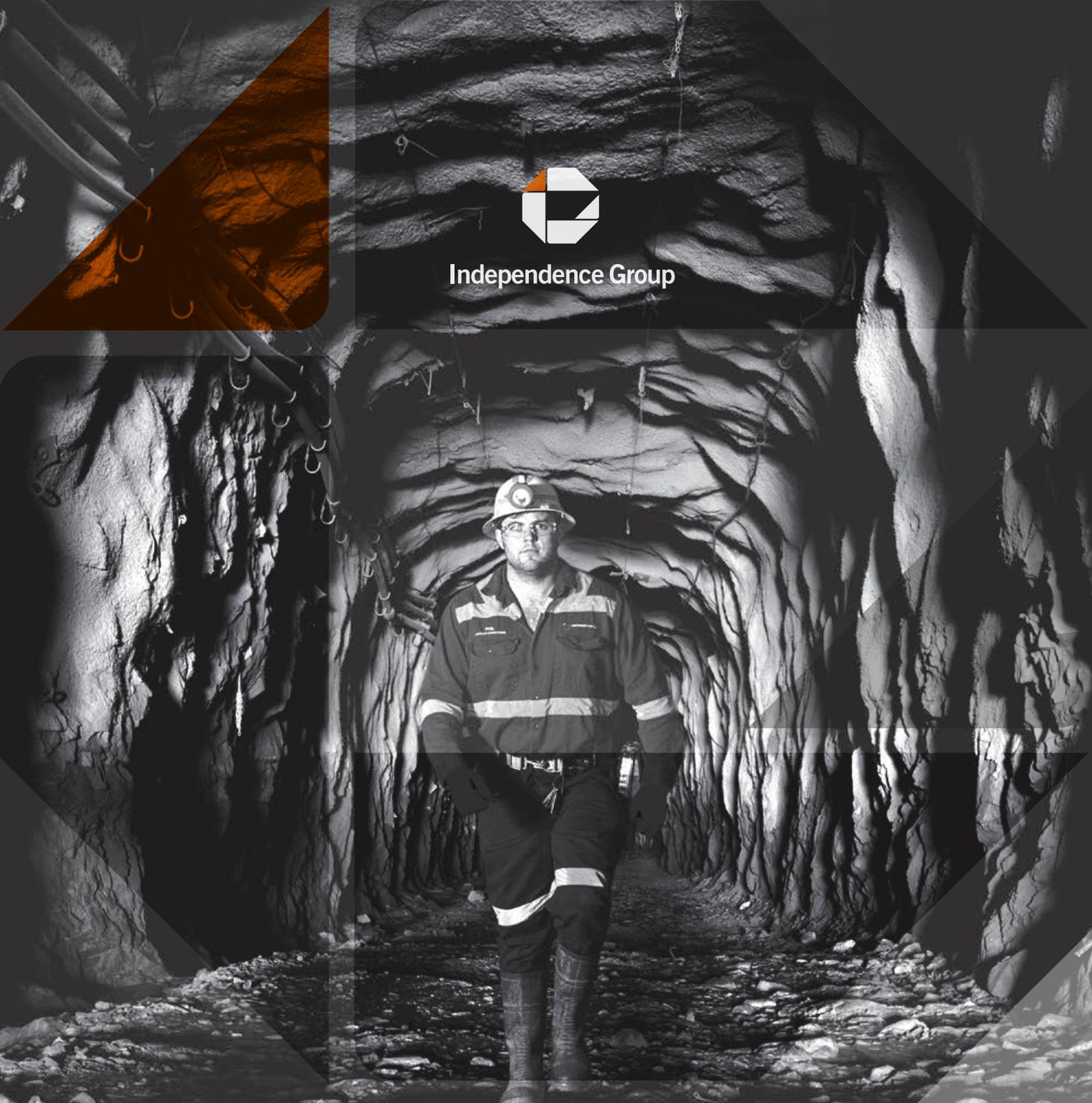




Independence Group



**NOTICE OF ANNUAL GENERAL MEETING AND
EXPLANATORY MEMORANDUM TO SHAREHOLDERS**

Date: 20 November 2014

Time: 10:00am WST

Place: Duxton Hotel, Ballroom
1 St Georges Terrace, Perth,
Western Australia

A proxy form is enclosed

Please read the Notice and Explanatory Memorandum carefully.
If you are unable to attend the meeting, please complete and return
the enclosed proxy form in accordance with the specified instructions.

2014

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the 2014 annual general meeting of the Company will be held at the Duxton Hotel, Ballroom, 1 St Georges Terrace, Perth, Western Australia on Thursday, 20 November 2014 at 10:00am WST.

