INDEPENDENCE GROUP NL
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JAGUAR / BENTLEY OPERATION (100% IGO) MINERAL RESOURCES AND ORE RESERVES STATEMENT AS OF 30 JUNE 2012

HIGHLIGHTS

- **Mineral Resource: 5,063,000t @ 1.9% Cu, 7.1% Zn, 99g/t Ag (inclusive of reserves)**
- **Ore Reserve: 2,452,000t @ 1.3% Cu, 8.2% Zn, 98 g/t Ag**

Independence Group NL ("IGO") is pleased to announce new Mineral Resource and Ore Reserve estimates at the Jaguar and Bentley base metal Operation, in accordance with the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC" Code 2004).

The Operation was acquired by IGO via an off-market takeover of Jabiru Metals Limited which was completed in the June Quarter 2011. The operation comprises the Jaguar and Bentley underground mines and processing infrastructure. Mining at Jaguar at current metal prices is expected to be completed by December 2012 at which time all ore mined will be sourced from the Bentley mine. The Jaguar concentrator produces copper and zinc concentrates which are transported to the Port of Geraldton for export.

Mineral Resources are reported for the Jaguar and Bentley deposits plus the historic Teutonic Bore deposit **(Table 1).**

Ore Reserves are reported for the Jaguar and Bentley operating mines **(Table 2).**

A total of 411,476t was mined during FY 2012, Mill production was 366,891 tonnes @ 2.3% Cu, 6.0% Zn and 86.9g/t Ag after Heavy Media Separator sub grade waste rock removal (FY2011: 355,952t @ 2.8% Cu, 5.8% Zn and 80.0g/t Ag). Metal production in concentrate was 7,257 tonnes copper, 16,569 tonnes zinc and 577,726 ounces silver (FY2011: 8,468t copper, 14,671t zinc and 466,238oz silver).

After mining depletion of 411,476t (FY 2012) Mineral Resources decreased from 5,453,000t to 5,063,000t in June 2012.

After mining depletion of 411,476t (FY 2012) Ore Reserves decreased from 3,276,000t to 2,452,000t in June 2012 predominately due to lower grade resources at Jaguar being sub economical and not incorporated into the reserve estimate.

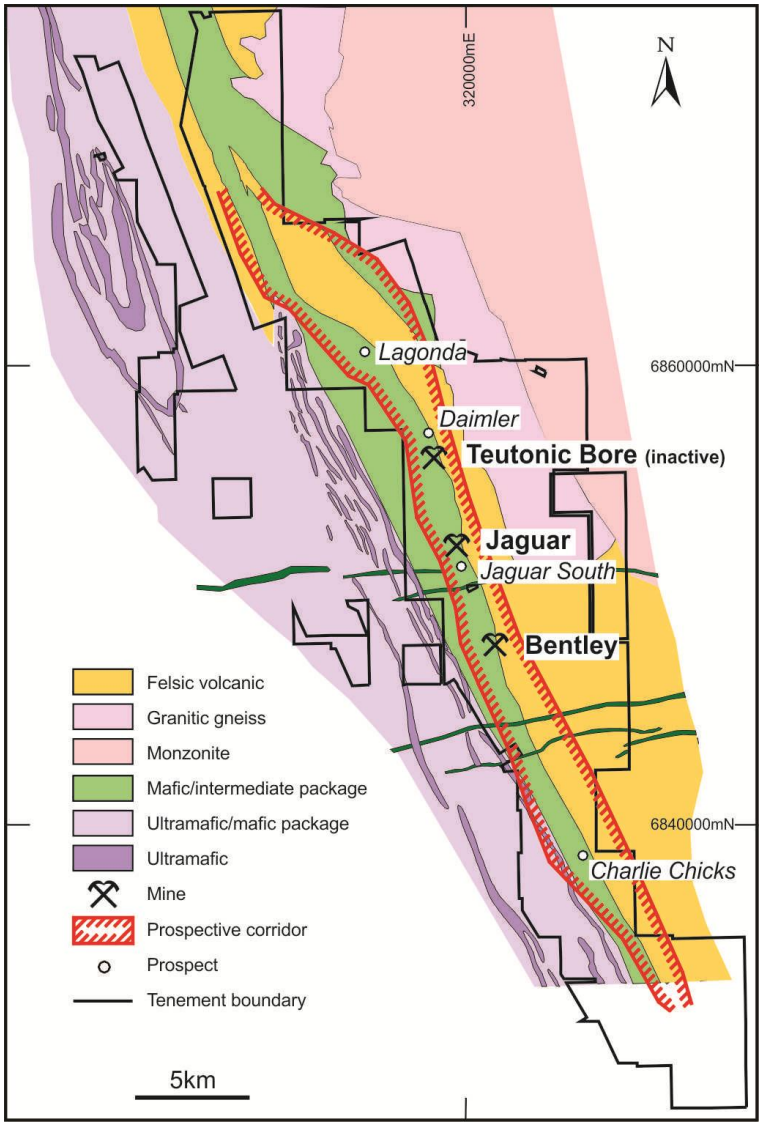

Figure 1: Jaguar and Bentley Operations regional geology and prospective mine corridor.

During FY 2012 an active near mine and regional exploration programme was conducted to locate further copper-zinc-silver-gold volcanogenic massive sulphide (VMS) deposits focussed on a 50km long zone centred on the Jaguar operation **(Figure 1)**.

IGO uses a multidisciplinary approach to exploration including regolith geochemistry, geophysics (induced polarisation and electromagnetics), spectral analysis, stratigraphic and structural interpretation followed by multi-phase drilling programs.

During the year this systematic approach has led to early stage near mine success at the Bentley deposit (Comet Lens – **Figure 2)** and regionally. Previous 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.

