



INDEPENDENCE GROUP NL

ABN 46 092 786 304

31 August 2011

**Australian Securities Exchange
Company Announcements
Level 4, 20 Bridge Street
SYDNEY NSW 2000**

No. of Pages: (17)

2011 FINAL DIVIDEND DISTRIBUTION AND PRELIMINARY FINAL RESULT

FINAL DIVIDEND 2011

Independence Group NL is pleased to announce that a final dividend of 3 cents per share will be paid to shareholders based upon the financial results for the year ending 30 June 2011.

The dividend will be fully franked.

The dividend will be paid on 30 September 2011.

The record date to determine dividend entitlements is 15 September 2011.

PRELIMINARY FINAL RESULTS

Preliminary Final Report information is attached to this announcement.

**Christopher Bonwick
Managing Director
Independence Group NL**

Att.

INDEPENDENCE GROUP NL AND CONTROLLED ENTITIES
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PRELIMINARY FINAL REPORT INFORMATION – 1 JULY 2010 TO 30 JUNE 2011

LODGED WITH THE ASX UNDER LISTING RULE 4.3A

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PRELIMINARY FINAL REPORT INFORMATION – 1 JULY 2010 TO 30 JUNE 2011
LODGED WITH THE ASX UNDER LISTING RULE 4.3A

Key Information – Results for Announcement to the Market

	\$'000	% Increase/(Decrease) over Previous Corresponding Period
Revenue from continuing operations	162,497	39.3%
Profit from continuing operations after tax attributable to members	5,533	(80.7)%
Net profit attributable to members	5,533	(80.7)%

The previous corresponding period is the year ended 30 June 2010.

	2011	2010
Basic earnings per share (cents)	3.89	25.28
Diluted earnings per share (cents)	3.88	25.27
Net tangible assets per share (cents)	446.71	239.46

A number of factors have contributed to above results which are outlined below.

Revenue from continuing operations

During the financial year, the Company acquired a 100% interest in Jabiru Metals Limited (Jabiru), pursuant to the terms of an off-market takeover offer. The financial results of Jabiru have been consolidated from 1 April 2011, the date on which control was achieved. Refer to note 9 of this preliminary final report for further information. Revenue from continuing operations includes revenue from Jabiru for the three months ended 30 June 2011 of \$16,411 thousand. In addition, spot nickel prices during 2011 were higher (by approximately US\$4,578/tonne) than in the previous corresponding period.

Other than the acquisition described above, there have been no other acquisitions of entities or losses over control of entities during the period.

Net profit attributable to members

The profit results can be summarised by movements before and after the acquisition of Jabiru:

\$'000	<u>Independence Group 9 months to 31 March 2011 "Pre acquisition"</u>	<u>Jabiru 3 months to 30 June 2011</u>	<u>Independence Group 3 months to 30 June 2011</u>	<u>The Company 12 months to 30 June 2011 "Post acquisition"</u>
Revenue from sale of goods and other income	98,061	16,411^a	36,889	151,361
Jabiru takeover related costs	(324)	(4,113)	(16,696) ^b	(21,133)
Other costs within EBITDA	(53,548)	(23,948)	(22,278)	(99,774)
EBITDA	44,189	(11,650)	(2,085)	30,454
Interest revenue	8,282	37	3,298	11,617
Depreciation & amortisation	(14,268)	(8,881)	(4,219)	(27,368)
Finance costs	(81)	(304)	(33)	(418)
Profit (loss) before tax	38,122	(20,798)	(3,039)	14,285
Tax expense	(10,805)	6,240	(4,187) ^b	(8,752)
Net profit (loss)	27,317	(14,558)^b	(7,226)	5,533^b

- a. During the June quarter Jaguar production was lower than originally forecast due to geotechnical issues, which required a change in ground support methodology, as the ASX was previously advised by Jabiru. Production from high grade stopes was suspended to enable additional ground support to be installed. As a consequence mill feed comprised ore from lower grade stopes and low grade surface stockpiles, resulting in lower head grades and metal production. This adversely impacted Jabiru's revenue and profits for the quarter.