AGENDA ITEMS

ORDINARY BUSINESS

Financial report

To receive and consider the financial report of the Company and the reports of the directors and auditors for the financial year ended 30 June 2014.

Resolution 1 – Election of Mr Peter Buck

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Mr Peter Buck, being a director of the Company who was appointed since the last general meeting of shareholders and who retires under rule 9.1(c) of the Company’s constitution, and, being eligible, offers himself for election, be elected as a director of the Company.”

Resolution 2 – Remuneration Report

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That the remuneration report for the year ended 30 June 2014, which is contained in the Annual Report for the year ended 30 June 2014, be adopted.”

Note: the vote on Resolution 2 is advisory only and does not bind the directors or the Company.

SPECIAL BUSINESS

Resolution 3 – Approval of Performance Rights Plan

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That for the purposes of listing rule 7.2, exception 9(b) and for all other purposes, the future grant of performance rights and the issue of shares under the Performance Rights Plan be approved.”

Resolution 4 – Issue of Performance Rights to Mr Peter Bradford

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for all purposes including for the purposes of Listing Rule 10.14, approval be given to grant 175,365 Performance Rights to Mr Peter Bradford (the Company’s Managing Director) in respect of the financial year ending 30 June 2014 on the terms described in the Explanatory Memorandum accompanying this Notice of Meeting.”

Resolution 5 – Approval of increase in Directors’ fees

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for all purposes including for the purposes of Listing Rule 10.17, approval be given to increase the total amount of fees available for payment to non-executive Directors from \$600,000 to \$1,000,000 per annum.”

EXPLANATORY MEMORANDUM

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Meeting.

ENTITLEMENT TO VOTE

Snapshot date

It has been determined that, under regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), for the purposes of the Meeting, shares will be taken to be held by the persons who are the registered holders at 7:00pm (Sydney time) on 18 November 2014. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Voting exclusion statements

Resolution 2 – Remuneration Report

The Company will disregard any votes cast on Resolution 2:

- (in any capacity) by or on behalf of a member of the Key Management Personnel named in the Company's 2014 Remuneration Report;
- (in any capacity) by or on behalf of a Closely Related Party of a member of the Key Management Personnel; or
- as a proxy by a member of the Key Management Personnel or a Closely Related Party of a member of the Key Management Personnel,

unless the vote is cast as proxy for a person entitled to vote on Resolution 2:

- in accordance with a direction on the Proxy Form; or
- by the Chairman of the Meeting pursuant to an express authorisation to exercise the proxy.

Resolutions 3 and 4 – Approval of Performance Rights Plan and Issue of Performance Rights to Mr Peter Bradford

The Company will disregard any votes cast on Resolutions 3 and 4:

- by any Director or an associate of a Director; and
- as a proxy by a member of the Key Management Personnel or a Closely Related Party of a member of the Key Management Personnel,

unless the vote is cast as proxy for a person entitled to vote on Resolutions 3 and 4:

- in accordance with a direction in the Proxy Form; or
- by the Chairman of the Meeting pursuant to an express authorisation to exercise the proxy.

Resolution 5 – Approval of increase in directors' fee pool

The Company will disregard any votes cast on Resolution 5:

- by any Director or an associate of a Director; or
- as a proxy by a member of the Key Management Personnel or a Closely Related Party of a member of the Key Management Personnel,

unless the vote is cast as proxy for a person entitled to vote on Resolution 5:

- in accordance with a direction in the Proxy Form; or
- by the Chairman of the Meeting pursuant to an express authorisation to exercise the proxy.

PROXIES

A shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the shareholder. A proxy need not be a shareholder and can be either an individual or a body corporate. If a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the Meeting, in accordance with section 250D of the Corporations Act; and
- provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the Meeting.

If such evidence is not received before the Meeting, then the body corporate (through its representative) will not be permitted to act as a proxy.

A shareholder that is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes.

Any directed proxies that are not voted on a poll at the Meeting by a shareholder's appointed proxy will automatically default to the Chairman of the Meeting, who is required to vote proxies as directed on a poll.

Members of the Key Management Personnel (which includes each of the Directors) and Closely Related Parties of a member of the Key Management Personnel will not be able to vote as proxy on Resolutions 2 – 5 unless the shareholder tells them how to vote, or in the case of the Chairman of the Meeting, unless the shareholder expressly authorises him to do so. If a shareholder intends to appoint a member of the Key Management Personnel (other than the Chairman) or a Closely Related Party of a member of the Key Management Personnel as their proxy, the shareholder should ensure that they direct the member of the Key Management Personnel or a Closely Related Party of a member of the Key Management Personnel how to vote on Resolutions 2– 5.