Table 1: Jaguar Operation – June 2012 Resources (and 2011 comparison)

		Mineral Resources – as at 30 June 2011					Mineral Resources – as at 30 June 2012				
		Tonnes	Cu%	Zn%	Ag g/t	Au g/t	Tonnes	Cu%	Zn%	Ag g/t	Au g/t
Jaguar	Measured	373,000	3.5	5.9	81	-	429,000	2.5	4.4	61	-
	Indicated	441,000	2.1	3.8	57	-	129,000	1.8	2.6	32	-
	Inferred	42,000	2.2	1.8	28	-	31,000	2.6	2.7	43	-
	Stockpiles	5,000	2.0	4.2	55	-	6,000	1.9	3.7	54	-
	Sub-Total	**861,000**	**2.7**	**4.6**	**66**	-	**595,000**	**2.3**	**3.9**	**54**	-
Bentley	Measured	-	-	-	-	-	-	-	-	-	-
	Indicated	2,296,000	1.8	10.0	122	0.6	2,118,000	1.7	10.5	125	0.7
	Inferred	742,000	2.7	9.4	192	1.0	795,000	2.5	9.6	160	0.9
	Stockpiles	-	-	-	-	-	1,000	0.8	6.5	66	0.3
	Sub-Total	**3,038,000**	**2.0**	**9.8**	**139**	**0.7**	**2,914,000**	**1.9**	**10.2**	**134**	**0.7**
Teutonic	Measured	-	-	-	-	-	-	-	-	-	-
Bore[1]	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**	**-**
TOTAL		**5,453,000**	**2.0**	**6.9**	**102**	**-**	**5,063,000**	**1.9**	**7.1**	**99**	**-**

Notes to accompany **Table 1**:

1 Teutonic Bore resource estimate is as at August 2009.

2 Jaguar and Bentley mining depletion as at 30 June 2012 has been removed from the resource estimates.

3 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.

4 Block modelling used ordinary kriging grade interpolation methods within wireframes for all elements and density.

5 Resources are inclusive of Reserves.

6 Refer to Tables 3-5 for Mineral Resource Estimate parameters.

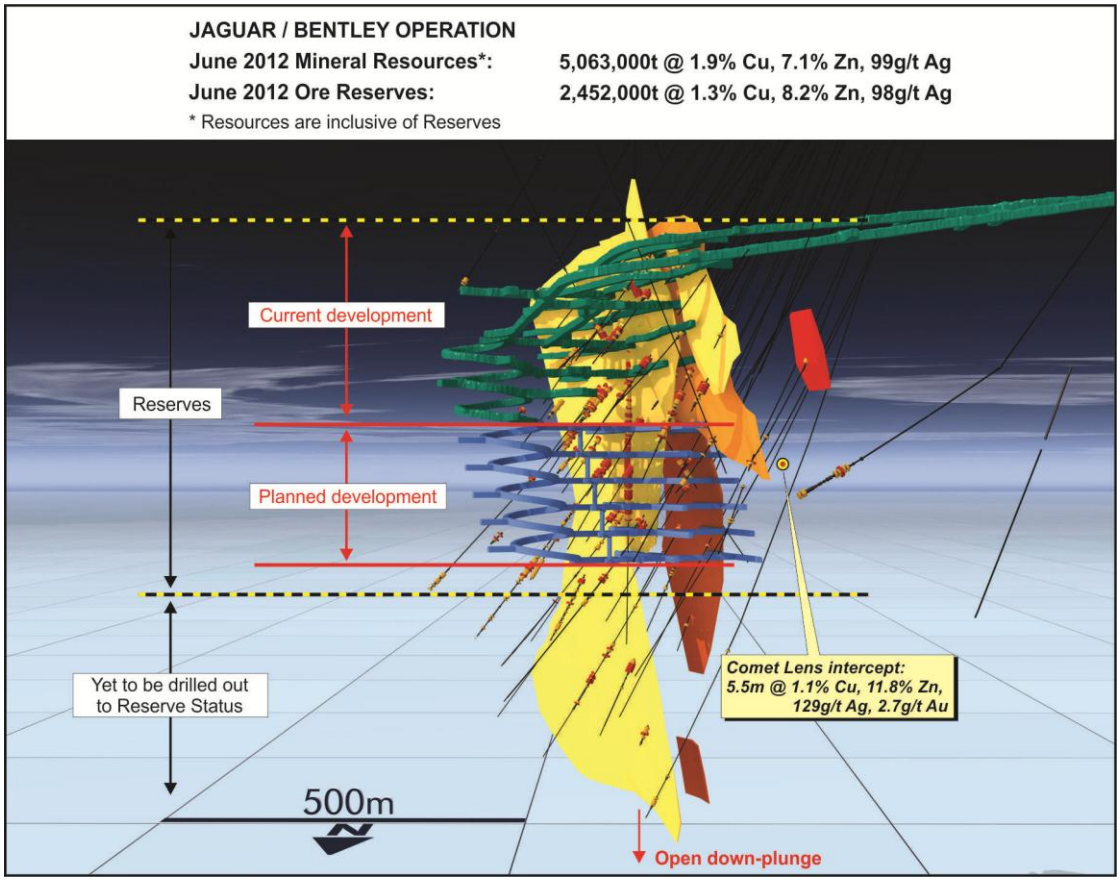

Figure 2: Jaguar/Bentley Operation Resource and Reserves showing Bentley deposit and Comet Lens intercept.

Table 2: Jaguar Operation – June 2012 Reserves (and 2011 comparison).