Based on the current improvement in copper and zinc head grades, it is expected that the Jaguar mine will return to normalised production in the September quarter. There have not been any losses in the Jaguar copper/zinc/silver operation ore reserves or mineral resources since the takeover of Jabiru and mining of high grade copper stopes has commenced. Considerable potential exists for additional discoveries on the Teutonic Bore tenements and for extensions to existing deposits. We also note that mining at Bentley has commenced.

- b. Underlying consolidated net profit after tax, prior to accounting for the acquisition of Jabiru, is estimated to be \$37,792 thousand. This amount is arrived at by eliminating from the Company's NPAT of \$5,533 thousand; Jabiru's 3 months net loss of \$14,558 thousand and Independence Group's share of after tax Jabiru takeover related costs of \$16,696 thousand.
- c. The Company's Long Nickel operations recorded an outstanding performance with total production for the year of 9,753 nickel tonnes at an average head grade of 4.34% (FY'10: 8,615 nickel tonnes). Cash costs per payable pound remained one of the lowest globally at A\$4.48/lb (FY'10: A\$4.44). A continued focus on cost control saw overall unit cash operating costs in line with budget (A\$4.40/lb-A\$4.60/lb) with production exceeding budget.

The Company paid a fully franked interim dividend of 4 cents per share from 2010/11 cashflows and profits. The Company has announced a fully franked 2010/11 final dividend of 3 cents per share which will be paid on 30 September 2011. The record date for determining dividend entitlements is 15 September 2011.

INDEPENDENCE GROUP NL AND CONTROLLED ENTITIES

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Review of Operations

A summary of consolidated revenues and results for the year by significant industry segments is set out below:

	Segment revenues		Segment results	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Long nickel mine	139,723	115,767	63,250	53,083
Jaguar copper and zinc mine	16,454	-	(14,375)	-
Tropicana gold project	-	-	(815)	-
Other regional exploration	-	-	(7,568)	(6,248)
Unallocated revenue	-	-	-	-
	156,177	115,767	40,492	46,835
Unallocated revenue less unallocated expenses			(26,207)	(6,422)
Profit before income tax			14,285	40,413
Income tax expense			(8,752)	(11,673)
Profit after income tax			5,533	28,740
Net profit attributable to members of Independence Group NL			5,533	28,740

Comments on the operations and the results of those operations are set out below:

- a) Long nickel mine
This division consists of Lightning Nickel Pty Ltd's Kambalda operation, the Long Nickel Mine.
- b) Jaguar copper and zinc mine
This division consists of Jabiru Metals Limited's operations; the Jaguar and Bentley mines. This segment was established following the acquisition of Jabiru Metals Limited in April 2011.
- c) Tropicana gold project
This division consists of the Group's expenditure on the Tropicana Joint Venture. The project is currently in the development and construction phase of a gold mine. The project is managed by AngloGold Ashanti Australia Limited (70%) and the Company has a 30% interest in the project.
- d) Other regional exploration
Exploration expenditure is incurred throughout Australia. The exploration activities reflected in this segment relate to exploration expenditure incurred on projects excluding Tropicana and expenditure at the Long nickel and Jaguar copper and zinc mines.

Profit from ordinary activities before related income tax decreased by \$26,128 thousand (64.6%) to \$14,285 thousand.

Rounding of amounts to nearest thousand dollars

The company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

INDEPENDENCE GROUP NL AND CONTROLLED ENTITIES
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Consolidated Statement of Comprehensive Income
For the year ended 30 June 2011

		Consolidated	
	Notes	2011	2010
		\$'000	\$'000
Revenue from continuing operations	2	162,497	116,670
Other income		481	30
Mining and development costs		(39,716)	(18,856)
Employee benefits expense		(28,788)	(19,966)
Share-based payment expense		(17)	(87)
Revaluation (devaluation) of listed investments		760	(554)
Depreciation and amortisation expenses		(27,368)	(11,400)
Exploration costs expensed		(2,416)	(2,291)
Capitalised exploration costs written off		(7,186)	(4,977)
Provision for mine rehabilitation		(109)	(28)
Ore tolling costs		(8,309)	(7,512)
Royalty expense		(7,586)	(4,920)
Net gains on fair value financial liabilities		2,509	-
Costs associated with the acquisition of subsidiary		(21,133)	-
Other expenses		(9,334)	(5,696)
Profit before income tax		14,285	40,413
Income tax expense		(8,752)	(11,673)
Profit for the period		5,533	28,740
Other comprehensive income			
Effective portion of changes in fair value of cash flow hedges		11,065	(4,273)
Other comprehensive income/(expense) for the year, net of tax		11,065	(4,273)
Total comprehensive income for the period		16,598	24,467
Profit attributable to the members of Independence Group NL		5,533	28,740
Total comprehensive income for the period attributable to the members of Independence Group NL		16,598	24,467
		Cents	Cents
Basic earnings per share		3.89	25.28
Diluted earnings per share		3.88	25.27

