



30 August 2010

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

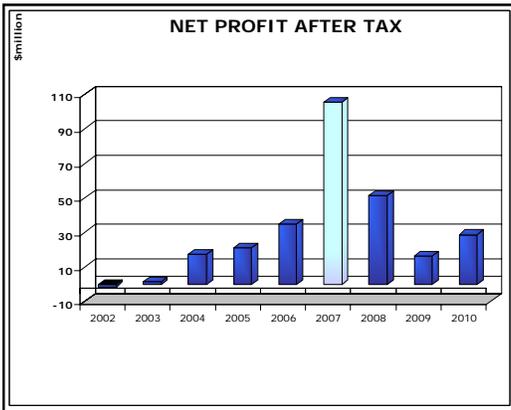
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**FULL YEAR RESULT SUMMARY INFORMATION**

Independence Group NL hereby provides a summary of the Company's results and activities for the year ending 30 June 2010.

**CHRISTOPHER BONWICK**  
Managing Director

## HIGHLIGHTS- FINANCIAL YEAR ENDED 30 JUNE 2010



- Full-year profit after tax of \$28.7 million (up 78% on FY'09) owing primarily to a 15% increase in realised nickel price and reduced investment devaluations (-A\$8.2m in FY'09), with a strong second half net profit result of \$16.0 million.

- Total revenue of \$116.7 million reflecting a A\$1.89/lb rise in average spot nickel prices over the year.
  - (FY'09 \$101.1 million)

- Dividends of 5.0 cents per share paid during the year (FY'09: 7 cents per share):
  - Final '10 fully franked dividend of 3 cents per share announced;
  - Interim fully franked FY'10 dividend of 2 cents per share; and
  - Final '09 fully franked dividend of 3 cents per share

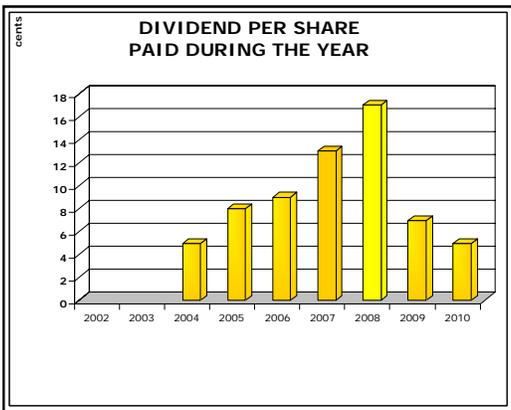
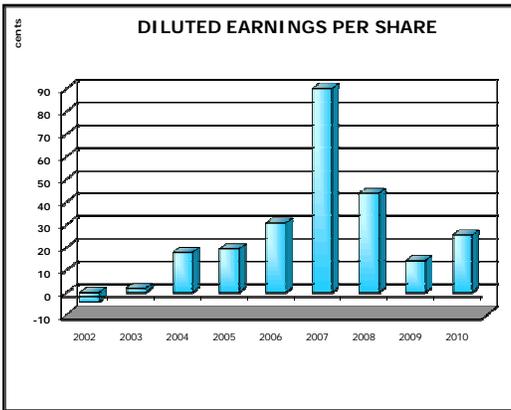
- Strong financial position with cash of \$144.0 million at year end and no debt.

- Net cash flow from operation activities of \$58.9 million.
  - (FY'09 \$30.3 million)

- Annual nickel production of 8,615 tonnes at a cash operating cost of A\$4.44 per payable pound (including royalties).
  - (FY'09 8,779 tonnes at A\$3.85 per payable pound)

- Announcement of maiden Moran high grade reserve at Long of 640kt @ 4.1% for 26,300 nickel tonnes increasing total reserves to 51,800 tonnes from 37,200 tonnes previously. Updated reserve estimates are expected in September 2010.

- Tropicana Bankable Feasibility Study on schedule for announcement of outcomes in December 2010 quarter.