		Ore Reserve - as at 30 June 2011					Ore Reserve - as at 30 June 2012				
		Tonnes	Cu%	Zn%	Ag g/t	Au g/t	Tonnes	Cu%	Zn%	Ag g/t	Au g/t
Jaguar	Proven	359,000	3.1	4.8	66	-	73,000	1.9	0.5	15	-
	Probable	467,000	1.8	3.3	48	-	6,000	1.5	0.4	10	-
	Sub-Total	**826,000**	**2.4**	**3.9**	**56**	-	**79,000**	**1.8**	**0.4**	**14**	-
Bentley	Proven	-	-	-	-	-	-	-	-	-	-
	Probable	2,450,000	1.5	8.6	106	0.5	2,373,000	1.3	8.5	100	0.5
	Sub-Total	**2,450,000**	**1.5**	**8.6**	**106**	**0.5**	**2,373,000**	**1.3**	**8.5**	**100**	**0.5**
TOTAL		**3,276,000**	**1.7**	**7.4**	**93**	**-**	**2,452,000**	**1.3**	**8.2**	**98**	**-**

Notes to accompany **Table 2:**

1 Cut-off values were based on NSR values of $160/t for direct mill feed and $90/t for HMS feed.

2 Revenue factor inputs: (US$) Cu $8,378/T, Zn $ 2,205/T, Ag $33/Oz & Au $1,700/Oz. Exchange rate Aus$1.030:US$1.00. Costs are based on 2011-2012 contract or current average costs.

3 Metallurgical recoveries - 87% Cu, 74% Zn, 52% Ag and 40% Au. HMS recoveries vary by feed source and range between 65-70% of feed to sinks, 90% Cu, 75% Zn, 79% Ag & 79% Au.

4 Longitudinal sub-level long hole stoping will be used at Bentley and long hole and sub-level caving at Jaguar.

5 All Indicated Resource and associated dilution was classified as Probable reserve. No resource was available in the Measured category for conversion to Reserves at Bentley. All Measured Resource and associated dilution was classified as Proven Reserve at Jaguar.

6 Refer to **Table 6** for Ore Reserve Estimate parameters.

Yours sincerely

Chris Bonwick
Managing Director
Independence Group NL

COMPETENT PERSONS STATEMENT

Jaguar/Bentley/Teutonic Bore Resources and Reserves:

The information in this report that relates to the Jaguar and Teutonic Bore 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 Copper-Zinc-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 2004 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.

COMPANY INFORMATION

BOARD OF DIRECTORS	
Peter Bilbe	Non-Executive Chairman
Chris Bonwick	Managing Director
Kelly Ross	Non-Executive Director
Rod Marston	Non-Executive Director
John Christie	Non-Executive Director

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ASX 200 Code: IGO

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CAPITAL STRUCTURE	
Number of Shares on Issues	232.9M

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Applecross, WA 6153	
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Facsimile:	(08) 9315-2233

TOP 5 SHAREHOLDERS*	
JP Morgan	22.58%
National Nominees	19.61%
HSBC Custody Nominees	18.36%
Citicorp Nominees	5.59%
BNP Paribas Nominees	3.69%

**as at 14 September 2012*

Table 3: Jaguar Mineral Resource Parameters

Geological setting	Jaguar is a V(H)MS style deposit, occurring as a polymetallic (pyrite-sphalerite-chalcopyrite) massive sulphide lens within a volcano-sedimentary succession.
Drilling techniques	Diamond drilling. The surface diamond drilling is a mixture of HQ and NQ core sizes. The underground holes at Jaguar are NQ2 core size. Underground face sampling has been used to define resource boundaries where appropriate however has not been used in the resource estimate.
Drillhole Spacing	Diamond drill coverage at Jaguar is on a nominal 50x50m pattern from the surface and at a nominal 20mx20m infill pattern from underground.
Drillhole Collar Positions	All drillhole collar positions were surveyed by licensed or company surveyors. All resource work has been conducted on local grids.
Drillhole directional control	Dip and Azimuth readings using a combination of Reflex-EZ downhole camera shots (multishot) at either 6m or 30m intervals for underground drilling (prior to 2011) and DeviFlex gyro surveys at 3m intervals for all underground drillholes completed from 2011 onwards. Gyro surveys were completed for most of the holes drilled from surface.
Geometry of intercepts	Drilling location in the footwall enables generally good orientation of massive sulphide intercepts from the underground drilling. Surface holes provide a good intercept angle for the shallow holes however for the deeper holes the angle is closer to the mineralisation dip. Drilling of the Farside lodes has been from the hangingwall which provided good intercept angles.
Sampling techniques	Sawn half-core samples of HQ and NQ varying in length between 0.3m up to 1.5m in the massive sulphide adjusted to geological boundaries. All massive sulphide intercepts have been sampled.
Data spacing and distribution	The data spacing and distribution is more than sufficient to establish geological and grade continuity appropriate for the Mineral Resource estimation procedure and classification applied. Stope definition drilling was completed on a 20x20m pattern.
Sample preparation and assaying	All samples were crushed and a sub-sample pulverised. Surface drill samples were initially analysed by UltraTrace Pty Ltd (up to 2004) then by Genalysis (now Intertek) after 2004, for copper, lead, zinc and silver. Analysis was performed by ICP OES /MS techniques with detection limits of 5ppm for copper, lead and zinc, and 1ppm for silver. Underground drill holes have been assayed by SGS Laboratory Services (pre 2010) and Genalysis (post 2010) using a four acid HF ore grade digest with AAS analysis for Cu (10-50k ppm), Zn (10-50k ppm), Pb (20-25k ppm), Ag (5-500 ppm) and Fe (0.01-40%). The assay techniques are for total digestion of the sulphides and are considered appropriate for this type of mineralisation.
Audits or reviews	Routine validity checks were run on the assays and corrections were made where needed for those holes intersecting the massive sulphide, prior to resource estimation. All holes have a summary plotted for review in hard copy with geological and assay information.
Sample compositing	1m downhole composites for drillhole samples with length and density weighting.
Density	All underground samples have measured densities using the water immersion technique. Densities were used in the sample compositing. Some erroneous density measurements were reported for underground core samples prior to June 2008 which have been discarded. The assays for Cu, Pb, Zn and Fe were compared with the measured densities and a second power regression curve was determined for the massive sulphide and stringer domains. A calculated density was assigned to those samples with erroneous or missing density measurements. Density was interpolated into the block model using Ordinary Kriging.
Quality Control procedures	In comparison with modern requirements, minimal quality control procedures were adopted by companies completing the drilling programs in the past. Quality control procedures in the IGO/JML drilling programs included the insertion of standards, blanks, duplicates and cross-lab checks. Elements analysed are all within acceptable limits. Repeatability is moderate to good for all elements of interest. In 2011, IGO also implemented sizing checks to be completed at the laboratory on 10% of the samples submitted for assay.
Drill sample recovery	Core sample recovery is excellent, with the majority of holes showing 100% core sample recovery.
Geological logging and photography	Surface holes have been logged and photographed by the various companies completing the exploration and infill drilling programs. Underground core is logged, with photography of core commencing in early 2011 and half core is retained. Geological logging is adequate for resource estimation with lithology, deformation, alteration, mineralisation, veining and structure being recorded. Logging of underground core occurs digitally straight into AcQuire data entry objects and is loaded into the AcQuire database. Surface drilled holes were logged on paper and subsequently data entered and loaded into the AcQuire database.

