



CREATING A LEADING
DIVERSIFIED MINING
COMPANY
ANNUAL REPORT 2015





WORKING TOGETHER TO ACHIEVE SHARED GOALS

"We are intent on creating value for our stakeholders in a safe and sustainable way."

Graham Burns
Registered Manager
Jaguar Operations

OUR MISSION

Our Mission statements are:

- Engaging our people through development of their capabilities, and recognition of their contributions to our future.
- Encouraging innovation to drive efficiency.
- Achieving sustainable growth through high returns from diverse assets.
- Creating a strong sense of purpose by fostering a culture of ownership across the business.



JAGUAR

HIGH MARGIN ASSETS

WE WILL BE A **DIVERSIFIED** MINING COMPANY
DELIVERING SUPERIOR RETURNS FOR ALL STAKEHOLDERS.

OUR VALUES

We will build an organisation that reflects:

-  **SUSTAINABILITY** Putting health and safety first, being environmentally responsible, and supporting our communities.
-  **ACCOUNTABILITY** Taking ownership for what we do and responsibility for others.
-  **TEAMWORK** Working together to achieve shared goals.
-  **INTEGRITY** Doing what is right and doing what we say we will do.
-  **DILIGENCE** Careful and persistent effort.
-  **RESPECT** Valuing the views of others and accepting people for who they are.



PRODUCING VALUED COMMODITIES

"We produce nickel, copper, zinc, silver, gold in ore and concentrates. Tropicana produces gold. These metals are used in many ways by many people."

Amanda Wilson
Mill Trainer
Jaguar Operations



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2015 Sustainability Report

With the issue of this 2015 annual report, Independence Group NL (IGO) has also published a Sustainability Report. Shareholders are referred to IGO's 2015 Sustainability Report for the first time. It includes sections on community development, our Code of Conduct and disclosure on sustainability and community matters that were reported in previous annual reports.

2015 Corporate Governance Statement and Appendix 4G disclosures

IGO has published its 2015 Corporate Governance Statement and the disclosures required by Appendix 4G of the ASX Listing Rules in the Governance Section of its website: <http://www.igo.com.au/irm/content/governance.aspx?RID=295>.

Shareholders are encouraged to read the Corporate Governance Statement and Appendix 4G disclosures.

All monetary amounts are in Australian dollars unless otherwise noted.

Statistics related to hours worked as presented in this report include both permanent full-time and part-time IGO employees and contractors.

Glossary of Terms

Readers are encouraged to refer to the Glossary of Terms of this report for further explanation of various terms set out in this Annual Report.

DELIVERING SUPERIOR RETURNS

IGO WILL CONTINUE TO ACHIEVE SUSTAINABLE GROWTH THROUGH THE TARGETING OF PROJECTS THAT HAVE SCALE, HIGH MARGIN AND LONG-LIFE POTENTIAL.

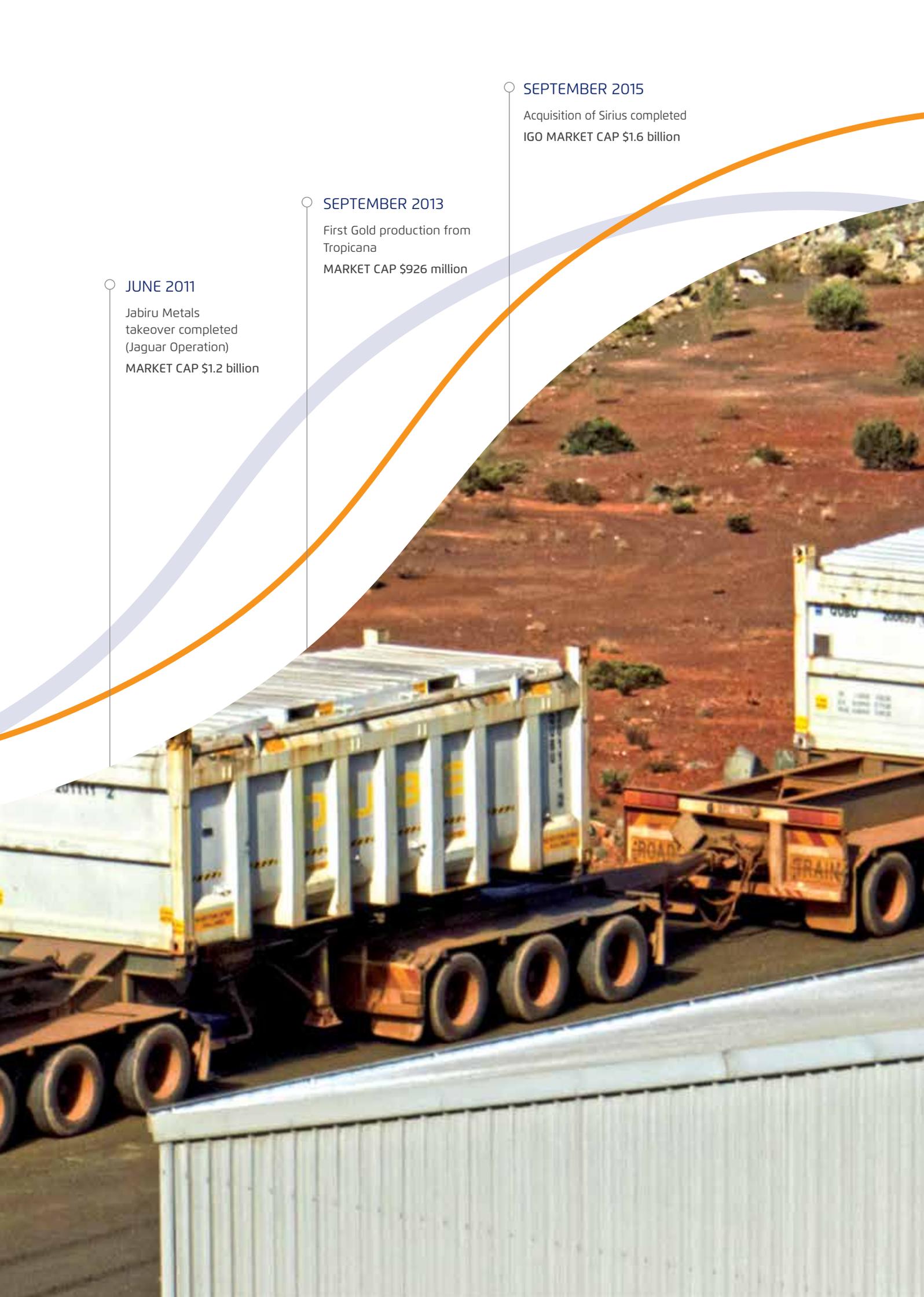
JANUARY 2002
Listed on ASX raising \$4 million (ASX:IGO)
MARKET CAP \$9 million
Tropicana Joint Venture agreed
MARKET CAP \$13 million

SEPTEMBER 2002
Long Operation acquisition completed with production starting October 2002
MARKET CAP \$23 million

AUGUST 2005
Tropicana discovery hole
MARKET CAP \$175 million

NOVEMBER 2010
Tropicana Project development decision
MARKET CAP \$1 billion





○ JUNE 2011
Jabiru Metals takeover completed (Jaguar Operation)
MARKET CAP \$1.2 billion

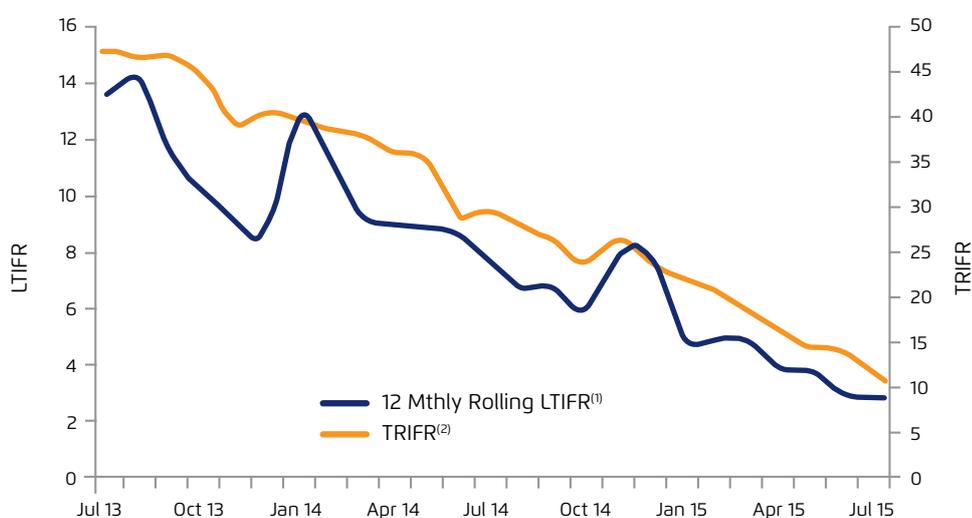
○ SEPTEMBER 2013
First Gold production from Tropicana
MARKET CAP \$926 million

○ SEPTEMBER 2015
Acquisition of Sirius completed
IGO MARKET CAP \$1.6 billion

FY2015 SCORECARD

SAFETY

There has been a significant improvement over the past two years in the Company's safety performance. The total recordable injury frequency rate (TRIFR) and lost time injury frequency rate (LTIFR) expressed in number of injuries per million hours worked significantly improved over the past two years. This is a credit to our people.



⁽¹⁾ LTIFR is lost time injury frequency rate expressed in number of injuries per million hours worked.

⁽²⁾ TRIFR is total recordable injury frequency rate expressed in number of injuries per million hours worked.

FY2015 SCORECARD – CORE METRICS

Metric	Target ⁽¹⁾	Achieved	Score
Tropicana			
Gold production (oz)	141,000 – 147,000	148,923	✓
Cash cost (\$/oz)	590 – 630	568	✓
Long			
Nickel production (t)	9,000 – 10,000	10,198	✓
Cash cost (\$/lb)	4.30 – 4.70	4.01	✓
Jaguar			
Zinc production (t)	40,000 – 43,000	44,999	✓
Copper production (t)	5,800 – 6,500	7,380	✓
Cash cost (\$/lb)	0.40 – 0.60	0.43	✓

⁽¹⁾ Original FY2015 guidance published on 28 July 2014.

FY2015 SCORECARD – STRATEGIC METRICS

Objective	Achieved \$ million	Score
\$26M Brownfields exploration	25.7	✓
\$27M Sustaining capex	24.4	✓
\$11M Development capex	11.4	• (1)
\$11M Greenfields exploration	11.5	• (2)
\$3M Stockman development	0.8	✓
Supplement exploration portfolio with mature projects	WIP*	• (3)
Advance Stockman through permitting to decision	WIP*	• (4)
Consider project acquisition or JV	Sirius	✓

(1) Committed to additional work to accelerate vertical development and develop drill drive at Jaguar

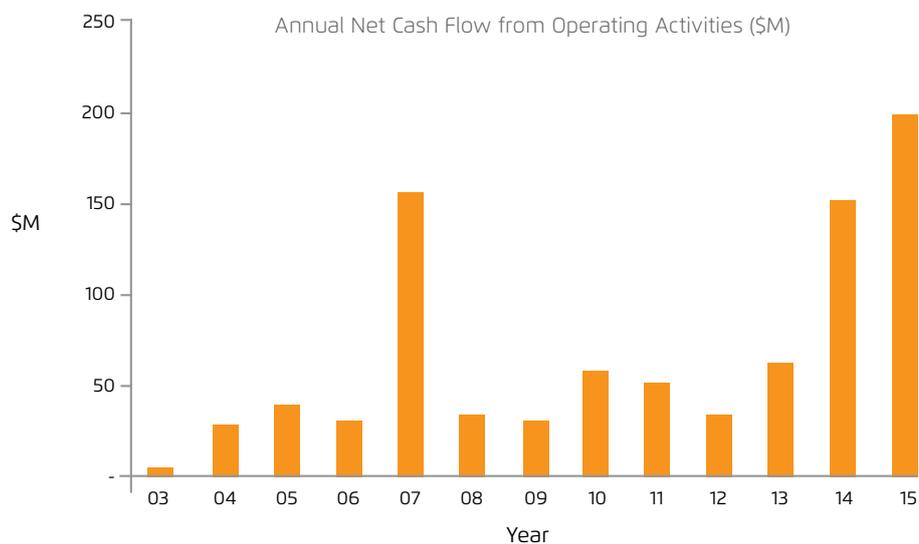
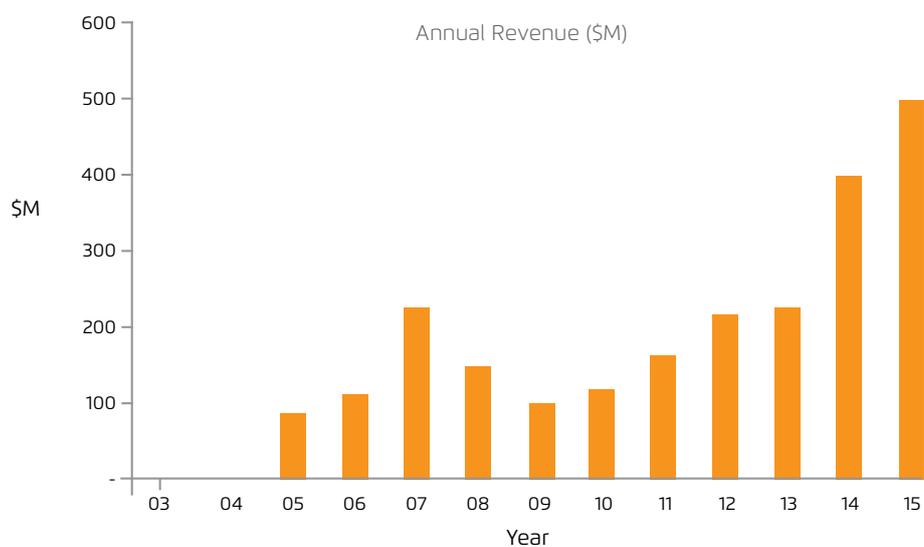
(2) Committed to additional work at Salt Creek JV

(3) Reduced long list of prospective areas to short list, now doing detailed assessments

(4) Key approval from Minister for Planning obtained, now doing detailed permitting and licencing

* WIP means work in progress

FY2015 SCORECARD – A HISTORY OF GROWING REVENUE AND CASH FLOW



SIRIUS RESOURCES NL (SIRIUS) TRANSACTION HIGHLIGHTS

- Acquisition has created a leading Australian diversified mining company.
- Strong strategic rationale for transaction.
- Acquisition of Sirius is consistent with IGO's clearly defined growth strategy.
- Delivers shareholders exposure to both Tropicana and Nova.
- Combines near term development Nova Project with IGO's strong current cash flows.
- Portfolio of high quality assets (margin, mine life, jurisdiction and relevancy).
- Transaction was well supported by Sirius shareholders with 98% of shares voted and 97% of shareholders voting, voted for the transaction.
- Consideration shares issued on the Implementation Date, 22 September 2015.
- Mark Bennett and Neil Warburton from Sirius appointed to IGO Board in October 2015.

A SUMMARY OF IGO'S ASSETS FOLLOWING THE ACQUISITION OF SIRIUS

	Tropicana	Long	Jaguar	Nova	Stockman
Ownership	30%	100%	100%	100%	100%
Location	WA	WA	WA	WA	Vic
Stage	Production	Production	Production	Construction	Permitting
Mine type	Open Pit	Underground	Underground	Underground	Underground
Commodity	Au	Ni	Zn/Cu	Ni/Cu	Cu/Zn
Resources ^{(1) (2)}	115.7Mt @ 1.89g/t Au for 7.04 Moz Au	1.4Mt @ 4.8% Ni for 66.4 kt Ni	4.5Mt @ 1.5% Cu 6.5% Zn for 67.0 kt Cu and 289.7 kt Zn	14.3Mt @ 2.3% Ni 0.9% Cu for 325 kt Ni and 134 kt Cu	14Mt @ 2.1% Cu 4.3% Zn for 293.7 kt Cu and 598.4 kt Zn
Reserves ^{(1) (2)}	48.5Mt @ 1.93g/t Au for 3.01 Moz Au	0.61Mt @ 3.6% Ni for 22.0 kt Ni	1.2Mt @ 1.7% Cu 7.6% Zn for 19.7 kt Cu and 87.8 kt Zn	13.1Mt @ 2.1% Ni 0.9% Cu for 273 kt Ni and 112 kt Cu	9Mt @ 2.1% Cu 4.5% Zn for 189.0 kt Cu and 407.8 kt Zn
Mine life (years)	9	3	3	10	8
FY2015 production	148,923	10.2kt Ni	45kt Zn + 7.4kt Cu	NA	NA
FY2015 cash costs ⁽³⁾	\$568/oz	\$4.01/lb Ni	\$0.43/lb Zn	NA	NA
Start-up capex	NA	NA	NA	\$443M ⁽⁴⁾	\$202M ⁽⁵⁾

(1) See Mineral Resources and Ore Reserves in this report and IGO's Mineral Resources and Ore Reserves update released to ASX on 28 October 2015 for further detail.

(2) Tropicana Resources & Reserves are stated on a 100% basis.

(3) FY2015 cash costs are expressed as per ounce of gold produced and per payable pound of nickel or zinc produced, net of by-product credits and royalties.

(4) \$138M spent as at 30 September 2015.

(5) Capex decision not yet made on Stockman.



PLANNING FOR SUCCESS

"We want our people to be safe.
This is a team effort."

Ted Moir
Shift Boss
Long Operation



ENVIROLAB
Locations and contacts
throughout Australia please
visit www.envirolab.com.au

with JAGUAR
with PFF802
201615
for ME

STDs: eg Arsenic, pH, EC, Alkalinity, TSS, BOD (paste)
eg PAH, GC/MS/PCR, dTPN, etc. (Phosol green)

COMPANY HIGHLIGHTS

SAFETY

- The total recordable injury frequency rate (TRIFR) and lost time injury frequency rate (LTIFR) expressed in number of injuries per million hours worked significantly improved over the past two years.
- The number of lost time injuries (LTI) during FY2015 was four (FY2014: seven).

FINANCIAL HIGHLIGHTS

- Revenue increased to \$499 million (FY2014: \$399 million) primarily due to a full 12 months of revenue from Tropicana.
- Underlying EBITDA¹ increased to \$213 million (FY2014: \$148 million).
- The Company realised a \$77 million Net Profit After Tax in FY2015 (FY2014: \$49 million).
- Net cash flows from operating activities increased to \$202 million (FY2014: \$129 million).
- At 30 June 2015, the Company had cash and cash equivalents of \$121 million (2014: \$57 million) and debt of less than \$1 million (2014: \$29 million).
- The Company announced a fully franked FY2015 Final Dividend of 2.5 cents per share (FY2014: 5 cents).
- Total fully franked dividends paid during FY2015 were 11 cents per share (FY2014: 4 cents).