Full Year Ended June 30	2010	2009	Inc/(Dec)
Total Revenue	\$116.7m	\$101.1m	+15%
Profit Before Tax	\$40.4m	\$25.1m	+61%
Profit For The Period	\$28.7m	\$16.1m	+78%
Net Cash Flow From Operating Activities	\$58.9m	\$30.2m	+95%
Total Assets	\$273.5m	\$231.0m	+18%
Total Liabilities	\$58.8m	\$35.6m	+65%
Shareholder's Equity	\$214.8m	\$195.4m	+10%
Diluted Earnings Per Share	25.27¢	14.11¢	+79%
Dividend Per Share Paid During the Year	5¢	7¢	-29%

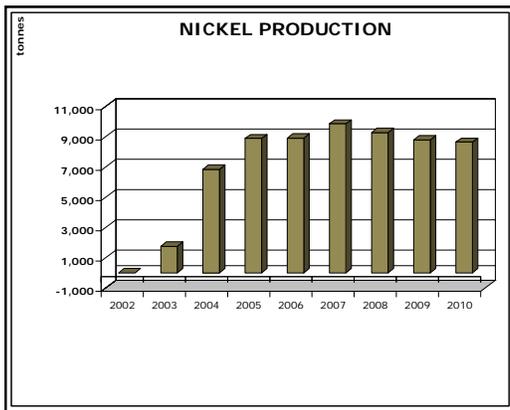
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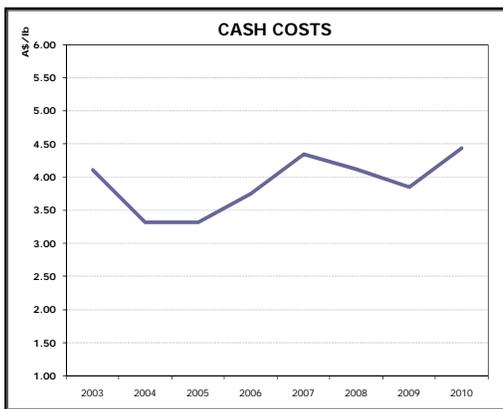
## OPERATIONS

Total production for the year ended June 2010 of 202,796 tonnes (FY'09: 220,953 tonnes) at an average head grade of 4.25% (FY'09: 3.97%) for 8,615 tonnes of nickel metal delivered (FY'09: 8,779 tonnes). Ore was primarily sourced from the Long, McLeay and Victor South ore bodies.

Cash costs per payable pound remained one of the lowest globally at A\$4.44/lb, despite a 15% increase on the previous financial year partly attributable to higher royalties (FY'09: A\$3.85). A continued focus on cost control saw overall unit cash operating costs in line with budget (A\$4.20/lb-A\$4.40/lb) during the year while head grades were increased with continued improvements in mining practices. These also lead to production exceeding budget.

Updated reserves/resources expected to be announced in September 2010. Additional ore reserves for Moran are expected to be included in these estimates.

Since acquiring the Long Nickel operation, Independence has consistently mined and produced nickel from outside its stated reserves and resource base.



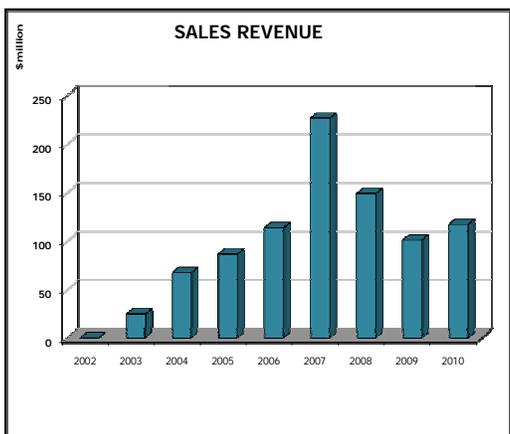
## INCOME STATEMENT

Total income for the year increased by 15% to \$116.7 million (FY'09: \$101.1 million) due to higher nickel prices over the period.