If a shareholder intends to appoint the Chairman of the Meeting as their proxy for Resolutions 2 – 5, shareholders can direct the Chairman how to vote by marking one of the boxes for Resolutions 2 – 5 (for example, if the shareholder wishes to vote 'for', 'against' or to 'abstain' from voting).

If a shareholder appoints the Chairman as their proxy and the shareholder does not direct the Chairman how to vote on Resolutions 2 – 5, please note that by completing and returning the Proxy Form the shareholder will be expressly authorising the Chairman of the Meeting to exercise its undirected proxy on Resolutions 2 – 5 even though they are connected with the remuneration of Key Management Personnel.

A Proxy Form accompanies this Notice and to be effective must be received at the Company's share registry:

By mail: Computershare Investor Services Pty Limited
 GPO Box 242
 Melbourne VIC 3001, Australia

By hand: Computershare Investor Services Pty Limited
 Level 2, 45 St Georges Terrace
 Perth WA 6000, Australia

By fax: 1800 783 447 (within Australia)
 +61 3 9473 2555 (outside Australia)

Online at: www.investorvote.com.au

By mobile: Scan the QR Code on your proxy form and follow the prompts

Custodian - For Intermediary Online subscribers only (custodians) please visit : www.intermediaryonline.com to submit your voting intentions

OR by electronic address (see below): www.investorcentre.com/contact

by no later than 10:00am WST on 18 November 2014 (being 48 hours before the time appointed for the Meeting).

Lodging your Proxy Form online

You are now able to lodge your Proxy Form online by visiting Computershare Investor Services Pty Limited' website, www.investorvote.com.au, logging into the Investor Centre Investor Vote and following the prompts and instructions on the website. To use the online lodgement facility, shareholders will need the Control Number, their Securityholder Reference Number or Holder Identification Number and their PIN , which are shown on the front page of the personalised Proxy Form enclosed with this Notice. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions on the website.

You must lodge your Proxy Form online by no later than 10:00am WST on 18 November 2014 (being 48 hours before the time appointed for the Meeting).

By Order of the Board



Tony Walsh
Company Secretary

17 October 2014

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

This Explanatory Memorandum has been prepared to help shareholders understand the business to be put to shareholders at the forthcoming Meeting.

ORDINARY BUSINESS

Annual financial report

The Corporations Act requires:

- the reports of the Directors and auditors; and
- the annual financial report, including the financial statements of the Company for the year ended 30 June 2014,

to be laid before the Meeting. The Corporations Act does not require a vote of shareholders on the reports or statements. However, shareholders will be given ample opportunity to raise questions or comments on the management of the Company.

The financial report for consideration at the Meeting will be the full financial report. The financial report is set out in the Company's 2014 Annual Report and is also available on the Company's website (www.igo.com.au). Any shareholder wishing to receive a copy should contact the Company's share registry and a copy will be provided.

Also, a reasonable opportunity will be given to members as a whole at the Meeting to ask the Company's Auditor questions relevant to the conduct of the audit, the preparation and content of the Auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the Auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Chairman about the management of the Company, or to the Company's Auditor about the content of the Auditor's report and the conduct of the audit may be submitted no later than 5 business days before the date of the Meeting to the Company Secretary at the Company's registered office, Suite 4, Level 5, South Shore Centre, 85 South Perth Esplanade, South Perth, WA 6151, Australia.

Resolution 1 – Retirement and Election of Mr Peter Buck

Having been appointed since the last Annual General Meeting, Mr Peter Buck retires and offers himself for election as a director of the Company.

The experience, qualifications and other information about Mr Buck appears below:

Peter Buck B.Sc (Geology), M.AusIMM Non-Executive Director

Mr Peter Buck was appointed as a Non-Executive Director of the Company in October 2014. Mr Buck is a geologist with over 35 years' experience in the mineral exploration and mining industry who is associated with the discovery and development of a number of mineral deposits in Australia and Brazil. Mr Buck commenced his career and spent 23 years with WMC Resources. In 1994, Mr Buck joined Forresteria Gold as exploration manager and, following Forresteria Gold's acquisition by LionOre Mining International, became director of exploration and geology with LionOre Mining International until 2006. Peter played a key role in progressing the Maggie Hays, Emily Ann, Waterloo, Amorac and Thunderbox deposits through feasibility studies to production. Mr Buck was managing director of Breakaway Resources from 2006 to 2009 and has been a non-executive director of Gallery Gold and PMI Gold Corporation. Mr Buck is currently a director of Antipa Minerals Ltd.