¹See Glossary of Terms for a definition of Underlying EBITDA.

OPERATIONAL SUMMARY

Tropicana Gold Mine (IGO 30%): Tropicana in FY2015 poured 496,004 oz (100% basis), with cash costs of \$568/oz Au. The following table outlines the key operational statistics for FY2015.

Tropicana Gold Mine		2015	2014
Gold ore mined (>0.6g/t Au)	'000 wmt	10,763	5,721
Gold ore mined (>0.4 and <0.6g/t Au)	'000 wmt	1,601	1,088
Waste mined	'000 wmt	42,761	25,251
Gold grade mined (>0.6g/t)	g/t	2.06	2.22
Ore milled	'000 t	5,826	4,043
Gold grade milled	g/t	2.92	3.02
Metallurgical recovery	%	90.2	89.4
Gold recovered	oz	492,780	350,743
Gold produced	oz	496,413	348,371
Gold refined and sold (IGO share)	oz	150,836	100,167
Cash costs	\$ per oz produced	568	552
All-in sustaining costs ("AISC")	\$ per oz sold	795	740

Long Operation (IGO 100%): Annual production was 10,198t of contained nickel metal in FY2015 (FY2014: 10,909t), 2% above the upper range of guidance payable cash costs including royalties and by-product credits of \$4.01 /lb Ni. The following table outlines the key operational statistics for FY2015.

Long Operation		2015	2014
Ore mined	t	258,634	268,162
Nickel grade	%	3.94	4.07
Copper grade	%	0.28	0.29
Tonnes milled	t	258,634	268,162
Nickel delivered	t	10,198	10,909
Copper delivered	t	723	769
Metal payable			
• Nickel	t	6,151	6,589
• Copper	t	293	312
Ni cash costs and royalties	\$ payable metal/lb	4.01	3.78

Jaguar Operation (IGO 100%): Production for FY2015 was 45,000t of contained zinc metal, 7,380t of contained copper metal and 1,876,384oz of contained silver metal at payable cash costs, including royalties and by-product credits, of \$0.43/lb Zn. The following table outlines the key operational statistics for FY2015.

Jaguar Operation		2015	2014
Ore mined	t	485,302	431,362
Copper grade	%	1.8	2.0
Zinc grade	%	10.6	10.6
Silver grade	g/t	156	145
Gold grade	g/t	0.7	0.7
Ore milled	t	488,466	441,867
Metal in concentrate			
• Copper	t	7,380	7,692
• Zinc	t	44,999	41,162
• Silver	oz	1,876,384	1,657,461
• Gold	oz	4,439	4,834
Metal payable			
• Copper	t	7,090	7,396
• Zinc	t	37,551	34,258
• Silver	oz	1,293,858	1,233,972
• Gold	oz	4,110	4,467
Zinc cash costs and royalties	\$/lb total Zn metal produced	0.43	0.31

RESULT FOR THE YEAR ENDED 30 JUNE 2015

Financial Summary

Highlights	FY2015 \$millions	FY2014 \$millions	Change %
Total revenue ¹	499	399	25%
Underlying EBITDA ²	213	148	44%
Profit after tax	77	49	58%
Net cash flow from operating activities	202	129	57%
Free cash flow ³	116	30	283%
Total assets	820	781	5%
Cash	121	57	113%
Marketable securities	16	1	1,716%
Total liabilities	155	171	(10)%
Shareholders' equity	666	610	9%
Net tangible assets per share (\$ per share)	\$2.84	\$2.62	8%

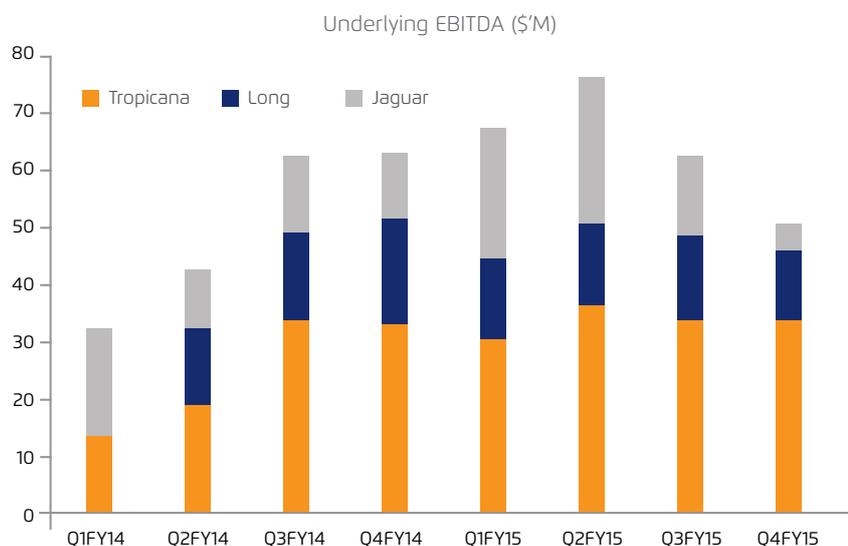
¹ Includes other income of \$3.3M (FY2014: \$0.96M)

² See Glossary of Terms for a definition of Underlying EBITDA.

³ Free cash flow comprises net cash flow from operating activities and net cash flow from investing activities.

Full details on IGO's financial results for FY2015 and IGO's financial position at 30 June 2015 are set out the audited financial statements and notes included in section 9 of this Annual Report.

Underlying EBITDA⁽¹⁾ By Mining Operation On A Quarter By Quarter Basis Since 1 July 2013



(1) See Glossary of Terms for a definition of Underlying EBITDA.

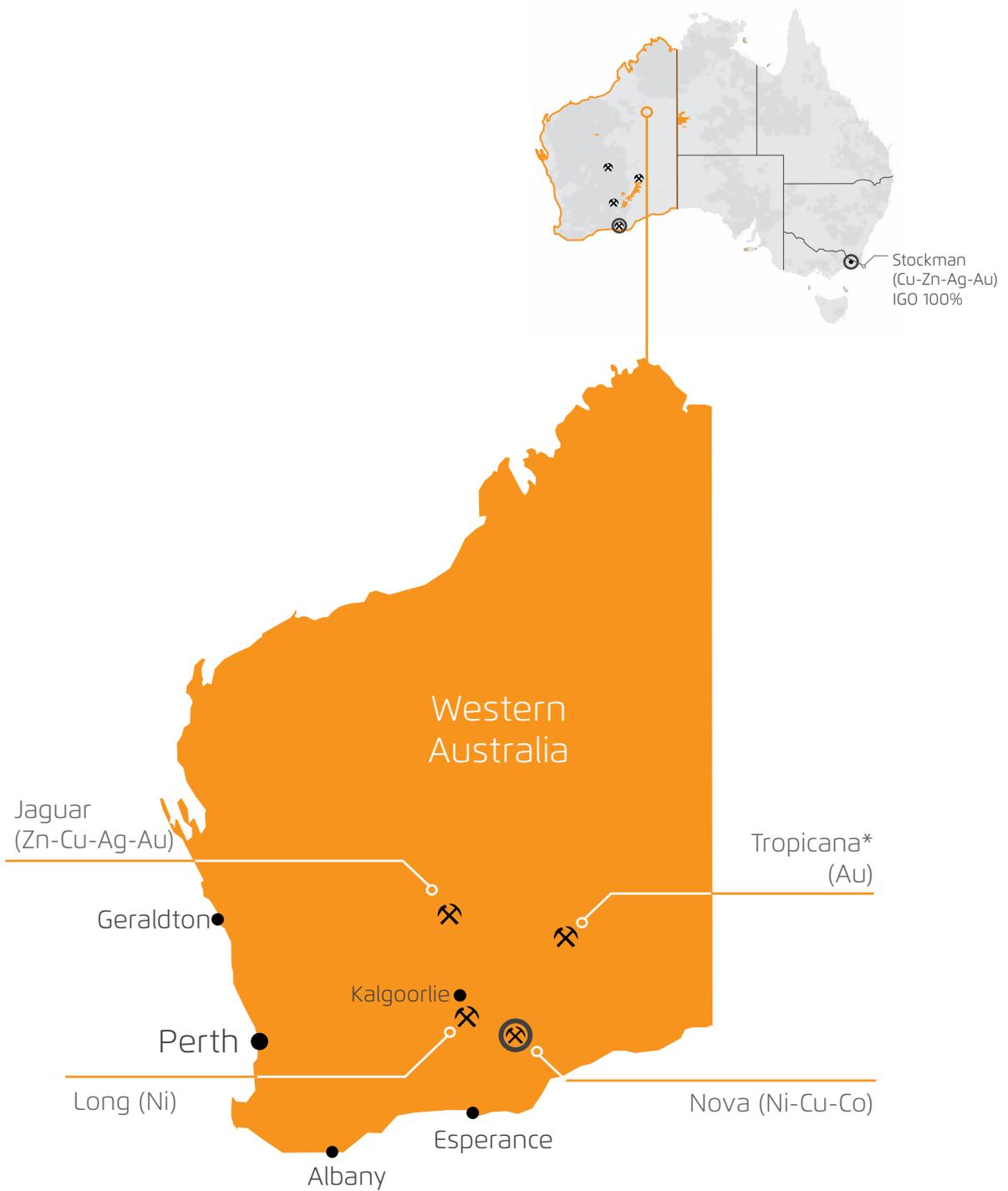
Dividends

During FY2015, IGO adopted a dividend policy which states that, subject to the satisfaction of the test set out in section 254T of the *Corporations Act 2001*, IGO intends to maintain a minimum dividend payment payout ratio of 30% of net profit after tax, rounded to the nearest whole cent. Dividends paid to members during the financial year were as follows:

	2015 \$'000	2014 \$'000
Final ordinary dividend for the year ended 30 June 2014 of 5 cents (2013: 1 cent) per fully paid share	11,713	2,333
Interim ordinary dividend for the year ended 30 June 2015 of 6 cents (2014: 3 cents) per fully paid share	14,055	7,000
	25,768	9,333

On 22 September 2015, IGO announced a fully franked final dividend of 2.5 cents per share (FY2014: 5.0 cents).

Figure 1: IGO Project Locations



Legend

- ⌘ Operating mines
- ⊗ Mine in construction
- Project in approval phase

0 750
kilometres

* IGO owns 100% of each project with the exception of Tropicana (IGO – 30%)

PROJECT AT PERMITTING STAGE

Stockman Project (IGO 100%)

The results of the Stockman Optimisation Study were released in November 2014 (see IGO's ASX release dated 28 November 2014 for full details). The Stockman Project's Environmental Effects Statement permitting approval from the State of Victoria and the Commonwealth (under the Federal *Environment Protection and Biodiversity Conservation Act 1999*) was received in the first half of FY2015. Detailed permitting is currently in progress.

EXPLORATION PROJECTS

Tropicana Gold Mine (IGO 30%) – Near Mine Exploration

A 3D seismic program completed during FY2015 identified a number of potential targets down dip and along strike of known resources. A total of 187 aircore (AC) holes (7,034m), 49 reverse circulation (RC) holes (6,822m) and 44 diamond holes (11,009) was completed in FY2015 targeting down dip extensions to mineralisation at Tropicana, Havana North and Havana South.

Tropicana Project – Salt Creek Joint Venture

During FY2015, IGO entered into a joint venture (JV) with AngloGold Ashanti Australia Pty Ltd (AngloGold Ashanti) on a series of tenements on the eastern flank of the Tropicana JV project whereby IGO has the right to increase its interest in these tenements from 30% to 70% by spending \$3 million over four years. The Salt Creek JV tenements cover a significant area of the Salt Creek Complex, a Proterozoic mafic/ultramafic intrusive package considered to have potential for magmatic nickel-copper sulphide mineralisation.

Jaguar Regional Exploration

Exploration at Jaguar focused on delineation of the Triumph discovery, 6km north of the Jaguar processing plant. An initial resource drilling program commenced at Triumph late in FY2015. Diamond drilling was undertaken to test a newly identified target position at Daimler and test the Charlie Chicks and Possie Well South Prospects. AC drilling programs were completed on the southern and northern extremities of the project area as well as on the Darlot JV.

Lake Mackay Exploration Alliance (IGO Manager, Has Potential To Earn Up To 70%)

IGO has an exploration alliance with ABM Resources NL (ASX: ABU) under which IGO can earn up to 70% in the Lake Mackay Project located 400km northwest of Alice Springs. The project comprises 7,200km² of exploration licences and 12,130km² of exploration licence applications. During FY2015, first pass and infill surface geochemistry sampling was completed and initial AC drill testing of anomalies commenced.

Bryah Basin Joint Venture (IGO Manager And Earning 70% – 80%)

IGO has an exploration alliance with Alchemy Resources Limited (ASX: ALY) under which IGO can earn up to a 70% – 80% interest (non-iron ore) in ALY's Bryah Basin portfolio of tenements. The project is situated approximately 40km west of and along strike from the DeGrussa Cu-Au VMS deposit covering the same prospective Narracoota Volcanic host stratigraphy. During FY2015, IGO delineated a strong multi-element geochemical anomaly and semi-coincident Moving Loop EM (MLEM) conductors potentially representing VMS-style mineralisation at the Neptune prospect. A program of RC and diamond drilling to test Neptune commenced late in FY2015.

INVESTMENTS

During the second half of FY2015, IGO acquired approximately 33.8 million shares in ASX listed gold exploration development company, Gold Road Resources Limited (ASX: GOR), for a total consideration of \$13.1 million.

The total value of IGO's holdings in marketable securities at 30 June 2015 was \$15.5 million.

OUTLOOK

FY2016 Guidance Range is as follows:

Business Segment	Units	FY2016 Guidance Range
Tropicana (IGO 30%)		
Gold produced (100% basis)	oz	430,000 – 470,000
Gold (IGO's 30% share)	oz	129,000 – 141,000
Cash cost	\$/oz Au	\$640 – \$710
All-in sustaining costs	\$/oz Au	\$820 – \$910
Sustaining capex (IGO's 30% share)	\$M	\$8M – \$10M
Exploration expenditure (IGO's 30% share)	\$M	\$9M – \$11M
Long		
Nickel (contained metal)	t	8,500 – 9,000
Cash cost	\$/lb Ni	\$3.50 – \$4.00
Sustaining capex	\$M	\$3M – \$5M
Exploration expenditure	\$M	\$13M – \$15M
Jaguar		
Zinc in concentrate	t	35,000 – 40,000
Copper in concentrate	t	7,500 – 8,500
Cash cost	\$/lb Zn	\$0.40 – \$0.60
Sustaining capex	\$M	\$4M – \$5M
Development capex	\$M	\$12M – \$14M
Exploration expenditure	\$M	\$10M – \$12M
Greenfields and generative	\$M	\$10M – \$12M



ACQUISITION OF SIRIUS RESOURCES NL (SIRIUS)

The objective and strategy of IGO is to create long-term shareholder value through the discovery, development and acquisition of low cost and high grade projects.

Criteria For Targeting Opportunities

Following a review of strategy during FY2015, IGO set criteria for acquiring a production, near-production or development asset. The primary criteria are indicated in the table below.

Five Primary Targeting Criteria

✓ High Margin	<ul style="list-style-type: none">• Bottom third cost curve
✓ Scale	<ul style="list-style-type: none">• Equivalent, or bigger, in scale to IGO's 30% interest in Tropicana• Circa 150,000oz/year Au, 15,000tpa Ni, or 30,000tpa Cu
✓ Long Mine Life	<ul style="list-style-type: none">• Reserve life of minimum seven years for group• Significant opportunity for exploration potential
✓ Low Risk Jurisdictions	<ul style="list-style-type: none">• Low risk jurisdiction• Proximity of assets providing business simplicity
✓ Commodity Agnostic	<ul style="list-style-type: none">• Base metals and precious metals• Focus on money mines = long-life and high margin

Sirius Resources NL

Transaction

On 25 May 2015, IGO and Sirius announced the execution of a binding Scheme Implementation Deed under which IGO would acquire all the issued capital of Sirius by way of an Acquisition Scheme of Arrangement (the Acquisition Scheme). Under the Acquisition Scheme, Sirius shareholders received 0.66 IGO shares and 52 cents cash for each Sirius share. Sirius shareholders also participated pro-rata in the demerger of Sirius' Polar Bear and Scandinavian exploration assets.

The transaction created a leading diversified Australian mining company with a strong portfolio of high margin, long-life mining assets, across a range of base and precious metals. The combination of the two companies has a clear strategic rationale that is consistent with IGO's clearly defined growth strategy and will generate significant value for shareholders. The acquisition has brought the world-class Nova Project into the IGO portfolio.

The transaction was approved on 3 September 2015 and IGO completed the issue and payment of the Acquisition Scheme consideration on 22 September 2015.

Financing

IGO has entered into a syndicated facility agreement (Debt Agreement) with National Australia Bank Limited, Australia and New Zealand Banking Group Limited and Commonwealth Bank of Australia Limited for a \$550 million committed term finance facility on an unsecured basis. The Debt Agreement comprises:

- A five-year \$350 million amortising term loan facility that will be used to refinance the existing Nova project finance facility, and provide funds for the continued development, construction and operation of the Nova Project.
- A five-year \$200 million revolving loan facility that will be used to partially fund the payment of the cash component of the Acquisition Scheme and transaction costs, in addition to providing funding for general corporate purposes.

Overview of the Merged Group

The Transaction has created a leading diversified Australian mining company with a strong portfolio of long-life mining assets, across a range of base and precious metals, including:

- A 30% interest in the Tropicana Gold Mine
- The 100% owned Nova Project, currently in development
- The 100% owned Long nickel operation
- The 100% owned Jaguar zinc-copper-silver operation
- The 100% owned Stockman copper-zinc-silver development project

Nova Project

Background

The Nova Project is located in the Fraser Range, approximately 120km east of Norseman and approximately 700km east of Perth in Western Australia.

In July 2012 the Nova Deposit, a magmatic nickel sulphide deposit, was discovered. In February 2013 the Bollinger Deposit, a dominantly flat lying ore body located immediately to the east of the Nova Deposit, was discovered and connected to the Nova Deposit by an interpreted feeder zone.

IGO owns 100% of the EL 28/1724 and ML 28/376 tenements which host the Nova Deposit and Bollinger Deposit, comprising the Nova Project. Mr Mark Creasy, the previous owner of a 30% interest in these tenements, retains a 0.5% net smelter royalty on any future discoveries made within the boundaries of EL 28/1724 but which fall outside of ML 28/376. No royalty is payable to Mr Creasy for any production from the Nova Project or any other future production from elsewhere within ML 28/376.