Stronger second-half nickel prices contributed to an increased profit for the period of \$16.0 million compared to the first half sum of \$12.7m.

The average realised nickel price increased by 15% to A\$9.69/lb in FY'10 from A\$8.46/lb in the 2009 fiscal year.

Fully diluted earnings per share improved 79% to 25.3 cents from 14.1 cents in the previous corresponding period.



## CASH FLOW STATEMENT

Cash flow generation from operating activities was a very strong \$58.9 million prior to interest received, and represented a 95% increase over the previous year (FY'09: \$30.2 million) mostly due to higher spot nickel prices.

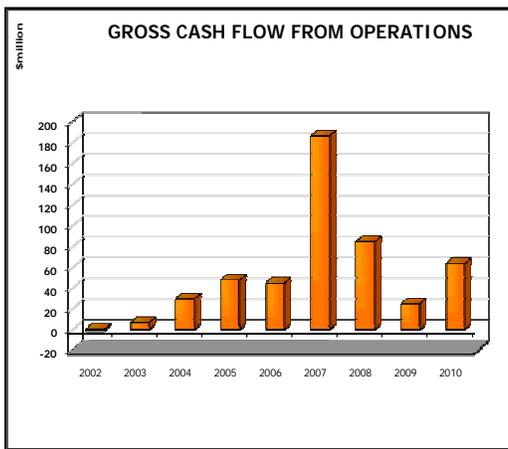
Independence utilised this cash flow to fund:

- dividend distributions of \$5.7 million (FY'09: \$8.1 million);
- Long, Tropicana and regional exploration of \$24.0 million (FY'09: \$20.5 million);
- new mining equipment and development expenditure totalling \$18.1 million (FY'09: \$10.0 million);

## BALANCE SHEET

Cash and cash equivalents totalled \$147 million (FY'09: \$127 million) at year-end, a net increase of \$20 million for the year.

There was no interest bearing debt at balance date, whilst net assets increased by 10% to \$214.8 million at year-end (FY'09: \$195.4 million).



## DIVIDENDS

During financial year 2010, Independence returned \$5.7 million (FY'09: \$8.1 million) to shareholders in the form of dividends, comprising:

- final FY'09 fully franked dividend of 3 cents per share
- interim fully franked dividend of 2 cents per share (paid March '10).

In addition, Independence has announced a final fully franked dividend for the 2009/10 year of 3 cents per share which will be payable on 30 September 2010 with a record date for determining entitlements of 15 September 2010.

## EXPLORATION/DEVELOPMENT

Independence's cash outflow included \$23.9 million on exploration and evaluation expenditure during 2009/10 (FY'09: \$24.4 million). The majority of this expenditure was directed towards the Long and Tropicana projects.

Updated Long Nickel Mine resource and reserve estimates are expected to be released in September 2010.

A significant increase in mine life at Long was announced during the year with the maiden ore reserve of 640,000 tonnes at 4.1% for 26,300 tonnes of contained nickel at Moran. The deposit remains open to the south.

The initial open pit ore reserve estimate for the Tropicana Joint Venture (AngloGold Ashanti 70%, IGO 30%) as at December 2009 for the Tropicana and Havana zones resulted in a total of 45 million tonnes at 2.3 g/t for 3.3 million ounces of contained gold.

A Bankable Feasibility Study is nearing completion. Results from this Study are anticipated to be announced to the ASX in the December 2010 quarter. This should enable a potential development decision to be approved by the JV partners by the end of 2010.