Geological interpretation	Confidence in the geological interpretation for the Jaguar deposit is very high, with the mineralisation and geological setting confirmed by significant underground development, drilling and mapping.
Dimensions	Jaguar (Main Lens) is 400m long, 420m wide (down-dip), up to 16m thick and located 320m below surface.
Estimation and modelling techniques	Ordinary kriging was used for grade estimation in the main lode and main lode split utilising Surpac v6.2 software. GeoAccess software was used for statistical analysis. Grade estimation was constrained to the massive sulphide lens wireframes for the main lode, main lode split and bubble lode. For stringer zones, a 0.5%Cu cut-off was utilised for wireframe boundaries and grade estimation was constrained to within the stringer wireframes.
Block modelling	Jaguar 10m Northing, 5m Easting, 10m RL block size. Minimum subcell 1.25mY, 0.625mX, 1.25mZ. Two domains applied to reflect differing main lode geometry along strike. Two other massive sulphide lodes and 9 separate footwall stringer lodes were also defined and treated as separate domains. Mined volume at Jaguar has been removed from the block model using the available development wireframes and existing Cavity Monitoring System (CMS) surveys.
Moisture	Tonnages have been estimated using densities that contained natural moisture. The natural moisture of the Jaguar massive sulphides and volcanic rocks is assumed to be very low (<1%) but has not been measured.
Cut-off grades, top-cut grades	No cut-off grades have been applied and no top-cut grades have been used for the massive sulphide. Top-cut grades for stringer sulphide domains were used where CV's were greater than 1. Top-cuts applied include 0.35%Pb, 3%Zn and 50ppm Ag. Stringer mineralisation has been defined by a 0.5% copper cut-off grade.
Mining and metallurgical assumptions	No assumptions about mining method, minimum mining width or internal mining dilution have been made. Similarly, no assumptions about metallurgical treatment processes and parameters have been made.
Previous mine production	Mine production as at 30 June 2012 was 1,682 kt @ 2.7% Cu, 8.0% Zn 0.4% Pb, 90ppm Ag for the Jaguar mine.
Classification	Classification was based on density of drill spacing and underground development in conjunction with the interpreted geological model. Where the drilling density is at 20 x 20m spacing and supported by development, the resource has been classified as Measured. Resources were defined as Indicated where the drillhole spacing was greater than 20m but still displayed good continuity. A number of 'main lode rafts' have been defined by a single drill hole or are not continuous across more than one section, and these zones have been classified as Inferred.
Tenement and land tenure status	The Jaguar deposit is located within M37/1153, a granted mining lease held 100% by Jabiru Metals Limited (JML), a wholly owned subsidiary of IGO. There are no Native Title Claims registered over the lease.
Audits or reviews	No external audits were conducted on the 2012 Jaguar Resource estimate.
Further work	No further work is planned for the Jaguar deposit from a resource estimation perspective.
Resource Model number	JG_RSC_2012_06 (Surpac Block Model - jagres2012_endofjune.mdl)