Mr. Buck holds a Bachelor of Science (Geology) degree from Macquarie University, a Master of Science degree from the University of Manitoba, Canada and is a member of the Australian Institute of Mining and Metallurgy. Mr. Buck is a Board member of the Centre for Exploration Targeting at the University of Western Australia and Curtin University and was formerly a Vice President of the Association of Mining and Exploration Companies.

The Board (with Mr Buck abstaining) recommends that shareholders vote in favour of the election of Mr Buck.

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 1.

Resolution 2 – Remuneration Report

In accordance with section 250R(2) of the Corporations Act, the Company is required to present to its shareholders the 2014 Remuneration Report as disclosed in the Company's 2014 Annual Report. The vote is advisory only and is not binding on the Directors or the Company.

The 2014 Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to the Company's Key Management Personnel (including the Directors), sets out details of the remuneration and service agreements for each member of Key Management Personnel and sets out the details of any share-based compensation.

Subject to the rules set out in Division 9 of Part 2G.2 of the Corporations Act described below, Resolution 2 is advisory only and does not bind the Directors or the Company. Of itself, a failure of shareholders to pass Resolution 2 will not require the Directors to alter any of the arrangements in the 2014 Remuneration Report. However, the Board will take the outcome of the vote very seriously when considering the Company's future remuneration policy.

Consequence of voting against Resolution 2

If at least 25% of the votes cast on Resolution 2 are against the adoption of the Remuneration Report, and at least 25% of the votes cast at the next annual general meeting of the Company (2015 AGM) on a resolution that the 2015 Remuneration Report be adopted is against the adoption of the report, then the Company will be required under section 250V of the Corporations Act to put to the vote a resolution that another meeting be convened within 90 days of the 2015 AGM (the Spill Meeting). If shareholders approve the convening of a Spill Meeting, then at that meeting:

- (a) all the Directors of the Company who were directors at the time of the 2014 AGM (other than the Managing Director) will cease to hold office immediately before the end of the Spill Meeting; and
- (b) a resolution to re-elect the Directors referred to in (a) will be put to the vote at the Spill Meeting.

A reasonable opportunity will be given to shareholders as a whole to ask questions about, or make comments on, the Remuneration Report. The Remuneration Report is set out in the Company's 2014 Annual Report and is also available within the 2014 Financial Report on the Company's website (www.igo.com.au).

For the voting exclusions applicable to this Resolution 2, please refer to the 'Entitlement to vote' section of the Notice of Meeting.

The Board recommends that shareholders vote in favour of adopting the 2014 Remuneration Report.

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 2.

SPECIAL BUSINESS

Resolution 3 – Approval of Performance Rights Plan

Introduction

The Independence Group NL Employee Performance Rights Plan (PRP) was adopted by the Board and approved by shareholders at the 2011 AGM. The PRP is an incentive plan which is designed to increase the motivation of staff and create a stronger link between increasing shareholder value and employee reward.

The Company wishes to exempt issues of securities under the PRP from contributing towards the rolling annual limit of 15% of issued ordinary shares prescribed by listing rule 7.1. This limit otherwise applies to all new issues of equity securities made without shareholder approval. Shareholder approval of the PRP is sought under listing rule 7.2 exception 9(b) whereby shareholders may approve, in advance, the issue of securities made under an employee incentive scheme as an exception to the limit under listing rule 7.1.

Reasons for a performance rights plan

Your Board believes that grants made to eligible employees under the PRP will provide a powerful tool to underpin the Company's employment strategy, and that the implementation of the PRP will:

- enable the Company to recruit and retain the talented people needed to achieve the Company's business objectives;
- link the reward of key staff with the achievements of strategic goals and the long term performance of the Company;
- align the financial interest of participants of the PRP with those of shareholders of the Company; and
- provide incentives to participants of the PRP to focus on superior performance that creates shareholder value.

Outline of the PRP

Participation

The Board may from time to time in its absolute discretion issue invitations to 'Eligible Persons' to participate in the PRP (Invitation). Eligible Persons are full time or permanent part time employees of a Group Company or a Director whom the Company determines in its absolute discretion may participate in the PRP. It is the current intention of the Board that non-executive directors will not participate in the PRP.