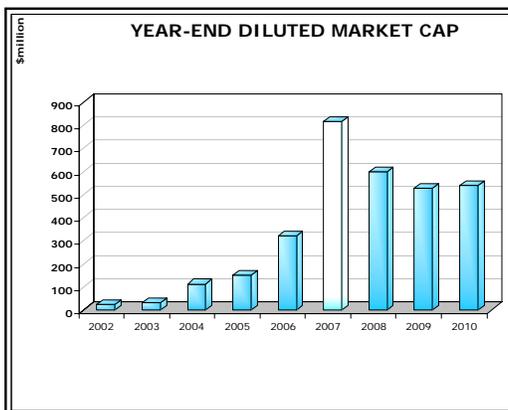
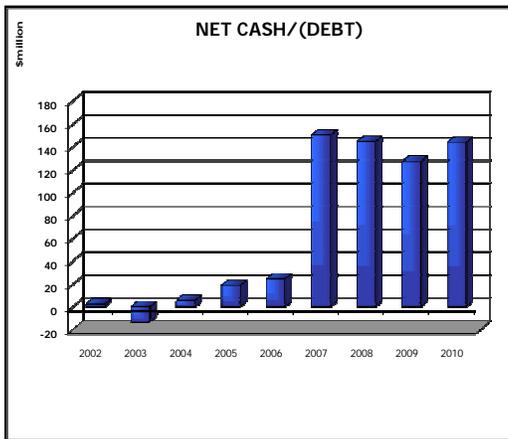
Further mineral resource upgrades are expected at Tropicana following drilling successes since the last resource statement, extending high grade zones at Havana to depth (35m @ 5.0 g/t Au true width) and the discovery of the Boston Shaker open pit deposit to the north of the Tropicana ore body (32m @ 3.7 g/t Au true width). Extensions to existing deposits have also been defined by drilling during the year.

Numerous other regional targets will be followed up and others remain to be tested at the Tropicana project.

A number of other projects where early stage work has returned encouraging exploration results will also be advanced, such as the Duketon nickel project and the Karlawinda and Holleton gold projects.

Independence announced the discovery of significant primary nickel/copper/platinum group elements at the Rosie Prospect within the Duketon JV with drill results (true widths) such as 3.3m @ 9.13% Ni, 1.1% Cu and 3.62g/t PGE and 2.4m @ 4.05% Ni, 0.74% Cu and 2.71g/t PGE.

At Karlawinda, significant oxide and primary gold mineralisation intersected in drill-holes is providing encouragement to the



exploration team and follow-up drilling is continuing.

A 1.5km long auger geochemical gold anomaly has also been identified at the Holleton project which will be drilled in 2010/11.

Additional targets and opportunities have been generated from the De Beers Australia Exploration Limited database review and analysis.

## OUTLOOK

Independence is focused on continuing to expand the Long nickel mine reserve base and on solid operational performance. Guidance production for financial year 2011 is 215,000 to 225,000 tonnes for production of 8,800 to 9,200 tonnes of contained nickel. Cash costs for 2010/11 are forecast at A\$4.40 to A\$4.60/payable lb, including royalty costs.

The Bankable Feasibility Study for the Tropicana Joint Venture with AngloGold Ashanti Australia Ltd is progressing and is nearing completion. The outcomes of this Study are expected to be announced to the ASX in the December 2010 quarter. The Study is focused on open-cut resources at the Tropicana and Havana zones only.

Deep drilling at Havana, infill drilling at Boston Shaker and regional exploration at priority locations is continuing on the Joint Venture's 15,000 square kilometre tenement holding.

Scoping Studies for the Havana Deeps underground and Boston Shaker open cut developments are expected to be completed in November 2010.

The exploration/development/equipment capital budget for 2010/11 is estimated at \$80.1 million depending upon the outcomes of a number of current and proposed drilling programs, with forecast expenditure allocated as follows:

- Tropicana (exploration, Scoping Studies and BFS) \$27.6 million
- Regional exploration \$12.9 million (excluding resource drilling)
- Long Nickel Mine exploration \$6.7 million
- Long Nickel Mine equipment and Moran development \$32.9 million

Capital expenditure for 2010/11 is considerable, mainly due to the advancement of the Tropicana Project and the set-up of the Moran ore body at the Long Nickel Mine.