Definitive Feasibility Study

A Definitive Feasibility Study (DFS) relating to the Nova Project was completed in July 2014. The Mineral Resource was updated as part of the DFS and a maiden Ore Reserve for the Nova Project was established, both in accordance with the JORC Code. The Mineral Resource estimate comprises 14.3Mt grading 2.3% nickel, 0.9% copper and 0.08% cobalt for a contained 325,000t of nickel, 134,000t of copper and 11,000t of cobalt.

The Ore Reserve estimate comprises 13.1Mt grading 2.1% nickel, 0.9% copper and 0.07% cobalt for a contained 273,000t of nickel, 112,000t of copper and 9,000t of cobalt.

The Probable Ore Reserve, together with a small proportion (1Mt of ore) of additional mining inventory material, together constituting the life of mine plan, will underpin an initial mine life of 10 years following a two-year development period. Average production following project ramp-up will be 26,000tpa of nickel and 850tpa of cobalt in a nickel concentrate and 11,500tpa copper in a separate copper concentrate.

The planned mine is based on a 1.5Mtpa underground operation with decline access. The principal stoping method will be sub-level open stoping with paste fill to maximise extraction. Approximately 83% of the planned production will be from sub-level open stoping with the remaining 17% of production from the longhole echelon retreat stoping method.

Metallurgical testwork results indicate that the ore is amenable to the production of two separate sulphide concentrates via crushing, grinding and conventional froth flotation, specifically:

- copper concentrate – 95% recovery to produce a 29% copper concentrate with silver by-product
- nickel concentrate – 89% recovery to produce a 13.5% nickel concentrate with cobalt by-product

The processing plant will have a 1.5Mtpa nameplate capacity and will comprise conventional crushing, grinding by open circuit SAG mill followed by a ball mill in closed circuit, and sulphide flotation to produce separate copper and nickel concentrates. Flotation will comprise open circuit roughing, cleaning and cleaner scavenging. Regrinding on particular streams will be used to increase liberation and recovery for both circuits.

Power for the site will be generated from an onsite 16 megawatt predominantly diesel-fired power station with solar via a 6.7 megawatt power plant provided by a specialist power generation contractor.

In August 2014, the Nova Mining Agreement was signed with the Ngadju People and shortly thereafter the Nova Mining Lease was granted by the Western Australian Department of Minerals and Petroleum.

Development

In January 2015, following the receipt of all permits for mining, excavation of the boxcut commenced, along with construction of the accommodation village and aerodrome.

Underground hard-rock mining contractor, Barmenco Ltd, was awarded a three-year contract to excavate the boxcut, complete the decline to access the ore body, and undertake initial mining. The boxcut has been completed and the decline is advancing ahead of schedule. The Nova Deposit orebody is expected to be reached in the second quarter of 2016.

A 492-person accommodation village has been completed and the initial 192-person construction camp has been decommissioned.

Foundation earthworks for a 2km long, all-weather, sealed airstrip have been completed. The airstrip is able to accommodate jet aircraft such as the Fokker F100 or BAE146 and became operational in August 2015.

A 38km long, all-weather, sealed access road connecting the Eyre Highway with the Nova Project site is expected to be completed in 2015.

The tailings dam is complete. The dam spans approximately 1,000m x 600m and construction of its bund wall (which averages 13m in height) and plastic lining is now complete.

In June 2015, GR Engineering Services Limited was awarded the \$114 million Engineering, Procurement and Construction (EP&C) contract for the design and installation of the mineral processing and paste fill plants for the Nova Project. Design work on the plant is underway and the plant is expected to be completed in late 2016.

First concentrate production from the Nova Project is expected in December 2016 ahead of a ramp-up in 2017 to full production.

Offtake

Offtake agreements for 100% of the nickel sulphide concentrate produced from the Nova Project for the first three years of operations have been signed with BHP Billiton Nickel West Pty Ltd and Glencore International AG. The offtake terms are confidential, but reflect the anticipated exceptionally high quality of the Nova Deposit nickel concentrate, which is anticipated to have very low deleterious elements and an extremely high Fe:MgO ratio of approximately 62.

A contract with commodity trading group, Trafigura Beheer BV, to sell all of the copper sulphide concentrate from the Nova Project for the first three years of production has also been signed. The commercial terms of the offtake agreement are confidential, but highlight the anticipated superior quality of the Nova Deposit copper sulphide concentrate, which has very marginal levels of impurities and is expected to average 29% copper. These characteristics make the product highly desirable to smelters and trading firms.

Near Mine Exploration

IGO has a 100% interest in various tenements covering 306km² including the mining lease containing the Nova Project. These tenements also include the Talbot and Southern Hills soil anomalies and the Buningonia intrusion. All of these are located in the Fraser Complex the geographical domain prospective for mafic-ultramafic intrusion-hosted magmatic nickel-copper-platinum group metal and chromite deposits.

Around the Nova Project, a high powered Samson deep penetration electromagnetic survey (DPEM) was completed which was successful in identifying 16 electromagnetic conductors. Twelve of these conductors remain to be drill tested.

Figure 2: Fraser Range (IGO: 100%) Nova Project tenure

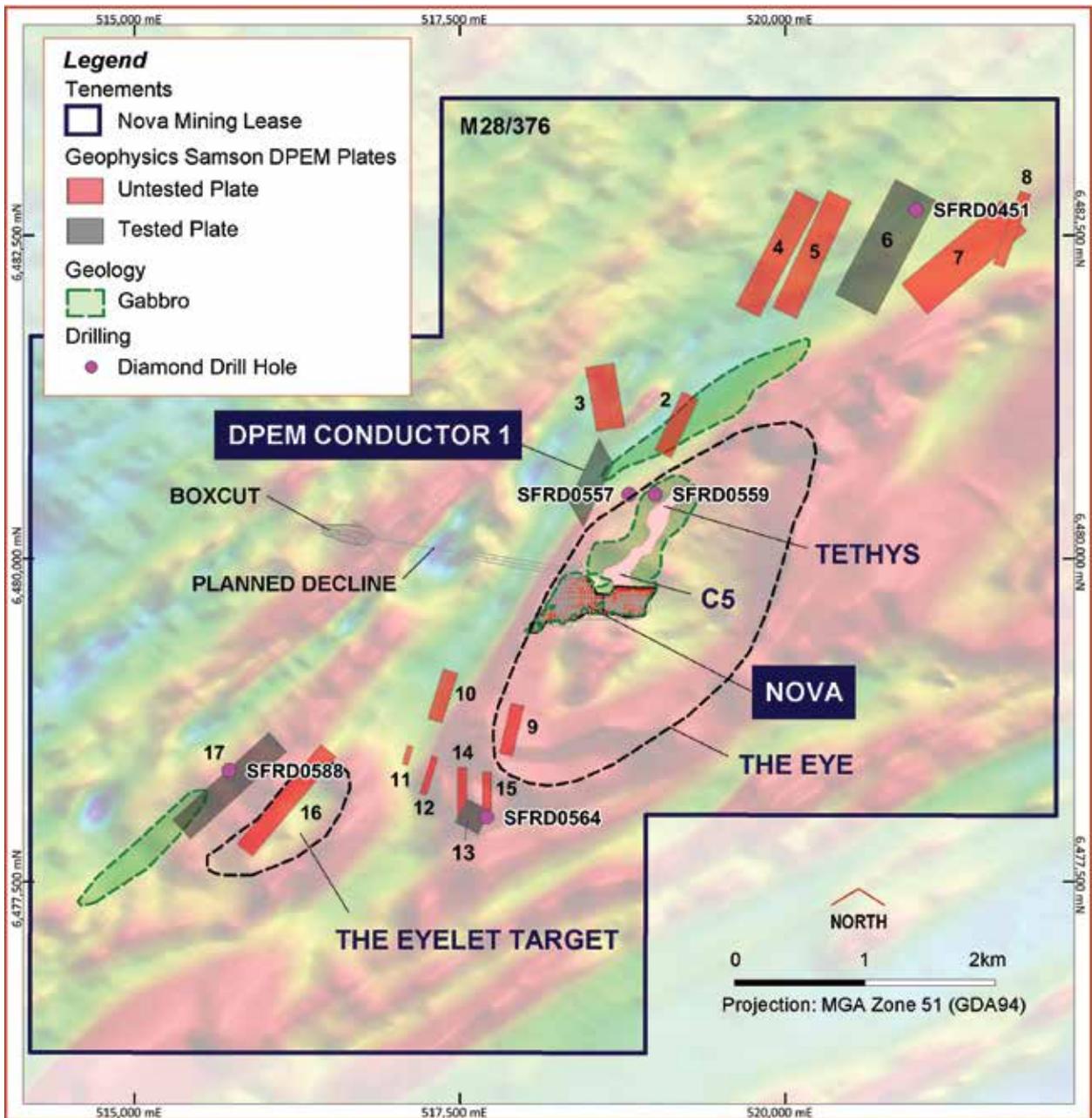
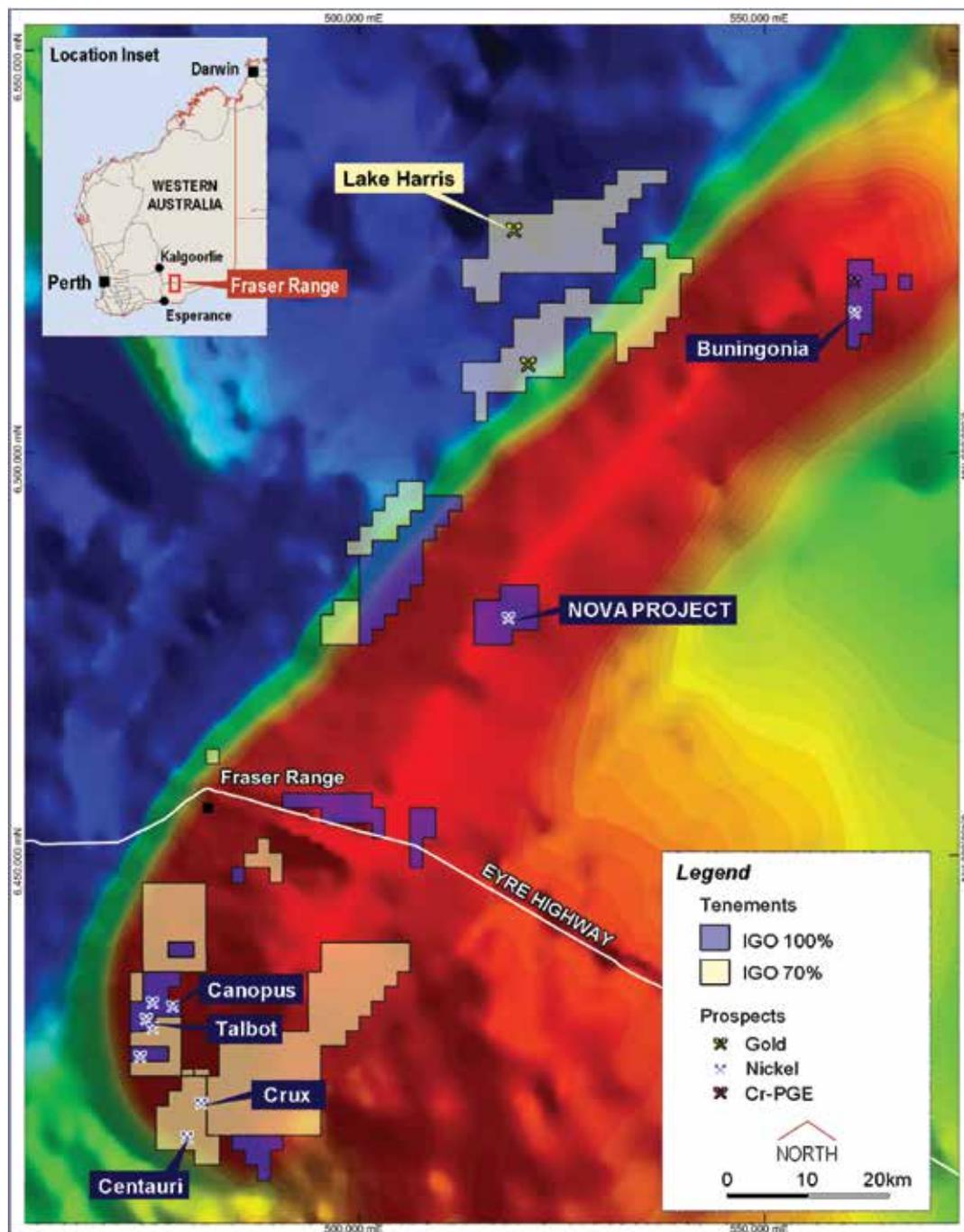


Figure 3: Fraser Range Joint Venture (IGO: 70%) tenure



Regional Exploration

Fraser Range Joint Venture (IGO: 70%)

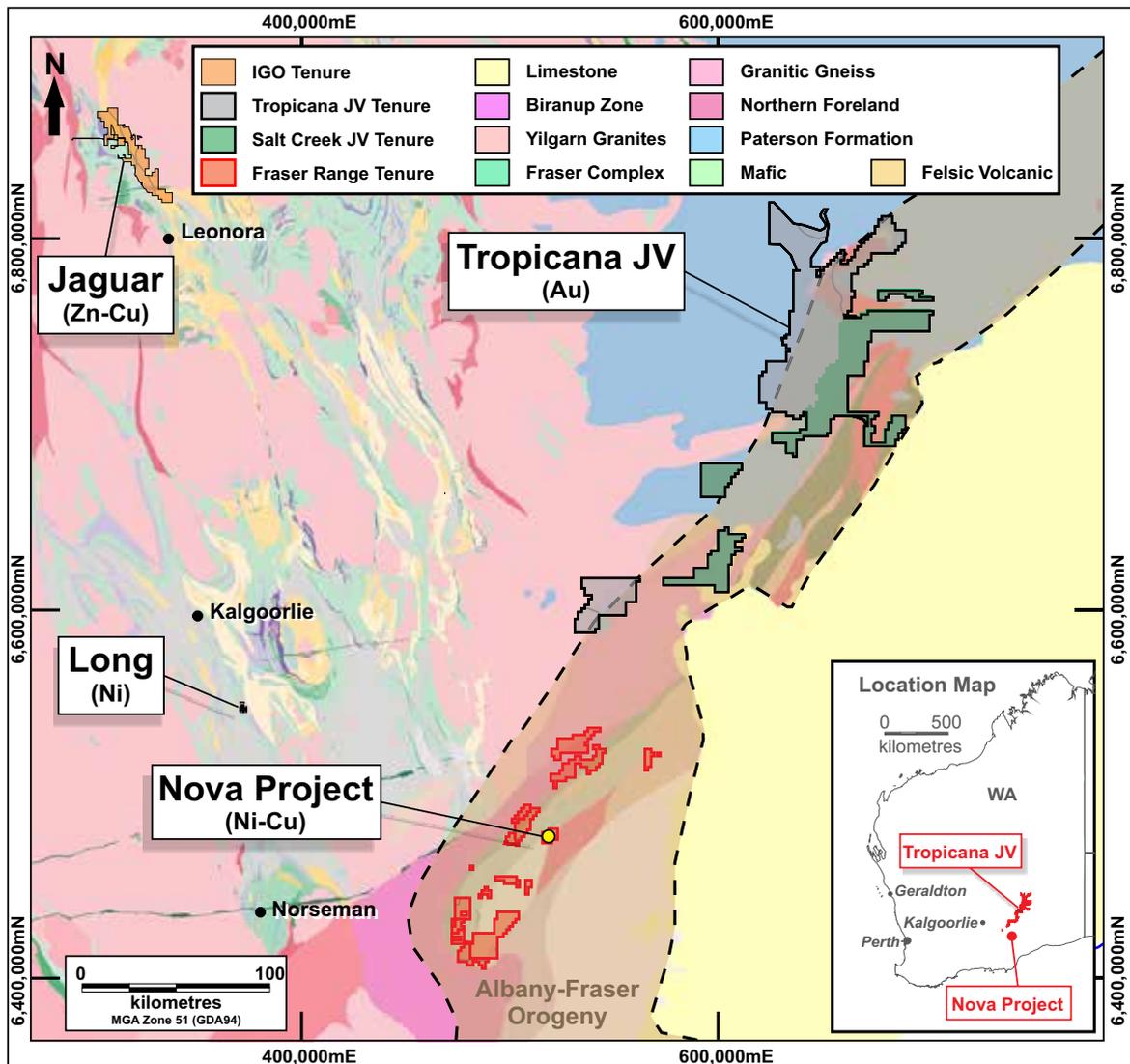
The Fraser Range Joint Venture (IGO: 70%; Creasy group: 30%) covers an area of over 895km² and includes over 100km of strike length of the Proterozoic Albany-Fraser mobile belt on the south-east margin of the Yilgarn Craton, which contains the new Nova Project nickel belt and the extensions of the Tropicana gold belt.

Exploration for additional nickel-copper sulphide mineralisation is continuing throughout the joint venture area. Several promising early stage prospects are actively being explored. The Crux and Centauri area 60km southwest of the Nova Project is of significant interest with preliminary systematic drilling confirming the presence of prospective mafic/ultramafic intrusions, nickel copper sulphide mineralisation and outlining anomalous zones of copper and nickel at shallow levels.

Reconnaissance diamond drilling is ongoing to test areas of the Crux and Centauri intrusions.

Further afield in the Fraser Range Joint Venture area, reconnaissance-style exploration, using a combination of ground geophysical methods and regional soil geochemical programs, will continue with the aim of defining anomalies for follow-up drilling.

Figure 4: IGO interests in the Fraser Range – Tropicana Belts



Consolidation of Fraser Range and Tropicana Belts

IGO now has a dominant land position on the Fraser Range and Tropicana Belts which will allow a more focused and efficient exploration effort. Both provinces are under-explored and have significant exploration potential.

IGO shareholders will now be exposed to the unrealised exploration potential of both the Fraser Range and the Tropicana belts.

Capital structure and ownership post-completion of Sirius acquisition

Share capital

As at 23 September 2015, post the Sirius acquisition, IGO's share capital structure is 511,422,871 Ordinary shares fully paid.

Significant shareholdings following completion of the Acquisition of Sirius

Following implementation of the Acquisition Scheme, the Creasy Group (controlled by Mark Creasy) has a Relevant Interest in 18.88% of the IGO shares on issue.



Left to right: Geoffrey Clifford, Peter Buck, Peter Bradford, Peter Bilbe, Keith Spence and Neil Warburton. (Mark Bennett away at time of photo).

