.igo.com.au:

- Risk Management
- Code of Conduct
- Investor Relations and Media Interaction
- Director Independence
- Legal, Environmental and Social
- Remuneration Policy
- Audit Committee
- Nomination of Directors and Nomination Committee Charter
- Board Charter
- Continuous Disclosure
- Communication with Shareholders
- Share Trading Policy
- Diversity Policy

FINANCIAL REPORT
for the Year Ended 30 June 2013

Independence Group
ABN 46 092 786 304

CONTENTS

CREATING VALUE THROUGH INNOVATION, DISCOVERY AND DEVELOPMENT

Your Directors submit their report on the consolidated entity (referred to hereafter as the Group) consisting of Independence Group NL (referred to hereafter as the Company) and the entities it controlled at the end of, or during, the year ended 30 June 2013.

Directors

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

Christopher Bonwick (Managing Director)

Peter Bilbe (Non-executive Chairman)

Geoffrey Clifford (Non-executive Director)

Rod Marston (Non-executive Director)

Kelly Ross (Non-executive Director)

John Christie was a Non-executive Director from the beginning of the financial year until his resignation on 21 November 2012. Geoffrey Clifford was appointed a Non-executive Director of the Company on 10 December 2012.

Principal activities

The principal activities of the Group during the financial year were ongoing mineral exploration, nickel, copper and zinc mining and the development of the Tropicana Gold Project.

Dividends – Independence Group NL

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

	2013 $000	2012 $000
Final ordinary dividend for the year ended 30 June 2012 of 1 cent (2011: 3 cents) per fully paid share paid on 28 September 2012	**2,329**	6,087
Interim ordinary dividend for the year ended 30 June 2013 of 1 cent (2012: 2 cents) per fully paid share paid on 28 March 2013	**2,329**	4,658
	4,658	10,745

In addition to the above dividends, since the end of the financial year the Directors have announced the payment of a final ordinary dividend of $2,333,000 (1 cent per fully paid share) to be paid on 27 September 2013.

Operating and financial review

Independence Group NL is a company listed on the Australian Stock Exchange (ASX:IGO) with operations in Western Australia comprising the Long nickel mine in Kambalda, the Jaguar copper and zinc mine and processing operations north of Leonora and the Tropicana Gold Project located 330km east northeast of Kalgoorlie. The Company is also an active explorer for base and precious metals within and outside of Australia.

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

The objective and strategy of the Group is to create long-term shareholder value through the discovery, development and acquisition of low cost and high grade projects. Since incorporation in 2002, the Company has paid dividends to shareholders of $89 million and currently has 233,321,861 shares outstanding.

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

At the end of the financial year, the Group had cash and cash equivalents of $27.2 million (2012: $192.7 million). The reduction in cash of $165.5 million includes payments to the Company's joint venture partner and manager of the Tropicana Gold Project, AngloGold Ashanti Australia Limited. During the financial year the Company paid Tropicana joint venture contributions totalling $165.1 million (2012: $78.8 million). These contributions ensured the ongoing construction spend of the mine, as well as exploration and feasibility expenditure. The Company estimates that at year end, a cash outlay of approximately $35.0 million remains outstanding to complete the capital construction of the Tropicana gold mine. As the Tropicana mine moves into the production phase during the second half of 2013, ongoing joint venture contributions will be required to be paid by both venturers to complete the construction spend, to fund ongoing regional exploration and feasibility study expenditures, as well as pay for operating costs of the mine. Gold sales receipts will be credited to each individual venturer's metal account held with the gold refiner.

In March 2013, the Company signed a new debt facility agreement with National Australia Bank for facilities totalling $170.0 million. The facilities comprise a $130.0 million corporate debt facility, a $20.0 million asset finance facility and a $20.0 million contingent instrument facility. These facilities allow the Group to access in excess of $145.0 million in cash resources by way of the corporate debt facility, an additional $5.0 million asset financing facility and release of cash backed bonds. The purpose of the facilities is to provide the Group with financial flexibility as it moves towards the completion of the development and ramp up phase of the Tropicana Gold Project. At the end of the year, the Company had drawn $10.0 million from the corporate debt facility. An amount of $7.4 million in principal mobile equipment financing has been drawn under the new asset finance facility, with $12.6 million of this facility remaining outstanding at year end. $15.2 million of the contingent instruments facility has been utilised, though the facility is not a cash draw facility. The purpose of this facility is to provide financial backing in relation to non-performance of third party guarantee requirements.

During discussions of the operating results of its business, the Group's Board and management often refer to a measure known as Underlying EBITDA. This measure is important to the Group as it represents a useful proxy to measuring an operation's cash generating capabilities. Underlying EBITDA is calculated as profit after tax adjusted for income tax expense, finance costs, interest income, asset impairments, depreciation and amortisation. Underlying EBITDA for the year ended 30 June 2012 was $33.6 million which increased by $18.1 million or 54% to $51.7 million for the year ended 30 June 2013. 80% of this increase can be attributed to the Group's Jaguar Operations. Jaguar production costs fell $10.2 million during the year while revenues increased by $4.4 million. The lower costs include cost reduction initiatives necessitated following the recording of substantial non-cash after tax asset impairment charges of the Jaguar Operation and associated goodwill during the 2012 financial year. Further details on the Jaguar Operation are outlined below in the Operations section of this report.

Net profit after tax for the year of $18.3 million compares favourably with the loss after tax of $285.2 million recorded in the 2012 financial year. The 2012 financial year was heavily impacted by after tax impairment charges of $288.0 million. The impairments were in relation to the carrying values of various exploration tenements, primarily historical accounting valuations ascribed to tenements that were purchased when the Company acquired all of the shares in Jabiru Metals Limited in the 2011 financial year. The 2012 financial year impairment charges also included an amount related to the impairment of the historical valuation of the Jaguar Operation and associated goodwill.

Operations

Long Nickel Operation

The Long Nickel Operation was acquired from Western Mining Corporation in 2002. The mine has entered into a long term ore tolling agreement with BHP Billiton whereby the Group is paid for the nickel metal contained in the ore mined, less applicable ore toll charges. Revenue from nickel sales is priced on a quotational period of 3 months after the month of production, ie 70% of the sales receipt is provisionally paid based on the average London Metals Exchange (LME) price in the month of delivery; a balancing adjustment is paid in the fourth month after delivery based on the average LME price of the third month after delivery. The mine produced 11,180 tonnes of contained nickel during the year at payable cash costs including royalties (net of copper credits) of A$4.34 per pound (2012: A$4.56 per pound).

The Long Nickel Operation constitutes an operating segment as disclosed in the Financial Report. Segment revenue increased to $127.7 million in 2013, an increase of 6% from $120.1 million in 2012. Net operating profit before income tax fell 10% from $44.7 million in 2012 to $40.1 million in the current year, primarily due to a decline in nickel prices during the year. The average realised A$ nickel price achieved during the year was 13% lower than the prior year at $15,975 per tonne. Profitability fell notwithstanding a 12% increase in payable nickel metal produced of 6,754 tonnes.

Based on current ore reserves, the mine currently has a life of approximately four years.

Table 1 highlights the key operational statistics during the current and prior year.

Table 1

Long Nickel Mine		**2013**	**2012**
Ore mined	*Tonnes*	**291,196**	**282,177**
Nickel Grade	*(Head %)*	3.84	3.54
Copper Grade	*(Head %)*	0.28	0.27
Tonnes milled	*Tonnes*	**291,196**	**282,177**
Nickel delivered	*Tonnes*	11,180	9,995
Copper delivered	*Tonnes*	821	759
Metal Payable (IGO share)			
- Nickel	*Tonnes*	6,754	6,013
- Copper	*Tonnes*	332	307
C1 Ni cash costs & Royalties *	*A$ payable metal pound*	**4.34**	**4.56**

*Cash costs include credits for copper

Jaguar Operation

The Jaguar Operation was acquired by the Company in 2011. At the time of acquisition, the Jaguar Operation comprised ore crushing and milling facilities, the Jaguar mine and a further mine in development, the Bentley mine, as well as numerous near mine and greenfields exploration targets. Mining in the Jaguar mine was suspended as planned during the December 2012 quarter due to depletion of reserves.

The Bentley mine performed well during the year. Ore mined from the Bentley mine is crushed and milled at the plant to produce separate zinc and copper concentrates. These concentrates are trucked to the Geraldton port for shipping to customers primarily in Asia. Zinc and copper concentrates variously contain silver and gold by-products which contribute significantly to the Group's cash flows and revenue. Similar to nickel sales, copper and zinc concentrate sales are paid on a quotational period that varies between 1 and 3 months with generally 90% of the sales receipt payable by the customer shortly after shipment.

The 1 month or 3 month average LME copper and zinc price ultimately determines the final price paid by the customer.

Based on current ore reserves, the Bentley mine is currently anticipated to have a life of approximately 4 years.

During the year, 446,584 tonnes of ore was mined from the Jaguar and Bentley mines.

Table 2

Jaguar Operations		2013	2012
Ore mined	*Tonnes*	**446,584**	**411,476**
Copper grade	%	1.5	2.3
Zinc grade	%	9.8	6.0
Silver grade	*g/t*	139	89
Ore Milled	*Tonnes*	**392,125**	**366,891**
Concentrate produced			
- Copper	*Tonnes*	20,010	31,827
- Zinc	*Tonnes*	71,138	35,264
Metal payable (IGO share)			
- Copper	*Tonnes*	4,792	6,940
- Zinc	*Tonnes*	28,118	13,748
- Silver	*Ounces*	982,313	520,080
- Gold	*Ounces*	2,938	-
Zinc C1 Costs & royalties *	*A$/lb Total Zn Metal Produced*	**0.49**	**0.58**

*C1 Costs include credits for copper, silver and gold

The Jaguar Operation also constitutes an operating segment. Segment revenue increased to $91.8 million from $87.7 million in the previous year. Table 2 above demonstrates the very different product mix that was achieved during the two years. In the 2012 financial year, ore was sourced primarily from the copper rich Jaguar mine. The Bentley mine is currently relatively higher in zinc and silver, and lower in copper. Despite the sales product mix variation, sales revenue has been relatively stable. Segment profit before income tax was $7.0 million during the 2013 financial year. An impairment of the Operation and associated goodwill in 2012 resulted in a charge to the profit and loss of $256.0 million which weighed heavily on the $283.7 million reportable segment loss for that year.

Tropicana Gold Project

The Tropicana Gold Project segment comprises the Tropicana Gold Mine and exploration activities. The Project is located approximately 330km east northeast of Kalgoorlie in Western Australia and has a combined tenement holding of approximately 12,400 square km. The Tropicana Gold Mine is operated as an unincorporated joint venture. Joint operators of the venture are AngloGold Australia Limited (70% share and manager) and Independence Group NL (30% share). The companies' boards approved the development of the gold mine in November 2010. At 30 June 2013, the construction was estimated to be 93% complete. Commissioning is due to be completed in September 2013 with first gold production in the September 2013 quarter. The Tropicana Gold Mine is currently expected to have a life in excess of 11 years. The Company's share of production in years 1 to 3 is forecast at between 141,000 and 147,000 ounces per annum. Cash costs during this 3 year period, including royalties, are forecast at A$590 - A$630 per ounce.

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 mitigate the associated risk of adverse outcomes where possible. 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 commodities and precious metals that are priced by the London Metals Exchange. The Group is not a price maker with respect to the commodities it sells and it is and will remain susceptible to adverse price movements. By way of example, average annual LME nickel prices fell 15% from US$8.75 per pound in 2012 to US$7.44 per pound in 2013. Zinc and copper LME prices fell 4% and 6% respectively over the same period. The Group's Board and management regularly review commodity prices in light of forecast trends and give consideration to hedging between 0% and 50% of payable production.

Exchange rates

The Group is exposed to exchange rate risk on sales denominated in United States dollars whilst its Australian dollar functional currency is the currency of payment to the majority of its suppliers and employees. The AUD/USD currency pair rose on average by 38 points during the financial year. A strengthening AUD implies a lower 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.

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.

Other external factors and risks

The Group is subject to many other external factors and risks, including the following:

- Operational performance including uncertain mine grades, ground support conditions, grade control, in fill resource drilling, seismicity, 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 ore body can be inconsistent and complex.
  - Active underground mining operations can be subjected to varying degrees of seismicity. This natural occurrence can represent significant operational and financial risk. To mitigate this risk substantial amounts of resources and technology are used in an attempt to predict and control seismicity.
- Exploration success or otherwise;
  - Due to the nature of an ever depleting reserve/resource base, the ability to continually find or replace reserves/resources presents as a significant operational risk. Drill sites need to be continually mined (for underground drilling) to enable effective exploration drilling.
- 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;
  - The mining sector generally are price takers with respect to metal prices and also the upgrading of concentrates into metals.
  - Any change in the supply or demand impacts on the ability to generate revenues and hence the profitability of an operation.
- Changes in government taxation legislation;
- Changes in health, safety and environmental regulation; and
- Assumption of estimates that impact on reported asset and liability values.

Shareholders are also encouraged to read notes 3 and 4 in the Financial Report.

Significant changes in the state of affairs

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

Significant events after the reporting date

On 28 August 2013, the Company announced that a final dividend for the year ended 30 June 2013 would be paid on 27 September 2013. The dividend is 1 cent per share and will be fully franked.

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.

Environmental regulation and performance

The Group's operations are subject to significant environmental regulation under the laws of the Commonwealth and various States of Australia. During the year there were no non-compliance incidents.

The Group is subject to the reporting obligations of the National Greenhouse and Energy Reporting Act 2007, under which the Group reports its greenhouse emissions, energy consumption and production. Systems have been put in place to comply with these reporting requirements. The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use.

The Environmental Policy is available in the Corporate Governance section of the Company's website.

Information on Directors

Peter Bilbe	**Chairman (Non-executive). Age 63**
Qualifications	BE (Mining) (Hons), MAusIMM
Tenure	Board member since 31 March 2009 and Chairman since 29 July 2011.
Special Responsibilities	Mr Bilbe is a member of the Remuneration Committee.
Other Directorships	Mr Bilbe is currently a director of Northern Iron Limited and Sihayo Gold Limited. He was also a director of Norseman Gold plc until December 2011 and Aurox Resources Limited until August 2010.
Christopher Bonwick	**Managing Director (Executive). Age 54**
Qualifications	BSc (Hons), MAusIMM
Tenure	Managing Director and Board member since 2000.
Special Responsibilities	Mr Bonwick is the executive in charge of the day to day management of the Group's activities, including operations, risk management and corporate development.
Other Directorships	None.
Geoffrey Clifford	**Director (Non-executive) from 10 December 2012. Age 63**
Qualifications	BBus, FCPA, FCIS, FAICD
Tenure	Board member since 2012.
Special Responsibilities	Mr Clifford is a member of the Remuneration, Audit and Hedging Committees.
Other Directorships	Mr Clifford was a director of Atlas Iron Limited, Centaurus Metals Limited and Fox Resources Limited until July 2011.
Rod Marston	**Director (Non-executive). Age 70**
Qualifications	BSc (Hons), PhD, MAIG, MSEG
Tenure	Board member since 2001.
Special Responsibilities	Dr Marston is a member of the Remuneration and Audit Committees.
Other Directorships	Dr Marston has been a director of Kasbah Resources Limited since November 2006.
Kelly Ross	**Director (Non-executive). Age 51**
Qualifications	BBus, CPA, ACSA
Tenure	Board member since 2002.
Special Responsibilities	Mrs Ross is a member of the Hedging and Audit Committees.
Other Directorships	Mrs Ross is currently a director of Musgrave Minerals Limited.
John Christie	**Director (Non-executive) until 21 November 2012. Age 75**
Qualifications	CPA, ACSA
Tenure	Board member since 2002.
Special Responsibilities	Mr Christie was a member of the Remuneration, Audit and Hedging Committees until his resignation on 21 November 2012.
Other Directorships	None.

Company Secretary qualifications

Mr Tony Walsh was appointed Company Secretary effective 17 July 2013. Mr Walsh, who is also employed as the Company's General Manager Corporate, was previously Company Secretary of ASX listed iron ore producer Atlas Iron Limited for seven years since July 2006. Mr Walsh has over 25 years' experience in dealing with listed companies, ASX, ASIC and corporate transactions, including four years as a director of Shaw River Manganese Limited and 14 years with the ASX Limited in Perth where he acted as ASX liaison with the JORC Committee. Mr Walsh is currently a member of the West Australian State Council of Chartered Secretaries Australia and a member of Newman College school council. Prior to his role at the ASX, he worked with Ernst & Young for over 5 years in an audit and compliance capacity. Mr Walsh is also a Fellow of Chartered Secretaries Australia and the Institute of Chartered Accountants in Australia.

Mr Adrian Di Carlo was the interim Company Secretary from 11 February 2013, following the departure of Mr Bourke, until 2 August 2013. Mr Di Carlo is a member of Chartered Secretaries Australia.

Mr Terry (KT) Bourke was Company Secretary from 9 August 2011 until 8 February 2013. Mr Bourke, who was also employed as the Company's Legal Counsel, is a corporate lawyer with considerable mining and industrial experience. He has previously been a director of three ASX listed companies, a director of two listed Canadian mining companies and company secretary of a number of ASX listed companies. Mr Bourke holds a Bachelor of Law degree and a Bachelor of Commerce (Accounting, Finance & Systems) degree from the University of New South Wales. He is a Solicitor of the Supreme Court of New South Wales with a right of practice in Western Australia.

