



5 November 2010

**Australian Stock Exchange Limited
Company Announcements
Level 10, 20 Bond Street
SYDNEY NSW 2000**

NO. OF PAGES : (3)

RE: ACCELERATED NON-RENOUNCEABLE ENTITLEMENT OFFER

Please find attached a letter sent to Independence Group NL ineligible retail shareholders today.

CHRISTOPHER BONWICK
Managing Director



5 November 2010

Dear Shareholder

Accelerated non-renounceable entitlement offer – Notification to excluded retail shareholders

On 4 November 2010, Independence Group NL (**Independence**) (ASX Code: IGO) announced that it was conducting an accelerated non-renounceable entitlement offer (**Entitlement Offer**), to eligible shareholders, of one ordinary share in Independence (**New Share**) for every 15 ordinary shares in Independence at an issue price of A\$6.65 each.

In conjunction with the Entitlement Offer, Independence also announced a placement to institutional investors of 17,109,530 New Shares (**Placement**).

The Entitlement Offer will comprise:

- an entitlement offer to eligible institutional shareholders (**Institutional Entitlement Offer**); and
- an entitlement offer to eligible retail shareholders (**Retail Entitlement Offer**).

The Entitlement Offer is being made without a prospectus or product disclosure document in accordance with section 708AA of the Corporations Act 2001 (Cth) (**the Act**) as modified by ASIC Class Order 08/35.

The Entitlement Offer is expected to raise A\$50,568,169.40. The Entitlement Offer is fully underwritten by Bell Potter Securities Limited. Further information in relation to the Entitlement Offer has been disclosed to the ASX.

This letter is to inform you that you are not an Eligible Retail Shareholder (defined below) for the purposes of the Retail Entitlement Offer. This letter is not an offer to issue New Shares to you, nor an invitation to apply for New Shares. You are not required to do anything in response to this letter.

Shareholders who are eligible to participate in the Retail Entitlement Offer (**Eligible Retail Shareholders**) are those persons who:

- a) are registered as a holder of ordinary shares in Independence as at 5.00pm (Perth time), 9 November 2010;
- b) have a registered address in Australia or New Zealand;
- c) are not in the United States;

- d) did not receive an offer to participate (other than as nominee) or were otherwise ineligible to participate under the Institutional Entitlement Offer; and
- e) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Independence has determined, pursuant to 9A of the Act and Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make offers to shareholders in all countries outside Australia and New Zealand in connection with the Retail Entitlement Offer. The securities laws of many countries require the use of offer documents specific to that country or compliance with local laws for the Retail Entitlement Offer to be made in those countries. Having regard to the number of retail shareholders in particular countries and the cost of compliance with local laws to make the Retail Entitlement Offer in those countries, Independence has limited the countries in which the Retail Entitlement Offer will be made. According to our records, you do not satisfy the eligibility criteria for an Eligible Retail Shareholder stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1(b), Independence wishes to advise you that it will not be extending the Retail Entitlement Offer to you and you will not be able to subscribe for New Shares under the Retail Entitlement Offer. You will not be sent the documents relating to the Retail Entitlement Offer or be able to subscribe for New Shares under the Retail Entitlement Offer.

Notwithstanding the above, Independence and Bell Potter may agree to extend the Retail Entitlement Offer to certain institutional shareholders who did not participate in the Institutional Entitlement Offer or to other retail shareholders, subject to compliance with applicable laws.

As the Retail Entitlement Offer is non-renounceable, you will not receive any payment or value for entitlements in respect of any New Shares that would have been offered to you if you were eligible to participate in the Retail Entitlement Offer.

If you have any questions in relation to any of the above matters, please contact Security Transfer Registrars on +61 8 9315 2333 from 9.00 am to 5.00 pm (Perth time) during the Retail Entitlement Offer period.

For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

On behalf of the Board and Management of Independence, we regret that you are not eligible to participate in the Retail Entitlement Offer and thank you for your continued support.

Yours faithfully



Christopher Bonwick
Managing Director