BOARD PROFILE

Peter Bilbe (65)
B.Eng. (Mining) (Hons), MAusIMM

Non-Executive Chairman

Mr. Bilbe is a mining engineer with 40 years' Australian and international mining experience in gold, base metals and iron ore at the operational, managerial and board levels. He has held senior positions at Mount Gibson Iron Limited, Aztec Resources Limited, Portman Limited, Aurora Gold Limited and Kalgoorlie Consolidated Gold Mines Pty Ltd. His most recent executive position was Managing Director of Aztec Resources Limited, which successfully developed the Koolan Island iron ore project from exploration to production. He is also a past member of the Executive Council of Chamber of Minerals and Energy. Mr Bilbe is currently a director of Northern Iron Limited. He holds a Bachelor of Engineering (Mining) degree from the University of New South Wales and is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM).

Peter Bradford (57)
B.AppSc., FAusIMM, MSMME

Managing Director

Mr. Bradford is a senior executive and a qualified metallurgist with over 35 years' experience in gold and base metals mining operations, exploration and development and has held senior positions internationally and within Australia. He graduated as a metallurgist at the Western Australian School of Mines and commenced his career with various gold, nickel and mineral sands operations in Western Australia. He has worked as resident manager at both Gidgee and Plutonic Gold Mines during the development and early operational phases.

Internationally, Mr. Bradford has held senior and chief executive roles with Ashanti Goldfields (and Golden Shamrock Mines), Golden Star Resources, Anvil Mining, Copperbelt Minerals and PMI Gold, providing leadership in the development of strategy and growth for many of these companies. He is a Fellow of the AusIMM and a Member of the Society of Mining Engineers.

Keith Spence (61)
BSc (Geophysics) (Hons)

Non-Executive Director

Mr. Spence has over 30 years' experience in the oil and gas industry, including 18 years with Shell and has a broad knowledge of the resources sector. He retired from Woodside in 2008 after a 14-year tenure in top executive positions in that company, including Chief Operating Officer and Acting Chief Executive Officer.

Mr. Spence chairs the Board of the National Offshore Petroleum Safety and Environmental Management Authority and the Industry Advisory Board of the Australian Centre for Energy and Process Training. He is Non-Executive Chairman of Geodynamics Limited and Base Resources Limited and a Non-Executive Director of Oil Search Limited. He joined the board of the then listed company Clough Limited in August 2008 and was Chairman from 2010 until its acquisition via scheme of arrangement by Murray and Roberts in 2013.

Geoffrey Clifford (65)
B.Bus., FCPA, FCIS, FAICD

Non-Executive Director

From 2007 until 2011 Mr. Clifford was a Non-Executive Director of Atlas Iron Limited, Centaurus Metals Limited and Fox Resources Limited. From December 2008 to July 2011, he was Non-Executive Chairman of Atlas Iron Limited. During that time Mr. Clifford presided over a period of exceptional growth in production and shareholder value. From 2005 to 2007, Mr. Clifford was a Non-Executive Director of, and consultant to, Aztec Resources Limited and, prior to his time at Aztec, he was General Manager Administration and Company Secretary of Portman Limited for eight years.

Mr. Clifford holds a Bachelor of Business degree from Curtin University and undertook post graduate studies in Administrative and Secretarial Practice. Mr. Clifford has more than 35 years' experience in senior accounting, finance, administration, and company secretarial roles in the mining, retail and wholesale industries. Mr. Clifford was admitted as a Fellow of the Australian Society of Certified Practising Accountants in 1989 and as a Fellow of the Institute of Chartered Secretaries and Administrators in 1995. Mr. Clifford was also admitted as a Fellow of the Australian Institute of Company Directors (AICD) in March 2011.

Peter Buck (66)
M.Sc. (Geology),
MAusIMM

Non-Executive Director

Mr. Peter Buck was appointed as a Non-Executive Director of IGO in October 2014. He is a geologist with over 40 years' experience in the mineral exploration and mining industry and 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 Ltd. In 1994, Mr. Buck joined Forrestania Gold as Exploration Manager and, following Forrestania Gold's acquisition by LionOre Mining International, became Director of Exploration and Geology with LionOre Mining International until 2006. Here, he played a key role in progressing the Maggie Hays, Emily Ann, Waterloo, Amorac and Thunderbox deposits from discovery through to production. Mr. Buck was Managing Director of Breakaway Resources from 2006 to 2009 and has been a Non-Executive Director of Gallery Gold Ltd and Non-Executive Chairman of PMI Gold Corporation. Mr. Buck is currently a Non-Executive 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 AusIMM and a Fellow of the Australian Institute of Geoscientists. Mr. Buck is also a board member of the Centre for Exploration Targeting at the University of Western Australia and Curtin University and formerly was a Vice President of the Association of Mining and Exploration Companies.

Mark Bennett (54)
BSc. (Geology), PhD,
MAICD, MAusIMM

Non-Executive Director

Dr. Bennett was the founding Managing Director and CEO of Sirius and was appointed as a Non-Executive Director of IGO in October 2015 on completion of the acquisition of Sirius. He is a geologist with 25 years' experience in gold, nickel and base metal exploration and mining. He has worked in Australia, West Africa, Canada and Europe, predominantly for LionOre Mining International Limited and WMC Resources Limited at locations such as Kalgoorlie, Kambalda, St. Ives, LionOre's nickel and gold mines throughout Western Australia, Wiluna and most recently Nova, the Fraser Range and Polar Bear. Positions held include various technical, operational, executive and board positions including Managing Director, Chief Executive Officer, Executive Director, Exploration Manager and Chief Geologist.

Dr. Bennett has twice won the Association of Mining and Exploration Companies "Prospector Award" for his discoveries which include the Thunderbox gold deposit, the Waterloo nickel deposit and most recently the world class Nova nickel-copper deposit. In addition to his technical expertise, Dr. Bennett is very experienced in corporate affairs, equity capital markets, investor relations and community engagement and led Sirius from concept to discovery of Nova all the way through feasibility, financing, permitting and construction.

He holds a BSc in Mining Geology from the University of Leicester and a PhD from the University of Leeds and is a Member of the AusIMM, a Fellow of the Geological Society of London, a Fellow of the Australian Institute of Geoscientists and a Member of the AICD.

Neil Warburton (59)
Assoc. MinEng WASM,
MAusIMM, FAICD

Non-Executive Director

Mr. Neil Warburton was a Non-Executive Director of Sirius and was appointed as a Non-Executive Director of IGO in October 2015 on completion of the acquisition of Sirius. Until March 2012, he was the Chief Executive Officer of Barmenco Limited, one of Australia's largest underground mining contractors. Mr. Warburton successfully guided and led the company and strengthened its presence within Australia and Africa more than doubling revenues during his tenure. Prior to Barmenco, he was Managing Director of Coolgardie Gold. He is also a Non-Executive Director of ASX -listed Red Mountain Mining Limited, Australian Mines Limited, Nambian Copper Limited and Peninsular Energy Limited.

Mr. Warburton graduated from the Western Australia School of Mines with an Associate Degree in Mining Engineering and spent the formative years of his career as a mining engineer at Western Mining Corporation's Kambalda Nickel Mines. He is a Fellow of the AICD and a Member of the AusIMM.



CHAIRMAN'S REVIEW

IGO will continue to investigate opportunities both in Australia and overseas.

**\$77
million**

Net Profit After Tax

Dear Shareholders

The 2015 financial year has been an active and potentially "company making" year for IGO with operations at Long, Tropicana and Jaguar providing significant cash flows and the Company announcing its first material transaction since 2011.

As I mentioned in my letter to shareholders last year, your Board appointed Peter Bradford as Managing Director and CEO in March 2014. Since joining IGO, Peter and the re-structured management team have taken substantial steps to develop strategies to grow shareholder value in a meaningful and sustainable way and to continue to build a market leading diversified resources group. The implementation of these initiatives culminated in the announcement in May of this year of the agreement to acquire Sirius Resources NL which includes the world class Nova project located in Western Australia. This transaction was completed in September and has the potential to deliver substantial value for shareholders over the medium to long term. The Board is also very optimistic regarding the potential generation of additional value from the Nova project and from the exploration upside within the combined regional land holdings.

To continue to build a sustainable business and recognising the finite nature of the geological resources we extract, IGO will continue to identify opportunities for investment in exploration and advanced projects both in Australia, which is our primary focus, and overseas. As I have mentioned in the past, in the light of the social and legislative risks associated with some countries, any overseas opportunity will be rigorously assessed against IGO's investment criteria prior to consideration.

The Company's production and cost performance during the year was highly commendable. Metal production and unit cost forecast guidance was achieved or bettered at all operations. FY 2015 was the first full year of production from the Tropicana gold project and combined with strong performances from Long and Jaguar resulted in record revenues, record net cash flow and net profit after tax of \$77million. IGO's profit and cash flow performance, negligible debt and strong financial position at year end enabled an increase in dividends in FY2015 following the considerable capital investment made in the Tropicana gold project in the first half of FY2014.



Financial and commodity markets generally and, in particular, USD base metal prices have deteriorated significantly in recent months highlighting the cyclical nature of the natural resources industry. Despite risk mitigation strategies such as hedging, these external conditions remain largely beyond our control. What remains constant is the Board and management's continued focus on creating value for shareholders through cost control, improvements in productivity, resource optimisation, innovation, discovery and development.

IGO has for the first time published a Sustainability Report which reflects positively upon the organisational capability and growing maturity of the Company. Of note is the significant improvement over the past two years in the Company's safety performance. I commend the report to shareholders.

On 24 December 2014, Kelly Ross announced her retirement as a director after 13 years of dedicated service. Kelly played an important role in the listing of the Company in 2002 and

management of the Company up to 2011 as an executive director and then non-executive director. I would like to acknowledge and thank Kelly for her significant contribution to IGO and wish her all the best in a well-deserved retirement.

In December 2014, the Board appointed respected resources executive and geophysicist, Keith Spence, as a director. Keith has a broad range of experience in the natural resources industry in Australia and internationally including senior executive roles at Woodside and Shell. This experience adds considerable diversity to the Board and I would like to welcome Keith to IGO and look forward to his contribution in the coming years.

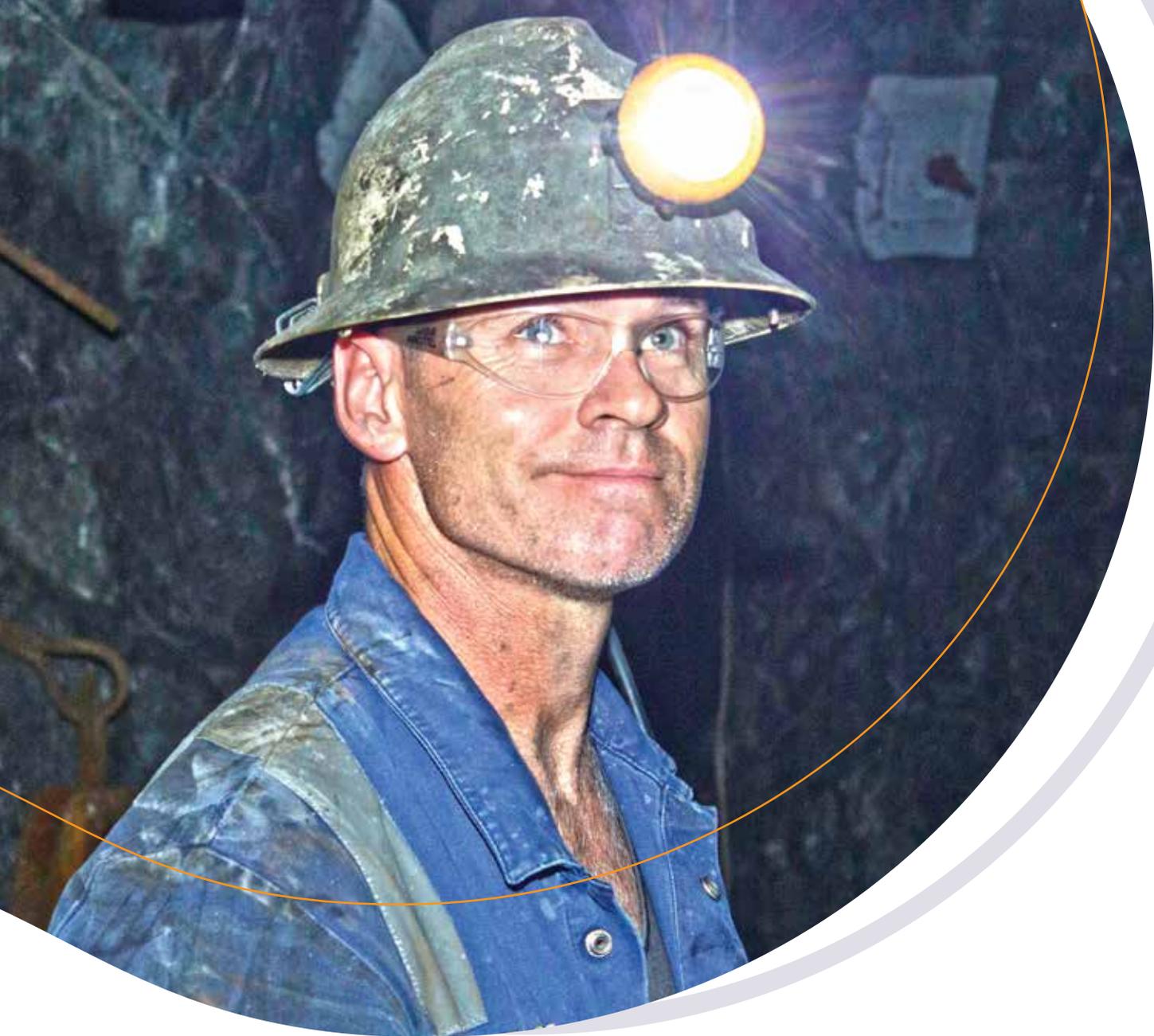
Following completion of the Sirius acquisition, former Sirius directors, Mark Bennett and Neil Warburton have joined the Board. Mark and Neil are, respectively, very experienced exploration and mining executives and directors with track records of considerable achievement and I welcome their active involvement.

I also wish to acknowledge our most important asset, our people. 2015 has been a year of considerable change and achievement which has only been possible with the focus and hard work of our employees, contractors and joint venture partners. I thank you all.

On behalf of the Board, management and employees, I also thank you, our shareholders, for your continued support.

Your Board of Directors is looking forward to the coming years with optimism, enthusiasm and a real sense of purpose.

Peter Bilbe
Chairman



MANAGING DIRECTOR'S REPORT

Dear Shareholders

The Company continues to see great potential at Tropicana, Long and Jaguar as well as the prospects at the Nova Project which is fully financed, in construction and scheduled to produce first concentrates in December 2016.

It is my great pleasure to report to you on the growth and progress of the Company during FY2015.

FY2015 is the first full year of revenue from the Tropicana Gold Mine (IGO 30%, AngloGold Ashanti Australia 70%) and this revenue has added significantly to the record \$499 million of revenue IGO reported for FY2015.

During FY2016, the Tropicana Joint Venture partners plan to focus on optimising mill throughput rates. A mill optimisation study is underway to identify opportunities to increase throughput from the nameplate capacity of 5.8Mtpa. This will partially offset the planned reduction in grade

when we discontinue our grade streaming strategy at Tropicana whereby we have been mining more ore than required for the processing plant, thereby allowing the lower grade portion to be stockpiled and the higher grade portion preferentially fed to the processing plant. This strategy which has been used over the first years of the project has maximised the early return of capital to the joint venture partners. Additional throughput could be achieved with modest capital investment. A systematic replacement and upgrade program is underway on conveyor and pump drives. We are also upgrading conveyor feeders and rollers that in the past have caused unplanned downtime.

THE SIRIUS TRANSACTION HAS CREATED A LEADING DIVERSIFIED AUSTRALIAN MINING COMPANY WITH A STRONG PORTFOLIO OF MINING ASSETS.

We also expect to expand the carbon-in-leach circuit to maintain residence time and therefore gold recovery levels at the expected higher throughput rate.

Post FY2016, we expect the processing plant throughput rate to be about 7Mtpa, which, at the average reserve grade of 2 g/t, is expected to deliver average annual gold production of approximately 400,000 ounces.

The Long Operation continues to be an important source of free cash flow for the Company. The mine's nickel metal production was greater than the top end of the original FY2015 guidance range by 2%. Cash costs were again kept at a low level through cost control measures. Cash costs were ~5% below the lower end of the FY2015 guidance range provided in July 2014.

Post year end, IGO announced that it has implemented a number of changes to the mining plan at its Long Operation, which unfortunately included 28 redundancies. The changes have been made in response to the current weakness in nickel prices to ensure that the Long Operation remains profitable and sustainable. Future mining activities at the Long Operation will focus on longhole stoping, supported by twin boom jumbo development. The revised mining plan will result in a reduction in operating costs for the Long Operation of approximately 12% and a reduction in contained nickel tonnes produced by approximately 8%.

We deeply regret the impact that these changes will have on our people and it is a decision that has not been taken lightly. IGO remains committed to the Kambalda community and the broader Goldfields community.

The Jaguar Operation has had an excellent FY2015 and, despite a planned shutdown at the processing plant to change out the SAG mill, metal production in concentrate of zinc, copper and silver increased during FY2015 and was ahead of the FY2015 guidance range provided in July 2014.

The Jaguar processing plant has demonstrated during FY2015 that it can maintain higher production rates than historically achieved. Recognising this, we have been working to improve productivity and therefore production from the Bentley underground mine. Production rates improved significantly in FY2015 and we have made good progress towards our goal of mining and processing 500,000tpa of ore.

We continued to place significant emphasis on exploration during FY2015, spending \$37 million on brownfields and greenfields exploration. The Company continues to see excellent potential at Tropicana, Long and Jaguar as well as the prospects at joint venture tenements.

Of note during FY2015, drilling at Moran South at the Long Operation intersected nickel mineralisation. At the Jaguar Operation, drilling has outlined a new discovery at Triumph, which is located 6km north of the processing plant, and intersected massive sulphide mineralisation at depth below the Bentley resource wire frame. At Tropicana, 3D seismic studies have identified the potential for continued, near surface mineralisation to the south-east of the Boston Shaker pit.

On 25 May 2015, IGO and Sirius Resources NL announced the execution of a binding Scheme Implementation Deed under which it was agreed that IGO would acquire all the issued capital of Sirius by way of an Acquisition Scheme of Arrangement (the "Acquisition Scheme"). Under the Acquisition Scheme, which was completed in September 2015, Sirius shareholders received 0.66 IGO shares and 52 cents cash for each Sirius share. Sirius shareholders also participated pro-rata in the demerger of the Polar Bear and Scandinavian exploration assets.