Meetings of Directors

The numbers of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2013, and the numbers of meetings attended by each Director were:

	Directors' Meetings		Remuneration Committee		Audit Committee		Hedging Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Christopher Bonwick	14	11	-	-	-	-	-	-
Peter Bilbe	14	14	1	1	-	-	-	-
John Christie[1]	5	5	1	1	1	1	1	1
Geoffrey Clifford[2]	8	7	-	-	1	1	1	1
Rod Marston	14	12	1	1	2	2	-	-
Kelly Ross	14	14	-	-	2	2	2	2

1. Mr Christie resigned with effect from 21 November 2012.
2. Mr Clifford was appointed a Non-executive Director with effect from 10 December 2012.

Interests in shares and options of the Company

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

	Ordinary Fully Paid Shares	Share Rights
Christopher Bonwick	2,057,500	343,059
Rod Marston	1,321,917	-
Kelly Ross	345,000	-
Geoffrey Clifford	-	-
Peter Bilbe	-	-
Total	3,724,417	343,059

Details of the terms and conditions for these securities are disclosed in note 32 of the Financial Report.

AUDITED REMUNERATION REPORT

The information provided in this Remuneration Report has been audited as required by section 308(3C) of the *Corporations Act 2001.*

Remuneration policy and procedures

The Company has established a Remuneration Committee to oversee the remuneration of senior executives and executive directors. At the date of this report, the Committee members were independent Directors Rod Marston, Geoffrey Clifford and Peter Bilbe.

The Committee reviews executive directors' and senior management's remuneration and other terms of employment annually, having regard to the skills, experience, the relative industry remuneration levels and performance of both the Group and the individuals' themselves. No director may be involved in setting their own remuneration or terms and conditions.

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. 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 $600,000 which was approved by shareholders at the Annual General Meeting on 24 November 2010, of which $440,000 was being utilised at 30 June 2013 (2012: $440,000).

Non-executive directors may provide additional consulting services to the Group, at a rate approved by the Board. No such services were provided during the year ending 30 June 2013.

Performance evaluations of the Board are undertaken with a view to comparing the performance of the Board and directors to the performance and growth of companies of similar size and complexity within the mining industry. The current base remuneration was reviewed during the current financial year and remained unchanged.

Bonuses may be given to senior managers where the Committee believes their experience and skills have provided the Group with ongoing and enduring benefits that align with shareholder interests. Other performance-based rewards are given where the Committee believes performance of an individual senior manager compares favourably with their peers within the industry. The objective of the rewards are to both reinforce the short and long term goals of the Group and to provide a common interest between management and shareholders.

The following summarises the performance of the Group over the last 5 financial years:

	2009	2010	2011[1]	2012	2013
Revenue ($millions)	101.1	116.7	163.6	216.6	225.9
Net profit (loss) after income tax ($millions)	16.1	28.7	5.5	(285.3)[2]	18.3
Share price at year end ($/share)	4.63	4.72	5.63	3.16	2.26
Dividends paid (cents/share)	7	5	7	5	2

1. Includes results and performance of Jabiru Metals Limited from 4 April 2011.
2. Includes after tax non-cash asset impairments of $288 million.

Company performance based remuneration

Short term incentive (STI)

The objective of STI's is to link the creation of shareholder wealth in the short term with the remuneration of those employees who are charged with the management of the Group and are primarily responsible for its performance. The total potential STI available is set annually at a level to provide sufficient incentive to executive directors and senior managers to achieve operational targets at a cost to the Group that is reasonable in the circumstances.

Managing Director's KPI's

The Board introduced a performance criteria in 2010 to incentivise the Managing Director, based on achievement versus target KPI's. The target KPI's relate to matters such as mine production, safety, mine development and costs, as well as exploration success, corporate growth, environmental activity and risk management actions. The total available to be paid in 2013 as an STI for the Managing Director's performance in the 2012 financial year was $300,000 (2012: $250,000). STI payments are normally delivered as a yearly cash bonus payable in the subsequent financial year. During the year, the Managing Director was allocated 35% of the total bonus available ($105,000) for his performance in the 2012 financial year (2012: 62.5% of the total allocated bonus available for the 2011 financial year). However, as a result of economic conditions at the time, the Managing Director voluntarily declined the allocated bonus for the 2012 financial year.

Long term incentive (LTI) – Executives and other employees

The LTI component of the remuneration package is to reward executive directors, senior managers and other invited employees of the Company in a manner which aligns a proportion of their remuneration package with the creation of shareholder wealth over a longer period than the STI.

The Independence Group NL Employee Performance Rights Plan (PRP) was approved by shareholders at the Annual General Meeting in November 2011. Under the PRP, 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 PRP is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Vesting of the performance rights to executive directors and executives is subject to a combination of the Company's shareholder return and return on equity. The performance rights will vest if over the three year measurement period the following performance hurdles are achieved:

Shareholder Return

The vesting of 75% of the performance rights at the end of the third year will be based on measuring the actual shareholder return over the three year period compared with the change in the S&P ASX 300 Metals and Mining Index (Index) over that same period. The portion of performance rights (75% of the total) that will vest based on the comparative shareholder return will be:

Shareholder return	Level of vesting
100% of the Index	25%
Between 100% and 115% of the Index	Pro-rata straight line percentage
115% of the Index or greater	100%

Return on equity

The vesting of the remaining 25% of the performance rights at the end of the third year will be based on the average return on equity over the three year period compared with the average target return on equity as set by the Board for the same period.

Return on equity (ROE) for each year will be calculated in accordance with the following formula:

ROE = Net profit after tax / Total shareholders' equity

The target ROE will be set each year by the Board as part of the budget approval process for the following year. The target ROE for the financial year ending 30 June 2013 was 10% (2012: 10%). The portion of performance rights (25% of the total) that will vest based on the comparative return on equity will be:

Actual ROE	Level of vesting
100% of average target ROE	25%
Between 100% and 115% of average target ROE	Pro-rata straight line percentage
115% of average target ROE or greater	100%

The performance rights 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 PRP is subject to, and conditional upon, compliance with the Company's employee share trading policy.

Long term incentives (LTI) – Non-executive directors

The PRP 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 PRP and any such issue would be subject to all necessary shareholder approvals.

Use of independent remuneration consultants

During the current financial year, the Board did not engage any independent remuneration consultants. During the previous financial year, the Board engaged the services of Ernst & Young to advise it on the design and implementation of the Company's Employee Performance Rights Plan which is described above.

Key Management Personnel

The Directors who held office during the financial year were Peter Bilbe (Non-executive Director and Chairman), Christopher Bonwick (Managing Director), Kelly Ross (Non-executive Director), John Christie (Non-executive Director until his resignation on 21 November 2012), Rod Marston (Non-executive Director) and Geoffrey Clifford (Non-executive Director following his appointment on 10 December 2012). The Directors held office during the entire financial year unless otherwise stated.

The only other persons who qualified as key management personnel during the financial year, and to whom this Remuneration Report also relates are as follows:

- Brett Hartmann – Group Operations Manager
- Rodney Jacobs – Development Manager
- Tim Kennedy – Exploration Manager
- Scott Steinkrug – Chief Financial Officer
- Andrew Eddowes – Business Development Manager (following his appointment to the role on 1 October 2012)
- Drew Totterdell – Business Development Manager (until his resignation from the Company on 30 September 2012)
- Terry (KT) Bourke – Company Secretary/Legal Counsel (until his departure from the Company on 8 February 2013)

Employment contracts

Terms and conditions of employment contracts of key management personnel in effect during the year ended 30 June 2013 were as follows:

i) Non-executive directors do not have employment contracts with the Company.

ii) The managing director is employed under a contract which does not have a defined term. The contract includes provision for termination benefits of one month's remuneration for every year of service should the Company terminate the employment contract without cause. A termination benefit of 12 months remuneration is payable to the executive should the Company terminate the employment contract due to a takeover event, but only if such payment would not breach ASX Listing Rules. In all other circumstances the contracts can be terminated by either party after provision of one month's notice, in which case only accrued leave and other accrued remuneration is payable. The current employment contract for Christopher Bonwick as at 30 June 2013 provides for total remuneration of $750,000 (2012: $750,000).

iii) Executive directors are entitled to receive cash and/or equity based bonuses in addition to the remuneration stated in their employment contracts and are entitled to participate in the PRP.

iv) The key management personnel Brett Hartmann is employed under a contract which does not have a defined term and can be terminated by either party after provision of one month's notice, in which case only accrued leave and other accrued remuneration is payable. The current employment contract provides for total remuneration of $408,205 per annum (2012: $392,400 per annum). Mr Hartmann may also receive performance based bonuses should the Remuneration Committee so recommend and those bonuses are approved by the Board. Mr Hartmann is also entitled to participate in the PRP.

v) The key management personnel Rodney Jacobs is employed under a contract which does not have a defined term and can be terminated by either party after provision of one month's notice, in which case only accrued leave and other accrued remuneration is payable. The current employment contract provides for total remuneration of $356,975 per annum (2012: $343,350 per annum). Mr Jacobs may also receive performance based bonuses should the Remuneration Committee so recommend and those bonuses are approved by the Board. Mr Jacobs is also entitled to participate in the PRP.

vi) The key management personnel Tim Kennedy is employed under a contract which does not have a defined term and can be terminated by either party after provision of one month's notice, in which case only accrued leave and other accrued remuneration is payable. The current employment contract provides for total remuneration of $317,462 per annum (2012: $305,200 per annum). Mr Kennedy may also receive performance based bonuses should the Remuneration Committee so recommend and those bonuses are approved by the Board. Mr Kennedy is also entitled to participate in the PRP.

vii) The key management personnel Scott Steinkrug is employed under a contract which does not have a defined term and can be terminated by either party after provision of one month's notice, in which case only accrued leave and other accrued remuneration is payable. The current employment contract provides for total remuneration of $378,775 per annum (2012: $364,060 per annum). Mr Steinkrug may also receive performance based bonuses should the Remuneration Committee so recommend and those bonuses are approved by the Board. Mr Steinkrug is also entitled to participate in the PRP.

viii) The key management personnel Andrew Eddowes is employed under a contract which does not have a defined term and can be terminated by either party after provision of one month's notice, in which case only accrued leave and other accrued remuneration is payable. The current employment contract provides for total remuneration of $261,600 per annum. Mr Eddowes may also receive performance based bonuses should the Remuneration Committee so recommend and those bonuses are approved by the Board. Mr Eddowes is also entitled to participate in the PRP.

ix) The key management personnel Drew Totterdell was employed under a contract which did not have a defined term and could be terminated by Mr Totterdell after provision of one month's notice, in which case only accrued leave and other accrued remuneration was payable. If the Company terminated Mr Totterdell's employment for reasons other than misconduct, the Company would pay 12 months remuneration as compensation. The employment contract provided for total remuneration of $288,850 per annum (2012: $288,850 per annum). Mr Totterdell could also receive performance based bonuses should the Remuneration Committee so recommend and those bonuses were approved by the Board. Mr Totterdell was also entitled to participate in the PRP. Mr Totterdell resigned his position from the Company effective 30 September 2012.

x) The key management personnel Terry Bourke was employed under a contract which did not have a defined term and could be terminated by either party after provision of one month's notice, in which case only accrued leave and other accrued remuneration was payable. The employment contract provided for total remuneration of $333,540 per annum (2012: $333,540 per annum). Mr Bourke could also receive performance based bonuses should the Remuneration Committee so recommend and those bonuses be approved by the Board. Mr Bourke was also entitled to participate in the PRP. Mr Bourke's employment with the Company ended effective 8 February 2013.

Details of remuneration

The following tables show details of the remuneration received by the Directors and key management personnel of the Group for the current and previous financial year:

	Short-term benefits				Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary & fees[1] $	Cash bonus $	Non-monetary benefits $	Other $	Superannuation $	Long service leave[2] $	Share rights[3] $	Total $
2013								
Non-executive Directors								
Peter Bilbe	155,963	-	-	-	14,037	-	-	170,000
John Christie[4]	34,404	-	-	-	3,096	-	-	37,500
Geoffrey Clifford[5]	46,526	-	-	-	4,187	-	-	50,713
Rod Marston	82,569	-	-	-	7,431	-	-	90,000
Kelly Ross	82,569	-	-	-	7,431	-	-	90,000
Executive Directors								
Christopher Bonwick	723,611	-	-	-	25,000	17,795	224,937	991,343
Other key management personnel								
Terry Bourke[6]	183,758	-	-	27,273	19,076	(817)	(12,701)	216,589
Brett Hartmann	382,054	20,000	-	-	36,994	12,810	67,259	519,117
Rodney Jacobs	312,042	15,000	-	-	25,350	8,397	58,852	419,641
Tim Kennedy	289,135	10,000	-	-	25,000	9,732	52,312	386,179
Scott Steinkrug	360,394	15,000	-	-	25,000	6,041	62,401	468,836
Drew Totterdell[7]	159,676	-	-	-	5,963	(6,564)	(10,999)	148,076
Andrew Eddowes[8]	177,059	15,000	-	-	16,988	10,957	47,402	267,406
Total remuneration	2,989,760	75,000	-	27,273	215,553	58,351	489,463	3,855,400
2012								
Non-executive Directors								
Oscar Aamodt[9]	6,881	-	-	-	619	-	-	7,500
Peter Bilbe	133,028	-	-	-	11,972	-	-	145,000
John Christie	77,982	-	-	-	7,018	-	-	85,000
Rod Marston	77,982	-	-	-	7,018	-	-	85,000
Kelly Ross[10]	170,149	60,000	-	-	14,348	4,345	-	248,842
Executive Directors								
Christopher Bonwick	699,469	156,250	-	-	50,000	37,715	93,708	1,037,142
Other key management personnel								
Terry Bourke[6]	239,288	20,000	-	32,143	24,429	817	12,700	329,377
Brett Hartmann	377,954	75,000	-	-	25,000	20,836	14,942	513,732
Rodney Jacobs	314,549	20,000	-	-	27,675	4,816	13,074	380,114
Tim Kennedy[11]	314,798	20,000	-	-	25,000	11,751	11,621	383,170
Scott Steinkrug	347,121	50,000	-	-	24,970	2,889	13,863	438,843
Drew Totterdell	280,484	50,000	-	-	23,278	4,253	10,999	369,014
Gary Comb[12]	81,252	-	-	280,201	44,290	2,929	-	408,672
Total remuneration	3,120,937	451,250	-	312,344	285,617	90,351	170,907	4,431,406

1. Cash salary and fees include movements in annual leave provision during the year.
2. Long service leave relates to movements in long service leave provision during the year.
3. Rights to shares granted under the PRP are expensed over the performance period, which includes the vesting period of the rights, in accordance with AASB 2 Share-based Payment. Negative amounts reflect share rights lapsed during the year.
4. Mr Christie resigned from his position as a Non-executive Director effective 21 November 2012.
5. Mr Clifford commenced employment as a Non-executive Director on 10 December 2012.
6. Mr Bourke commenced employment with the Company on 9 August 2011 and ceased employment effective 8 February 2013.

Other short-term benefits relate to a living away from home allowance paid to Mr Bourke.

7. Mr Totterdell resigned from his position as Business Development Manager effective 30 September 2012. An amount accrued for annual leave of $53,223 was paid out on termination, this amount has been offset against the movement in the provision for the year.
8. Mr Eddowes was appointed to the position of Business Development Manager effective 1 October 2012. Remuneration has been included from the date of his appointment as a key management personnel.
9. Mr Aamodt resigned from his position as Non-executive Director effective 29 July 2011.
10. Mrs Ross became a Non-executive Director from 23 August 2011 following her resignation as an executive of the Company. Amounts accrued for annual leave ($53,928) and long service leave ($94,567) were paid out on termination, these amounts have been offset against the movement in the provision for the 2012 financial year.
11. Mr Kennedy's cash salary and fees and superannuation in the 2012 financial year include amounts of $30,000 and $2,700 respectively which relate to fees earned in his role as non-executive director of Argentina Mining Limited. No amounts were received during the current financial year.
12. Mr Comb was employed by the Company from 4 April 2011, following the acquisition of Jabiru Metals Limited, until his resignation on 31 August 2011. Amounts accrued for annual leave ($114,087) and long service leave ($114,994) were paid out on termination, these amounts have been offset against the movement in the provision for the 2012 financial year.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	At Risk – LTI Equity Compensation %	At Risk – STI Performance Based Bonuses %	Fixed Remuneration %
2013			
Directors			
Christopher Bonwick	22.7	-	77.3
Kelly Ross	-	-	100.0
John Christie	-	-	100.0
Rod Marston	-	-	100.0
Geoffrey Clifford	-	-	100.0
Peter Bilbe	-	-	100.0
Other key management personnel			
Terry Bourke	-	-	100.0
Brett Hartmann	13.0	3.8	83.2
Rodney Jacobs	14.0	3.6	82.4
Tim Kennedy	13.5	2.6	83.9
Scott Steinkrug	13.3	3.2	83.5
Drew Totterdell	-	-	100.0
Andrew Eddowes	17.7	5.6	76.7
2012			
Directors			
Oscar Aamodt	-	-	100.0
Christopher Bonwick	9.0	15.1	75.9
Kelly Ross	-	24.1	75.9
John Christie	-	-	100.0
Rod Marston	-	-	100.0
Peter Bilbe	-	-	100.0
Other key management personnel			
Terry Bourke	3.8	6.1	90.1
Brett Hartmann	2.9	14.6	82.5
Rodney Jacobs	3.4	5.3	91.3
Tim Kennedy	3.0	5.2	91.8
Scott Steinkrug	3.2	11.4	85.4
Drew Totterdell	3.0	13.5	83.5
Gary Comb	-	-	100.0

Fixed remuneration paid is not based upon any measurable performance indicators. Non-performance based remuneration is based on relative industry remuneration levels and is set at a level designed to retain the services of the director or senior executive.