Table 4: Bentley – Mineral Resource Parameters

Geological setting	Bentley is a V(H)MS style deposit, occurring as polymetallic (pyrite-sphalerite-chalcopyrite-galena) massive sulphide mineralisation within a volcano-sedimentary succession. Intrusion by tholeiitic dolerite has led to disruption of the original massive sulphide lenses into three or more discrete lenses (Arnage, Mulsanne and Brooklands).
Drilling techniques	Principally diamond drilling with the exception of several RC precollars. Holes were drilled by Titeline Drilling Pty Ltd and Boart Longyear Pty Ltd. The surface diamond drilling is a mixture of HQ and NQ core sizes. Underground drilling from 2011 was by Sanderson Drilling, Kalgoorlie. Holes were NQ2 core size.
Drillhole Spacing	Diamond drill coverage at Bentley is on a nominal 50x50m pattern with 1 fan drilled pattern from underground. Minimum hole spacing ~10m where wedge holes have been drilled, while the maximum hole spacing does not exceed 70m.
Drillhole Collar Positions	Drillhole collar positions were surveyed by company surveyors using RTK GPS equipment. All resource work has been conducted on the local mine grid.
Drillhole directional control	Dip and Azimuth readings – good quality surveys using downhole camera shots at about 30m intervals for the initial exploration program, while a gyro survey tool was used for the follow-up resource definition programs (surface drilling). Underground drilling used a DeviFlex 8377 non-magnetic multi-shot tool with surveys at 4m intervals.
Geometry of intercepts	Surface drilling intersects the massive sulphide lenses almost perpendicular to the lens orientation at Bentley, and at a mean angle of 45-50 degrees to the sulphide veins in the Stringer Sulphide domain. 09BTDD015, 09BTDD017, 10BTDD017 and 10BTDD018 were drilled down dip and along strike of mineralisation to test for dolerite bodies and faults that might not have been intersected by drilling perpendicular to the orebody. These holes have not been used in the resource estimate.
Sampling techniques	Core sampling between the exploration and resource definition phases of drilling differed in the sample size with sampling during the exploration phase (September 2008 to February 2009) being ¼ NQ core, and in the resource drilling programs being ½ NQ core or ¼ HQ core. In both drill programs, the minimum sample length was set at 0.3m, while the maximum sample length was 1.5m. In the underground drilling, NQ2 core samples were minimum length 0.3m and maximum length 1m. Core was cut with an automated core cutter after orientation and markup.
Data spacing and distribution	The data spacing and distribution is sufficient to establish geological and grade continuity appropriate for the Mineral Resource estimation procedure and classification applied.
Sample preparation and assaying	Samples were sent to Genalysis (now Intertek) in Maddington, WA. The sample preparation method was to dry the core in ovens overnight (105°C), then jaw crush the samples to a nominal minus 10mm size then Boyd crushed to a nominal minus 2mm. After crushing, the samples were pulverised in a mixer mill in a single stage mix and grind process (SSMG) to a nominal 85% passing 75 micron. Any samples that exceeded the 3kg mill limit were riffle split prior to the pulverising stage. At the exploration stage, assaying for Cu, Pb, Zn, Ag and Fe was by four-acid digest involving hydrofluoric, nitric, perchloric and hydrochloric acids and analysis by Flame Atomic Absorption Spectrometry (AAS), while Au was analysed by fire assay with AAS finish. Assay techniques in the resource definition program consisted of four-acid digest with AAS finish for base metals to 0.01% detection limits, while Ag used four-acid digest with an MS finish to 0.2-1ppm detection limit. Au was analysed by 50g fire assay to 0.01ppm detection limit. For the underground drill samples similar methods were used but in Feb 2012 the 50g fire assay was reduced to a 25g charge due to high sulphide content samples. The assay techniques used are considered appropriate for this type of mineralisation.
Audits or reviews	Database integrity was maintained through the use of validation routines built in to the AcQuire database software. The database was checked graphically in the Surpac software before resource estimation. Spurious density values were re-measured or calculated using regression curves and the database was updated.
Sample compositing	Samples were composited to 1m downhole composites with length and density weighting.

Density	IGO performed density testwork on most samples that were submitted to the laboratory for assay. All density measurements have been determined using the simple water immersion technique. The assays for Cu, Pb, Zn and Fe were combined and compared with the measured densities and regression lines determined for massive sulphide and stringer domains. A calculated density was assigned to those samples without their own density measurement. Density was interpolated into the block model using Ordinary Kriging.
Quality Control procedures	Quality control procedures included the insertion of standards, blanks, cross-lab checks and same lab checks. The blank samples allowed detection of low order sample contamination at the laboratory during sample preparation, particularly Zn contamination. Check samples identified an underestimation of Ag by Genalysis and poor to moderate precision for Au. Both these issues are being addressed by IGO however the Cu, Zn and Pb analyses were shown to be reasonably accurate and precise and no consistent bias was observed for these elements. IGO is satisfied that Cu, Zn and Pb analyses are suitable for resource estimation and is going to investigate further into Au and Ag analytical methods to improve results. Coarse crush washes at the crusher stage and quartz washes at the pulverising stage have been implemented to combat sample carryover during the sample preparation process.
Drill sample recovery	Core sample recovery was good to excellent, being consistently >90%.
Geological logging and photography	Core was photographed both dry and wet and copies of the digital images stored on the Jaguar minesite server. Geological logging included rocktype, deformation, structure, alteration, mineralisation, veining and RQD measurements. Logging of underground core occurs digitally straight into AcQuire data entry objects and is loaded into the AcQuire database. Surface drilled holes were logged on paper and subsequently data entered and loaded into the AcQuire database. Geological logging is adequate for resource estimation.
Geological interpretation	Confidence in the geological interpretation for Bentley is high, with the mineralisation and geological setting being simple, and the drilling confirming the interpretation. Good geological cross-sectional interpretations were available to guide modelling of the mineralisation. The mineralisation was domained into massive and stringer domains. The main factors controlling continuity at Bentley are a series of post-mineralisation dolerite intrusives which are interpreted to be disrupting the lenses, and a minor east-west fault displacing the Arnage and Mulsanne lenses by 8m to the east.
Dimensions	Arnage (Main Lens) is about 450m long, 500m vertical extent, and approximately 8m thick. Mulsanne is about 250m long, 140m vertical extent, and approximately 3m thick. Brooklands is about 150m long, 200m vertical extent, and approximately 5m thick. Mineralisation was modelled from 240m below surface to a depth of approximately 700m below surface.
Estimation and modelling techniques	Ordinary Kriging was used for grade estimation utilising Surpac software. Search parameters were derived from variogram models for each element. Grade estimation was constrained to each of the massive sulphide and stringer sulphide lens wireframes.
Block modelling	Parent cells of 5mX, 10mY, 5mZ cell size with sub-cells of 0.625mX, 2.5mY, 0.625mZ. This parent cell size is considered suitable for drilling on a 50x50m pattern with some infill drilling from underground. The subcelling allows for better resolution and therefore better tonnage estimation in the narrow zones. Mined voids were applied to the block model to deplete the resource estimate for mining prior to reporting tonnes and grades.
Moisture	No samples were tested for moisture content. All sampled core was from well below the oxidised rock profile. The samples were considered impermeable and moisture content is expected to be well below 1%.
Cut-off grades, top-cut grades	No cut-off grades have been applied to define the massive sulphide domain. A lower assay cut-off of 0.3% Cu or 4% Zn was applied to define the stringer mineralisation domain. A block cut-off grade of 0.5% Cu was applied to the stringer zone for resource estimation and was based on marginal mining and processing costs and recoveries for the Jaguar Operation. Following a review of the composite sample data statistics, a high grade cut of 15% was applied to Cu, 7% for Pb and 4.6ppm for Au within the massive sulphide domain, while high grade cuts were applied to Zn (13%), Cu (10%), Pb (0.8%), Ag (170ppm) and Au (2.7ppm) within the stringer mineralisation domain.