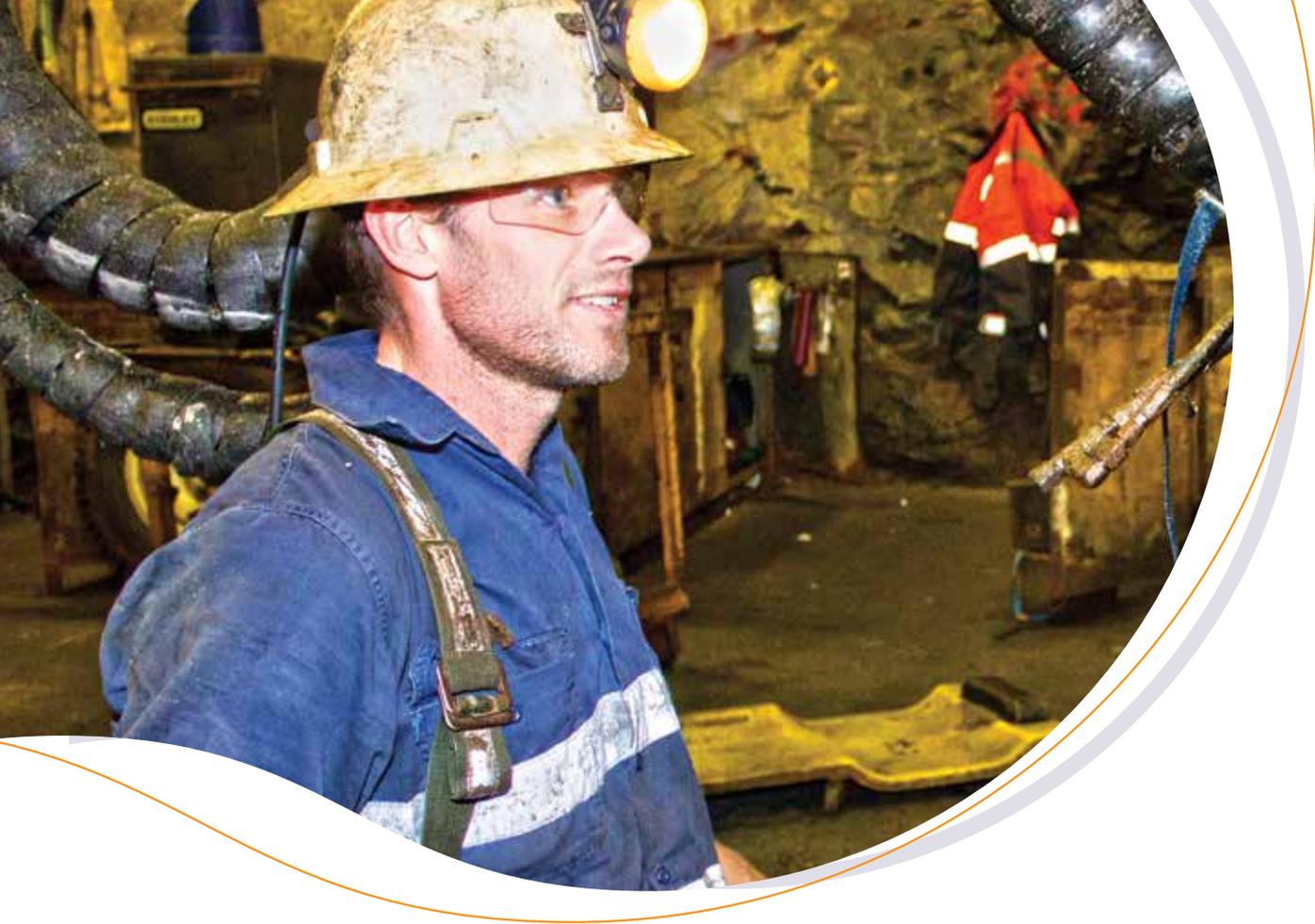
The transaction has created a leading diversified Australian mining company with a strong portfolio of high margin/long-life mining assets, across a range of base and precious metals.

The combination of the two companies has a clear strategic rationale and will generate significant value for the shareholders of both companies. Shareholders will continue to have exposure to IGO's portfolio of production, development and exploration projects but will also benefit from the growth potential of the world-class Nova Project, which is fully financed, under construction and expected to produce first concentrates in late 2016.

The development of the Nova Project to create continued shareholder value is a key focus for IGO. This will be achieved through the delivery of the Nova Optimisation Study in December 2015 and further de-risking of the commissioning and operational phases of the project in 2016. Furthermore, and with the backing of IGO's cash generating projects, we are very optimistic about the opportunity to realise the potential of our land holdings on the under-explored Fraser Range and Tropicana belts. This underexplored province has delivered two of Australia's best gold and base metals discoveries in the last 15 years and we are confident that more discoveries are ahead of us.

We welcome our new shareholders, employees and contractors that have joined us from Sirius. I am particularly delighted that Rob Dennis, most recently Chief Operating Officer of Sirius, has joined the IGO management team as General Manager Project Development, accountable to me for the delivery of the Nova Project through to production. It is especially encouraging that the majority of the Nova Project team have continued with IGO and the Nova Project.

The Nova Optimisation Study, which will be to a bankable feasibility study level, commenced during the Acquisition Scheme process with the primary objective of capturing additional value not identified as part of the original Nova Definitive Feasibility Study (DFS).



The Nova Optimisation Study, which aims to improve the project's net present value and rate of return, is focused on a number of value drivers including:

- accelerated development rates and ramp-up
- adjustments to the mine design and scheduling to prioritise higher-value ore in the early years of the mine life
- deferral of some underground capital expenditure to later years, when needed
- capturing current contracted and industry costs structures into the modelling.

The Nova Optimisation Study is expected to be completed in December 2015.

In parallel with the completion of the Nova Optimisation Study, we are conducting a review and re-targeting exercise over our land holdings on the Fraser Range and Tropicana belts to develop a strategy for their systematic exploration.

We are now well-positioned to leverage off our increased scale to deliver efficiencies in areas including procurement and off-take as a result of an enhanced bargaining position, as well as having the potential to reduce corporate costs compared to IGO and Sirius as standalone entities. This is expected to include the elimination of duplication in compliance and listing costs and an overall reduction in the aggregate number of employees. Our strong financial position will also give us the capacity to pursue further value-accretive growth opportunities.

You will recall that IGO had loan facilities with National Australia Bank Limited totalling \$170 million. Since announcing the Sirius acquisition, IGO has terminated these loan facilities and has entered into a syndicated facility agreement with National Australia Bank Limited, Australia and New Zealand Banking Group Limited and Commonwealth Bank of Australia Limited for a \$550 million committed term finance facility on an unsecured basis on competitive terms. This has allowed us to also terminate the \$440 million project finance facility that Sirius had put in place. Our new facilities deliver an overall improvement in present value.

During FY2015, Management recommended, and the Board approved, our updated Vision and Mission statements as well as best practice values. Our Vision is that "We will be a diversified mining company delivering superior returns for all stakeholders". One of the most important aspects of our Mission is "Achieving measured and sustainable growth through high returns from diverse, low cost, long-life assets". The addition of the Nova Project to our portfolio of assets is very much aligned with this mission. The Nova Project is a high margin, long-life project with significant exploration upside and promises to be our flagship project for some time to come.

I thank all shareholders for welcoming me as Managing Director and I look forward to your continued support in FY2016. The Company's employees and I are striving to achieve measured and sustainable growth.

Peter Bradford
Managing Director

OPERATIONS

TROPICANA GOLD MINE, WESTERN AUSTRALIA (TGM) (IGO 30%, ANGLOGOLD ASHANTI 70% AND MANAGER)

- One of the best virgin Australian gold discoveries since 2000
- Located 370km north-east of Kalgoorlie
- Low cost mine
 - 3.0Moz Ore Reserves, 7.0Moz Resources
 - Open Pit mining with average life of mine strip ratio of 5.4 : 1
 - 5.8Mtpa processing plant (with potential to go to 7.0 – 7.5Mtpa)
- Exploration upside near mine and regionally
- Ni-Cu prospectivity with IGO earning 70% for \$3 million over four years

12.4 million

tonnes of ore was
mined during FY2015

492,780

ounces of gold (100%
basis) was produced
during FY2015

Background

The Tropicana and Salt Creek joint venture concession packages comprise approximately 3,200km² and 2,300km² of tenements respectively stretching over more than 250km in strike length along the Yilgarn Craton and Fraser Range. IGO targeted and pegged the area containing the current gold reserves in 2001. AngloGold Ashanti farmed into the project in 2002, discovering Tropicana, Havana and Boston Shaker Gold Deposits respectively in 2005, 2006 and 2010. The gold deposits occur over a 5km strike length with gold mineralisation intersected over 1km vertically beneath the natural surface.

The decision by the Tropicana JV partners to develop the TGM was announced to the market in November 2010 following a positive Bankable Feasibility Study (BFS) assessment.

In early 2011, construction of the 220km access road commenced, followed by development of site infrastructure that included an aerodrome, accommodation village, borefields and processing plant. Mining of the Havana deposit commenced in 2012 with the first gold being produced in September 2013.

In FY2015, activity has centred around debottlenecking the processing plant and gaining efficiencies from the processing plant.

Annual gold production in FY2016 is anticipated to be between 430,000 – 470,000oz. This translates to IGO's attributable gold production being in the range of 129,000 – 141,000oz/year. Post FY2016, subject to the mill throughput being between 7.0 – 7.5Mtpa, annual gold production is anticipated to average ~400,000oz/year.

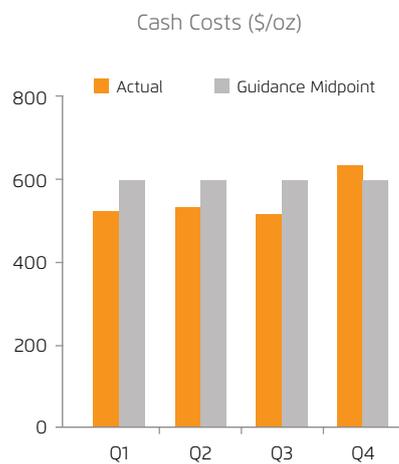
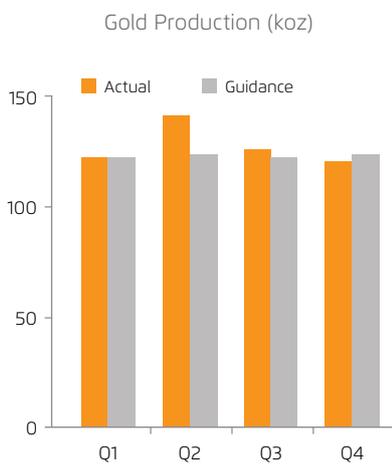
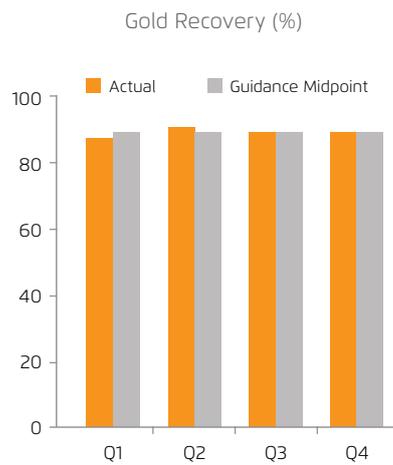
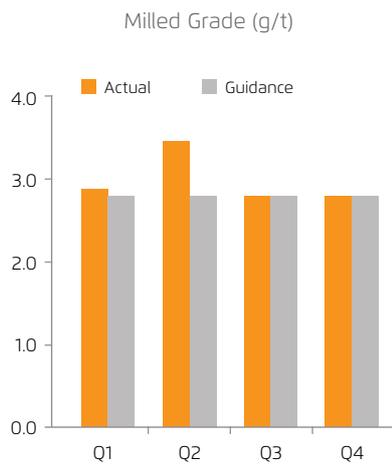
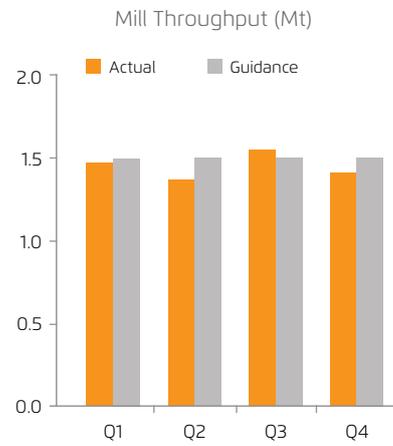
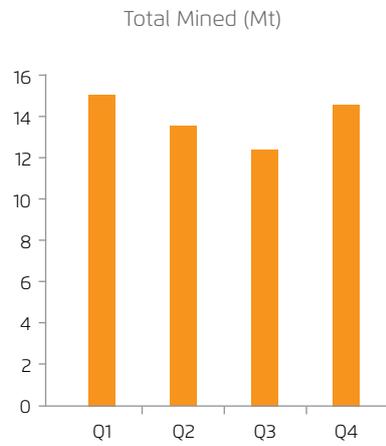
TROPICANA

TIER 1 GOLD MINE



FY2015 Scorecard

FY2015 gold production and cash costs were better than original guidance and the mine delivered consistent performance across most metrics over all quarters.



FY2015 GOLD PRODUCTION AND CASH COSTS WERE BETTER THAN ORIGINAL GUIDANCE AND THE MINE DELIVERED CONSISTENT PERFORMANCE ACROSS MOST METRICS OVER ALL QUARTERS.

FY2015 Production

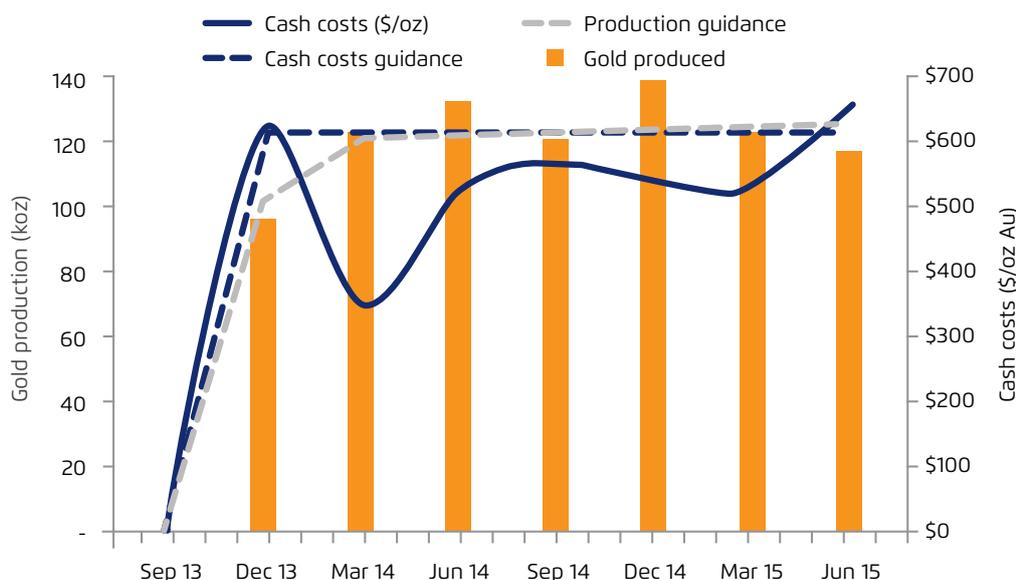
During FY2015 the TGM mined a total of 23M bank cubic metres (BCM) which was in line with the budget of 23.6M BCM. Of this material there were 12.4Mt of ore (10.8Mt of Full Ore (>0.6g/t) and 1.6Mt of Marginal Ore (>0.4g/t to <0.6g/t)) and 46Mt of waste mined.

Ore was sourced from the Havana pit (6.8Mt) and the Tropicana pit (5.6Mt). Average grades for the full ore mined was 2.06g/t Au over this period. Pre-strip mining in the Boston Shaker open pit commenced late in the June 2015 quarter.

The processing plant achieved a throughput of 5.83Mt at an average feed grade of 2.92g/t. Gold recoveries were as expected at 90.2% for recovered gold of 496,004oz. The focus is now on system improvements to access efficiency opportunities in an attempt to push mill throughput beyond nameplate capacity.

IGO is pleased to report that its attributable gold production for FY2015 was 148,923oz with 150,836oz of gold sold. Average cash costs in FY2015 were \$568/oz Au produced.

Figure 5: Tropicana production and cost performance over the previous two years



FY2016 Guidance and Initial Grade Streaming Strategy

The initial grade streaming strategy at Tropicana, which the joint venture partners adopted to deliver early project returns, is expected to come to an end during the second half of FY2016 (H2 FY2016). The grade streaming strategy has involved an accelerated mining profile and associated stockpiling strategy. This has resulted in more ore being mined than required for the processing plant, thereby allowing the higher grade portion to be processed and the progressive build-up of a low grade stockpile.

As a result of the cessation of grade streaming, gold production in H2 FY2016 will be lower and costs higher, resulting in full year gold production for FY2016 at Tropicana of 430,000 to 470,000oz (100% basis) at a cash cost of \$640 to \$710/oz Au produced. IGO expects its attributable gold production during FY2016 to be in the range of 129,000 to 141,000oz with cash costs plus royalties being in the range of \$640 to \$710/oz Au. IGO's share of exploration expenditure is expected to be approximately \$9 – \$11 million and IGO's share of sustaining capital is expected to be approximately \$8 – \$10 million.

From H2 FY2016, the average grade processed at Tropicana is expected to be at the average reserve grade of about ~2 g/t Au, which will be maintained over the next few years.



Processing Plant Debottlenecking to 7.0 – 7.5 Mtpa

In parallel with the cessation of grade streaming, AngloGold Ashanti is pursuing opportunities to debottleneck the processing plant throughput from its nameplate capacity of 5.8Mtpa to a throughput in the range of 7.0 – 7.5Mtpa. The debottlenecking will involve ongoing work to reduce planned maintenance downtime by improving the design of high wear areas, speeding up conveyors and pumps and potentially supplementing the existing leach tank capacity.

AngloGold Ashanti has already demonstrated that the processing plant can operate at a rate of 6.6Mtpa over periods of a month at a time and has achieved throughput rates of about 7Mtpa over shorter periods. Therefore, the goal of 7.0 – 7.5Mtpa on a sustainable basis is considered highly achievable with minimal incremental capital expenditure.