Share-based payments

All share rights relate to share rights granted under the PRP.

The details of each grant of share rights affecting remuneration in the current or future reporting period are as follows:

Name	Date of grant	Number of share rights granted	Fair value of share right at date of grant $	Fair value of share rights at grant date[1] $	Number of share rights vested during the year	Number of share rights lapsed during the year	Vesting date[3] $	Unamortised total value of grant yet to vest[2]
Executive Directors								
Christopher Bonwick	21/11/2012	183,824	2.00	368,179	-	-	1/07/2015	267,168
Christopher Bonwick	23/11/2011	159,235	2.14	341,559	-	-	1/07/2014	123,926
Other key management personnel								
Terry Bourke	13/03/2012	49,570	1.69	84,020	-	(49,570)	1/07/2014	-
Brett Hartmann	28/02/2013	67,324	2.06	138,643	-	-	1/07/2015	113,336
Brett Hartmann	13/03/2012	58,318	1.69	98,848	-	-	1/07/2014	41,953
Rodney Jacobs	28/02/2013	58,908	2.06	121,311	-	-	1/07/2015	99,168
Rodney Jacobs	13/03/2012	51,028	1.69	86,492	-	-	1/07/2014	36,709
Tim Kennedy	28/02/2013	52,363	2.06	107,382	-	-	1/07/2015	88,149
Tim Kennedy	13/03/2012	45,358	1.69	76,880	-	-	1/07/2014	32,630
Scott Steinkrug	28/02/2013	62,461	2.06	128,626	-	-	1/07/2015	105,148
Scott Steinkrug	13/03/2012	54,106	1.69	91,708	-	-	1/07/2014	38,923
Andrew Eddowes	28/02/2013	34,597	2.06	71,245	-	-	1/07/2015	58,240
Andrew Eddowes	13/03/2012	17,125	1.69	62,370	-	-	1/07/2013	-
Drew Totterdell	13/03/2012	42,928	1.69	72,763	-	(42,928)	1/07/2014	-

1. 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.
2. Unamortised total value of award based on the fair value of share right at date of grant less amounts expensed to date.
3. Share rights only vest if performance targets are achieved.

End of Audited Remuneration Report

Share options

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 2013 on the exercise of options.

Insurance of officers

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 an 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 for leave of Court to bring proceedings on behalf of the Company or 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 any 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 (WA) Pty Ltd) for non-audit services provided during the year are set out below.

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and the scope of each type of non-audit service provided means that auditor independence was not compromised.

BDO received or are due to receive the following amounts for the provision of non-audit services during the year:

	$
Taxation services	21,851
Other services	23,165
	45,016

Auditor independence

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 75. This declaration forms part of the Directors' Report.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, 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 Class order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Signed in accordance with a resolution of the Board of Directors.

C Bonwick
Managing Director

Perth, Western Australia
Dated this 28th day of August 2013

As lead auditor of Independence Group NL for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- 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.

Brad McVeigh
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2013

	Note	Consolidated 2013 $000	Consolidated 2012 $000
Revenue from continuing operations	6	**225,871**	216,557
Other income	7	**690**	-
Mining, development and processing costs		**(63,156)**	(74,763)
Employee benefits expense		**(54,659)**	(51,636)
Share-based payments expense		**(3,874)**	(862)
Fair value movement of financial investments		**(2,196)**	(3,490)
Depreciation and amortisation expense		**(24,450)**	(39,231)
Rehabilitation and restoration borrowing costs		**(268)**	(375)
Exploration costs expensed		**(2,667)**	(2,813)
Royalty expense		**(8,029)**	(8,028)
Ore tolling expense		**(11,978)**	(11,234)
Shipping and wharfage costs		**(12,464)**	(11,178)
Net (losses) gains on fair value financial liabilities		**(345)**	1,356
Borrowing and finance costs		**(1,356)**	(1,413)
Impairment of exploration and evaluation expenditure	21	**(5,762)**	(116,462)
Impairment of goodwill and other assets	21	**-**	(255,929)
Other expenses		**(7,530)**	(9,339)
Profit (loss) from continuing operations before income tax		**27,827**	(368,840)
Income tax (expense) benefit	9	**(9,539)**	83,548
Profit (loss) after income tax		**18,288**	(285,292)
Other comprehensive income			
Items that will be reclassified to profit or loss			
Effective portion of changes in fair value of cash flow hedges, net of tax		**(10,160)**	7,273
Other comprehensive (loss) income, net of tax		**(10,160)**	7,273
Total comprehensive income (loss)		**8,128**	(278,019)
Profit (loss) attributable to the members of Independence Group NL		**18,288**	(285,292)
Total comprehensive income (loss) attributable to the members of Independence Group NL		**8,128**	(278,019)
		Cents	Cents
Earnings (loss) per share for profit (loss) attributable to the ordinary equity holders of the Company			
Basic earnings (loss) per share	11	**7.85**	(130.47)
Diluted earnings (loss) per share	11	**7.79**	(130.47)

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

	Note	Consolidated 2013 $000	Consolidated 2012 $000
ASSETS			
Current assets			
Cash and cash equivalents	12	**27,215**	192,678
Trade and other receivables	13	**24,159**	58,797
Inventories	14	**22,760**	16,786
Financial assets	15	**1,092**	3,346
Derivative financial instruments	25	**6,946**	23,950
Total current assets		**82,172**	295,557
Non-current assets			
Receivables	16	**604**	475
Property, plant and equipment	17	**36,278**	37,173
Mine properties	18	**349,115**	123,274
Exploration and evaluation expenditure	19	**199,392**	203,371
Deferred tax assets	9	**152,261**	152,620
Intangible assets	20	**179**	454
Derivative financial instruments	25	**1,981**	-
Total non-current assets		**739,810**	517,367
TOTAL ASSETS		**821,982**	812,924
LIABILITIES			
Current liabilities			
Trade and other payables	22	**53,599**	60,329
Borrowings	27	**6,030**	11,685
Derivative financial instruments	25	**1,910**	570
Provisions	23	**2,446**	1,260
Financial liabilities at fair value through profit or loss	26	**-**	4,818
Total current liabilities		**63,985**	78,662
Non-current liabilities			
Borrowings	27	**11,524**	6,934
Provisions	24	**21,724**	14,749
Deferred tax liabilities	9	**75,280**	70,454
Total non-current liabilities		**108,528**	92,137
TOTAL LIABILITIES		**172,513**	170,799
NET ASSETS		**649,469**	642,125
EQUITY			
Contributed equity	28	**734,007**	734,007
Reserves	29	**14,332**	20,618
Accumulated losses	29	**(98,870)**	(112,500)
TOTAL EQUITY		**649,469**	642,125

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 30 June 2013

	Note	Consolidated 2013 $000	Consolidated 2012 $000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**241,164**	211,390
Payments to suppliers and employees (inclusive of GST)		**(173,355)**	(183,087)
		67,809	28,303
Interest and other costs of finance paid		**(1,314)**	(1,307)
Exploration expenditure		**(2,824)**	(2,813)
Refund of income taxes paid		**-**	10,057
Income taxes paid		**-**	(2,524)
Receipts from other operating activities		**301**	263
Net cash flows from operating activities	30	**63,972**	31,979
Cash flows from investing activities			
Interest received		**3,547**	11,422
Payments for purchase of listed and unlisted investments		**(183)**	-
Proceeds from sale of property, plant and equipment and other investments		**1,258**	396
Payments for property, plant and equipment		**(7,634)**	(19,392)
Payments for development expenditure		**(170,558)**	(89,492)
Payments for exploration and evaluation expenditure		**(37,980)**	(57,244)
Net cash flows used in investing activities		**(211,550)**	(154,310)
Cash flows from financing activities			
Proceeds from borrowings		**10,000**	-
Transaction costs associated with borrowings		**(2,045)**	-
Proceeds from issue of shares		**-**	119,902
Share issue costs		**-**	(4,397)
Repayment of finance lease liabilities		**(13,800)**	(5,900)
Repayment of borrowings		**(7,382)**	(11,852)
Payment of dividends		**(4,658)**	(10,745)
Net cash flows (used in) from financing activities		**(17,885)**	87,008
Net decrease in cash held		**(165,463)**	(35,323)
Cash and cash equivalents at the beginning of the financial year		**192,678**	228,001
Cash and cash equivalents at the end of the financial year	12	**27,215**	192,678

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2013

	Issued Capital $000	Retained Earnings/ (Accumulated Losses) $000	Hedging Reserve $000	Share-Based Payments Reserve $000	Acquisition Reserve $000	Total Equity $000
Consolidated						
At 1 July 2011	617,860	183,537	5,284	4,057	3,142	813,880
Loss for the year	-	(285,292)	-	-	-	(285,292)
Other comprehensive income						
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	7,273	-	-	7,273
Total comprehensive (loss) income for the year	-	(285,292)	7,273	-	-	(278,019)
Transactions with owners in their capacity as owners						
Shares issued	119,902	-	-	-	-	119,902
Transaction costs on shares issued, net of tax	(3,755)	-	-	-	-	(3,755)
Dividends paid	-	(10,745)	-	-	-	(10,745)
Share-based payments	-	-	-	862	-	862
At 30 June 2012	734,007	(112,500)	12,557	4,919	3,142	642,125
At 1 July 2012	734,007	(112,500)	12,557	4,919	3,142	642,125
Profit for the year	-	18,288	-	-	-	18,288
Other comprehensive income						
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	(10,160)	-	-	(10,160)
Total comprehensive (loss) income for the year	-	18,288	(10,160)	-	-	8,128
Transactions with owners in their capacity as owners						
Dividends paid	-	(4,658)	-	-	-	(4,658)
Share-based payments	-	-	-	3,874	-	3,874
At 30 June 2013	734,007	(98,870)	2,397	8,793	3,142	649,469

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

1. CORPORATE INFORMATION

The financial report of Independence Group NL (the Company) and its subsidiaries (collectively, the Group) for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the Directors on 28 August 2013.

Independence Group NL is a Company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Independence Group NL and its subsidiaries.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. Independence Group NL is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the Independence Group NL group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Group

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. However, amendments to AASB 101 Presentation of Financial Statements effective 1 July 2012 now require the statement of comprehensive income grouped into those that are not permitted to be reclassified to profit or loss in a future period and those that may have to be reclassified if certain conditions are met.

(iii) Early adoption of standards

The Group has not elected to early adopt any new accounting standards.

(iv) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss and certain classes of property, plant and equipment.

(v) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. 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 note 4.

(b) Basis of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Independence Group NL (Company or parent entity) as at 30 June 2013 and the results of all subsidiaries for the year then ended. Independence Group NL and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer to note (2)(e)).

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.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and balance sheet respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(iii) Joint ventures

Jointly controlled operations

The proportionate interests in the assets, liabilities and expenses of a jointly controlled venture have been incorporated in the financial statements under the appropriate headings. Details of joint ventures are set out in note 37.

Joint venture entities

The Company's interests in joint venture entities, if any, are brought to account at cost using the equity method of accounting in the financial statements.

(c) Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start up operations which are yet to earn revenues.

Operating segments have been identified based on the information provided to the chief operating decision makers – identified as being the Board of Independence Group NL.

Operating segments that meet the quantitative criteria as described by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars ($), which is Independence Group NL's functional and presentation currency.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

(e) 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 values of the assets transferred, the 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. Acquisition-related costs are expensed as incurred. 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. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) 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 assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the asset's 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 group of assets (cash-generating units). Non-financial assets other than goodwill that become impaired are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(g) Cash and cash equivalents

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.

(h) Trade and other receivables

Trade receivables are generally received up to four months after the shipment date. The receivables are initially recognised at fair value.

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

Collectibility of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor or default payments are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(i) Inventories

(i) Ore and concentrate

Inventories 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.

(ii) Stores and fuel

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.

(j) Derivative financial instruments

The Group uses derivative financial instruments to manage its risks associated with metals price and foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value at the end of each reporting period.

The Group uses derivative financial instruments such as foreign currency contracts and commodity contracts to hedge its risks associated with gold, nickel, copper and zinc prices and foreign currency fluctuations. Such derivative financial instruments are recognised at fair value.

The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of commodity contracts is determined by reference to market values for similar instruments.

For the purposes of hedge accounting, hedges are classified as cash flow hedges where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction.

In relation to cash flow hedges (forward foreign currency contracts and commodity contracts) to hedge firm commitments which meet the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in other comprehensive income and the ineffective portion is recognised in the profit or loss. If the hedge accounting conditions are not met, movements in fair value are recognised in the profit or loss.

Amounts accumulated in equity are recycled in the statement of profit or loss and other comprehensive income in the periods when the hedged item will affect profit or loss, for instance when the forecast sale that is hedged takes place. The gain or loss relating to the effective portion of forward foreign exchange contracts and forward commodity contracts is recognised in the profit or loss within sales.

(k) Investments and other financial assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial assets are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, financial assets which are classified as held for trading are measured at fair value. Gains or losses on investments held for trading are recognised in the profit or loss. The Group has investments in listed entities which are considered to be tradeable by the Board and which the Company expects to sell for cash in the future.

For investments carried at amortised cost, gains and losses are recognised in the statement of profit or loss and other comprehensive income when the investments are de-recognised or impaired, as well as through the amortisation process.

Fair value of quoted investments is based on current bid prices. If the market for a financial asset is not active (eg. unlisted securities), a valuation technique is applied and if this is deemed unsuitable, they are held at initial cost.

(l) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. 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.

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 years
Mining plant and equipment	2 – 5 years
Motor vehicles	3 – 5 years
Furniture and fittings	3 – 5 years
Leased assets	3 – 4 years

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

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

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2(f)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(m) Exploration and evaluation expenditure

Exploration and evaluation expenditure is stated at cost and is accumulated in respect of each identifiable area of interest.

Such costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area of interest (or alternatively by its sale), or where activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active operations are continuing.

Accumulated costs in relation to an abandoned area are written off to profit or loss in the period in which the decision to abandon the area is made.

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.

Exploration and evaluation assets acquired in a business combination are initially recognised at fair value. They are subsequently measured at cost less any accumulated impairment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Mine properties and restoration costs

(i) Mine properties in development

When technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, then any subsequent expenditure in that area of interest is classified as mine properties in development. 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.

(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 expenditure not yet amortised 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) Rehabilitation, restoration and environmental costs

Long-term environmental obligations are based on the Company'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 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. 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.

(o) Intangible assets

(i) Goodwill

Goodwill is measured as described in note 2(e). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments.

(ii) Other

Other intangible assets relate to a database for research purposes, which is carried at fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated based on the time it will take to complete the research on the database which is currently four years.

(p) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases (refer note 27). Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in current and non-current borrowings. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the 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 rate method.

(r) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the 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. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(s) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(t) Financial liabilities

The Group designates certain liabilities at fair value through profit or loss. Financial liabilities are initially measured at cost, being the fair value of the amounts received. After initial recognition, financial liabilities are measured at fair value, with gains or losses recognised in the profit or loss.

(u) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and cumulative sick leave expected to be settled 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 liability for annual leave is recognised in trade and other payables.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. 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 reporting date on national Government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(v) Share-based payment transactions

Equity-settled transactions

The Company provides benefits to employees (including directors) of the Company in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

There is currently a plan in place to provide these benefits, the Employee Performance Rights Plan (PRP), which provides benefits to executive directors and other employees.

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 in conjunction with an external valuation consultant 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 cost of equity-settled transactions is recognised, together with a corresponding increase in 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).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Share-based payment transactions (continued)

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.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(w) Contributed equity

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.

(x) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods

Revenue from the sale of goods is recognised when there is persuasive evidence indicating that there has been a transfer of risks and rewards to the customer.

Sales revenue comprises gross revenue earned, net of treatment and refining charges where applicable, from the provision of product to customers, and includes hedging gains and losses. Sales are initially recognised at estimated sales value when the product is delivered. Adjustments are made for variations in metals price, assay, weight and currency between the time of delivery and the time of final settlement of sales proceeds.

(ii) Interest revenue

Interest income 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.

(y) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

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 liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation legislation

Independence Group NL and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income, directly in equity or as a result of a business combination. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(z) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated goods and services tax (GST), unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(aa) Earnings per share

Basic earnings per share is calculated as net profit or loss attributable to shareholders, adjusted to exclude any costs of servicing equity, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit or loss attributable to shareholders, adjusted for:

- cost of servicing equity;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares.

(ab) Comparatives

Where appropriate, comparatives have been reclassified to be consistent with the current year presentation. The reclassification does not have an impact on the results presented.