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

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Consolidated Statement of Financial Position
As at 30 June 2011

	Notes	Consolidated	
		2011 \$'000	2010 \$'000
Current assets			
Cash and cash equivalents		228,001	143,957
Trade and other receivables		28,762	21,565
Current tax receivable		7,541	-
Inventories		20,908	257
Financial assets	3	6,849	621
Derivative financial instruments	6	16,997	2,832
Total current assets		309,058	169,232
Non-current assets			
Trade and other receivables		1,016	6
Property, plant and equipment		86,255	5,070
Exploration and evaluation expenditure	4	256,233	49,302
Mine properties	5	163,690	37,790
Deferred tax assets		99,729	7,267
Investments accounted for using the equity method		-	117
Intangible assets		117,515	1,006
Derivative financial instruments	6	8,243	3,756
Total non-current assets		732,681	104,314
Total assets		1,041,739	273,546
Current liabilities			
Trade and other payables		60,994	17,107
Derivative financial instruments	6	15,014	13,922
Borrowings		5,789	-
Current tax payable		-	2,299
Provisions		705	-
Financial liabilities at fair value through profit or loss		11,303	-
Total current liabilities		93,805	33,328
Non-current liabilities			
Borrowings		5,694	-
Derivative financial instruments	6	-	3,696
Deferred tax liabilities		111,233	20,335
Provisions		11,402	1,407
Financial liabilities at fair value through profit or loss		5,725	-
Total non-current liabilities		134,054	25,438
Total liabilities		227,859	58,766
Net assets		813,880	214,780
Equity			
Share capital	7	617,860	29,552
Reserves	8	12,483	(1,741)
Retained earnings	8	183,537	186,969
Total equity		813,880	214,780

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

INDEPENDENCE GROUP NL AND CONTROLLED ENTITIES
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Consolidated Statement of Cash Flows
For the year ended 30 June 2011

	Consolidated	
	2011	2010
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	174,418	118,512
Payments to suppliers and employees (inclusive of goods and services tax)	(109,673)	(53,116)
	64,745	65,396
Finance costs	(268)	-
Income tax payments	(9,805)	(7,565)
Income tax receipts	541	3,347
Exploration expenditure	(2,416)	(2,291)
Other income	19	30
Net cash from operating activities	52,816	58,917
Cash flows from investing activities		
Interest received	9,897	5,075
Payment for unlisted investments	-	(93)
Payments for listed investments	(2,774)	-
Payments for property, plant and equipment	(19,819)	(1,987)
Proceeds from sale property, plant and equipment	581	-
Payments for capitalised development costs	(33,785)	(16,110)
Payments for exploration and evaluation expenditure	(32,023)	(23,874)
Payments for acquisition of subsidiary, net of cash acquired	(43,048)	-
Net cash used in investing activities	(120,971)	(36,989)
Cash flows from financing activities		
Proceeds from issues of share capital	169,266	474
Finance lease payments	(1,222)	-
Share issue costs	(6,880)	-
Payment of dividends	(8,965)	(5,683)
Net cash from (used in) financing activities	152,199	(5,209)
Net increase in cash held	84,044	16,719
Cash and cash equivalents at the beginning of the reporting period	143,957	127,238
Cash and cash equivalents at the end of the reporting period	228,001	143,957

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

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Consolidated Statement of Changes in Equity
For the year ended 30 June 2011