The higher throughput rates are achievable due to the inherent overdesign of key equipment items such as the primary crusher, high pressure grinding rolls (HPGR), and ball mill. The HPGR has performed extremely well and is operating at ~60% of capacity with wear rates on the HPGR surface being about half that expected. AngloGold Ashanti expected the wear life for the HPGR to be about 7,000 hours, however the first change-out was at 14,000 hours delivering a significant benefit in reduced downtime and reduced cost.

At these higher processing plant throughput rates and average reserve grade, the sustainable gold production rate is expected to be about 400,000 oz/year from 2016.

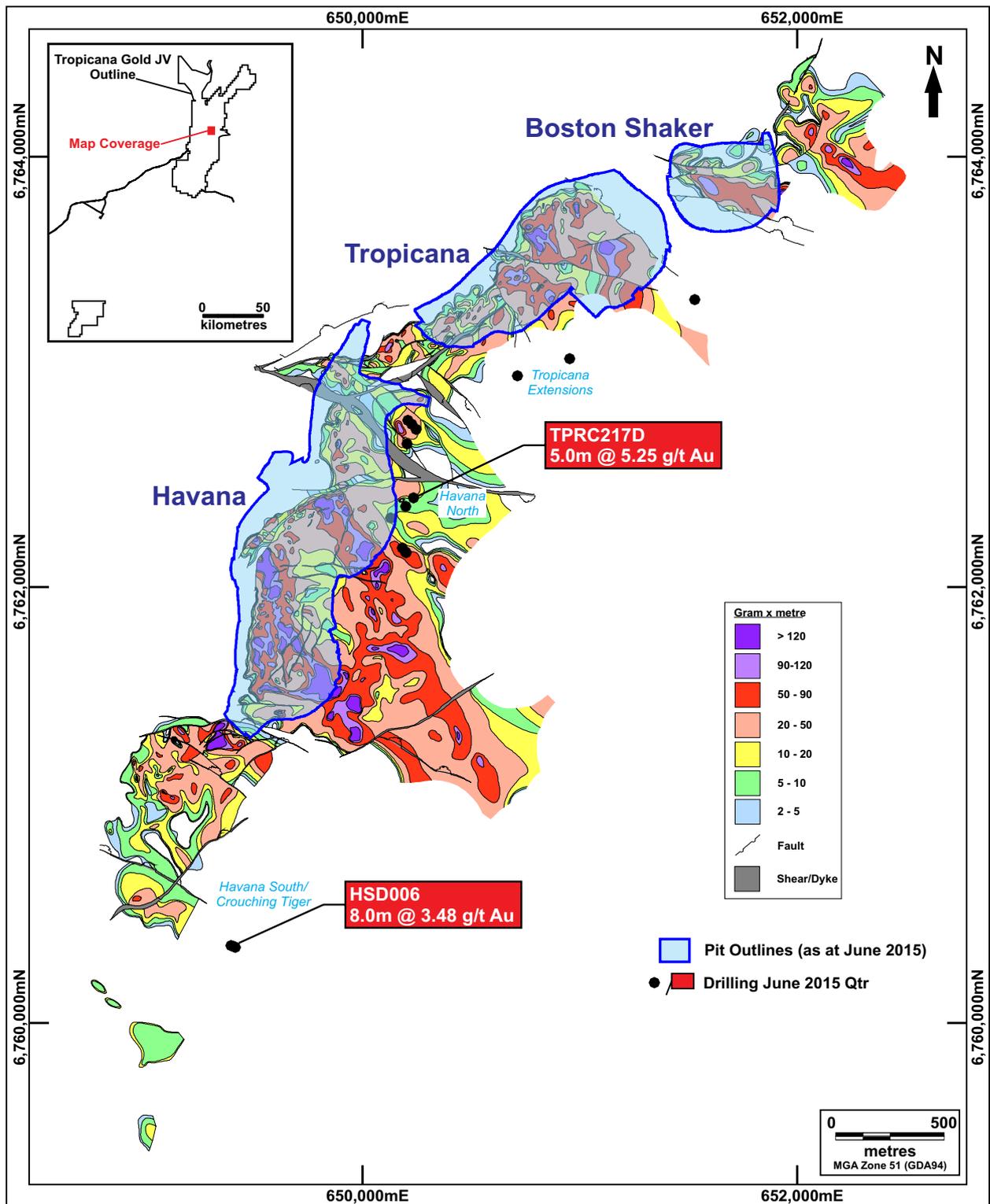
The current low grade stockpile Reserve at Tropicana, which is currently estimated to be approximately 8.4Mt at an average grade of 1.09 g/t Au, and which is expected to grow to about 10Mt by the end of the grade streaming period, will be processed at the end of mine life, as contemplated in the BFS.

Conceptual Mining Study

As part of a conceptual mining study, the joint venture partners are evaluating the depth and strike extensions of the Tropicana mineralised system. The study is also considering opportunities to use larger scale equipment and alternative mining methods, such as strip mining and in-pit waste disposal. This would potentially deliver substantially lower mining costs than traditional open cut methods, which were the basis of the mining options in the Havana Deeps study.

If the concept can be demonstrated, mine life would be significantly extended. The joint venture partners expect to carry out a substantial drilling program, utilising data generated by last year's 3D seismic survey to test for extensions to the Tropicana, Boston Shaker and Havana South mineralisation. Subject to positive results from this mine-life extension study and the resource drilling, it is expected that the work would progress to a feasibility study in 2016.

Figure 6: Tropicana Gold Mine



Note: See June 2015 Quarterly Report released to ASX on 29 July 2015

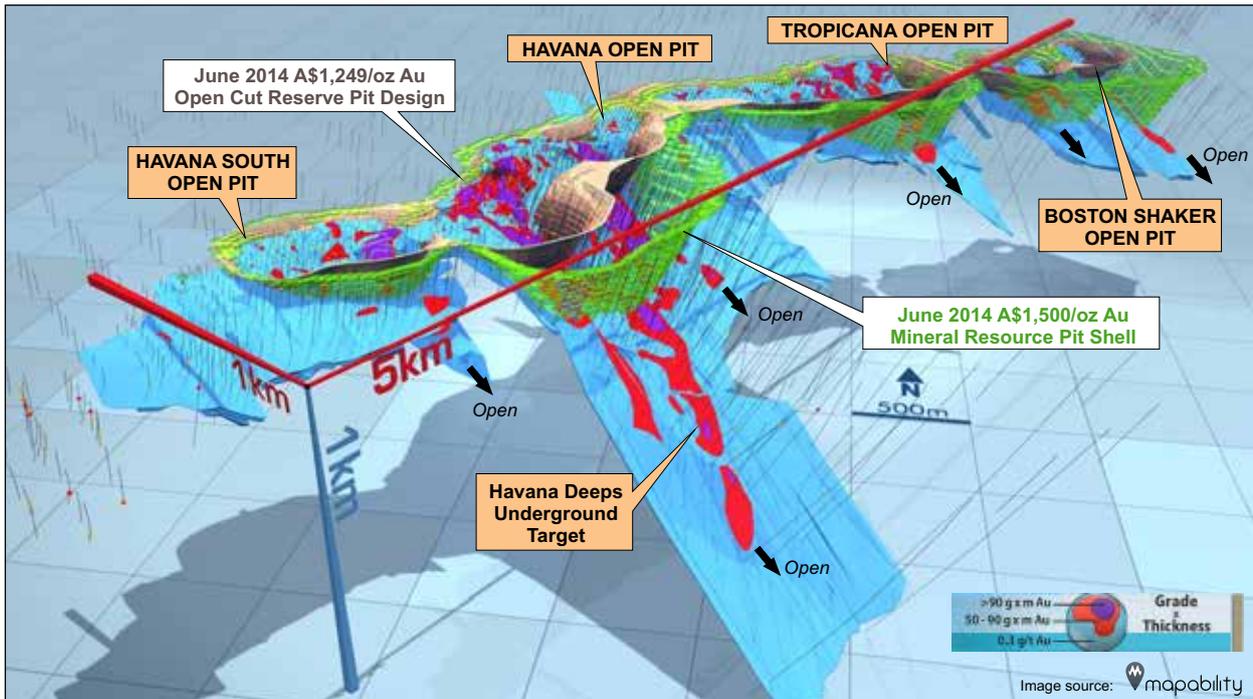
Near-Mine Exploration

A 3D seismic program completed during FY2015 identified a number of potential targets down dip and along strike of known resources. A total of 187 AC holes (7,034m), 49 RC holes (6,822m) and 44 diamond holes (11,009m) was completed in FY2015 targeting down dip extensions to mineralisation at Tropicana, Havana North and Havana South. Better results include 12m @ 1.79g/t Au and 5m @ 5.25g/t Au at Havana North, 8m @ 3.48g/t Au at Crouching Tiger and 19m @ 1.19g/t Au in the Tropicana Extensions area.

Gas Pipeline Project

In July 2014, AngloGold Ashanti, on behalf of the joint venture partners, entered into agreements with APA Group (APA) for the transportation of natural gas to the TGM. Under the agreements APA will construct a new 292km gas pipeline which will connect TGM to APA's Goldfields Gas Pipeline and Murrin Murrin lateral. Construction of the 292km long gas pipeline remains on target to be completed by the end of 2015 with first delivery of gas to Tropicana scheduled for early 2016.

Figure 7: Tropicana Gold Mine – Boston Shaker, Tropicana, Havana and Havana South open pit outlines



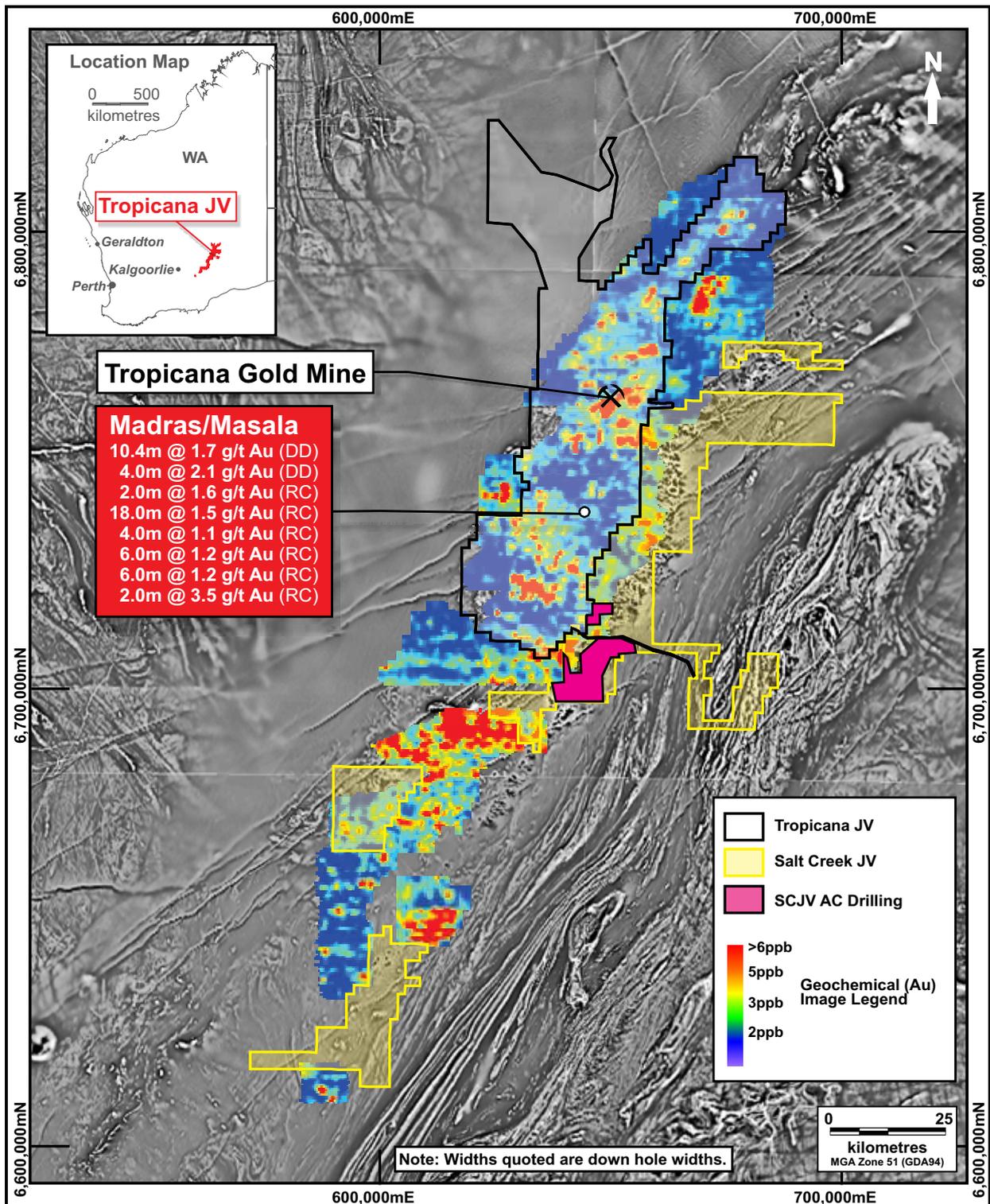
AS PART OF A CONCEPTUAL MINING STUDY, THE JOINT VENTURE PARTNERS ARE EVALUATING THE DEPTH AND STRIKE EXTENSIONS OF THE TROPICANA MINERALISED SYSTEM.

Regional Exploration

Regional exploration continued, identifying and testing numerous prospects throughout FY2015. A systematic strategy of dropping non-prospective ground has been employed by the joint venture. AngloGold Ashanti is prioritising geological and structural targets in prospective domains and rock packages to ensure targeted exploration. In total, 774 AC holes (46,514m), 65 RC holes (7,465m) and eight diamond holes (1,312m) were completed in FY2015.

During FY2015, drilling at the Madras prospect, 25km to the south of Tropicana discovered a zone of supergene mineralisation with a number of highly encouraging intercepts including 15m @ 5.1g/t Au, 25m @ 2.5g/t Au and 17m @ 4.2g/t Au. Encouraging results were returned at other targets including 4m @ 1.0g/t Au at Scarecrow and 8m @ 0.8g/t Au at Sanpan.

Figure 8: Tropicana Joint Venture tenure



Note: See June 2015 Quarterly Report released to ASX on 29 July 2015



LONG OPERATION, WESTERN AUSTRALIA IGO 100%

- Located in Kambalda, 60km south of Kalgoorlie
- High grade underground nickel (3.6% average reserve grade)
- 35-year operating history
- Consistent track record
 - Production and costs
 - Positive reserve call factor
 - Replacing production with new reserves
- Largely residential (Kalgoorlie and Kambalda)
- Owner mining
- Toll treat ore at BHPB Concentrator
- Concentrate offtake agreement with BHPB

258,634

tonnes of ore was mined during FY2015

10,198

nickel tonnes delivered during 2015

Background

The Company acquired the Long Operation in Kambalda, WA, from BHP Billiton Nickel West Pty Ltd (BHPB) (formerly WMC Resources Ltd) in September 2002. The mine was successfully re-commissioned in October 2002 and has been operating successfully and safely since then.

Since October 2002, IGO has produced over 2.9Mt of nickel ore, producing approximately 116,000t of contained nickel metal. A commitment to brownfields exploration has seen the discovery of the McLeay (2005) and Moran (2008) ore bodies and has enabled the operation to maintain a reserve base over time to support a two to three year life.

Offtake Agreement

IGO has an agreement with BHPB whereby the ore produced from the mine is delivered to the adjacent BHPB Kambalda Nickel Concentrator for toll treatment and production of nickel concentrate. This offtake agreement expires in 2019.

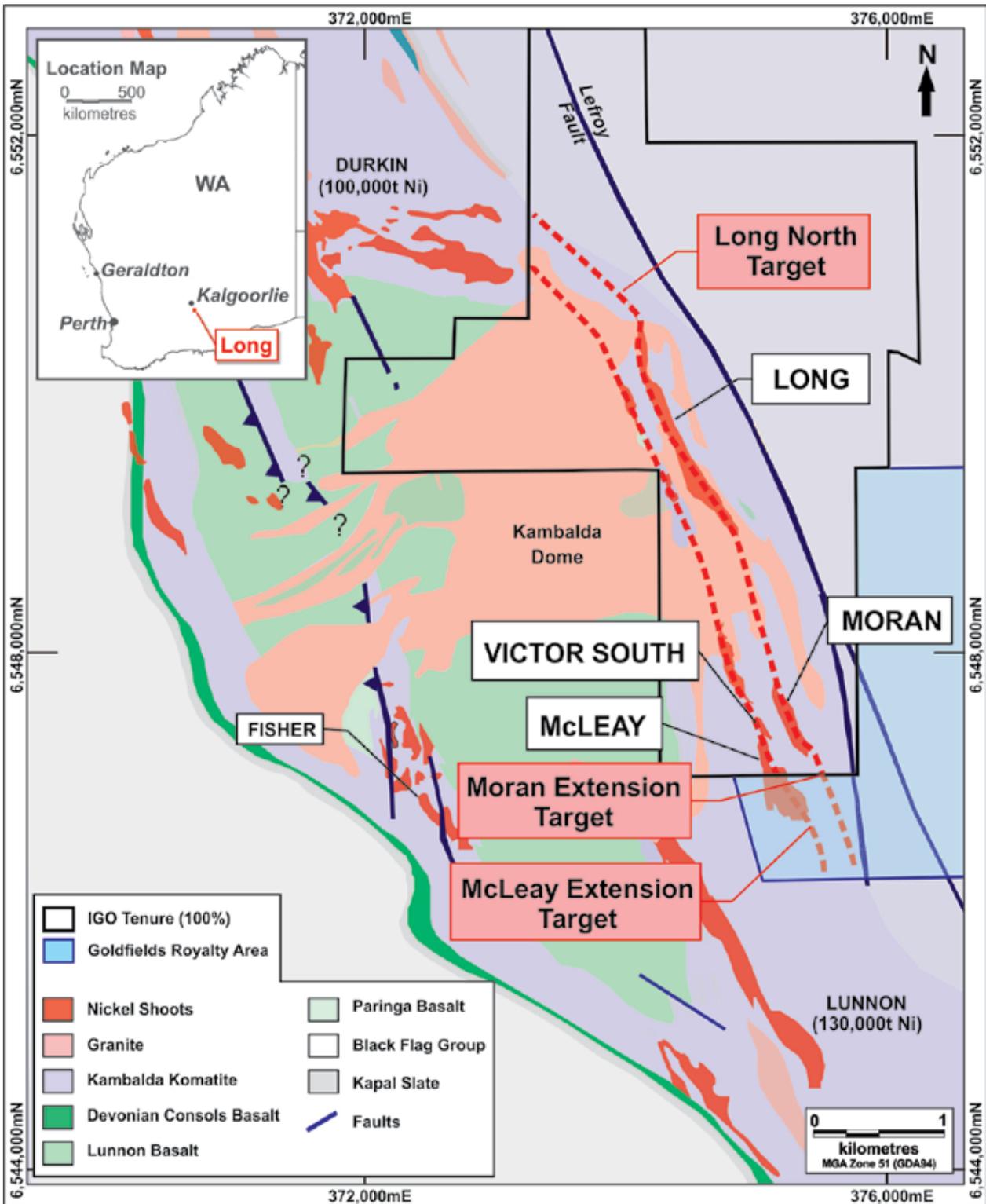
Safety

IGO is committed to continual improvement and targeting zero injuries at the Long Operation. We also recognise that our safety objectives cannot be attained without equal input from all our employees and contractors, so we continue to actively engage and consult all employees and contractors to revise safe work practices. One LTI occurred at Long Operation during FY2015. During FY2015 the 12-month LTIFR has improved from 11.8 to 3.1 injuries per million hours worked, a very credible effort by the Long team.