(ac) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2013 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out on the next page.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB reference	AASB Standard affected	Nature of change	Application date of standard	Impact on Independence Group NL's financial statements	Application date for Independence Group NL
AASB 9 (issued December 2009 and amended December 2010)	Financial Instruments	Amends the requirements for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 have been eliminated. Under AASB 9, there are three categories of financial assets: • Amortised cost • Fair value through profit or loss • Fair value through other comprehensive income. The following requirements have generally been carried forward unchanged from AASB 139 *Financial Instruments: Recognition and Measurement* into AASB 9: • Classification and measurement of financial liabilities; and • Derecognition requirements for financial assets and liabilities. However, AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.	Annual reporting periods beginning on or after 1 January 2015	Adoption of AASB 9 is only mandatory for the year ending 30 June 2016. This standard is not expected to impact the Group as financial assets are currently classified as fair value through profit or loss.	1 July 2015
AASB 10 (issued August 2011)	Consolidated Financial Statements	Introduces a single 'control model' for all entities, including special purpose entities (SPEs), whereby all of the following conditions must be present: • Power over investee (whether or not power used in practice) • Exposure, or rights, to variable returns from investee • Ability to use power over investee to affect the Company's returns from investee. • Introduces the concept of 'defacto' control for entities with less than 50% ownership interest in an entity, but which have a large shareholding compared to other shareholders. This could result in more instances of control and more entities being consolidated.	Annual reporting periods beginning on or after 1 January 2013	When this standard is first adopted for the year ended 30 June 2014, there will be no impact on transactions and balances recognised in the financial statements because the Company does not have any special purpose entities. The Company does not have 'defacto' control of any entities with less than 50% ownership interest in an entity.	1 July 2013
AASB 11 (issued August 2011)	Joint Arrangements	Joint arrangements will be classified as either 'joint operations' (where parties with joint control have rights to assets and obligations for liabilities) or 'joint ventures' (where parties with joint control have rights to the net assets of the arrangement). Joint arrangements structured as a separate vehicle will generally be treated as joint ventures and accounted for using the equity method (proportionate consolidation no longer allowed). However, where terms of the contractual arrangement, or other facts and circumstances indicate that the parties have rights to assets and obligations for liabilities of the arrangement, rather than rights to net assets, the arrangement will be treated as a joint operation and joint venture parties will account for the assets, liabilities, revenues and expenses in accordance with the contract.	Annual reporting periods beginning on or after 1 January 2013	The standard is not expected to have any impact on the current treatment of joint arrangements.	1 July 2013

AASB reference	AASB Standard affected	Nature of change	Application date of standard	Impact on Independence Group NL's financial statements	Application date for Independence Group NL
AASB 13 (issued September 2011)	Fair Value Measurement	Currently, fair value measurement requirements are included in several Accounting Standards. AASB 13 establishes a single framework for measuring fair value of financial and non-financial items recognised at fair value in the statement of financial position or disclosed in the notes in the financial statements. Additional disclosures required for items measured at fair value in the statement of financial position, as well as items merely disclosed at fair value in the notes to the financial statements. Extensive additional disclosure requirements for items measured at fair value that are 'level 3' valuations in the fair value hierarchy that are not financial instruments, e.g. land and buildings, investment properties etc.	Annual reporting periods beginning on or after 1 January 2013	When this standard is adopted for the first time for the year ended 30 June 2014, additional disclosures may be required about fair values.	1 July 2013
AASB 119 (reissued September 2011)	Employee Benefits	Employee benefits expected to be settled (as opposed to due to be settled under the current standard) wholly within 12 months after the end of the reporting period are short-term benefits, and therefore not discounted when calculating leave liabilities. Annual leave not expected to be used wholly within 12 months of end of reporting period will in future be discounted when calculating leave liability.	Annual periods beginning on or after 1 January 2013	The Company currently calculates its liability for annual leave employee benefits on the basis that it is due to be settled within 12 months of the end of the reporting period because employees are entitled to use this leave at any time. The amendments to AASB 119 require that such liabilities be calculated on the basis of when the leave is expected to be taken, i.e. expected settlement. When this standard is first adopted for 30 June 2014 year end, annual leave liabilities will be recalculated on 1 July 2012 as long-term benefits because they are not expected to be settled wholly within 12 months after the end of the reporting period. This will result in a small reduction of the annual leave liabilities recognised on 1 July 2012, and a corresponding increase in retained earnings at that date.	1 July 2013
Interpretation 20 (issued November 2011)	Stripping Costs in the Production Phase of a Surface Mine	Clarifies that costs of removing mine waste materials (overburden) to gain access to mineral ore deposits during the production phase of a mine must be capitalised as inventories under AASB 102 *Inventories* if the benefits from stripping activity is realised in the form of inventory produced. Otherwise, if stripping activity provides improved access to the ore, stripping costs must be capitalised as a non-current, mine property asset if certain recognition criteria are met (as an addition to, or enhancement of, an existing asset).	Annual reporting periods beginning on or after 1 January 2013	When this standard is adopted for the year ended 30 June 2014, stripping costs are likely to be classified as both inventories under AASB 102 and a mine property asset.	1 July 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

AASB reference	AASB Standard affected	Nature of change	Application date of standard	Impact on Independence Group NL's financial statements	Application date for Independence Group NL
AASB 2012-9 (issued December 2012)	Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039	Deletes Australian Interpretation 1039 *Substantive Enactment of Major Tax Bills* In Australia from the list of mandatory Australian Interpretations to be applied by entities preparing financial statements under the *Corporations Act 2001* or other general purpose financial statements.	Annual reporting periods beginning on or after 1 January 2013	There will be no impact on first-time adoption of this amendment as the group does not account for proposed changes in taxation legislation until the relevant Bill has passed through both Houses of Parliament, which is consistent with the views expressed by the Australian Accounting Standards Board in their agenda decision of December 2012.	1 July 2013
AASB 2012-5 (issued June 2012)	Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle	Non-urgent but necessary changes to standards: AASB 101; AASB 116 and AASB 132.	Annual reporting periods beginning on or after 1 January 2013	When this standard is first adopted for the year ended 30 June 2014, there will be no material impact.	1 July 2014
AASB 12 (issued August 2011)	Disclosure of Interests in Other Entities	Combines existing disclosures from AASB 127 *Consolidated and Separate Financial Statements,* AASB 128 *Investments in Associates* and AASB 131 *Interests in Joint Ventures.* Introduces new disclosure requirements for interests in associates and joint arrangements, as well as new requirements for unconsolidated structured entities.	Annual reporting periods beginning on or after 1 January 2013	As this is a disclosure standard only, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required for interests in associates and joint arrangements, as well as for unconsolidated structured entities.	1 July 2013
AASB 2012-6 (issued September 2012)	Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures	Defers the effective date of AASB 9 to 1 January 2015. Entities are no longer required to restate comparatives on first time adoption. Instead, additional disclosures on the effects of transition are required.	Annual reporting periods beginning on or after 1 January 2015	As comparatives are no longer required to be restated, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required on transition, including the quantitative effects of reclassifying financial assets on transition.	1 July 2015
AASB 101	Presentation of Financial Statements	Minimum comparative information Clarifies the requirements for comparative information as follows: • Only one year's comparative information (i.e. for the preceding period) • Two of each financial statement • Narrative information provided in preceding period's financial statements that continues to be relevant in current period.	Annual reporting periods beginning on or after 1 January 2013	There will be no impact when this amendment is first adopted as the entity only includes comparatives for the preceding period.	1 July 2013

(ad) Parent entity financial information

The financial information for the parent entity, Independence Group NL, disclosed in note 38 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Independence Group NL. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

(ii) Tax consolidation legislation

Independence Group NL and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Independence Group NL, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Independence Group NL also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Independence Group NL for any current tax payable assumed and are compensated by Independence Group NL for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Independence Group NL under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under the tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks; market risk (including currency risk, interest rate risk, equity price risk and commodity price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as foreign exchange contracts, forward commodity contracts and collar arrangements to hedge certain risk exposures.

Risk management relating to commodity and foreign exchange risk is overseen by the Hedging Committee under policies approved by the Board of Directors. The Board identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as mitigating foreign exchange, commodity price, interest rate and credit risks, use of derivative financial instruments and investing excess liquidity.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk exposures and responses

Foreign currency risk

As 100% of the Group's sales revenues for nickel, copper, zinc, silver and gold are denominated in US dollars (USD) and the majority of operating costs are denominated in Australian dollars, the Group's cash flow is significantly exposed to movements in the A$:US$ exchange rate. The Group mitigates this risk through the use of derivative instruments, including but not limited to forward contracts and the purchase of Australian dollar call options.

The financial instruments denominated in US dollars and then converted into the functional currency (i.e. A$) were as follows:

	Consolidated	
	2013 $000	2012 $000
Financial assets		
Cash and cash equivalents	**3,319**	16,187
Trade and other receivables	**14,801**	30,631
Derivative financial instruments	**5,263**	23,950
	23,383	70,768
Financial liabilities		
Trade and other payables	**-**	2,218
Derivative financial instruments	**1,910**	570
Financial liabilities at fair value through profit or loss	**-**	4,818
	1,910	7,606
Net financial assets	**21,473**	63,162

The cash balance above only represents the cash held in the US dollar bank accounts at the reporting date and converted into Australian dollars at the 30 June 2013 A$:US$ exchange rate of $0.9138 (2012: $1.0191). The remainder of the cash balance of $23,896,000 (2012: $176,491,000) was held in Australian dollars and therefore not exposed to foreign currency risk.

The trade and other receivables amounts represent the US dollar denominated trade debtors. All other trade and other receivables were denominated in Australian dollars at the reporting date.

The following table summarises the Group's sensitivity of financial instruments held at 30 June 2013 to movements in the A$:US$ exchange rate, with all other variables held constant. Sensitivity analysis is calculated using a reasonable possible change of 1.5% (2012: 1.5%) in the foreign exchange rate in both directions based on the exposure period of the trade receivables, a 5.0% (2012: 5.0%) variation for derivative contracts, a nil% (2012: 5.0%) variation for financial liabilities and a 9.0% (2012: 5.0%) variation for USD cash balances in both directions.

	Profit after tax Consolidated	
	2013 $000	2012 $000
Sensitivity of financial instruments to foreign currency movements		
Financial assets		
Cash and cash equivalents		
Increase 9.0% (2012: 5.0%)	**(211)**	(540)
Decrease 9.0% (2012: 5.0%)	**258**	596
Trade receivables		
Increase 1.5% (2012: 1.5%)	**(153)**	(317)
Decrease 1.5% (2012: 1.5%)	**158**	327
Derivative financial instruments		
Increase 5.0% (2012: 5.0%)	**(175)**	1,308
Decrease 5.0% (2012: 5.0%)	**194**	(1,446)
	71	(72)

	Profit after tax Consolidated	
	2013 $000	2012 $000
Sensitivity of financial instruments to foreign currency movements (continued)		
Financial liabilities		
Trade and other payables		
Increase 1.5% (2012: 1.5%)	-	23
Decrease 1.5% (2012: 1.5%)	-	(24)
Derivative financial instruments		
Increase 5.0% (2012: 5.0%)	**679**	19
Decrease 5.0% (2012: 5.0%)	**(751)**	(21)
Financial liabilities at fair value through profit or loss		
Increase 0.0% (2012: 5.0%)	-	161
Decrease 0.0% (2012: 5.0%)	-	(178)
	(72)	(20)
Net sensitivity to foreign currency movements	**(1)**	(92)

Commodity price risk

The Group's sales revenues are generated from the sale of nickel, copper, zinc, silver and gold. Accordingly, the Group's revenues, derivatives and trade receivables are exposed to commodity price risk fluctuations, primarily nickel, copper, zinc and gold.

Nickel

Nickel ore sales have an average price finalisation period of 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. All of the hedges qualify as "highly probable" forecast transactions for hedge accounting purposes.

Copper and zinc

Copper and zinc concentrate sales have an average price finalisation period of up to four months from shipment date.

It is the Board's policy to hedge between 0% and 50% of total copper and zinc 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 Project.

The markets for nickel, copper, zinc, silver and gold are freely traded and can be reasonably 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 pricing, forward contracts and collar arrangements.

At the reporting date, the carrying value of the financial instruments exposed to commodity price movements were as follows:

	Consolidated	
	2013 $000	2012 $000
Financial instruments exposed to commodity price movements		
Financial assets		
Trade and other receivables	**12,839**	30,519
Derivative financial instruments – commodity hedging contracts	**8,927**	15,065
	21,766	45,584
Financial liabilities		
Derivative financial instruments – commodity hedging contracts	-	570
Financial liabilities at fair value through profit or loss	-	4,818
	-	5,388
Net exposure	**21,766**	40,196

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The following table summarises the sensitivity of financial instruments held at 30 June 2013 to movements in the nickel price, with all other variables held constant. Trade receivables valuation uses a sensitivity analysis of 1.5% (2012: 1.5%) which is based upon the three month forward commodity rate as there is a three month lag time between delivery and final nickel price received. A 20.0% (2012: 20.0%) sensitivity rate is used to value derivative contracts held and is based on reasonable assessment of the possible changes.

	Profit after tax Consolidated	
	2013 $000	2012 $000
Sensitivity of financial instruments to nickel price movements		
Financial assets		
Trade receivables		
Increase 1.5% (2012: 1.5%)	**298**	243
Decrease 1.5% (2012: 1.5%)	**(298)**	(243)
Derivative financial instruments – commodity hedging contracts		
Increase 20.0% (2012: 20.0%)	**(2,117)**	(5,523)
Decrease 20.0% (2012: 20.0%)	**2,117**	5,523
	-	-

The following table summarises the sensitivity of financial instruments held at 30 June 2013 to movements in the copper price, with all other variables held constant. Trade receivables valuation uses a sensitivity analysis of 1.5% (2012: 1.5%) which is based upon the three month forward commodity rate as there is a three month lag time between delivery and final copper price received.

	Profit after tax Consolidated	
	2013 $000	2012 $000
Sensitivity of financial instruments to copper price movements		
Financial assets		
Trade receivables		
Increase 1.5% (2012: 1.5%)	**124**	276
Decrease 1.5% (2012: 1.5%)	**(124)**	(276)
	-	-

The following table summarises the sensitivity of financial instruments held at 30 June 2013 to movements in the gold price, with all other variables held constant. A 20.0% (2012: 20.0%) sensitivity rate is used to value derivative contracts held and is based on reasonable assessment of the possible changes.

	Profit after tax Consolidated	
	2013 $000	2012 $000
Sensitivity of financial instruments to gold price movements		
Financial assets		
Derivative financial instruments – commodity hedging contracts		
Increase 20.0% (2012: n/a)	**(6,569)**	-
Decrease 20.0% (2012: n/a)	**1,287**	-
	(5,282)	-

The following table summarises the sensitivity of financial instruments held at 30 June 2013 to movements in the zinc price, with all other variables held constant. Trade receivables valuation uses a sensitivity analysis of 1.5% (2012: 1.5%) which is based upon the three month forward commodity rate as there is a four month lag time between delivery and final zinc price received.

	Profit after tax Consolidated	
	2013 $000	2012 $000
Sensitivity of financial instruments to zinc price movements		
Financial assets		
Trade receivables		
Increase 1.5% (2012: 1.5%)	**94**	39
Decrease 1.5% (2012: 1.5%)	**(94)**	(39)
	-	-

A silver loan was repaid in full during the current financial year, therefore no sensitivity analysis is required at 30 June 2013. The following table summarises the sensitivity of financial instruments held at 30 June 2012 to movements in the silver price, with all other variables held constant. A 20.0% sensitivity rate is used to value financial liabilities in the previous financial year and is based on reasonable assessment of the possible changes.

	Profit after tax Consolidated	
	2013 $000	2012 $000
Sensitivity of financial instruments to silver price movements		
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Increase 0.0% (2012: 20.0%)	**-**	678
Decrease 0.0% (2012: 20.0%)	**-**	(678)
	-	-

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 45% (2012: 45%). At reporting date, if the equity prices had been higher or lower, net profit for the year would have increased or decreased by $328,000 (2012: $1,506,000).

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:

	Consolidated	
	2013 $000	2012 $000
Financial assets		
Cash and cash equivalents	**27,215**	56,678
	27,215	56,678
Financial liabilities		
Bank loans	**10,000**	-
	10,000	-
Net exposure	**17,215**	56,678

Interest rate sensitivity analysis

The sensitivity analysis on the next page 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. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

	Profit after tax Consolidated	
	2013 $000	2012 $000
Sensitivity of interest revenue and expense to interest rate movements		
Revenue		
Interest revenue		
Increase 1.0% (2012: 1.0%)	**57**	300
Decrease 1.0% (2012: 1.0%)	**(57)**	(300)
	-	-
Expense		
Interest expense		
Increase 1.0% (2012: n/a)	**(70)**	-
Decrease 1.0% (2012: n/a)	**70**	-
	-	-

The interest rate on the outstanding lease liabilities is fixed for the term of the lease, therefore there is no exposure to movements in interest rates.

Credit risk

Nickel sales

The Group has a concentration of credit risk in that it depends on BHP Billiton Nickel West Pty Ltd for a significant volume of revenue. During the year ended 30 June 2013 all nickel sales revenue was sourced from this company. The risk is mitigated in that the agreement relating to sales revenue contains provision for the Group to seek alternative revenue providers in the event that BHP Billiton Nickel West Pty Ltd is unable to accept supply of the Group's product due to a force majeure event. The risk is further mitigated by the receipt of 70% of the value of any months' sale within a month of that sale occurring. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history.