Consolidated	Issued Capital \$'000	Retained Earnings \$'000	Share-Based Payments Reserve \$'000	Hedging Reserve \$'000	Acquisition Reserve \$000	Total Equity \$'000
At 1 July 2009	29,078	163,912	3,954	(1,508)	-	195,436
Total comprehensive income for the period						
Profit for the period	-	28,740	-	-	-	28,740
Other comprehensive income						
Profit (loss) on cash flow hedges, net of tax	-	-	-	(4,273)	-	(4,273)
Total comprehensive income for the period	-	28,740	-	(4,273)	-	24,467
Contributions by and distributions to owners						
Share-based payments	-	-	86	-	-	86
Shares issued	474	-	-	-	-	474
Dividends paid	-	(5,683)	-	-	-	(5,683)
At 30 June 2010	29,552	186,969	4,040	(5,781)	-	214,780
At 1 July 2010	29,552	186,969	4,040	(5,781)	-	214,780
Total comprehensive income for the period						
Profit for the period	-	5,533	-	-	-	5,533
Other comprehensive income						
Profit on cash flow hedges, net of tax	-	-	-	11,065	-	11,065
Total comprehensive income for the period	-	5,533	-	11,065	-	16,598
Contributions by and distributions to owners						
Share-based payments	-	-	17	-	-	17
Shares issued	593,537	-	-	-	-	593,537
Transaction costs on shares issued, net of tax	(5,229)	-	-	-	-	(5,229)
Dividends paid	-	(8,965)	-	-	-	(8,965)
Gain on acquisition of non-controlling interest	-	-	-	-	3,142	3,142
At 30 June 2011	617,860	183,537	4,057	5,284	3,142	813,880

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

INDEPENDENCE GROUP NL AND CONTROLLED ENTITIES

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Notes to the Consolidated Financial Statements
For the year ended 30 June 2011

Note 1. Segment information

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the board that are used to make strategic decisions. The board of directors is the chief operating decision maker of the Group. The Group operates in predominately one geographic segment (ie. Australia) and has identified four operating segments, being the Long Nickel Mine which is disclosed under the Nickel mining segment, the Jaguar mine which is disclosed under the Copper and zinc mining segment, the Tropicana Project, and "other exploration" which is disclosed under Regional exploration activities.

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

The Jaguar mine primarily produces copper and zinc concentrate. Revenue is derived from a number of different customers. The Resident Manager of the Jaguar Mine is responsible for the budgets and expenditure of the mine, responsibility for ore concentrate sales rests with corporate management. This segment was established following the acquisition of Jabiru Metals Limited in April 2011.

The Tropicana Project represents the Group's 30% joint venture interest in the Tropicana Gold Project. AngloGold Ashanti Australia is the manager of the project and holds the remaining 70% interest. Programs and budgets are provided by AngloGold Ashanti Australia and are considered for approval by the Independence Group NL board.

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

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Notes to the Consolidated Financial Statements

For the year ended 30 June 2011

Note 1. Segment information (continued)

(b) Segment information provided to the board

	Nickel mining \$'000	Copper and zinc mining \$'000	Tropicana project \$'000	Regional exploration activities \$'000	Total \$'000
2011					
External revenue	139,723	16,454	-	-	156,177
Reportable segment profit (loss) before income tax	63,250	(14,375)	(815)	(7,568)	40,492
Reportable segment assets	206,538	320,343	51,830	195,633	774,344
Reportable segment liabilities	31,156	39,371	3,980	32,849	107,356
2010					
External revenue	115,737	-	-	-	115,737
Reportable segment profit before income tax expense	53,083	-	-	(6,248)	46,835
Reportable segment assets	189,521	-	33,919	16,389	239,829
Reportable segment liabilities	34,305	-	-	-	34,305

The amounts provided to the board with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

A reconciliation of reportable segment profit or loss to operating profit before income tax is provided as follows:

	Consolidated	
	2011 \$'000	2010 \$'000
Total profit or loss for reportable segments	40,492	46,835
Interest revenue on corporate cash balances	6,320	932
Unrealised gains (losses) on financial assets	760	(554)
Share-based payments expense	(17)	(87)
Other corporate costs	(14,646)	(6,713)
Costs associated with the acquisition of subsidiary	(21,133)	-
Net gains on silver hedge financing	2,509	-
Profit before income tax from continuing operations	14,285	40,413

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Notes to the Consolidated Financial Statements

For the year ended 30 June 2011

Note 1. Segment information (continued)