Mining and metallurgical assumptions	No assumptions about mining method, minimum mining width or internal mining dilution have been made for the massive sulphide. No assumptions about metallurgical treatment processes and parameters have been made for the massive sulphide. Marginal mining and processing costs and recoveries based on the Jaguar Operation, and spot metal prices were used to determine a lower cut-off grade parameter for the stringer sulphide domain.
Previous mine production	The Bentley mineralisation has been developed for over 12 months with no stoping to date. To 30 June 2012, underground reconciled production was 128kt @ 1.3% Cu, 11.3% Zn, 0.8% Pb and 161ppm Ag. Mine production is exceeding resource model estimates for both tonnes and contained metal, particularly in relation to Cu.
Classification	The average drill hole spacing in the main portion of the resource is approximately 50m along strike and variable between 30m and 50m down dip. This spacing and confidence in the geological interpretation is considered adequate to allow classification of the resource as an Indicated Mineral Resource. Where the drill spacing is greater than this an Inferred classification has been assigned.
Tenement and land tenure status	The Bentley prospect is within M37/1290 and is operated by Jabiru Metals Ltd, a wholly owned subsidiary of Independence Group NL (IGO). There is no native title claim over the area.
Audits or reviews	An external review has been initiated for this resource estimate and is expected to be finalised in October 2012.
Further work	Infill drilling from underground to a closer-spaced pattern has commenced. The deeper portions of the resource currently classified as Inferred will be drilled to enable conversion to Indicated Mineral Resource.
Resource Model number	BT_RSC_2012_06

Table 5: Teutonic Bore – Mineral Resource Parameters

Geological setting	Teutonic Bore is a V(H)MS style deposit, occurring as a polymetallic (pyrite-sphalerite-chalcopyrite) massive sulphide lens within a volcano-sedimentary succession. An extensive feeder zone below the massive sulphide lens (in the footwall) has produced a large sulphide stringer zone
Drilling techniques	Percussion drilling, diamond drilling - some with percussion pre-collars. The surface diamond holes are HQ and NQ core sizes. The underground holes are BQ core size. Core from JML work was oriented using a Reflex Ace Core Orientation tool
Drillhole Spacing	Diamond drill coverage at Teutonic Bore is on a nominal 20x20m (massive) to 40x40m (stringer) pattern with stringer mineralisation closer to the massive sulphide having closer spaced drilling. Twin holes have not been drilled.
Drillhole Collar Positions	All recent drillhole collar positions were surveyed by licensed or company surveyors using either GPS or dGPS. Original Australian Selection surface holes were measured by tape from the nearest grid peg and are considered to have +/-3m level of accuracy. Underground holes have been measured from plans and sections and are considered to be to a +/-5m level of accuracy
Drillhole directional control	Dip and Azimuth readings – generally good quality surveys using Eastman down hole camera shots at 40m intervals down the historic surface holes, and gyro surveys for the recent surface holes to 2007. JML holes in 2008 were downhole surveyed at 20m intervals using a Reflex EZ-Trac digital downhole camera. Underground holes have been measured from plans and sections and only have collar azimuth and dip
Geometry of intercepts	Surface drilling intersects the massive sulphide lenses almost perpendicular to the lens orientation. The underground fan drilling mostly intersects the massive sulphide zone at a variety of angles. Two of the underground holes were removed prior to the estimate due to inappropriate dip orientations.