Copper and zinc sales

Credit risk arising from sales to customers is managed by contracts that stipulate a provisional payment of at least 90% of the estimated value of each sale. This is generally paid promptly after vessel loading. Title to the concentrate does not pass to the buyer until this provisional payment is received by the Group.

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 bad debts is not considered significant.

Other

In respect of financial assets 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. Exposure at the reporting date is addressed below. 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.

The maximum exposure to credit risk at the reporting date was as follows:

	Consolidated	
	2013 $000	2012 $000
Financial assets		
Cash and cash equivalents	**27,215**	192,678
Trade and other receivables	**22,463**	35,656
Other receivables - non-current	**525**	475
Financial assets	**1,092**	3,346
Derivative financial instruments	**8,927**	23,950
Total exposure	**60,222**	256,105

On analysis of trade and other receivables, none are past due or impaired for either 30 June 2013 or 30 June 2012.

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. The Board monitors liquidity levels on an ongoing basis.

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			Contractual value	Carrying value
	Less than 6 months $000	6 - 12 months $000	Between 1 and 5 years $000	A$ $000	A$ $000
Consolidated					
2013					
Trade and other payables	49,798	-	-	49,798	49,798
Lease liabilities	3,694	2,910	4,193	10,797	10,048
Bank loans	-	-	10,000	10,000	7,506
	53,492	2,910	14,193	70,595	67,352
2012					
Trade and other payables	56,379	-	-	56,379	56,379
Lease liabilities	7,055	5,772	7,396	20,223	18,619
	63,434	5,772	7,396	76,602	74,998

The following table details the Group's liquidity analysis for its derivative financial instruments. The table is based on the undiscounted net cash inflows/(outflows) on the derivative instrument that settles on a net basis. When the net amount payable is not fixed, the amount disclosed has been determined by reference to the projected forward curves existing at the reporting date.

	Contractual maturities			Contractual value	Carrying value
	Less than 6 months $000	6 - 12 months $000	Between 1 and 5 years $000	A$ $000	A$ $000
Consolidated					
2013					
Net settled					
Commodity hedging contracts	-	1,910	-	1,910	1,910
	-	1,910	-	1,910	1,910
2012					
Net settled					
Commodity hedging contracts	570	-	-	570	570
Financial liabilities at fair value through profit or loss	2,677	2,141	-	4,818	4,818
	3,247	2,141	-	5,388	5,388

Fair values

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 7 *Financial Instruments: Disclosures* 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).

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The following table presents the Group's assets and liabilities measured and recognised at fair value at 30 June 2013 and 30 June 2012.

At 30 June 2013	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Financial assets				
Derivative instruments				
Commodity hedging contracts	-	8,927	-	8,927
Listed and unlisted investments	1,042	-	50	1,092
	1,042	8,927	50	10,019
Financial liabilities				
Derivative instruments				
Foreign exchange hedging contracts	-	1,910	-	1,910
	-	1,910	-	1,910

At 30 June 2012	Level 1 $000	Level 2 $000	Level 3 $000	Total $000
Financial assets				
Derivative instruments				
Commodity hedging contracts	-	15,065	-	15,065
Foreign exchange hedging contracts	-	8,885	-	8,885
Listed investments	3,346	-	-	3,346
	3,346	23,950	-	27,296
Financial liabilities				
Derivative instruments				
Commodity hedging contracts	-	570	-	570
Financial liabilities at fair value through profit or loss	-	4,818	-	4,818
	-	5,388	-	5,388

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.

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.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Trade receivables

The Group estimates the value of trade receivables in accordance with the accounting policy disclosed in note 2(h).

Impairment of assets

In determining the recoverable amount of assets, in the absence of quoted market prices, estimations are made regarding the present value of future cash flows using asset-specific discount rates.

Reserve estimates

Estimates of recoverable quantities of proven and probable reserves include assumptions regarding commodity prices, exchange rates, discount rates, production and transportation costs for future cash flows. It also requires interpretation of complex and difficult geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reserves and their anticipated recoveries. The economic, geological and technical factors used to estimate reserves may change from period to period. Changes in reported reserves can impact asset carrying values, the provision for restoration and the recognition of deferred tax assets, due to changes in expected future cash flows. Reserves are integral to the amount of depreciation, depletion and amortisation charged to the profit or loss and the calculation of inventory. The Group prepares reserve estimates in accordance with the JORC Code, 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.

Rehabilitation and restoration provisions

The provision for rehabilitation and restoration costs is based on the net present value of the estimated cost of 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.

Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined with the assistance of an external valuer using a trinomial tree. The related assumptions are detailed in note 33. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

5. OPERATING SEGMENTS

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 in predominantly only one geographic segment (ie. Australia) and has identified four operating segments, being the Long Nickel Operation which is disclosed under the Nickel mining segment, the Jaguar/Bentley Operation which is disclosed under the Copper and zinc mining segment, the Tropicana Gold Project, and other regional exploration, scoping studies and feasibility which are disclosed under Feasibility and regional exploration activities.

The Long Nickel Operation produces primarily nickel, together with copper, from which its revenue is derived. Revenue derived by the Long Nickel Operation is received from one customer, being BHP Billiton Nickel West Pty Ltd. The Registered Manager of the Long Nickel Operation is responsible for the budgets and expenditure of the operation, which includes exploration activities on the mine's tenure. The Long Nickel Operation and exploration properties are owned by the Group's wholly owned subsidiary Lightning Nickel Pty Ltd.

The Jaguar/Bentley Operation primarily produces copper and zinc concentrate. Revenue is derived from a number of different customers. The Registered Manager of the Jaguar/Bentley Operation is responsible for the budgets and expenditure of the operation, responsibility for ore concentrate sales rests with corporate management. The Jaguar/Bentley Operation and exploration properties are owned by the Group's wholly owned subsidiary Jabiru Metals Limited.

The Tropicana Gold Project represents the Group's 30% joint venture interest in the Tropicana Joint Venture. AngloGold Ashanti Australia Limited is the manager of the project and holds the remaining 70% interest. Programs and budgets are provided by AngloGold Ashanti Australia Limited and are considered for approval by the Independence Group NL Board. Construction and development of a gold mine and processing plant has commenced on the joint venture tenure. It is therefore allocated its own segment.

The Group's Exploration Manager and its Development Manager are responsible for budgets and expenditure relating to the Group's regional exploration, scoping studies and feasibility studies. The Feasibility and regional exploration division does not normally derive any income. Should a project generated by the Feasibility and regional exploration division commence generating income or lead to the construction or acquisition of a mining operation, that operation would then be disaggregated from Feasibility and regional exploration and become reportable as a separate segment.

5. OPERATING SEGMENTS (continued)

	Nickel mining $000	Copper and zinc mining $000	Tropicana gold project $000	Feasibility and regional exploration activities $000	Total $000
Year ended 30 June 2013					
Revenue					
Sales to external customers	127,175	91,579	3,664	-	222,418
Other revenue	486	233	-	4	723
Total segment revenue	127,661	91,812	3,664	4	223,141
Segment net operating profit (loss) before income tax	40,140	6,986	1,596	(5,879)	42,843
Segment assets	103,126	107,053	336,303	174,254	720,736
Segment liabilities	22,490	40,404	22,872	64,408	150,174
Acquisition of property, plant and equipment	8,503	1,364	2,119	58	12,044
Impairment loss before tax	2,572	-	-	3,190	5,762
Depreciation and amortisation expense	17,039	6,209	185	-	23,433
Other non-cash expenses	45	223	-	-	268
Year ended 30 June 2012					
Revenue					
Sales to external customers	119,096	87,609	-	-	206,705
Other revenue	1,777	115	-	8	1,900
Total segment revenue	120,873	87,724	-	8	208,605
Segment net operating profit (loss) before income tax	44,694	(283,728)	(1,736)	(118,128)	(358,898)
Segment assets	153,815	104,798	154,715	159,110	572,438
Segment liabilities	21,361	48,063	17,522	52,738	139,684
Acquisition of property, plant and equipment	9,631	17,122	291	1,465	28,509
Impairment loss before tax	1,139	255,929	-	115,323	372,391
Depreciation and amortisation expense	12,198	26,006	136	-	38,340
Other non-cash expenses	43	332	-	-	375

(i) Reconciliation of segment revenue to total revenue

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

	Consolidated 2013 $000	2012 $000
Total segment revenue	**223,141**	208,605
Other revenue from continuing operations	**2,730**	7,952
Total revenue	**225,871**	216,557

Revenues for the nickel mining segment are all derived from a single customer, being BHP Billiton Nickel West Pty Ltd. Revenues for the copper and zinc mining segment were derived from various customers during the year.

Revenues for the Tropicana gold project comprise the movement during the year in the extrinsic value of the gold collar hedging instruments (refer note 25).

(ii) Reconciliation of segment net profit (loss) before tax to operating profit (loss) before tax

A reconciliation of reportable segment net profit (loss) before income tax to net profit (loss) before income tax is as follows:

	Consolidated	
	2013	2012
	$000	$000
Segment net profit (loss) before tax	**42,843**	(358,898)
Interest revenue on corporate cash balances and other unallocated revenue	**2,730**	7,952
Unrealised losses on financial assets	**(2,196)**	(3,490)
Share-based payments expense	**(3,874)**	(862)
Other corporate costs	**(11,331)**	(14,898)
Net (losses) gains on silver hedge financing	**(345)**	1,356
Total net profit (loss) before tax	**27,827**	(368,840)

(iii) Segment assets reconciliation to the balance sheet

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

	Consolidated	
	2013	2012
	$000	$000
Total assets for reportable segments	**720,736**	572,438
Intersegment eliminations	**(60,304)**	(65,000)
Unallocated assets		
Deferred tax assets	**152,261**	152,620
Listed and unlisted equity securities	**1,042**	3,346
Cash and receivables held by the parent entity	**5,452**	146,559
Office and general plant and equipment	**2,795**	2,961
Total assets as per the balance sheet	**821,982**	812,924

(iv) Segment liabilities reconciliation to the balance sheet

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

	Consolidated	
	2013	2012
	$000	$000
Total liabilities for reportable segments	**150,174**	139,684
Intersegment eliminations	**(75,047)**	(59,601)
Unallocated liabilities		
Deferred tax liabilities	**75,280**	70,454
Creditors and accruals	**13,398**	14,390
Provision for employee entitlements	**1,202**	1,054
Financial liabilities at fair value through profit or loss	**-**	4,818
Bank loans	**7,506**	-
Total liabilities as per the balance sheet	**172,513**	170,799

6. REVENUE

	Consolidated	
	2013	2012

	$000	$000
Sales revenue		
Sale of goods	**222,418**	206,705
	222,418	206,705
Other revenue		
Interest received	**3,218**	9,574
Other revenue	**235**	278
	3,453	9,852
Total revenue	**225,871**	216,557

7. OTHER INCOME

	Consolidated	
	2013	2012
	$000	$000
Net gain on disposal of property, plant and equipment and other investments	**42**	-
Net gain on disposal of tenements	**648**	-
Total other income	**690**	-

8. EXPENSES AND LOSSES

	Consolidated	
	2013	2012
	$000	$000
Profit (loss) before income tax includes the following specific items:		
Cost of sale of goods	**144,672**	150,526
Share-based payments expense	**3,874**	862
Employee benefits expense	**54,659**	51,636
Finance costs – other entities	**1,356**	1,413
Exploration costs expensed	**2,667**	2,813
Rental expense relating to operating leases	**1,190**	1,218
Rehabilitation and restoration borrowing costs	**268**	375
Impairment of inventories	**-**	21
Amortisation expense	**11,466**	20,057
Depreciation expense	**13,847**	19,358
Less : Amounts capitalised	**(863)**	(184)
Depreciation expensed	**12,984**	19,174
Impairment of exploration and evaluation expenditure	**5,762**	116,462
Impairment of goodwill and other assets	**-**	255,929
Net loss on sale of property, plant and equipment and other investments	**-**	490

9. INCOME TAX

	Consolidated	
	2013	2012

	$000	$000
(a) Income tax benefit (expense)		
The major components of income tax expense are:		
Deferred income tax (expense) benefit	**(9,539)**	83,548
Income tax (expense) benefit	**(9,539)**	83,548
Deferred tax income (expense) included in income tax expense comprises:		
Increase (decrease) in deferred tax assets	**(359)**	40,557
(Increase) decrease in deferred tax liabilities	**(9,180)**	42,991
	(9,539)	83,548
(b) Amount charged or credited directly to equity		
Deferred income tax income (expense) related to items charged or credited to other comprehensive income		
Recognition of hedge contracts	**4,354**	(3,118)
Business-related capital allowances	**-**	643
Income tax expense reported in equity	**4,354**	(2,475)
(c) Numerical reconciliation of income tax expense and tax expense calculated per the statutory income tax rate		
Profit (loss) before tax from continuing operations	**27,827**	(368,840)
At the Group's statutory income tax rate of 30% (2012: 30%)	**(8,348)**	110,652
Costs booked directly in equity	**-**	677
Non-deductible costs associated with acquisition of subsidiary	**-**	(110)
Impairment of goodwill	**-**	(27,320)
Other non-deductible items	**(1,197)**	(268)
Adjustments for current tax of prior periods	**6**	(83)
Aggregate income tax (expense) benefit	**(9,539)**	83,548

9. INCOME TAX (continued)

(d) Deferred tax assets and liabilities

	Balance Sheet		Profit or loss		Equity	
	2013 $000	2012 $000	2013 $000	2012 $000	2013 $000	2012 $000
Consolidated						
Deferred tax liabilities						
Capitalised exploration, pre-production and acquisition costs	**(57,877)**	(55,968)	**1,909**	(20,542)	**-**	-
Capitalised development expenditure	**(11,654)**	(3,810)	**7,844**	(22,915)	**-**	-
Deferred gains and losses on hedging contracts	**(2,678)**	(7,185)	**(153)**	(1,368)	**(4,354)**	3,118
Trade debtors	**(1,497)**	(2,481)	**(984)**	2,481	**-**	-
Other	**(1,574)**	(1,010)	**564**	(647)	**-**	-
Gross deferred tax liabilities	**(75,280)**	(70,454)	**9,180**	(42,991)	**(4,354)**	3,118
Deferred tax assets						
Property, plant and equipment	**26,668**	31,502	**4,834**	(11,251)	**-**	-
Deferred losses on hedged commodity contracts	**1,884**	171	**(1,713)**	4,324	**-**	-
Capitalised development expenditure	**2,312**	12,035	**9,723**	(12,035)	**-**	-
Consumable inventories	**566**	738	**172**	425	**-**	-
Business-related capital allowances	**2,598**	3,980	**1,382**	809	**-**	(643)
Provision for employee entitlements	**1,917**	1,719	**(198)**	164	**-**	-
Provision for rehabilitation	**6,208**	3,913	**(2,295)**	(1,154)	**-**	-
Mining information	**11,376**	11,376	**-**	-	**-**	-
Carry forward tax losses	**97,257**	85,661	**(11,596)**	(22,173)	**-**	-
Other	**1,475**	1,525	**50**	334	**-**	-
Gross deferred tax assets	**152,261**	152,620	**359**	(40,557)	**-**	(643)
Deferred tax expense (income)	**76,981**	82,166	**9,539**	(83,548)	**(4,354)**	2,475

(e) Tax consolidation

(i) Members of the tax consolidated group and the tax sharing arrangement

Independence Group NL and its wholly owned subsidiaries formed a tax consolidated group with effect from 1 July 2002. Independence Group NL is the head entity of the tax consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the "separate tax payer within group" approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax consolidated group are recognised by the Company, as head entity in the tax consolidated group.

Due to the existence of a tax funding arrangement between entities in the tax consolidated group, amounts are recognised as payable to or receivable by the Company and each member of the Group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax consolidated group in accordance with the arrangement.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

10. DIVIDENDS PAID AND PROPOSED

	Consolidated	
	2013	2012

	$000	$000
(a) Ordinary shares		
Final dividend for the year ended 30 June 2012 of 1 cent (2011: 3 cents) per fully paid share	**2,329**	6,087
Interim dividend for the year ended 30 June 2013 of 1 cent (2012: 2 cents) per fully paid share	**2,329**	4,658
Total dividends paid during the financial year	**4,658**	10,745
(b) Unrecognised amounts		
In addition to the above dividends, since year end the Directors have recommended the payment of a final dividend of 1 cent (2012: 1 cent) per fully paid share, fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 27 September 2013 out of retained earnings at 30 June 2013, but not recognised as a liability at year end is:	**2,333**	2,329
(c) Franked dividends		
The franked portions of the final dividends recommended after 30 June 2013 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ending 30 June 2014.		
Franking credits available for subsequent financial year based on a tax rate of 30% (2012: 30%)	**62,884**	64,882

The above amounts represent the balance of the franking account 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 $1,000,000 (2012: $998,000).

11. EARNINGS PER SHARE

The following reflects the income used in the basic and diluted earnings per share computations:

(a) Earnings used in calculating earnings per share

Profit (loss) used in calculating basic and diluted earnings per share attributable to ordinary equity holders of the parent is a profit of $18,288,000 (2012: loss of $285,292,000).