Invitations to participate

An invitation to Eligible Persons to participate in the PRP must set out:

- the date of the Invitation;
- the name of the Eligible Person to whom the offer is made;
- the number of performance rights which are capable of vesting if specific performance hurdles are met;
- the performance hurdles and the measurement period in relation to the performance rights;
- escrow details (if applicable);
- the expiry date; and
- the time period in which to accept the invitation.

Rules of the PRP and Trust

Under the PRP, Performance Rights may be offered to Eligible Persons as determined by the Board. The vesting of the performance rights will be subject to certain criteria. Upon vesting of the Performance Rights, the equivalent number of shares will automatically be issued or transferred to the participant for nil consideration, unless the issue would breach the insider trading provisions of the Corporations Act, the Listing Rules or any other applicable law.

In conjunction with the PRP, the Company has established the Independence Group NL Employee Performance Rights Plan Trust (the Trust) as the mechanism for acquiring, holding and selling shares issued or transferred upon the vesting of performance rights on behalf of participants. The Trust has been established under the terms of a trust deed appointing, and giving powers to, a trustee.

A summary of the key terms of the PRP are set out in Attachment A.

Shareholders may obtain a copy of the full rules of the PRP from the Company's share registry on request.

For the voting exclusions applicable to this Resolution 3, please refer to the 'Entitlement to vote' section of the Notice of Meeting.

As the Directors may have a personal interest in Resolution 3, the Directors make no recommendation as to how shareholders should vote on this resolution.

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 3.

Resolution 4 – Issue of Performance Rights to Mr Peter Bradford

Background

Resolution 4 seeks shareholder approval for the grant of Performance Rights to Mr Peter Bradford, the Company's Managing Director, pursuant to the Company's PRP, and otherwise on the terms and conditions set out in this Explanatory Memorandum.

The Company's remuneration policy is to ensure that executive remuneration is competitive in attracting, motivating and retaining executives of a high calibre and properly reflects the duties and responsibilities of each relevant executive. The remuneration structure used by the Company to achieve these objectives includes the combination of fixed annual remuneration and performance-related remuneration (including participation in the PRP).

ASX requires, under Listing Rule 10.14, that shareholders approve the grant of securities to a director.

Accordingly, shareholder approval is sought for the grant of Performance Rights to Mr Bradford as set out below.

Number of Performance Rights

The number of Performance Rights to be granted to Mr Bradford will be 175,365. This number was set by the Board in the context of considering Mr Bradford's remuneration package, of which Performance Rights form a part. The Remuneration Committee recommended and the Board resolved that the value of Mr Bradford's annual remuneration package for the year ending 30 June 2015 should remain unchanged from that agreed when he joined the Company on 17 March 2014.

Terms of Performance Rights

All Performance Rights granted will be on terms consistent with the rules of the PRP, which is subject to shareholder approval at this Meeting. A summary of the key terms of the PRP is contained in Attachment A, and a full copy is available to shareholders from the Company's share registry on request.

No consideration is payable by Mr Bradford at the time of grant of the Performance Rights or upon the allocation of ordinary shares to which Mr Bradford may become entitled upon Performance Rights vesting. Each Performance Right will entitle the holder to one fully paid ordinary share in the Company at no cost, subject to satisfaction of the performance hurdles described below.

Performance hurdles

The Performance Rights will vest and convert into ordinary shares if, over the 3 year measurement period (being 1 July 2014 to 30 June 2017), the performance hurdles are achieved. Performance Rights that have not vested where the performance hurdles have not been satisfied or waived by the expiry date, will automatically lapse.

Total Shareholder Return (TSR)

Performance measures for the Performance Rights are based on a TSR Scorecard. The TSR Scorecard determines the entitlement to 100% of the Performance Rights. The TSR scorecard for the 3 year measurement period (being 1 July 2014 to 30 June 2017) will be determined based on a percentile ranking of the Company's TSR results relative to the TSR of each of the companies in the comparator group over the same 3 year measurement period (Relative TSR).

TSR Scorecard

TSR

TSR measures the return received by shareholders from holding ordinary shares over the relevant Performance Period, calculated as follows:

$$\text{TSR} = \frac{(B - A) + C}{A}$$

Where:

- A = the Market Value of the share at the start of the Performance Period
- B = the Market Value of the share at the end of the Performance Period
- C = the aggregate dividend amount paid during the Performance Period.

Relative TSR

The TSR Scorecard will be determined based on the ranking of the Company's TSR results, relative to the TSR of each of the companies in the comparator group over the same Performance Period.

The comparator group currently comprises the constituents of the S&P ASX 300 Metals & Mining Index who are engaged in gold and/or base metals mining in Australia. The initial list of the comparator group and methodology of selecting the comparator group are set out in Attachment B. The Board has discretion to adjust the peer group from time to time in its absolute discretion.