Sampling techniques	Mostly sawn half-core samples of NQ or quarter-core samples of HQ core, varying in length up to 1m and adjusted to geological boundaries, for the JML drilling. Historic surface holes were filleted with about 1/3 core diameter used as the sample, up to 2m sample lengths but usually 1.5m. Poorly mineralised zones were chip sampled at about 15cm intervals bulked over 1.5-3m lengths. Sample quality in the JML holes is considered very good and is considered moderate in the historic holes. Underground holes were sampled as sawn half-core BQ core
Data spacing and distribution	The data spacing and distribution is sufficient to establish geological and grade continuity appropriate for the Mineral Resource estimation procedure and classification applied (Indicated) in the massive sulphide and indicated or inferred classification in the stringer mineralisation
Sample preparation and assaying	All JML samples were crushed and pulverised, then a subsample digested using a four-acid digest (digest A or AX) with an AAS finish, at Genalysis. Detection limits for the A digest were 1ppm for Cu, Zn, Ag, and 5ppm for Pb. Detection limits for the AX digest were 0.01% for Cu, Zn, Pb and 5ppm for Ag. Historic sampling (surface holes) was assayed by Australian Selection in house using a 3 acid digest with AAS finish (Cu, Pb. Zn to 0.01% and Ag to 0.2, 2 or 10ppm.). Underground samples were assayed by Analabs in Kalgoorlie using an aqua regia digest. The assay techniques are for total digestion of the sulphides and are considered appropriate for this type of mineralisation
Audits or reviews	Data validation against paper copies of plans, sections, drill logs and analysis sheets was carried out in 2006.
Sample compositing	Samples were composited to 1m length with an acceptable minimum of 0.6m, using length and density-weighting for Cu, Zn, Pb and length-weighting for Ag and density
Quality Control procedures	Australian Selection assayed 10% of samples in duplicate and if the assays varied by more than 5% the entire batch was re-assayed. Standards and blanks were inserted into the sample sequence in the 2005-2007 campaigns at the rate of about 1 in 40, increasing to 1 in 20 for standards and decreasing to 1 in 50 for blanks in 2008. Check assays on pulps were also carried out, both using the primary lab Genalysis and another lab Ultratrace. Standards and check assays showed reasonable levels of accuracy and precision in the JML samples. Blanks showed some contamination was occurring and procedures were changed to include barren flushes between samples. Duplicate sampling showed large variation of grades between the two quarter-core samples for the same interval, up to 40% relative difference for Cu and Zn. The analytical technique for Ag in 2008 was not appropriate for the stringer mineralisation grade range and samples were re-analysed using a more suitable technique.
Drill sample recovery	Core sample recovery was generally good-excellent except where drillholes intersected old underground workings. Core lengths between blocks were properly recorded and added to the database
Geological logging and photography	Surface holes have been logged and photographed by the various companies completing the exploration and infill drilling programs. JML holes have been logged and photographed (both wet and dry) and geological data has been coded and entered into the database. Underground holes were logged but not photographed by Australian Selection. Geological logging is adequate for resource estimation
Geological interpretation	Confidence is high for the geological interpretation of the massive sulphide and is moderate for the stringer zone. Vein orientation is not well understood in the stringer zone and drilling density sparser, with mineralisation boundaries defined by cut-off grade rather than geologically defined units. As the cut-off grade increases, continuity of mineralised stringer zones reduces
Dimensions	The massive sulphide (pre-mining) is a tabular body about 250m long and 17m thick (true width), extending down dip for about 190m. The remnant mineralisation is located 240m below surface, below the previously stoped mineralisation, as well as in fingers to the south and north ends of the open pit and stoped areas. The stringer mineralisation occurs in the footwall of the massive sulphide zone over a strike length of about 245m. It is up to 50m thick and extends down dip about 200m

Estimation and modelling techniques	GeoAccess software was used for statistical analysis of the composites. Surpac software v6.1 was used for the variography and block modelling. Ordinary kriging (with top-cuts) was used for grade interpolation, based on the variography and validation of the search orientations in Surpac. Block cells had been coded with the wireframe name and only composite samples from that zone were used to interpolate grades into that zone. All grade interpolation was constrained to within the massive and stringer sulphide wireframes. The massive sulphide was domained into a fresh rock and a transitional rock domain for statistics and variography. Both these domains were further subdivided for search ellipse orientation changes due to changes in their geometry in the south end. The largest of the stringer zones was used to establish kriging parameters and these were applied to the other stringer zones with an appropriate search ellipse orientation change. Search distances were generally 150m along the major axis, up to 140m in the semi-major direction and up to 40m in the minor direction (18m in the massive zone). Both the massive and stringer estimates compare well with previous estimates
Block modelling	The block model had extents of 700m in Y, 500m in X and 410m in the Z direction. The parent cell size was 5x5x5m sub-celling to 1.25x1.25x1.25m. The parent cell size was a compromise between close-spaced drilling in the massive sulphide and wider-spaced drilling in the stringer zone. Sub-cell size was determined more for an open-cut mining scenario rather than underground, and could be reduced further for better resolution in an underground mining scenario
Moisture	Tonnages have been estimated using densities that contained natural moisture. The natural moisture of the Teutonic Bore massive sulphides is typically very low (<1%)
Previous mine production	Mined volume at Teutonic Bore has been removed from the resource estimate using void wireframes based on historical plans and sections and the surface topography from photogrammetry. Void wireframes are considered accurate to about +/-3m and have been confirmed by intersections during JML's drilling. Block model cells were coded as mined if within the open pit or void wireframes and were excluded from the estimate. The void wireframes were expanded slightly to remove any skins of mineralisation that might be left behind through the coding of the cells within the wireframes
Cut-off grades, top-cut grades	No cut-off grade was applied to the massive sulphide as the mineralisation was defined geologically. A cut-off grade of 0.5% Cu was applied to the stringer mineralisation. Top-cut grades for massive and stringer mineralisation were defined using log-probability plots and identifying the inflexion point indicating deviation from log-normality. Top-cut grades applied were: Massive sulphide fresh rock 18% Cu, 3.8% Pb, 880ppm for Ag and no top-cut for Zn; massive sulphide transitional rock 17% Cu, 33% Zn, 3.6% Pb and 440ppm Ag; Stringer sulphide 7% Cu, 12% Zn, 2% Pb and 350ppm Ag
Mining and metallurgical assumptions	No assumptions about mining method, minimum mining width or internal mining dilution have been made. Similarly, no assumptions about metallurgical treatment processes and parameters have been made
Density	Most samples had measured densities determined using the simple water immersion technique. Densities were checked against density vs grade regression curves and outliers were replaced with calculated densities or in the case of the stringer mineralisation, a nominal density of 2.95g/cc. The density dataset is quite large and in good condition. Densities were used for compositing Cu, Zn and Pb grades and were interpolated into the block model in the same way as a grade
Classification	The massive sulphide mineralisation was classified as Indicated because it has closely spaced drilling and a production history, as well as good confidence in the geological model. The stringer mineralisation was classified as Indicated where drill spacing was about 20x20m and Inferred where drill spacing was about 40x40m. Stringer mineralisation also had some historic holes drilled through it that were not sampled and these areas, if not sampled with JML drilling, were classified as Inferred. Mineralisation modelled but with drilling density sparser than 40x40m was not classified as resource