(b) Weighted average number of shares

	2013 Number of shares	2012 Number of shares
Weighted average number of ordinary shares for basic earnings per share	**232,882,535**	218,661,089
Effect of dilution:		
Share rights	**1,902,035**	-
Weighted average number of ordinary shares adjusted for the effect of dilution	**234,784,570**	218,661,089

(c) Information on the classification of securities

Share rights

There are share rights included in the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future. The share rights were not included in the calculation of diluted earnings per share in the prior period because they were anti-dilutive.

12. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

Consolidated

	2013 $000	2012 $000
Cash at bank and in hand	**26,039**	37,916
Deposits at call	**1,176**	18,762
Fixed term deposits	**-**	136,000
	27,215	192,678

The Group has an amount of $469,000 (2012: $11,423,000) in cash balances not generally available for use as it is subject to security with respect to government performance bonds and other guarantees issued by a financier.

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 3.

13. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

	Consolidated	
	2013 $000	2012 $000
Trade receivables	**12,839**	30,519
GST receivable	**5,117**	1,987
Sundry debtors	**4,507**	3,150
Prepayments	**1,696**	23,141
	24,159	58,797

No balances within trade and other receivables contain impaired assets nor are past due. It is expected that these balances will be received when due.

The Group's exposure to credit risk, foreign exchange and commodity price risk in relation to trade receivables is disclosed in note 3.

14. CURRENT ASSETS – INVENTORIES

	Consolidated	
	2013 $000	2012 $000
Mine spares and stores – at cost	**9,664**	9,332
ROM inventory – at cost	**1,632**	341
Concentrate inventory – at cost	**5,361**	4,211
Concentrate inventory – at net realisable value	**6,103**	2,902
	22,760	16,786

There were no impairment charges to inventories recognised as an expense for the year ended 30 June 2013 (2012: $21,000). This expense was included in mining and development costs in 2012.

15. CURRENT ASSETS – FINANCIAL ASSETS

	Consolidated	
	2013 $000	2012 $000
Shares in Australian listed and unlisted companies - at fair value through profit or loss	**1,092**	3,346
	1,092	3,346

The shares in Australian listed companies are valued at fair value through profit or loss and are all held for trading. Changes in the fair values of these financial assets are recognised in the profit or loss and are valued using market prices at year end.

The Group's exposure to price risk and a sensitivity analysis for financial assets are disclosed in note 3.

16. NON-CURRENT ASSETS – RECEIVABLES

Consolidated

	2013 $000	2012 $000
Term deposits	**525**	475
Prepayments	**79**	-
	604	475

The cash on deposit is interest-bearing and is used by way of security for government performance bonds issued by a financier.

17. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2013 $000	2012 $000
Buildings - at cost	**17,577**	17,706
Accumulated depreciation and impairment	**(9,786)**	(8,079)
Net carrying amount	**7,791**	9,627
Mining plant under construction - at cost	**2,362**	2,102
Net carrying amount	**2,362**	2,102
Mining plant and equipment - at cost	**88,602**	89,281
Accumulated depreciation and impairment	**(75,159)**	(74,477)
Net carrying amount	**13,443**	14,804
Motor vehicles - at cost	**14,033**	5,879
Accumulated depreciation and impairment	**(12,303)**	(4,735)
Net carrying amount	**1,730**	1,144
Furniture, fittings and other equipment - at cost	**6,590**	5,632
Accumulated depreciation and impairment	**(3,322)**	(3,810)
Net carrying amount	**3,268**	1,822
Leased assets - at cost	**20,266**	24,128
Accumulated depreciation and impairment	**(12,582)**	(16,454)
Net carrying amount	**7,684**	7,674
Total net carrying amount	**36,278**	37,173

17. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT (continued)

Consolidated

	2013 $000	2012 $000

(a) Reconciliation of the carrying amounts at the beginning and end of the period

Reconciliations of the carrying amount for each class of property, plant and equipment at the beginning and end of the financial year are as follows:

	2013 $000	2012 $000
Buildings		
Carrying amount at beginning of financial year	**9,627**	13,947
Additions	**-**	2,038
Transfers	**146**	1,142
Disposals	**-**	(356)
Impairment	**-**	(4,488)
Depreciation expense	**(1,982)**	(2,656)
Carrying amount at end of financial year	**7,791**	9,627
Mining plant under construction		
Carrying amount at beginning of financial year	**2,102**	11,191
Additions	**2,136**	1,977
Transfers	**(1,876)**	(11,066)
Carrying amount at end of financial year	**2,362**	2,102
Mining plant and equipment		
Carrying amount at beginning of financial year	**14,804**	42,139
Additions	**3,903**	13,165
Transfers	**852**	8,355
Disposals	**-**	(64)
Impairment	**-**	(38,929)
Depreciation expense	**(6,116)**	(9,862)
Carrying amount at end of financial year	**13,443**	14,804
Motor vehicles		
Carrying amount at beginning of financial year	**1,144**	2,051
Additions	**965**	1,117
Transfers	**478**	466
Disposals	**(25)**	(204)
Impairment	**-**	(1,646)
Depreciation expense	**(832)**	(640)
Carrying amount at end of financial year	**1,730**	1,144
Furniture, fittings and other equipment		
Carrying amount at beginning of financial year	**1,822**	3,057
Additions	**1,861**	1,445
Transfers	**762**	(840)
Disposals	**(7)**	(104)
Impairment	**-**	(878)
Depreciation expense	**(1,170)**	(858)
Carrying amount at end of financial year	**3,268**	1,822

	Consolidated	
	2013	2012

	$000	$000
Leased assets		
Carrying amount at beginning of financial year	**7,674**	13,870
Additions	**3,762**	10,978
Transfers	**-**	(335)
Disposals	**(5)**	(390)
Impairment	**-**	(11,107)
Depreciation expense	**(3,747)**	(5,342)
Carrying amount at end of financial year	**7,684**	7,674
Total property, plant and equipment		
Carrying amount at beginning of financial year	**37,173**	86,255
Additions	**12,627**	30,720
Transfers from mine properties in development	**1,095**	-
Transfers to mine properties in production	**(733)**	(2,278)
Disposals	**(37)**	(1,118)
Impairment charge	**-**	(57,048)
Depreciation expense	**(13,847)**	(19,358)
Carrying amount at end of financial year	**36,278**	37,173

(b) Non-current assets pledged as security

Refer to note 27 for information on non-current assets pledged as security by the Group.

18. NON-CURRENT ASSETS – MINE PROPERTIES

	Consolidated	
	2013	2012
	$000	$000
Mine properties in development	**258,778**	59,609
Mine properties in production	**90,337**	63,665
	349,115	123,274

Reconciliations of the carrying amounts at the beginning and end of the financial year are as follows:

Mine properties in development		
Carrying amount at beginning of financial year	**59,609**	89,770
Additions	**167,484**	51,747
Transfers from exploration and evaluation expenditure	**32,708**	-
Transfers to property, plant and equipment	**(1,095)**	-
Transfers to mine properties in production	**-**	(81,908)
Borrowing costs capitalised	**72**	-
Carrying amount at end of financial year	**258,778**	59,609
Mine properties in production		
Carrying amount at beginning of financial year	**63,665**	73,920
Additions	**34,162**	28,417
Transfers from exploration and evaluation expenditure	**3,061**	4,716
Transfers from mine properties in development	**-**	81,908
Transfers from property, plant and equipment	**733**	2,278
Disposals	**(93)**	-
Impairment charge	**-**	(107,816)
Amortisation expense	**(11,191)**	(19,758)
Carrying amount at end of financial year	**90,337**	63,665

19. NON-CURRENT ASSETS – EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated 2013 $000	Consolidated 2012 $000
Exploration and evaluation costs	**199,392**	203,371
	199,392	203,371

Reconciliations of the carrying amounts at the beginning and end of the financial year are as follows:		
Carrying amount at beginning of financial year	**203,371**	269,333
Additions	**37,759**	55,216
Transfers to mine properties in production	**(3,061)**	(4,716)
Transfers to mine properties in development	**(32,708)**	-
Impairment charge	**(5,762)**	(116,462)
Disposals	**(207)**	-
Carrying amount at end of financial year	**199,392**	203,371

20. NON-CURRENT ASSETS – INTANGIBLE ASSETS

		Consolidated	
	Goodwill $000	Database $000	Total $000
At 1 July 2011			
Cost	91,065	1,378	92,443
Accumulated amortisation	-	(625)	(625)
Net book amount	91,065	753	91,818
Year ended 30 June 2012			
Opening net book amount	91,065	753	91,818
Impairment charge	(91,065)	-	(91,065)
Amortisation expense	-	(299)	(299)
Closing net book amount	-	454	454
At 30 June 2012			
Cost	91,065	1,378	92,443
Accumulated amortisation and impairment	(91,065)	(924)	(91,989)
Net book amount	-	454	454
Year ended 30 June 2013			
Opening net book amount	-	454	454
Amortisation expense	-	(275)	(275)
Closing net book amount	-	179	179
At 30 June 2013			
Cost	91,065	1,378	92,443
Accumulated amortisation and impairment	(91,065)	(1,199)	(92,264)
Net book amount	-	179	179

21. IMPAIRMENTS

Goodwill and other assets

Goodwill is tested for impairment annually and when circumstances indicate the carrying value may be impaired. Goodwill is allocated to the Company's cash generating units (CGU's) for impairment testing purposes. The Company currently records no amount of goodwill.

In assessing whether an impairment is ultimately required, the carrying value of a CGU's assets are compared to the recoverable amount. The recoverable amount is the higher of fair value less costs to sell of the CGU and its value in use. During the previous financial year, the Company determined that an impairment loss of $255,929,000 was required in relation to its acquisition of Jabiru Metals Limited in April 2011. The following table outlines the classes of assets that were affected by the impairment loss during that period:

	Consolidated	
	2013	2012
	$000	$000
Mine properties	-	107,816
Property, plant and equipment	-	57,048
Goodwill	-	91,065
	-	255,929

Exploration and evaluation expenditure

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. Management regularly evaluates the recoverability of exploration and evaluation assets. Consistent with the triggers that led to the impairment of goodwill and other assets in the previous financial year (including unfavourable commodity prices and foreign exchange rates), the Company has impaired the following capitalised exploration and evaluation costs:

	Consolidated	
	2013	2012
	$000	$000
Jaguar regional exploration costs	-	36,829
Stockman exploration costs	-	56,402
Other exploration costs	**5,762**	23,231
	5,762	116,462

22. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	Consolidated	
	2013	2012
	$000	$000
Trade payables	**7,368**	11,591
Other payables	**42,430**	44,788
Employee entitlements	**3,801**	3,950
	53,599	60,329

23. CURRENT LIABILITIES – PROVISIONS

	Consolidated	
	2013	2012
	$000	$000
Provision for employee entitlements	**2,446**	1,260
	2,446	1,260

24. NON-CURRENT LIABILITIES – PROVISIONS

Consolidated

	2013 $000	2012 $000
Provision for employee entitlements	**1,030**	1,704
Provision for rehabilitation costs (i)	**20,694**	13,045
	21,724	14,749
(i) Movements in the provision for rehabilitation costs during the year are as follows:		
Carrying amount at beginning of financial year	**13,045**	9,195
Additional provision	**7,381**	3,475
Rehabilitation and restoration borrowing costs expense	**268**	375
Carrying amount at end of financial year	**20,694**	13,045

Rehabilitation provision

A provision for restoration is recognised in relation to mining activities for such costs as reclamation, waste site closure, plant closure and other costs associated with the restoration of the mining sites.

25. DERIVATIVE FINANCIAL INSTRUMENTS

	Consolidated	
	2013 $000	2012 $000
Current assets		
Commodity hedging contracts – at fair value through profit or loss	**-**	3,815
Commodity hedging contracts – cash flow hedges	**6,946**	11,250
Foreign currency contracts – at fair value through profit or loss	**-**	2,398
Foreign currency contracts – cash flow hedges	**-**	6,487
	6,946	23,950
Current liabilities		
Commodity hedging contracts – at fair value through profit or loss	**-**	570
Commodity hedging contracts – cash flow hedges	**1,910**	-
	1,910	570
Non-current assets		
Commodity hedging contracts – cash flow hedges	**1,981**	-
	1,981	-

(a) Instruments used by the Group

Derivative financial instruments are used by the Group in the normal course of business in order to hedge exposure to fluctuations in foreign exchange rates and commodity prices.

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 3 and below for details of the foreign currency and commodity prices risk being mitigated by the Group's derivative instruments as at 30 June 2013 and 30 June 2012.

Cash flow hedges

At 30 June 2013, the Group held various nickel commodity contracts designated as hedges of expected future nickel sales. These hedge contracts are in US dollars. Foreign exchange contracts are also held which match the terms of the commodity contracts. These contracts are all designated as cash flow hedges and are used to reduce the exposure to a future decrease in the Australian dollar market value of nickel sales.

The outstanding contracts held by the Group at 30 June 2013 are as follows:

Year of delivery	Sell (Nickel tonnes)	USD/tonne	Exchange rate	AUD/tonne

2013/14	1,000	18,676	0.9881	18,900
Total	1,000	18,676	0.9881	18,900

The hedge contracts are to be settled at the rate of 200 tonnes per month from February to June 2014. The hedge contracts have been marked to market as at 30 June 2013 and the resulting surplus/deficit compared to market value (net of tax) is reflected in the hedging reserve in the consolidated balance sheet. The portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity. When the cash flows occur, the Group adjusts the initial measurement of the component recognised in the profit or loss by the related amount deferred in equity.

The forecasted transaction is expected to occur three months prior to the maturity of its respective commodity and foreign exchange contracts.

The following table details the forward foreign currency contracts outstanding at reporting date:

Sell USD forward	Notional amounts (US$) 2013 $000	2012 $000	Weighted average price (A$/US$ exchange rate) 2013	2012	Fair value 2013 $000	2012 $000
0 – 3 months	**-**	13,940	**-**	0.8659	**-**	2,398
3 – 6 months	**-**	13,940	**-**	0.8659	**-**	2,273
6 – 12 months	**18,676**	27,880	**0.9881**	0.8659	**(1,910)**	4,214
Total	**18,676**	55,760	**0.9881**	0.8659	**(1,910)**	8,885

Gold

Gold collar structures (i.e. purchased put and sold call) – have been designated as hedges of expected future gold sales and have been designated as cash flow hedges. These comprise:

	Ounces of metal 2013	2012	Weighted average price (A$/ounce) 2013	2012	Fair value 2013 $000	2012 $000
6 – 12 months						
Gold put options purchased	**33,000**	-	**1,300**	-	**2,339**	-
Gold call options sold	**33,000**	-	**1,728**	-	**(657)**	-
12 – 18 months						
Gold put options purchased	**33,000**	-	**1,300**	-	**3,274**	-
Gold call options sold	**33,000**	-	**1,803**	-	**(1,293)**	-
Total/weighted average strike price						
Gold put options purchased	**66,000**	-	**1,300**	-	**5,613**	-
Gold call options sold	**66,000**	-	**1,766**	-	**(1,950)**	-

The fair value of the gold collars outstanding at balance date is comprised exclusively of the extrinsic value (time value) of the option.

Derivatives at fair value through profit or loss

In addition to the above, the Group also previously had a number of derivative financial instruments outstanding which were designated as derivatives at fair value through profit or loss. These contracts did not qualify as cash flow hedges and therefore the fair value marked to market adjustments on these contracts was recorded directly in the profit or loss for the period. There were no such contracts outstanding at 30 June 2013. Details of commodity derivatives at fair value through profit or loss outstanding as at the reporting date are summarised below.

25. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Commodity derivatives – at fair value through profit or loss

Copper

US dollar forward copper sales contracts – at fair value through profit or loss at the reporting date were as follows:

	Tonnes of metal		Weighted average price (US$/metric tonne)		Fair value	
	2013	2012	2013	2012	2013 $000	2012 $000
0 – 6 months	-	2,200	-	7,423	-	(570)
Total	-	2,200	-	7,423	-	(570)

26. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	Consolidated	
	2013 $000	2012 $000
Current liabilities		
Silver hedge financing – at fair value through profit or loss	-	4,818
	-	4,818

At the previous reporting date, a wholly-owned subsidiary of the Group had amounts outstanding under a prepaid silver swap. Under the terms of the swap, the subsidiary received an up-front cash payment in return for forward sales of silver over the period to June 2013. At 30 June 2013, there was no silver outstanding under the contract (2012: 180,000 ounces).

The USD forward silver sales contracts outstanding at 30 June 2013 and 30 June 2012 are as follows:

	Ounces of metal		Weighted average price (US$/ounce)		Fair value	
	2013	2012	2013	2012	2013 $000	2012 $000
0 – 6 months	-	100,000	-	27.83	-	2,677
6 – 12 months	-	80,000	-	27.83	-	2,141
Total	-	180,000	-	27.83	-	4,818

27. BORROWINGS

	Consolidated	
	2013 $000	2012 $000
Current		
Secured		
Lease liability (note 34)	**6,030**	11,685
	6,030	11,685
Non–current		
Secured		
Bank loans (a)	**7,506**	-
Lease liability (note 34)	**4,018**	6,934
	11,524	6,934

(a) Corporate loan facility

On 1 March 2013, the Company entered into a Corporate Loan Facility (Facility) with National Australia Bank. The Facility comprises a corporate debt facility of $130,000,000, an asset finance facility of $20,000,000 and a contingent instrument facility of $20,000,000.