The occupational health and safety regime is based on the belief that safety comes first and profits can be made without compromising safety. It is Management's conviction that a positive attitude towards safety is the key to any safety program. Hazard identification, accident/incident investigation, competency training, safe work procedures, competency reassessment and regular workplace inspections and task observations are carried out with the input of our employees. There is a strong focus on emergency preparedness, with the application of risk mitigation and emergency management procedures throughout FY2015.



Figure 9: Long Operation – Regional geology, tenure, nickel shoots and targets



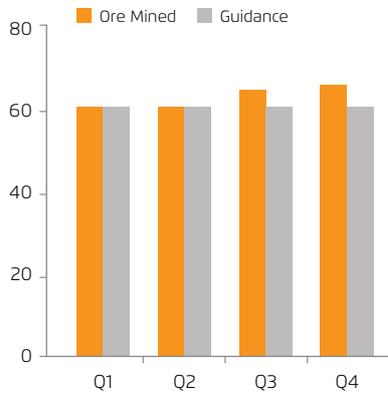
Long Operation Seismicity

Mining-induced and regional seismicity is an inherent risk at the Long Operation. The Long Operation ore bodies are, to a varying degree, disrupted by a swarm of cross-cutting porphyries, some of which are stressed. When mining the discrete ore blocks within the Long Operation, procedures to manage these conditions are built into the operating standards and are well understood by our mining team.

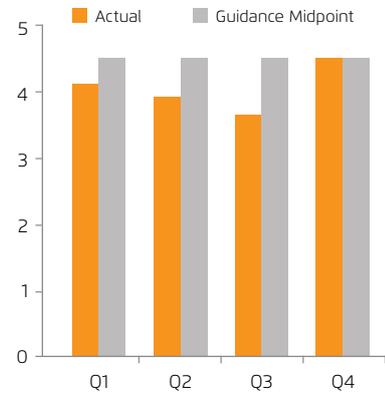
To ensure continued safety of our people, as well as regulatory compliance, IGO undertakes regular internal audits on its geotechnical systems and ground control practices. In addition, geotechnical professionals are also utilised to undertake external independent geotechnical audits. This constant feedback forms part of our continued focus on safety as well as ensuring regulatory compliance.

FY2015 Scorecard

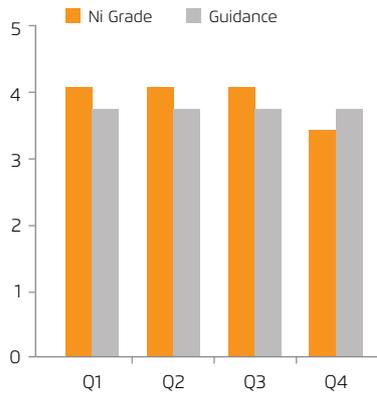
Ore Mined (kt)



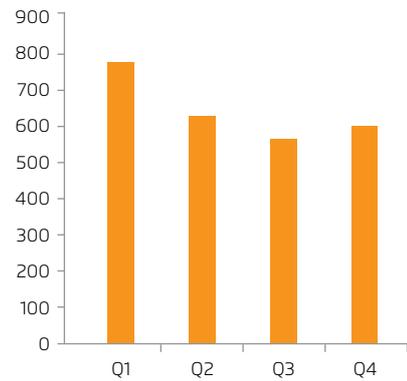
Cash Costs \$/lb Ni Payable



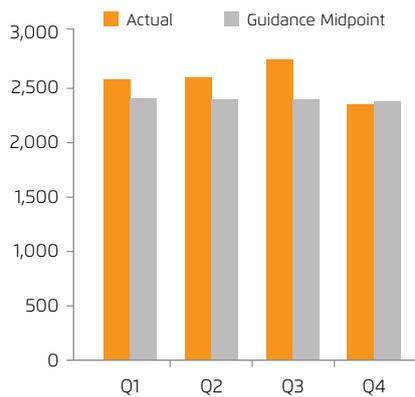
Ni Grade (%)



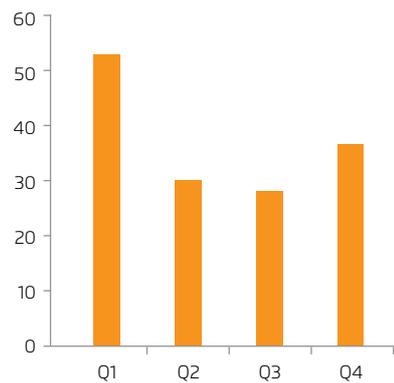
Development (metres)



Ni Produced (t)



% of Ore from Outside Reserves



FY2015 Production

The Long Operation currently focuses on longhole stoping, supported by twin boom jumbo development. Safety and the practicalities of the ore body dictate which extraction method is utilised.

The majority of production in FY2015 came from mining of the high grade Moran ore body. Production achieved (Table 1) was 258,634t (FY2014: 268,162t) at an average grade of 3.94% nickel (FY2014: 4.07%) for 10,198t of contained nickel metal (FY2014: 10,909t), 2% above the upper range of FY2015 guidance.

Payable cash costs for FY2015 including royalties and by-product credits were \$4.01/lb Ni (FY2014: \$3.78), which was 6% below the lower end of FY2015 guidance.

Long Operation – FY2015 Ore Production

Orebody	Ore Tonnes	Ni %	Ni Tonnes	Source of Ore Tonnes as %
Long (mechanised and hand-held)	37,955	3.0	1,148	14.8
Victor South (mechanised)	13,128	2.1	275	5.0
McLeay (mechanised and hand-held)	31,340	2.8	866	12.1
Moran (mechanised)	176,211	4.5	7,909	68.1
TOTAL	258,634	3.9	10,198	100.0%

Figure 10: Quarterly Mine Production and Cash Cost performance in last eight quarters

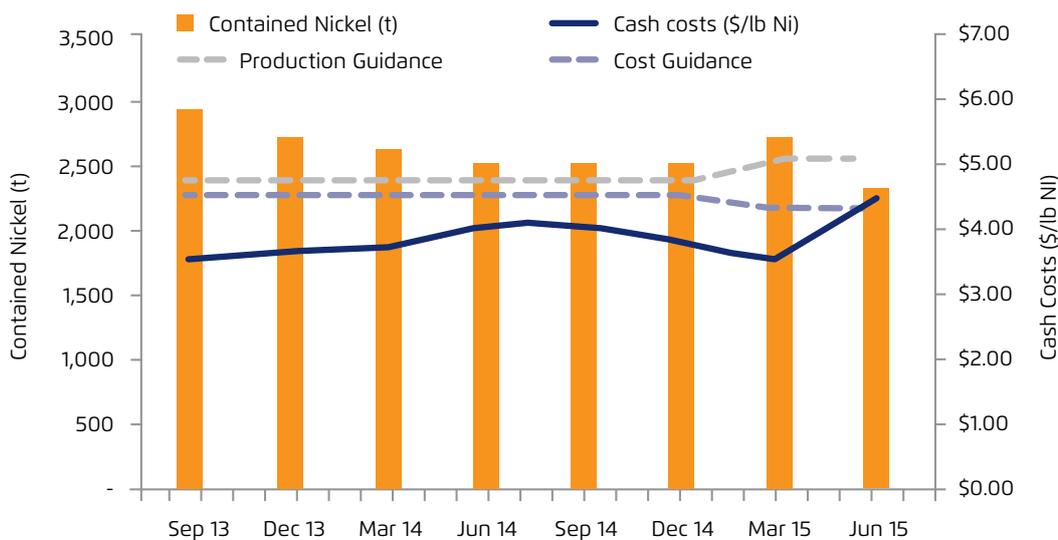
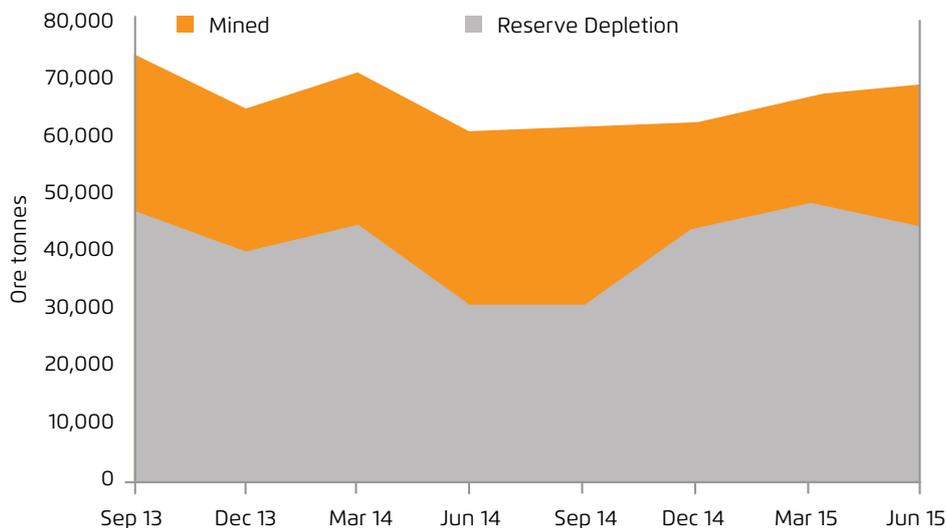


Figure 11: Quarterly tonnes mined versus resources depletion at Long in last eight quarters



Development

During FY2015, a total of 2,318m was advanced by jumbo development, of which 632m was booked as capital development and 1,686m as operational. FY2015 capital development is focusing on the development of the Moran South exploration drilling platform, with drilling to be staged as development progresses.

FY2016 Guidance

Production guidance for the Long Operation for FY2016 is between 8,500 and 9,000 tonnes of contained nickel. Payable cash costs plus royalties for FY2016 are forecast at \$3.50 – \$4.00/lb Ni, net of copper credits.

Exploration at the Long Operation over the next 12 months will continue to test for extensions to existing ore bodies at McLeay South, Moran South and Long North, and for new deposits in the tenement area. \$13 – \$15 million is expected for exploration in FY2016 including expenditure on development for exploration access. Sustaining capital expenditure is forecast to be \$3 – \$5 million during FY2016.

Near Mine Exploration

A combination of diamond underground and surface drilling totalling 104 drill holes for 20,457 metres was undertaken to explore Long North, Victor South, McLeay, McLeay South and Moran South nickel targets.

McLeay South

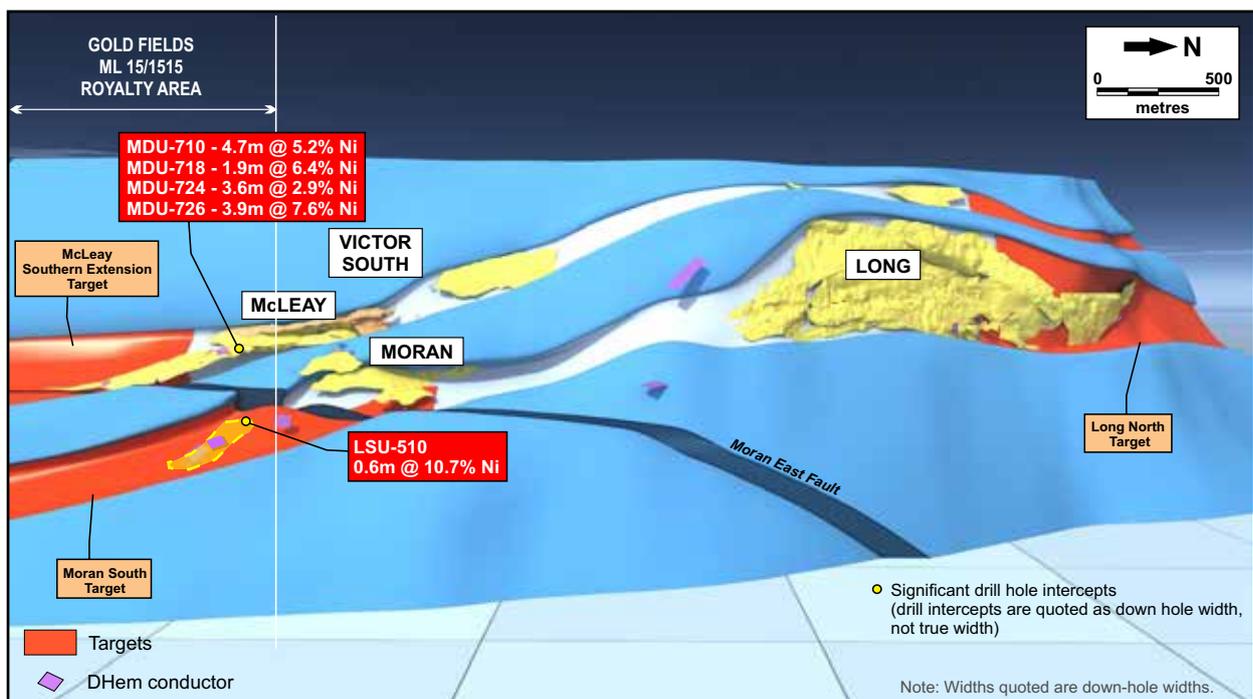
At McLeay South, two surface diamond hole wedges for 3,455m were completed targeting mineralisation up to 80m north of the previously reported intercept (LNSD-063W2 with 4.9m @5.4% Ni). The best results were reported in the following drill holes:

- LNSD-065W3 with 1.1m @ 3.53% Ni from 977m (True width 0.8m)
- LNSD-065W4 with 4.2m @ 4.94% Ni from 1011m (True width 3.5m).

Follow up underground diamond drilling is planned from the McLeay South drill drive.

The McLeay South drill drive commenced in the December 2014 quarter. The drill drive will provide a platform for underground drilling to better define the McLeay South mineralisation. At 30 June 2015, a total of 405m of development, including three stockpiles, remain to be completed. The first drilling position is expected to be available in FY2016.

Figure 12: Long Operation – Longitudinal Projection showing target areas, TEM conductors and significant intercepts



Note: See June 2015 Quarterly Report released to ASX on 29 July 2015

McLeay

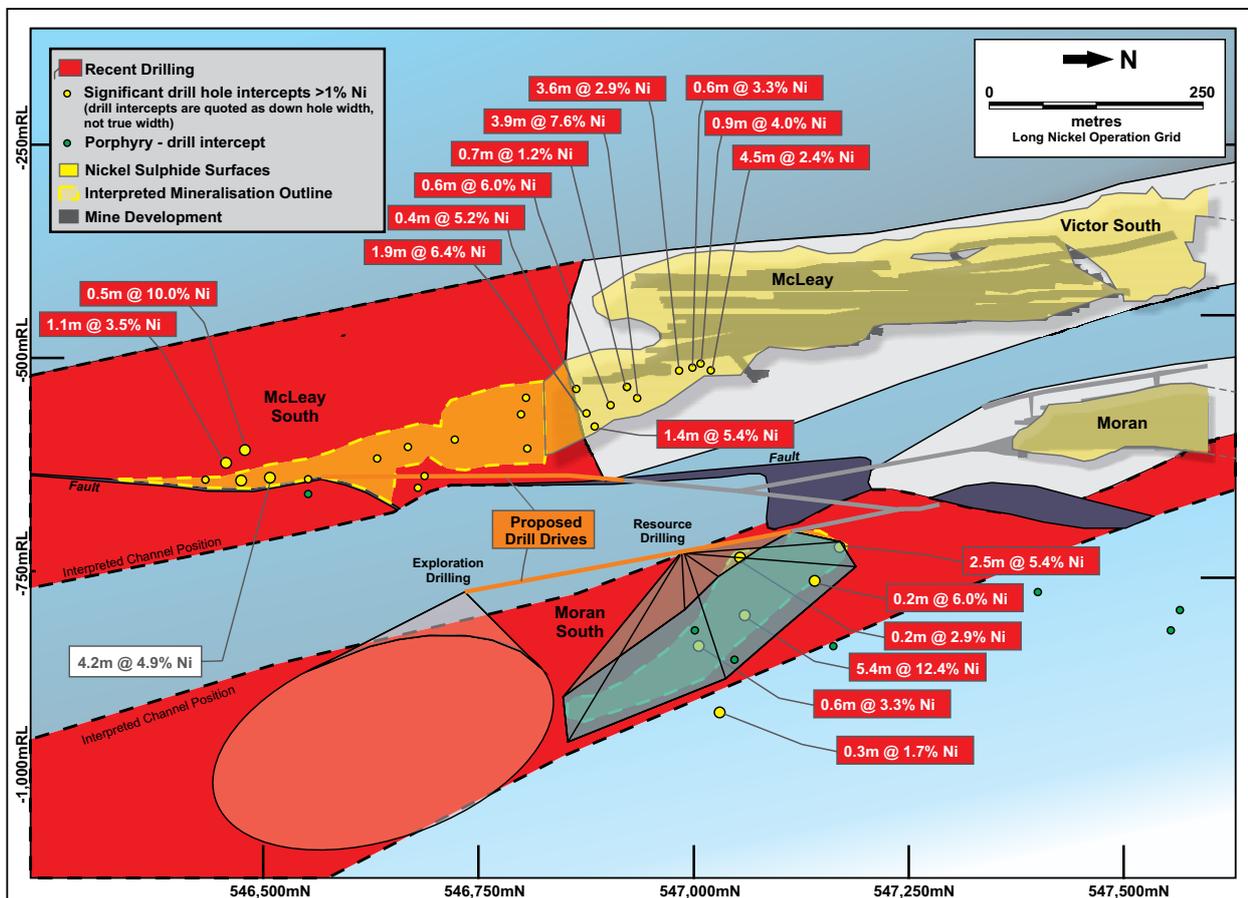
At McLeay, 18 underground diamond drill holes for 2,292m were completed to test extensions of the McLeay Surface 6. Drilling defined an open contact komatiite channel position 60m wide down-dip and 300m down-plunge. Mineralisation extends to the north and south of current mine development with the best results reported in the following drill holes:

- MDU-722 with 4.5m @ 2.38%Ni from 72m (True width 2.3m)
- MDU-724 with 3.55m @ 2.87%Ni from 90m (True width 1.2m)
- MDU-726 with 3.9m @ 7.57%Ni from 128m (True width 3.5m).