The vesting schedule for the Performance Rights subject to relative TSR testing is as follows:

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

Continuing employment

If Mr Bradford's employment or position as a director ceases because of an Uncontrollable Event (see the 'Definitions' at the end of this Explanatory Memorandum), then, at the discretion of the Board, unvested Performance Rights will vest.

If Mr Bradford's employment or position as a director ceases because of a Controllable Event, see the 'Definitions' at the end of this Explanatory Memorandum), then the Board, at its discretion, may determine the extent to which unvested Performance Rights may vest.

ASX Listing Rule 10.15 information requirements

ASX Listing Rule 10.15 requires the following information regarding the PRP to be included in this Explanatory Memorandum:

- Subject to shareholder approval being obtained, the maximum number of Performance Rights (and hence ordinary shares) that the Company may issue to Mr Bradford will be 175,365.
- No consideration is payable by Mr Bradford at the time of grant of the Performance Rights or upon the allocation of the ordinary shares to which Mr Bradford may become entitled upon vesting of the Performance Rights.
- Since the PRP was first approved by shareholders at the 2011 annual general meeting, Mr Bradford has been granted a total of zero Performance Rights. No other Directors or their associates other than Mr Bradford's predecessor, Mr Chris Bonwick, have received securities under the PRP since the PRP was first approved by shareholders at the 2011 annual general meeting. Mr Bonwick was granted a total of 343,060 Performance Rights following approvals by shareholders at the 2011 and 2012 annual general meetings. No consideration was payable by Mr Bonwick for the grant these Performance Rights, nor was any consideration to be payable upon the allocation of the ordinary shares to which Mr Bonwick may have become entitled upon vesting of those Performance Rights.
- The other directors of the Company (being Messrs Bilbe, Clifford and Buck, Dr Marston and Mrs Ross) are entitled to participate in the PRP, though the Company has not sought shareholder approval for such an issue and they have not received any securities under the PRP to date. It is the current intention of the Board that non-executive directors will not participate in the PRP.
- The voting exclusion statement in relation to Resolution 4 is included in the 'Entitlement to vote' section of the Notice of Meeting.
- No loans will be made by the Company in connection with the acquisition of Performance Rights or ordinary shares upon the vesting of Performance Rights by Mr Bradford.
- The Company will issue the Performance Rights to Mr Bradford as soon as practicable following the Meeting and no later than 12 months after the Meeting.

Corporate governance

Mr Bradford is an executive director of the Company. Recommendation 8.3 of ASX's Corporate Governance Principles and Recommendations encourages ASX listed companies to establish remuneration packages that involve a balance between short term and long term performance objectives. In the Board's view, the issue of Performance Rights to Mr Bradford is an appropriate means of providing these long term performance objectives. The Board also considers that the retention of high quality and well-credentialed executive directors, like Mr Bradford, is essential to the ongoing development and success of the Company and its projects.

Dilution

The Performance Rights to be issued to Mr Bradford will have a diluting effect on the percentage interest of existing shareholders' holdings. The diluting effect of these Performance Rights is less than 0.1% of the Company's current share capital.

The Board has formed the view that remuneration in the form of the Performance Rights to be granted to Mr Bradford is reasonable given the Company's circumstances, and Mr Bradford's circumstances (including his responsibilities). The Board is of the opinion that the terms of issue of the Performance Rights to Mr Bradford are reasonable.

The Board (with Mr Bradford abstaining) recommends that shareholders vote in favour of Resolution 4.

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 4.

Resolution 5 – Approval of increase in Directors' fees

Background

Resolution 4 seeks shareholder approval, for the purposes of Listing Rule 10.17 and for all other purposes, for the Company to be authorised to increase the aggregate amount of fees available to be paid to non-executive Directors by \$400,000 from \$600,000 per annum to an aggregate amount of \$1,000,000 per annum.

The Board considers that it is reasonable and appropriate at this time to seek an increase in the remuneration pool for non-executive Directors for the following reasons:

- (a) expected growth of the Company and increased responsibilities for non-executive Directors;
- (b) non-executive Directors' fees may in the future need to be increased to retain Directors (noting the need for orderly succession planning);
- (c) to attract new Directors of a calibre required to effectively guide and monitor the business of the Company;
- (d) the Directors may from time to time appoint additional non-executive Directors to ensure the Board has the appropriate skills and experience;
- (e) Corporate Governance best practice is such that non-executive Directors are remunerated via fixed cash based fees and not through equity based performance schemes; and
- (f) to remunerate Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates.