Total capitalised transaction costs to 30 June 2013 are $2,504,000. 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. The balance of unamortised transaction costs of $2,494,000 have been offset against the bank loans contractual liability of $10,000,000 at 30 June 2013.

Borrowing costs of $72,000 (2012: $nil) relate to a qualifying asset (Tropicana Gold Project) and have been capitalised in accordance with AASB 123 Borrowing Costs. Refer to note 18.

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

In addition to the above Facility, the Group has an additional asset finance facility with ANZ of $20,000,000.

(b) Interest rate, foreign exchange and liquidity risk

Details regarding interest rate, foreign exchange and liquidity risk are disclosed in note 3.

(c) Assets pledged as security

The carrying amount of assets pledged as security for non-current borrowings is $10,000,000. The security is provided under a General Security Agreement (GSA) and is on arm's length commercial terms with the financier.

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

In addition to the above, $15,249,000 is pledged as security in relation to the contingent instrument facility.

(d) Financing arrangements

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

	Consolidated	
	2013 $000	2012 $000
Total facilities		
Corporate debt facility	**130,000**	-
Asset finance facility	**40,000**	35,000
Contingent instrument facility[1]	**20,000**	16,000
	190,000	51,000
Facilities used as at reporting date		
Corporate debt facility	**10,000**	-
Asset finance facility	**9,691**	18,619
Contingent instrument facility	**15,249**	13,911
	34,940	32,530
Facilities unused as at reporting date		
Corporate debt facility	**120,000**	-
Asset finance facility	**30,309**	16,381
Contingent instrument facility	**4,751**	2,089
	155,060	18,470

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

28. CONTRIBUTED EQUITY

	Consolidated	
	2013	2012
	$000	$000
Fully paid issued capital	**734,007**	734,007

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.

Movements in shares on issue	2013 No. of shares	2013 $000	2012 No. of shares	2012 $000
Balance at beginning of financial year	232,882,535	734,007	202,907,135	617,860
Issued during the year:				
- share placement and rights issue	-	-	29,975,400	119,902
- transaction costs, net of tax	-	-	-	(3,755)
Balance at end of financial year	232,882,535	734,007	232,882,535	734,007

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The capital structure of the Group consists of debt, which includes the borrowings, cash and cash equivalents and equity, comprising issued capital, reserves and retained earnings.

Operating cash flows are used to maintain and expand the Group's operating and exploration assets, as well as to make dividend payments. The Board and management assess various financial ratios to determine the Group's debt levels and capital structure prior to making any major investment or expansion decisions.

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.

29. RESERVES AND RETAINED EARNINGS

	Consolidated 2013 $000	Consolidated 2012 $000
(a) Reserves		
Share-based payments reserve	**8,793**	4,919
Hedging reserve	**2,397**	12,557
Acquisition reserve	**3,142**	3,142
	14,332	20,618
Movements		
Share-based payments reserve		
Balance at beginning of financial year	**4,919**	4,057
Share-based payments expense	**3,874**	862
Balance at end of financial year	**8,793**	4,919
Hedging reserve		
Balance at beginning of financial year	**12,557**	5,284
Revaluation – gross	**(4,250)**	21,971
Deferred tax	**1,275**	(6,592)
Transfer to net profit – gross	**(10,264)**	(11,580)
Deferred tax	**3,079**	3,474
Balance at end of financial year	**2,397**	12,557
Acquisition reserve		
Balance at beginning of financial year	**3,142**	3,142
Balance at end of financial year	**3,142**	3,142
(b) (Accumulated losses) retained earnings		
Balance at beginning of financial year	**(112,500)**	183,537
Net profit (loss) for the year	**18,288**	(285,292)
Dividends paid during the year	**(4,658)**	(10,745)
Balance at end of financial year	**(98,870)**	(112,500)

(c) Nature and purpose of reserves

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 33 for further details of these plans.

Hedging reserve

The hedging reserve is used to record gains or losses on a hedged instrument in a cash flow hedge that are recognised directly in equity. Amounts are recognised in profit or loss when the associated hedged item occurs.

Acquisition reserve

The acquisition reserve is used to record differences between the carrying value of non-controlling interests and the fair value of the shares issued, where there has been a transaction involving non-controlling interests that do not result in a loss of control. The reserve is attributable to the equity of the parent.

30. CASH FLOW STATEMENT RECONCILIATION

	Consolidated 2013 $000	Consolidated 2012 $000
Net profit (loss) for the year	**18,288**	(285,292)
Adjustments for:		
Depreciation and amortisation	**24,450**	39,231
Impairment of exploration and evaluation expenditure	**5,762**	116,462
(Gain) loss on disposal of property, plant and equipment and other investments	**(690)**	490
Devaluation of investments in listed entities	**2,196**	3,490
Interest income	**(3,547)**	(11,422)
Employee share-based payment expenses	**3,874**	862
Unrealised gains on financial liabilities	**345**	(1,356)
Unrealised loss (gain) on changes in fair value of derivative financial instruments	**1,849**	(2,764)
Impairment of goodwill and other assets	**-**	255,929
Amortisation of lease incentive liability	**(38)**	(55)
Changes in operating assets and liabilities		
(Increase)/decrease in trade debtors	**17,680**	(11,441)
(Increase)/decrease in other debtors and prepayments	**(3,662)**	3,642
(Increase)/decrease in inventories	**(5,974)**	4,122
(Increase)/decrease in income tax receivable	**-**	7,541
(Increase)/decrease in deferred tax assets	**359**	(40,557)
Increase/(decrease) in trade and other payables	**(6,881)**	(4,370)
Increase/(decrease) in deferred tax liability	**9,181**	(42,991)
Increase/(decrease) in provisions	**780**	458
Net cash flows from operating activities	**63,972**	31,979

Non-cash investing and financing activities		
Acquisition of plant and equipment by means of finance leases	**5,230**	13,036
	5,230	13,036

31. RELATED PARTIES DISCLOSURE

(a) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2(b):

Name of Entity	Country of Incorporation	Class of share	Equity interest 2013 %	Equity interest 2012 %
Lightning Nickel Pty Ltd*	Australia	Ordinary	100	100
Newsearch Pty Ltd	Australia	Ordinary	100	100
Karlawinda Pty Ltd	Australia	Ordinary	100	100
Jabiru Metals Limited*	Australia	Ordinary	100	100
Jabiru Metals ESP Pty Ltd	Australia	Ordinary	100	100
Jabiru Metals Exploration Pty Ltd	Australia	Ordinary	100	100
Jabiru Metals Exploration Parent Pty Ltd	Australia	Ordinary	100	100
Stockman Project Pty Ltd	Australia	Ordinary	100	100
Stockman Parent Pty Ltd	Australia	Ordinary	100	100
Jaguar Project Pty Ltd	Australia	Ordinary	100	100
Jaguar Project Parent Pty Ltd	Australia	Ordinary	100	100
Jabiru CM Pty Ltd	Australia	Ordinary	100	100
BBS Company Pty Ltd	Australia	Ordinary	100	100
Jabiru Projects Pty Ltd	Australia	Ordinary	100	100

* These subsidiaries have been granted relief from the necessity to prepare financial reports in accordance with Class Order 98/1418 issued by the Australian Securities and Investments Commission. Refer to note 39 for further information.

(b) Key management personnel

Details relating to key management personnel, including remuneration paid, are included in note 32.

(c) Transactions with related parties

During the financial year, a wholly-owned entity paid dividends of $63,000,000 (2012: $89,700,000) to Independence Group NL. This amount has been 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.

32. KEY MANAGEMENT PERSONNEL

(a) Compensation of key management personnel

	Consolidated 2013 $	Consolidated 2012 $
Short-term employee benefits	**3,092,033**	3,884,531
Post-employment benefits	**215,553**	285,617
Long-term employee benefits	**58,351**	90,351
Share-based payments	**489,463**	170,907
	3,855,400	4,431,406

(b) Shareholdings, share rights and option holdings of key management personnel

The number of shares in the Company and share rights for ordinary shares in the Company held by each director and other key management personnel, including their personally related entities, are set out below.

Shareholdings in the Company

2013	Balance 1 July 2012	Granted as remuneration	Net other changes during the year	Balance 30 June 2013
Directors of Independence Group NL				
C Bonwick	2,057,500	-	-	2,057,500
K Ross	345,000	-	-	345,000
J Christie[1]	503,750	-	(503,750)	-
R Marston	1,321,917	-	-	1,321,917
P Bilbe	-	-	-	-
G Clifford	-	-	-	-
Other key management personnel				
T Bourke	-	-	-	-
B Hartmann	40,000	-	-	40,000
R Jacobs	-	-	-	-
T Kennedy	50,000	-	-	50,000
S Steinkrug	2,000		-	2,000
D Totterdell[1]	4,800	-	(4,800)	-
A Eddowes[2]	-	-	75,500	75,500
Total	4,324,967	-	(433,050)	3,891,917

1. Shareholdings are reversed to show a zero balance at 30 June 2013 on resignation as a director or key management personnel.
2. Other changes during the year include opening balances on becoming a key management personnel for the first time during the year.

2012	Balance 1 July 2011	Granted as remuneration	Net other changes during the year	Balance 30 June 2012

Directors of Independence Group NL				
O Aamodt[1]	32,000	-	(32,000)	-
C Bonwick	2,050,000	-	7,500	2,057,500
K Ross	345,000	-	-	345,000
J Christie	500,000	-	3,750	503,750
R Marston	1,314,417	-	7,500	1,321,917
P Bilbe	-	-	-	-
Other key management personnel				
T Bourke	-	-	-	-
B Hartmann	40,000	-	-	40,000
R Jacobs	-	-	-	-
T Kennedy[2]	-	-	50,000	50,000
S Steinkrug	2,000		-	2,000
D Totterdell	4,800	-	-	4,800
G Comb[1]	1,285,898	-	(1,285,898)	-
Total	5,574,115	-	(1,249,148)	4,324,967

1. Shareholdings are reversed to show a zero balance at 30 June 2012 on resignation as a director or key management personnel.
2. Other changes during the year include opening balances on becoming a key management personnel for the first time during the year.

Share rights in the Company

2013	Balance 1 July 2012	Granted during the year	Vested as shares during the year	Lapsed during the year	Other changes during the year	Balance 30 June 2013
Directors of Independence Group NL						
C Bonwick	159,235	183,824	-	-	-	343,059
Other key management personnel						
T Bourke	49,570	-	-	(49,570)	-	-
B Hartmann	58,318	67,324	-	-	-	125,642
R Jacobs	51,028	58,908	-	-	-	109,936
T Kennedy	45,358	52,363	-	-	-	97,721
S Steinkrug	54,106	62,461	-	-	-	116,567
D Totterdell	42,928	-	-	(42,928)	-	-
A Eddowes[1]	-	34,597	-	-	17,125	51,722
Total	**460,543**	**459,477**	**-**	**(92,498)**	**17,125**	**844,647**

1. Other changes during the year include opening balances on becoming a key management personnel for the first time during the year.

2012	Balance 1 July 2011	Granted during the year	Vested as shares during the year	Lapsed during the year	Other changes during the year	Balance 30 June 2012
Directors of Independence Group NL						
C Bonwick	-	159,235	-	-	-	159,235
Other key management personnel						
T Bourke	-	49,570	-	-	-	49,570
B Hartmann	-	58,318	-	-	-	58,318
R Jacobs	-	51,028	-	-	-	51,028
T Kennedy	-	45,358	-	-	-	45,358
S Steinkrug	-	54,106	-	-	-	54,106
D Totterdell	-	42,928	-	-	-	42,928
Total	**-**	**460,543**	**-**	**-**	**-**	**460,543**

32. KEY MANAGEMENT PERSONNEL (continued)

The share rights relate to the key management personnel's participation in the Independence Group NL Employee Performance Rights Plan (PRP). The share rights represent the maximum number of share rights that the key management personnel are entitled to. They are subject to certain performance conditions being met, including the ongoing employment of the key management personnel at the end of the vesting period.

The PRP 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 PRP and any such issue would be subject to all necessary shareholder approvals.

(c) Other transactions and balances with key management personnel and their related parties

Consulting fees have been paid to Virtual Genius Pty Ltd, a company to which director Mr Bonwick is related. The fees were based on normal commercial terms and conditions. Fees paid to Virtual Genius Pty Ltd during the year totalled $4,000 (2012: $12,000).

33. SHARE-BASED PAYMENT PLANS

(a) Employee Performance Rights Plan

The Independence Group NL Employee Performance Rights Plan (PRP) was approved by shareholders at the Annual General Meeting of the Company in November 2011. Under the PRP, 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 PRP is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The following table illustrates the number (No.) and weighted average fair value (WAFV) of, and movements in, share rights during the year:

	2013		2012	
	Number of share rights	Weighted average fair value $	Number of share rights	Weighted average fair value $
Outstanding at the beginning of the year	**1,608,837**	**2.58**	-	-
Rights issued during the year	**2,042,423**	**2.68**	1,608,837	2.58
Rights lapsed during the year	**(411,980)**	**2.39**	-	-
Outstanding at the end of the year	**3,239,280**	**2.66**	1,608,837	2.58

The fair value of the share rights granted under the PRP is estimated at the grant date using a trinomial tree which has been adopted by the Boyle and Law (1994) node alignment algorithm to improve accuracy.

The following table lists the inputs to the models used.

Grant date	Performance hurdle	Dividend yield %	Expected stock volatility %	Expected index volatility %	Risk free rate %	Expected life Years	Weighted average share price at grant date $	Probability ROE exceeding target %
21/11/2012	TSR	0.47	41	24	2.64	2.6	4.29	-
21/11/2012	ROE	-	-	-	-	-	-	<50
28/02/2013	TSR	0.45	40	22	2.67	0.3	4.47	-
28/02/2013	TSR	0.45	40	23	2.72	2.3	4.47	-
28/02/2013	ROE	-	-	-	-	-	-	<50
23/11/2011	TSR	1.07	54	30	3.09	2.6	4.69	-
23/11/2011	ROE	-	-	-	-	-	-	<50
13/03/2012	TSR	0.72	46	29	3.56	0.3	4.17	-
13/03/2012	TSR	0.72	46	29	3.56	2.3	4.17	-
13/03/2012	ROE	-	-	-	-	-	-	<50

The share-based payments expense included in profit or loss for the year totalled $3,874,000 (2012: $862,000).

Executive directors and other executives

Vesting of the performance rights to executive directors and other executives of the Company is subject to a combination of Independence Group NL's shareholder return and return on equity. The performance rights will vest if over the three year measurement period the following performance hurdles are achieved:

Shareholder return

The vesting of 75% of the performance rights at the end of the third year will be based on measuring the actual shareholder return over the three year period compared with the change in the S&P ASX 300 Metals and Mining Index (Index) over that same period: The portion of performance rights (75% of the total) that will vest based on the comparative shareholder return will be:

Shareholder return	Level of vesting
100% of the Index	25%
Between 100% and 115% of the Index	Pro-rata straight line percentage
115% of the Index or greater	100%

Return on equity

The vesting of the remaining 25% of the performance rights at the end of the third year will be based on the average return on equity over the three year period compared with the average target return on equity as set by the Board for the same period.

Return on equity (ROE) for each year will be calculated in accordance with the following formula:

ROE = Net profit after tax / Total shareholders' equity

The target ROE will be set each year by the Board as part of the budget approval process for the following year. The target ROE for the financial year ending 30 June 2013 is 10% (2012: 10%). The portion of performance rights (25% of the total) that will vest based on the comparative return on equity will be:

Actual ROE	Level of vesting
100% of average target ROE	25%
Between 100% and 115% of average target ROE	Pro-rata straight line percentage
115% of average target ROE or greater	100%

Other employees

Vesting of the performance rights to all other employees of the Company is subject to a combination of the personal performance of the individual and Independence Group NL's shareholder return over the measurement period, being one year. The performance rights will vest one year after measurement period on the following basis:

Personal performance

The vesting of between 60-90% of the performance rights at the end of the second year will be based on the personal performance of the individual employee. The personal performance of the participant will be determined solely at the discretion of the Company and is determined as a result of the annual performance review of each participant. The portion of performance rights (ranging between 60-90% of the total) that will vest based on the personal performance return will be:

Performance standard criteria	Level of vesting
Unsatisfactory work performance	0%
Improvement in performance standard required	0%
Developing contributor	40%
Consistent contributor	60%
Solid contributor	80%
Outstanding contributor	100%

33. SHARE-BASED PAYMENT PLANS (continued)

Shareholder return

The vesting of between 10-40% of the performance rights at the end of the second year will be based on measuring the actual shareholder return at the end of the measurement period of one year compared with the change in the S&P ASX 300 Metals and Mining Index (Index) over that same period. The portion of performance rights (ranging between 10-40% of the total) that will vest based on the comparative shareholder return will be:

Shareholder return	Level of vesting
100% of the Index	25%
Between 100% and 115% of the Index	Pro-rata straight line percentage
115% of the Index or greater	100%

The performance rights 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 PRP is subject to, and conditional upon, compliance with the Company's employee share trading policy.

Non-executive directors

The PRP 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 PRP and any such issue would be subject to all necessary shareholder approvals.