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

	Consolidated	
	2011 \$'000	2010 \$'000
Total assets for reportable segments	774,344	239,829
Inter segment eliminations	(98,046)	-
Deferred tax assets	99,729	7,267
Listed and unlisted equity securities	6,849	737
Current tax assets	7,541	-
Cash and receivables held by the parent entity	132,776	24,412
Office and general plant and equipment	1,784	1,301
Goodwill	116,762	-
Total assets as per the statement of financial position	<u>1,041,739</u>	<u>273,546</u>

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

Total liabilities for reportable segments	107,356	34,305
Inter segment eliminations	(30,164)	-
Deferred tax liabilities	111,233	20,335
Current tax liabilities	-	2,299
Creditors and accruals	19,212	1,469
Financial liabilities at fair value through profit or loss	17,028	-
Provision for employee entitlements	3,194	358
Total liabilities as per the statement of financial position	<u>227,859</u>	<u>58,766</u>

Note 2. Revenue

Revenue from continuing operations

Sale of goods	150,880	111,109
Other revenue		
Interest income	11,617	5,561
	<u>162,497</u>	<u>116,670</u>

Note 3. Financial assets

Investments in Australian listed entities at market value	6,849	621
	<u>6,849</u>	<u>621</u>

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Notes to the Consolidated Financial Statements
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Note 4. Exploration and evaluation expenditure

	Consolidated	
	2011	2010
	\$'000	\$'000
Exploration and evaluation expenditure		
Opening balance	49,302	33,118
Current year's expenditure	31,781	23,962
Acquisition of subsidiary	186,618	-
Transfers to mine properties in production	(2,294)	(2,801)
Transfers to mine properties in development	(988)	-
Written off during the year	(7,186)	(4,977)
Disposals	(1,000)	-
	<u>256,233</u>	<u>49,302</u>

Note 5. Mine properties

Mine properties in development (a)	89,770	-
Mine properties in production (b)	73,920	37,064
Mine acquisition costs	-	726
	<u>163,690</u>	<u>37,790</u>

(a) Mine properties in development

Opening balance	-	-
Current year's expenditure	12,875	-
Acquisition of subsidiary	72,003	-
Transfer from property, plant and equipment	3,904	-
Transfers from exploration and evaluation	988	-
	<u>89,770</u>	<u>-</u>

(b) Mine properties in production

Opening balance	37,064	25,673
Current year's expenditure	21,532	16,109
Acquisition of subsidiary	32,066	-
Transfers from exploration and evaluation	2,294	2,801
Transfer from mine acquisition costs	240	-
Amortisation expense	(19,276)	(7,519)
	<u>73,920</u>	<u>37,064</u>

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Notes to the Consolidated Financial Statements

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Note 6. Derivative financial instruments

	Consolidated	
	2011	2010
	\$'000	\$'000
Current assets		
Commodity hedging contracts – at fair value through profit or loss	114	-
Foreign currency contracts – at fair value through profit or loss	9,643	-
Foreign currency contracts – cash flow hedges	7,240	2,832
	16,997	2,832
Current liabilities		
Commodity hedging contracts – at fair value through profit or loss	6,879	-
Commodity hedging contracts – cash flow hedges	8,135	13,922
	15,014	13,922
Non-current assets		
Commodity hedging contracts – cash flow hedges	36	3,756
Foreign currency contracts – cash flow hedges	8,207	-
	8,243	3,756
Non-current liabilities		
Foreign currency contracts – cash flow hedges	-	3,696
	-	3,696

Note 7. Contributed equity

	Consolidated			
	2011	2010	2010	2010
	\$'000	\$'000	No. of	\$'000
			Shares	
Fully paid issued capital	617,860			29,552
Movements in shares on issue				
Balance at beginning of financial year	113,813,539	29,552	113,613,539	29,078
Issued during the year:				
- Share placement and rights issue	24,713,766	164,347	-	-
- Transaction costs, net of tax	-	(5,229)	-	-
- Conversion of options	1,087,500	4,920	200,000	474
- Shares issued for acquisition of subsidiary	63,292,330	424,270	-	-
Balance at end of financial year	202,907,135	617,860	113,813,539	29,552

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Notes to the Consolidated Financial Statements