The maximum aggregate fees payable to Directors has not been increased since 2010.

No securities have been issued to any non-executive Director under ASX Listing Rules 10.11 or 10.14 with shareholder approval within the past three years.

Effective 1 September 2014, the Company's non-executive Chairman is entitled to Directors' fees of \$230,000 per annum and non-executive Directors are entitled to Directors' fees of \$120,000 per annum.

The Company has mandated an executive search firm to identify an additional independent non-executive director to broaden the skills and experience of the Board. This may ultimately increase the number of directors of the Company from five to six, which is considered a more appropriate board size for the Company.

It is not intended to fully utilise the increased aggregate fees in the immediate future.

For the voting exclusions applicable to this Resolution 5, please refer to the 'Entitlement to vote' section of the Notice of Meeting.

As the non-executive members of the Board have an interest in Resolution 5, the Board has not made a recommendation to shareholders on Resolution 5.

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 5.

Action to be taken by shareholders

Shareholders should read this Explanatory Memorandum carefully before deciding how to vote on the Resolutions. A Proxy Form is attached to the Notice. This is to be used by shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions provided. Lodgement of a Proxy Form will not preclude a shareholder from attending and voting at the Meeting in person.

DEFINITIONS

In the Notice of Meeting and this Explanatory Memorandum (including Attachment A and Attachment B):

ASX	means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange operated by it, as the context requires.
Board	means the board of directors of the Company.
Closely Related Party	has the meaning as defined in section 9 of the Corporations Act and includes in respect of a member of the Key Management Personnel: <ul style="list-style-type: none"> • a spouse or child of the member a child of the member's spouse, • a dependant of the member or of the member's spouse, • anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company, or • a company the member controls.
Company or Independence	means Independence Group NL (ABN 46 092 786 304).
Controllable Event	means cessation of employment or position other than by an Uncontrollable Event.
Constitution	means the constitution of the Company.
Corporations Act	means the Corporations Act 2001 (Cth).
Director	means a director of the Company.
Eligible Person	a full-time or permanent part-time employee of a Group Company or a director of the Company who the Company determines in its absolute discretion may participate in the PRP.
Explanatory Memorandum	means this Explanatory Memorandum accompanying the Notice of Meeting.
Group Company	means the Company or any of its subsidiaries.
Index	means the S&P ASX 300 Metals and Mining Index.
Invitation	means an invitation issued by the Board to an Eligible Person to participate in the PRP.
Key Management Personnel or KMP	means the key management personnel of the Company as defined in AASB Standard 124.
Listing Rules	means the Listing Rules of the ASX.
Meeting	means the annual general meeting of the Company convened by the Notice of Meeting.
Notice of Meeting or Notice	means the notice convening the Meeting that accompanies this Explanatory Memorandum.
Performance Rights	means the performance rights issued to Eligible Persons under the Performance Rights Plan.
Performance Rights Plan or PRP	means the Independence Group NL Employee Performance Rights Plan, first approved by shareholders for the purposes of Exception 9(b) in Listing Rule 7.2 at the Company's 2011 annual general meeting and presented to this meeting for renewal for the purposes of Exception 9(b) in Listing Rule 7.2.
Proxy Form	means the proxy form included with the Notice of Meeting.
TSR	means total shareholder return.
Uncontrollable Event	means death, serious injury, disability or illness which renders a participant in the PRP incapable of continuing employment or position with a Group Company, forced early retirement, retrenchment or redundancy, or such other circumstances which result in the participant leaving the employment or position of a Group Company and which the Board determines is an Uncontrollable Event.
WST	means Western Standard Time, being the time in Perth, Western Australia.

ATTACHMENT A – SUMMARY OF PRP

The following is a summary of the key terms of the PRP:

- (a) Participation: The Board retains complete discretion to make offers of Performance Rights to Eligible Persons.
- (b) Not transferable: Except with the approval of the Board, Performance Rights may not be transferred, assigned or novated.
- (c) Vesting: Performance Rights may vest in the following ways:
 - if each of the applicable performance hurdles has been satisfied or waived prior to the relevant expiry date and the participant remains an Eligible Person;
 - if the participant's employment or position as a director of a Group Company ceases because of an Uncontrollable Event (being death, serious injury, disability or illness which renders a participant incapable of continuing employment or position with a Group Company, forced early retirement, retrenchment or redundancy, or such other circumstances which result in the participant leaving the employment or position of a Group Company and which the Board determines is an Uncontrollable Event), the Board may determine the extent to which Performance Rights vest;
 - if the participant's employment or position as a director of a Group Company ceases because of a Controllable Event (being cessation of employment or position other than by an Uncontrollable Event), the Board may determine the extent to which Performance Rights vest; and
 - where the Company is de-listed as a result of a change in control of the Company, all of the participant's Performance Rights will vest.
- (d) Escrow: Shares issued or transferred to a participant upon vesting of Performance Rights may be subject to escrow restrictions, which will be detailed in the Invitation. At this point, given the vesting of Performance Rights will be subject to performance hurdles, the Board does not intend to impose additional escrow restrictions on shares issued as a result of the vesting of Performance Rights.
- (e) Automatic issue or transfer of shares: As noted above, upon vesting of Performance Rights, shares will automatically be issued or transferred to the participant for nil consideration, unless the issue would be in breach of the insider trading provisions of the Corporations Act, the Listing Rules or any other applicable law.
- (f) Lapse: A Performance Right will lapse in the following ways:
 - where the performance hurdles have not been satisfied or waived by the expiry date; or
 - if the participant's employment or position as a director of a Group Company ceases because of an Uncontrollable Event or Controllable Event, and the Board does not determine that such Performance Right vests.
- (g) Issue limitations: The Board is not entitled to make an invitation to an Eligible Person if offers of Performance Rights (or other securities of the Company) under the PRP or under similar plans (but excluding offers outside of Australia, offers under a disclosure document and offers that do not require the use of a disclosure document) in the previous 5 years would exceed 5% of the issued capital of the Company.
- (h) Amendment of PRP: The Board may by resolution alter the PRP at any time. The Board also retains the discretion to suspend or terminate the Plan without notice to participants. However, the suspension or termination of the Plan will not affect any existing grants of Performance Rights already made under the Plan, and the terms of the Plan will continue to apply to such grants.

ATTACHMENT B – COMPARATOR TSR PEER GROUP

Initial TSR Peer Group

The Company's TSR performance will be assessed against a customised peer group comprising the following 22 companies:

Aditya Birla Minerals Ltd	Oz Minerals Ltd
Alacer Gold Corp.	PanAust Ltd
Beadell Resources Ltd	Panoramic Resources Ltd
Cudeco Ltd	Perseus Mining Limited
Evolution Mining Limited	Regis Resources Limited
Kingsgate Consolidated Limited	Resolute Mining Limited
Medusa Mining Ltd	Saracen Mineral Holdings Limited
Metals X Limited	Sandfire Resources Ltd
Mincor Resources NL	Silver Lake Resources Limited
Northern Star Resources Limited	Sirius Resources NL
Oceana Gold Limited	Western Areas Ltd

2. Methodology for determining the TSR Peer Group

Composition of the peer group

The peer group is to comprise the constituents of the S&P ASX 300 Metals & Mining Index who are engaged in gold and/or base metals mining in Australia and have the closest market capitalisation the Company. The peer group will comprise of no less than 20 and no more than 30 companies

Adjustments to the peer group

Listed below are a number of events, as well as the implications of these events, that may occur which could affect the structure of the Company's TSR peer group:

- If a company in the peer group is taken over, that company will be removed from the peer group
- If the acquiring company is in the peer group, that company will remain in the peer group
- If a company in the peer group demerges, the demerged companies will be removed from the peer group
- In the case of a capital reconstruction or capital return, an adjustment to the TSR calculation will be made, if appropriate, depending on the nature of the event
- If a company in the peer group changes its name, it will remain in the peer group
- Where a company's shares are suspended at the Test Date, the Board shall have the discretion as to how this event shall be treated
- Where a company is delisted from the relevant stock exchange the Board shall have the discretion as to how this event shall be treated.

NOTES



Independence Group

www.igo.com.au

ABN 46 092 786 304



Independence Group

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ABN 46 092 786 304

Lodge your vote:

  **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Proxy Form



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 137471

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



 **For your vote to be effective it must be received by 10.00am (WST) Tuesday, 18 November 2014**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Independence Group NL hereby appoint

the Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Independence Group NL to be held at the Duxton Hotel, Ballroom, 1 St Georges Terrace, Perth, Western Australia, on Thursday, 20 November 2014 at 10.00am (WST) and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 2, 3, 4 and 5 (except where I/we have indicated a different voting intention below) even though Resolutions 2, 3, 4 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 2, 3, 4 and 5 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Election of Mr Peter Buck	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Issue of Performance Rights to Mr Peter Bradford	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of increase in Directors' fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date / / _____