34. COMMITMENTS AND CONTINGENCIES

	Consolidated 2013 $000	Consolidated 2012 $000
(a) Commitments		
(i) Leasing commitments		
Operating lease commitments		
Future minimum rentals payable under non-cancellable operating leases at 30 June are as follows:		
Within one year	**1,361**	1,479
After one year but no more than five years	**6,620**	6,892
After more than five years	**2,689**	4,084
Total minimum lease payments	**10,670**	12,455
Finance lease and hire purchase commitments		
Future minimum lease payments under lease contracts with the present value of net minimum lease payments are as follows:		
Within one year	**6,604**	12,827
After one year but not more than five years	**4,193**	7,396
Total minimum lease payments	**10,797**	20,223
Less amount representing finance charges	**(749)**	(1,604)
Present value of minimum lease payments	**10,048**	18,619
Current borrowings (note 27)	**6,030**	11,685
Non-current borrowings (note 27)	**4,018**	6,934
Total included in borrowings	**10,048**	18,619

(ii) Property, plant and equipment commitments

The Group had no specific contractual obligations to purchase plant and equipment at the reporting date (2012: $1,312,000).

(b) Contingencies

The Group has guarantees outstanding at 30 June 2013 totalling $15,249,000 (2012: $13,911,000) which have been granted in favour of various third parties. The guarantees primarily relate to environmental and rehabilitation bonds at the various mine sites.

A native title claim has been made with respect to tenements within the Stockman Project area, a tenement which is owned by a wholly-owned subsidiary of the Company. The Company is unable to determine the prospects for success or otherwise of the claims and, in any event whether or not and to what extent the claims may affect the project.

35. EVENTS AFTER THE REPORTING DATE

On 28 August 2013, the Company announced a fully franked final dividend of 1 cent per share to be paid on 27 September 2013.

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.

36. AUDITOR'S REMUNERATION

	Consolidated	
	2013	2012
	$	$
The auditor of Independence Group NL is BDO (WA) Pty Ltd		
Amounts received or due and receivable by BDO for:		
• An audit or review of the financial report of the entity and any other entity in the consolidated Group	**191,500**	189,500
• Taxation services in relation to the entity and any other entity in the consolidated Group	**21,851**	20,900
• Other services in relation to the entity and any other entity in the consolidated Group	**23,165**	45,319
	236,516	255,719

37. INTERESTS IN JOINT VENTURES

The Company has a jointly controlled operation: The Tropicana Gold Project with AngloGold Ashanti Australia Limited in which it has a 30% participating interest. The boards of directors of both companies approved the development of the Project in November 2010. The Group's interests in the assets employed in the joint venture are included in the balance sheet, in accordance with the accounting policy described in note 2(b)(iii), under the following classifications:

	Consolidated	
	2013	2012
	$000	$000
Current assets		
Cash and cash equivalents	**12,887**	7,729
Trade and other receivables	**5,875**	24,747
Inventories	**567**	-
Total current assets	**19,329**	32,476
Non-current assets		
Property, plant and equipment	**2,874**	468
Mine properties	**260,341**	61,524
Exploration and evaluation expenditure	**28,270**	47,932
Total non-current assets	**291,485**	109,924
Total assets	**310,814**	142,400
Current liabilities		
Trade and other payables	**14,052**	15,607
Total current liabilities	**14,052**	15,607
Non-current liabilities		
Provisions	**8,820**	1,915
Deferred tax liabilities	**13,604**	11,969
Total non-current liabilities	**22,424**	13,884
Total liabilities	**36,476**	29,491
Net assets	**274,338**	112,909

Expenses of $2,068,000 (2012: $1,736,000) before tax in relation to the Company's interest in the joint venture have been included in the profit or loss.

Forecast capital commitments of $37,148,000 (2012: $191,165,000) comprising capitalised construction costs, plant and equipment and exploration expenditure in relation to the Tropicana Gold Project are yet to be incurred at 30 June 2013.

38. PARENT ENTITY INFORMATION

The following information relates to the parent entity, Independence Group NL, at 30 June. The information presented here has been prepared using consistent accounting policies as presented in note 2.

	Consolidated	
	2013 $000	2012 $000
Balance sheet		
Current assets	**8,093**	148,865
Non-current assets	**667,144**	515,911
Total assets	**675,237**	664,776
Current liabilities	**14,246**	15,086
Non-current liabilities	**11,522**	7,565
Total liabilities	**25,768**	22,651
Net assets	**649,469**	642,125
Shareholders' equity		
Contributed equity	**734,007**	734,007
Reserves	**11,935**	8,061
Accumulated losses	**(96,473)**	(99,943)
Total equity	**649,469**	642,125
Profit (loss) for the year	**8,128**	(121,774)
Other comprehensive income for the year	**-**	-
Total comprehensive income (loss) for the year	**8,128**	(121,774)

39. DEED OF CROSS GUARANTEE

Independence Group NL, Lightning Nickel Pty Ltd and Jabiru Metals Limited 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 Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

(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 Class Order, 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 2013 and 30 June 2012 of the closed group consisting of Independence Group NL, Lightning Nickel Pty Ltd and Jabiru Metals Limited.

39. DEED OF CROSS GUARANTEE (continued)

Statement of profit or loss and other comprehensive income

	2013 $000	2012 $000
Revenue from continuing operations	**225,867**	216,549
Other income	**715**	-
Mining and development costs	**(63,156)**	(74,763)
Employee benefits expense	**(54,659)**	(51,636)
Share-based payments expense	**(3,874)**	(862)
Fair value movement of financial investments	**(2,196)**	(3,490)
Depreciation and amortisation expense	**(24,265)**	(39,095)
Rehabilitation and restoration borrowing costs	**(268)**	(375)
Exploration costs expensed	**(2,667)**	(2,813)
Royalty expense	**(8,029)**	(8,028)
Ore tolling expense	**(11,978)**	(11,234)
Shipping and wharfage expense	**(12,464)**	(11,178)
Net (losses) gains on fair value financial liabilities	**(345)**	1,356
Borrowing and finance costs	**(1,356)**	(1,413)
Impairment of exploration and evaluation expenditure	**(5,672)**	(59,243)
Impairment of goodwill and other assets	**-**	(255,929)
Other expenses	**(5,645)**	(7,739)
Profit (loss) from continuing operations before income tax	**30,008**	(309,893)
Income tax (expense) benefit	**(10,170)**	83,203
Profit (loss) after income tax	**19,838**	(226,690)
Other comprehensive income		
Effective portion of changes in fair value of cash flow hedges, net of tax	**(10,160)**	7,273
Other comprehensive (loss) income, net of tax	**(10,160)**	7,273
Total comprehensive income (loss)	**9,678**	(219,417)

Summary of movements in consolidated retained earnings

	2013 $000	2012 $000
(Accumulated losses) retained earnings at the beginning of the financial year	**(51,482)**	185,953
Profit (loss) for the year	**19,838**	(226,690)
Dividends paid	**(4,658)**	(10,745)
Accumulated losses at the end of the financial year	**(36,302)**	(51,482)

(b) Consolidated balance sheet

Set out below is a consolidated balance sheet as at 30 June of the closed group consisting of Independence Group NL, Lightning Nickel Pty Ltd and Jabiru Metals Limited.

	2013 $000	2012 $000
ASSETS		
Current assets		
Cash and cash equivalents	**14,327**	184,949
Trade and other receivables	**18,185**	33,845
Inventories	**22,193**	16,786
Financial assets at fair value through profit or loss	**1,042**	3,346
Derivative financial instruments	**6,946**	23,950
Total current assets	**62,693**	262,876
Non-current assets		
Receivables	**49,489**	39,799
Property, plant and equipment	**30,638**	33,731
Exploration and evaluation expenditure	**22,655**	20,812
Mine properties	**88,774**	61,750
Deferred tax assets	**152,255**	152,674
Investments in controlled entities	**139,276**	139,276
Investments in joint ventures	**292,561**	127,430
Intangible assets	**179**	454
Derivative financial instruments	**1,981**	-
Total non-current assets	**777,808**	575,926
TOTAL ASSETS	**840,501**	838,802
LIABILITIES		
Current liabilities		
Trade and other payables	**37,907**	42,939
Borrowings	**6,030**	11,685
Derivative financial instruments	**1,910**	570
Provisions	**2,446**	1,260
Financial liabilities at fair value through profit or loss	**-**	4,818
Total current liabilities	**48,293**	61,272
Non-current liabilities		
Borrowings	**11,524**	6,934
Provisions	**12,904**	12,834
Deferred tax liabilities	**55,743**	54,619
Total non-current liabilities	**80,171**	74,387
TOTAL LIABILITIES	**128,464**	135,659
NET ASSETS	**712,037**	703,143
EQUITY		
Contributed equity	**734,007**	734,007
Reserves	**14,332**	20,618
Accumulated losses	**(36,302)**	(51,482)
TOTAL EQUITY	**712,037**	703,143

In the Directors' opinion:

(a) the financial statements and notes set out on pages 76 to 129 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 2013 and of its performance for the financial 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 identified in note 39 will be able to meet any obligation or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 39.

Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Managing Director and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Board

C M Bonwick
Managing Director

Perth, Western Australia
Dated this 28th day of August 2013

Report on the Financial Report

We have audited the accompanying financial report of Independence Group NL, which comprises the consolidated balance sheet as at 30 June 2013, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility 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 Note 2(a), the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Independence Group NL, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Independence Group NL is in accordance with the *Corporations Act 2001*, including:
   - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
   - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).

Report on the Remuneration Report

We have audited the Remuneration Report of the directors' report for the year ended 30 June 2013. 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.

Opinion

In our opinion, the Remuneration Report of Independence Group NL for the year ended 30 June 2013 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Brad McVeigh
Director

Perth, Western Australia
Dated this 28th day of August 2013

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 20 September 2013.

1. Shareholding

a. Distribution of shareholders

Holding range	No of holders	Fully paid ordinary shares	Number of holders
1 – 1,000	2,559	1,190,785	0.51%
1,001 – 5,000	2,562	6,386,737	2.74%
5,001 – 10,000	696	5,111,069	2.19%
10,001 – 100,000	648	16,021,004	6.87%
100,001 and over	75	204,614,310	87.70%
TOTAL	6,540	233,323,905	

b. The number of shareholders holding less than a marketable parcel of fully paid ordinary shares is 336.

c. The Company has received the following notices of substantial shareholding (“Notice”):

Substantial shareholder	Relevant Interest per the Notice - Number of shares
JCP Investment Partners Ltd	23,407,512
Fidelity [FMR LLC and FIL Limited]	17,745,821
Commonwealth Bank of Australia	15,442,763
Westpac Banking Corporation	14,155,440
BT Investment Management Limited	14,155,440
National Australian Bank	12,365,668

d. Voting rights: The voting rights of the fully paid ordinary shares are one vote per share held.

2. The name of the Company Secretary is Mr Tony Walsh B.Com, MBA, FCA, FCIS. Mr Walsh is a fellow of Chartered Secretaries Australia and fellow of the Institute of Chartered Accountants in Australia. Mr Walsh has over 20 years’ experience in dealing with ASX listed companies, ASIC, the Corporations Act and ASX listing rules. Prior to joining the Company in July 2013, Mr Walsh worked for Atlas Iron Limited in a similar role for 7 years, ASX Limited for over 14 years and Ernst & Young for over 5 years.

3. The address of the registered office and principal administrative office in Australia is Suite 4, Level 5, South Shore Centre, 85 South Perth Esplanade, South Perth, Western Australia, telephone (08) 9238 8300.

4. The register of securities is held at Security Transfer Registrars Pty Ltd, 770 Canning Highway, Applecross, Western Australia.

5. No on-market share buy-back is current.

6. Stock Exchange Listing: Quotation has been granted for 233,323,905 ordinary shares of the Company on the Australian Securities Exchange (ASX).

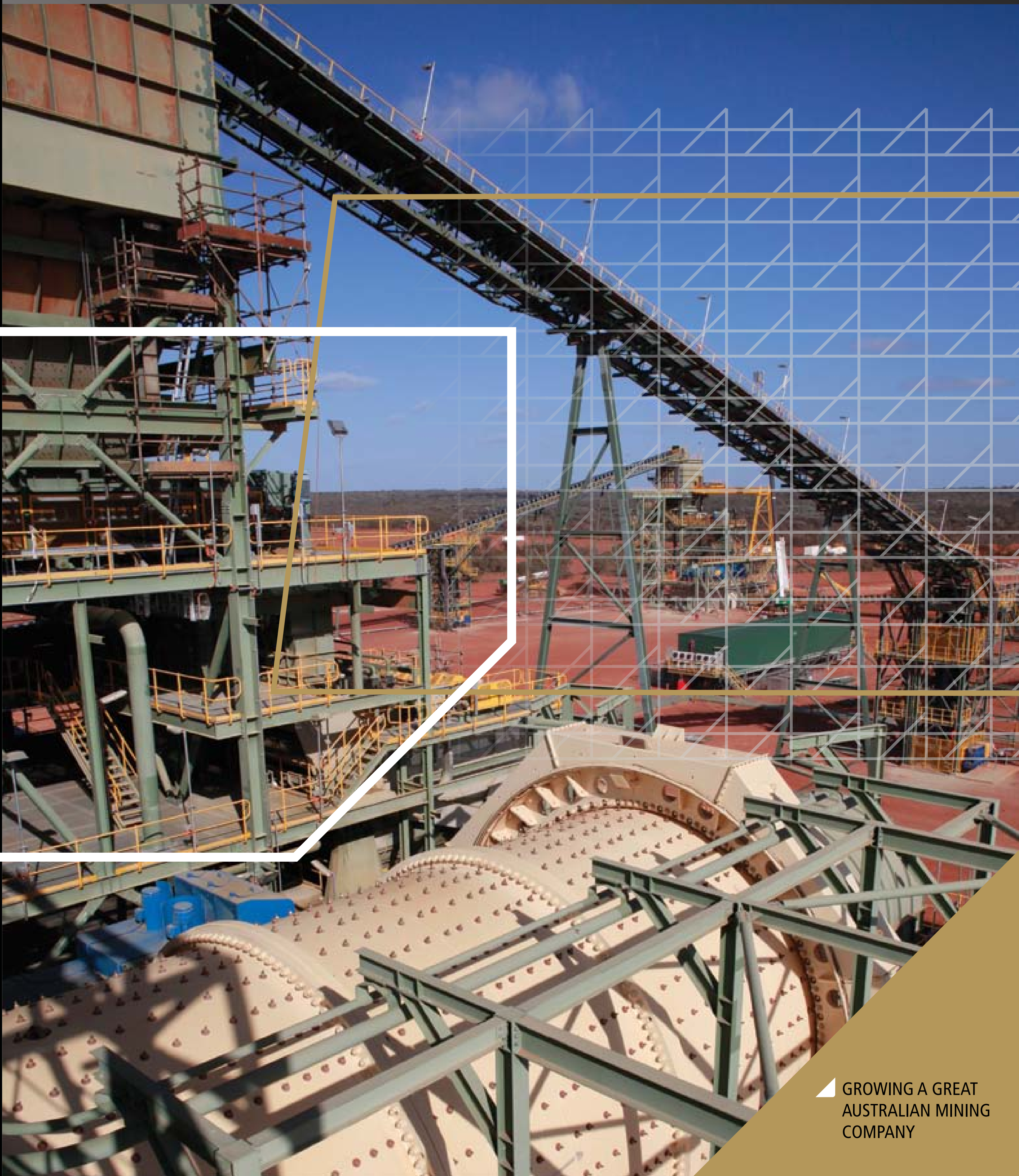
7. Unquoted securities: There are currently no securities outstanding which have been issued by the Company and not quoted on the ASX.

8. Twenty largest holders of ordinary shares

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1	JP Morgan Nominees Australia Ltd	47,752,471	20.47%
2	National Nominees Ltd	45,247,906	19.39%
3	HSBC Custody Nominees Australia Ltd	36,716,170	15.74%
4	Citicorp Nominees Pty Ltd	15,992,029	6.85%
5	JP Morgan Nominees Australia Ltd – Cash Income A/c	8,883,834	3.81%
6	BNP Paribas Nominees Pty Ltd	6,286,839	2.69%
7	RBC Investor Services	5,543,913	2.38%
8	HSBC Custody Nominees Australia Ltd – NT Commonwealth Super	5,097,403	2.18%
9	Citicorp Nominees Pty Ltd - Colonial First State	4,523,566	1.94%
10	Forty Traders Limited	2,779,256	1.19%
11	Forsyth Barr Custodians Ltd	1,409,624	0.60%
12	RBC Investor Services Australia Nominees	1,401,701	0.60%
13	QIC Ltd	1,161,592	0.50%
14	AMP Life Limited	1,069,220	0.46%
15	Bonwick Superannuation Pty Ltd	1,053,750	0.45%
16	Bradleys Polaris Pty Ltd	1,024,735	0.44%
17	Virtual Genius Pty Ltd	1,003,750	0.43%
18	Nattai Pty Ltd	923,500	0.40%
19	The Australian National University	880,000	0.38%
20	Yarandi Investments Pty Ltd	790,492	0.34%
		189,541,751	81.24%

INDEPENDENCE GROUP NL

Independence Group



GROWING A GREAT AUSTRALIAN MINING COMPANY