For the year ended 30 June 2011

Note 8. Retained earnings and reserves

	Consolidated	
	2011	2010
	\$'000	\$'000
(a) Reconciliation of retained earnings		
Balance at the beginning of the year	186,969	163,912
Net profit attributable to members of Independence Group NL	5,533	28,740
Total available for appropriation	<u>192,502</u>	<u>192,652</u>
Dividends paid during the year	(8,965)	(5,683)
Balance at the end of the year	<u>183,537</u>	<u>186,969</u>
 (b) Dividends paid		
Dividends paid during the year (fully franked)	<u>8,965</u>	<u>5,683</u>
 (c) Reserves		
Share-based payments reserve	4,057	4,040
Hedge reserve	5,284	(5,781)
Acquisition reserve	3,142	-
	<u>12,483</u>	<u>(1,741)</u>

Note 9. Business combinations

(a) Summary of acquisition

During April 2011, the parent entity acquired 96.32% of the issued share capital of Jabiru Metals Limited (Jabiru) and declared the offer free from all conditions. By 9 June 2011, Independence Group NL had acquired 100% of the issued share capital of Jabiru. Jabiru was a listed public Australian company involved in the production and exploration of copper, zinc and silver.

Details of the purchase consideration, net assets acquired and goodwill are as follows:

	2011
	\$000
Acquisition date fair value of consideration transferred (refer to (b) and (c) below):	
Cash paid	48,579
Equity instruments issued	409,357
Fair value of initial equity interest	848
	<u>458,784</u>

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Notes to the Consolidated Financial Statements
For the year ended 30 June 2011

Note 9. Business combinations (continued)

The assets and liabilities recognised at the date of the acquisition are as follows:

	Fair value \$000
Current assets	
Cash and cash equivalents	5,531
Trade and other receivables	13,705
Inventories	25,574
Financial assets	2,426
Derivative financial instruments	7,715
Total current assets	<u>54,951</u>
Non-current assets	
Receivables	471
Property, plant and equipment	66,045
Mine properties	104,069
Exploration and evaluation expenditure	186,618
Deferred tax assets	51,329
Total non-current assets	<u>408,532</u>
Total assets	<u>463,483</u>
Current liabilities	
Trade and other payables	19,160
Borrowings	4,415
Derivative financial instruments	7,787
Provisions	314
Financial liabilities at fair value through profit or loss	13,235
Total current liabilities	<u>44,911</u>
Non-current liabilities	
Borrowings	3,288
Provisions	8,845
Financial liabilities at fair value through profit or loss	9,520
Deferred tax liabilities	37,347
Total non-current liabilities	<u>59,000</u>
Total liabilities	<u>103,911</u>
Net identifiable assets acquired	359,572
Non-controlling interest in identifiable net assets acquired	(17,550)
Goodwill	116,762
Net assets acquired	<u>458,784</u>

There were no acquisitions in the year ending 30 June 2010.

INDEPENDENCE GROUP NL AND CONTROLLED ENTITIES

ABN 46 092 786 304

Notes to the Consolidated Financial Statements

For the year ended 30 June 2011

Note 9. Business combinations (continued)

(b) Purchase consideration – cash outflow

	Consolidated	
	2011	2010
	\$'000	\$'000
Outflow of cash to acquire subsidiary, net of cash acquired		
Cash consideration	48,579	-
Less: cash balances acquired with subsidiary	(5,531)	-
Outflow of cash – investing activities	<u>43,048</u>	<u>-</u>

Acquisition-related costs

Acquisition-related costs of \$21,133 thousand (2010: \$nil) are included in “costs associated with the acquisition of subsidiary” in the statement of comprehensive income.

(c) Additional acquisition of Jabiru Metals Limited

On 9 June 2011, Independence Group NL acquired the remaining 3.68% of voting shares of Jabiru Metals Limited by way of compulsory acquisition of outstanding shares. The difference between the carrying value of the non-controlling interest as at that date of \$17,550 thousand and the fair value of the equity shares issued on that date of \$14,408 thousand is recognised directly in equity attributable to the parent. Accordingly, a credit to acquisition reserve of \$3,142 thousand is reflected in the statement of changes in equity.

Note 10. Subsequent events

On 31 August 2011 the Company announced a final 2010/11 dividend of 3 cents per share. The dividend will be fully franked and is payable on 30 September 2011. The record date for determining dividend entitlements is 15 September 2011.