Tenement and land tenure status	Teutonic Bore is located within mining lease M37/44. There are no Native Title Claims registered over the lease and no other known impediments
Audits or reviews	A review of the resource estimate was conducted by Runge Limited in 2009 which identified no significant issues other than some aspects of the variography, derivation of kriging parameters and search neighbourhoods. Subsequent review (by Wildfire Resources Pty Ltd and JML staff) of these aspects concluded that there was no material issue that required action.
Further work	Historic core that has not been sampled and is in suitable condition may be sampled to improve the detail of the resource estimate prior to mining, similarly JML core that was not sampled but lies within the mineralised envelope may be sent for assaying. Core trays for historic drilling have been rehabilitated and are in a suitable condition for longer term storage.
Resource Model number	TB_RSC_2009_03

Table 6: Jaguar/Bentley Operation – Ore Reserve Parameters

Mineral Resource estimate	Based on Bentley Resource model from April 2012 which was depleted for production to 30 June 2012. Massive sulphide and stringer domains were estimated using ordinary kriging, constrained within wireframes. The block dimensions used were 10m NS by 5m EW by 5m vertical with sub-cells of 2.5m by 0.625m by 0.625m respectively.
Inclusivity	The ore reserve estimation is inclusive of the April 2012 resource estimate however as per JORC Code (2004) the Inferred Resource has not been included.
Study status	Mining parameters were based on current mining practices and year to date costs at the Jaguar Operation
Cut-off values	The ore reserve was estimated using a cut-off value of $160 per ore tonne Net Smelter Return (NSR) for direct mill feed and $90 per ore tonne for ore distant for benefaction in the heavy media separation.
Net Smelter Return	Direct Feed NSR ($/t) =(Cu(%) x 65.98 + Zn(%) x 12.08 + Au(g/t) x 22.57 + Ag(g/t) x 0.39) HMS NSR($/t) =(Cu(%) x 61.36 + Zn(%) x 11.18 + Au(g/t) x 20.99 + Ag(g/t) x 0.36) NSR estimated on a 'free of bills' (FOB) basis at the 'mine gate' and has taken into account commercial factors relating to metal price, foreign exchange, tenement and refining charges, transport costs, royalties and processing costs.
Data Adjustments	No data adjustments have been applied in this reserve estimate other than to deplete for mining as at 30 June 2012.
Mining factors or assumptions	Longitudinal sub-level long hole stoping will be used at Bentley with the application of up-hole drilling to a longitudinal stoping sequence, however the method could also be applied through the use of down hole drilling. The proposed mining method follows the sequence of: • Long hole drilling of slot and production rings; • Open slot rise through to all sublevels; • Blast production rings into stope voids and muck from the extraction level; and then • Backfilling the stope and commencing drilling the adjacent stope panel. A nominal 20% dilution at zero grades was applied to stoping and 5% dilution at zero grades for development. Mining recovery varied depending on mining method: 95% recovery was applied to all long hole stopes. 100% recovery was applied to all development. Minimum mining widths were 2.0mW for long hole stopes and 4.5mW for twin boom jumbo development.

Metallurgical factors or assumptions	Metallurgical recoveries - 87% Cu, 74% Zn, 52% Ag and 40% Au. Heavy Medium Separation recoveries used in the estimation vary by feed source and range between 65-70% of feed to sinks, 90% Cu, 75% Zn, 79% Ag & 79% Au.
Cost and revenue factors	Revenue factor inputs: (US$) Cu $8,378/T, Zn $ 2,205/T, Ag $33/Oz & Au $1,700/Oz Exchange rate Aus$1.030 : US$1.00 Costs are based on contract or current 2011-12 financial year averages. Royalty deductions Cu – 5%, Zn – 5% Au – 2.5% and Ag – 2.5%, Sea transport $US/wmt concentrate Cu and Zn - $52.70, MMG marketing and port handling Cu and Zn $5 per tonne of concentrate, and Road transport $55 per wmt of concentrate.
Market assessment	Various short term and long term market reports were collated to form an opinion of future metal prices and exchange rates. Opinions on future concentrate sales and TC/RC costs were sought from concentrate analysis and financial institutions.
Risk	The projected physical production parameters are considered to be relatively risk free as evidenced by similar production rates and mining methods at the Jaguar mine over the last 3 years. There is a risk with the macro economy and expected metal consumption.
Tenement status	The reserve falls wholly within M37/1290 and M37/1153 which is in good standing.
Previous mine production	Bentley mining commenced in 2010. Total Bentley mine production to date is 128kt @ 1.3% Cu, 11.7% Zn, and 168ppm Ag.
Classification	All Indicated resource and associated dilution was classified as Probable reserve. No resource was available in the Measured category.
Audits or reviews	Ore reserve estimation has been reviewed and M37/1153 by independent mining consultants from Mining One Pty Ltd.
Reserve Model number	BT_RSV_2012_06.