Moran South

At Moran South, 12 underground diamond drill holes for 3,160m were completed defining a nickel mineralised envelope (>1% nickel). The mineralisation is defined by six drill intercepts and is 320m x 60m in size. There are also eight coincident DHEM conductors with the largest conductor being 65m x 45m in size. The Moran South Drill Drive is being developed in the footwall basalt, to the west of the known mineralisation to develop a platform for further drill testing. Drill testing of the mineralised zone, as well as step out drilling to the south, has commenced in FY2016.

Figure 13: Long Operation – Longitudinal Projection showing target areas and significant intercepts.



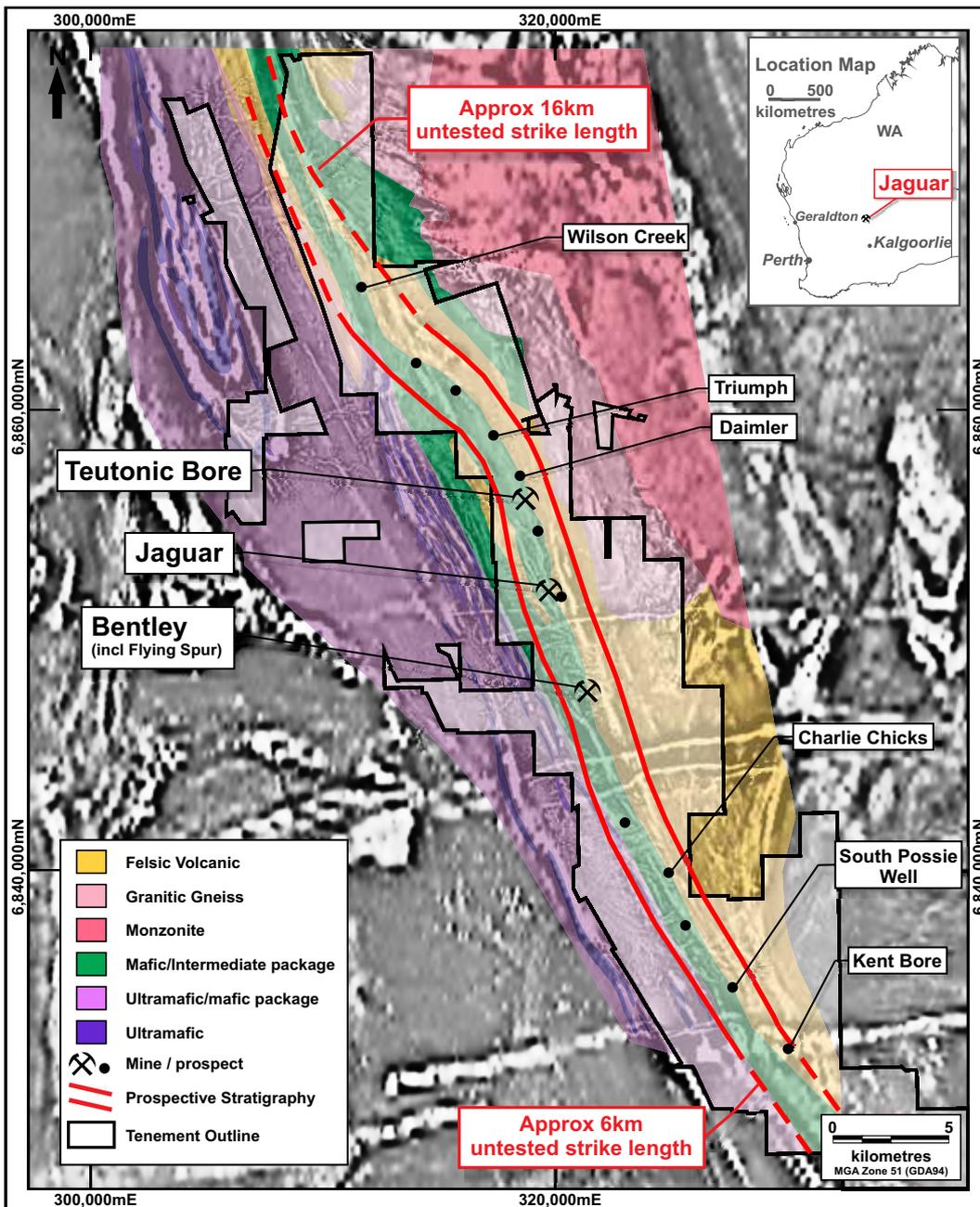
Note: See June 2015 Quarterly Report released to ASX on 29 July 2015, March 2015 Quarterly Report released to ASX on 21 April 2015 and September 2014 Quarterly Report released to ASX on 22 September 2014



JAGUAR OPERATION, WESTERN AUSTRALIA IGO 100%

- Located 300km north of Kalgoorlie
- High grade underground Zn/Cu VMS deposit
- Significant improvement in operation over last 1-2 years
- Fly in – fly out from Perth
 - Some drive in drive out from Kalgoorlie
- Owner mining
- ~500 ktpa processing plant
 - Producing zinc concentrate and copper concentrate
- Export to Asian markets through Geraldton
- Significant exploration upside: in mine, near mine and regionally

Figure 14: Jaguar Operation tenure, mines and prospects



Background

The Jaguar Operation, located 60km north of Leonora in Western Australia (Figure 14), was acquired by IGO in 2011. The Jaguar Operation has significant exploration potential along 50km of prospective tenure.

The Jaguar Operation originally comprised the Jaguar and Bentley zinc-copper-silver-gold underground mines and processing facility. The Jaguar deposit was discovered in 2002 approximately 4km south of the historic Teutonic Bore open cut and was brought into production as an underground zinc-copper-silver mine in 2007. Bentley was discovered in 2008 and brought into production in 2011. Ore is processed at the Jaguar concentrator which produces a copper concentrate and a zinc concentrate. The copper concentrate also contains significant silver and gold credits. The concentrates are trucked to the port of Geraldton where they are shipped to our customers.

During FY2014, the Jaguar underground mine was closed and all mining for FY2015 was sourced from the Bentley underground mine.

485,302

tonnes of ore was mined during FY2015

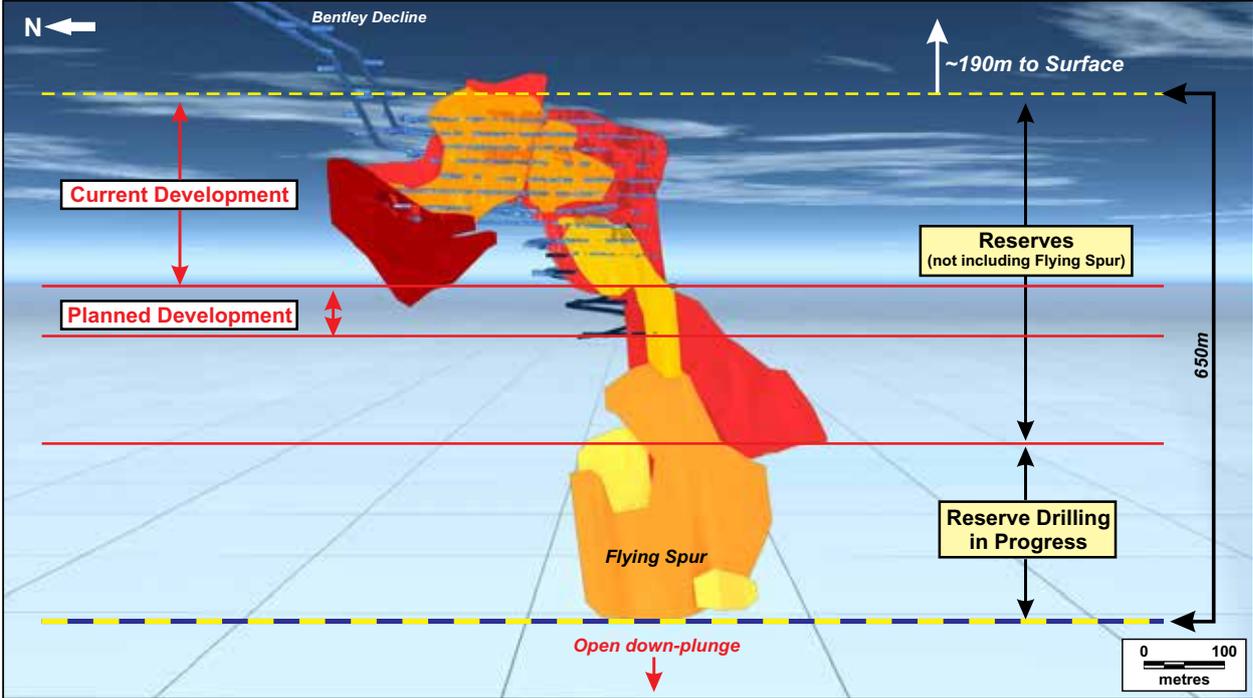
45,000

tonnes of zinc in concentrate and

7,380

tonnes of copper in concentrate produced during FY2015

Figure 15: Jaguar Operation – Bentley Mine – 3D isometric projection showing mineralised envelopes, drilling and planned development.



Safety

Two LTIs occurred during FY2015. The 12-month LTIFR at 30 June 2015 was 3.3 down from 3.4 at 30 June 2014. IGO remains focused to continually improving its safety performance and targeting zero injuries at the Jaguar Operation. IGO believes that safety comes first and profits can be made without compromising safety.

Safety remains our highest priority with the key being engagement of management, employees and contractors. Proactive safety standards, hazard identification, competency training, continual reviewing of safe work procedures, competency reassessment and regular workplace inspections all play a large role in our safety culture and commitment.

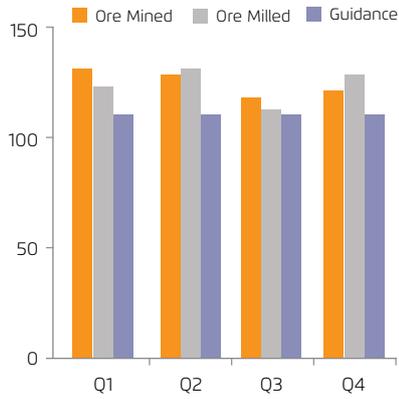
In FY2016, some of our objectives in safety include standardising systems and practices, benchmarking, and ongoing process improvements.

IGO HAS A HISTORY OF GROWING REVENUE AND CASH FLOW

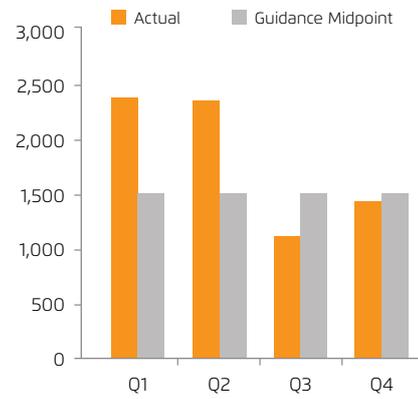
FY2015 Scorecard

Annual zinc and copper production and cash costs better than original FY2015 guidance

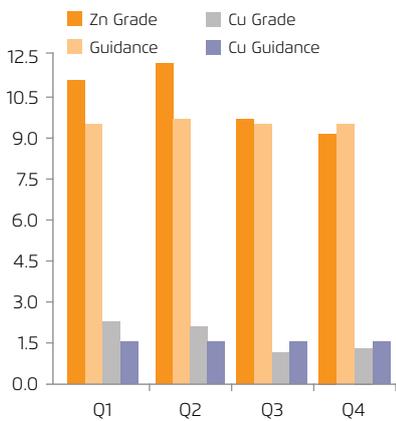
Ore Mined and Ore Milled (kt)



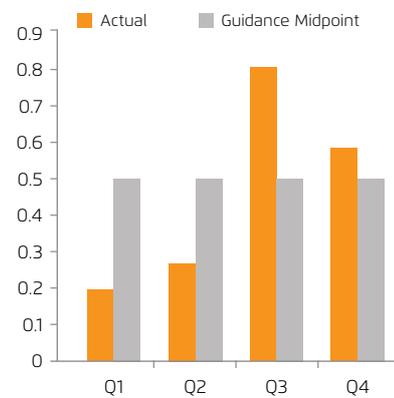
Cu Production in Concentrate (t)



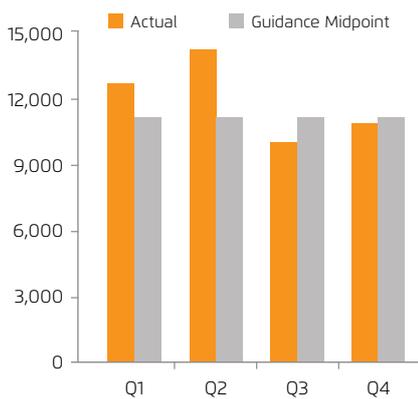
Grade (%)



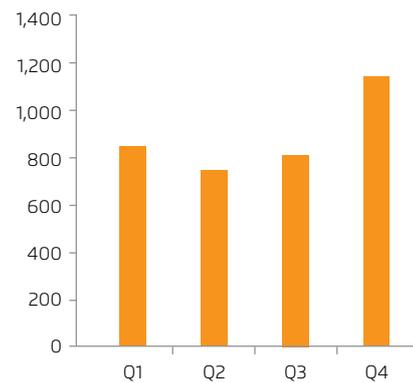
Cash Costs \$/lb Zn Payable



Zn Production in Concentrate (t)



Development (metres)



FY2015 Production

A total of 485,302t of ore was mined during FY2015 from the Bentley underground mine.

A total of 488,466t of ore at an average grade of 10.55% Zn, 1.75% Cu and 156g/t Ag (FY2014: 441,867t @ 10.65% Zn, 1.97% Cu and 145g/t Ag) was milled. Metal production in concentrate was 45,000t of contained zinc metal (FY2014: 41,162), 7,380t of contained copper metal (FY2014: 7,692t) and 1,876,381oz of contained silver metal (FY2014: 1,657,461oz). Production of both zinc and copper was in line with improved FY2015 guidance released in February 2015. The payable cash costs plus royalties was \$0.43/lb payable zinc, net of by-product (FY2014: \$0.31/lb).

Figure 16: Quarterly mine production and cash cost performance at Jaguar in last eight quarters

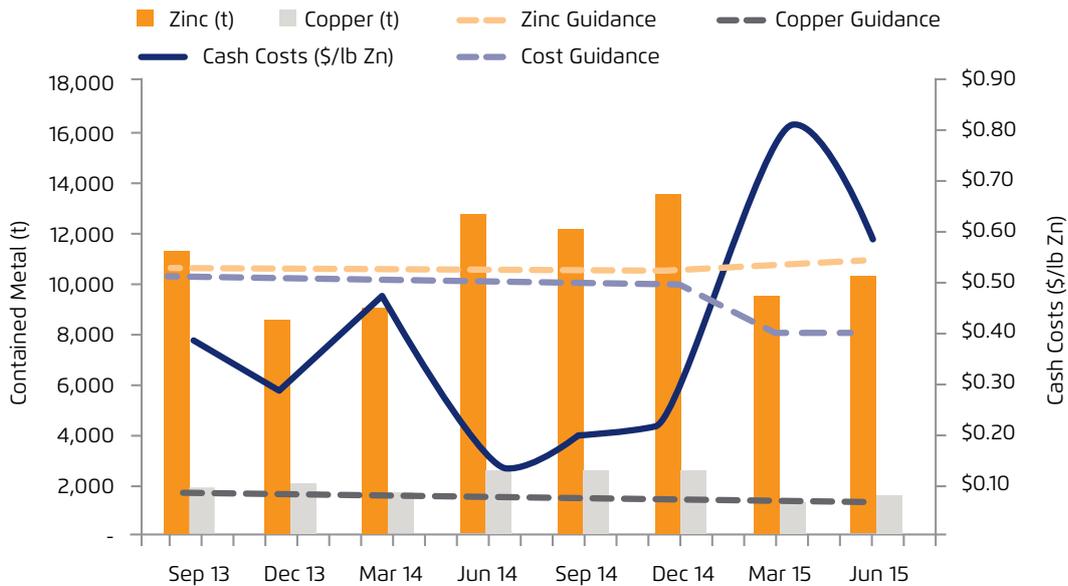
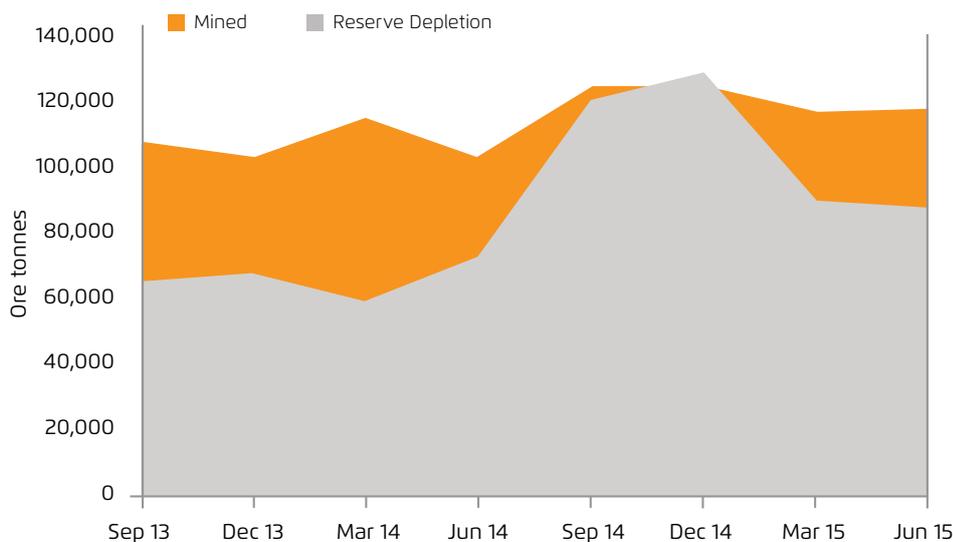


Figure 17: Quarterly tonnes mined versus Reserve depletion at Jaguar in last eight quarters



FY2016 Guidance

Production guidance for the Jaguar Operation for FY2016 is for production of 7,500 – 8,500t of copper metal and 35,000 – 40,000t of zinc metal in concentrate. Cash costs for FY2016 are forecast at \$0.40 – \$0.60/lb Zn, including royalty and net of by-product credits.

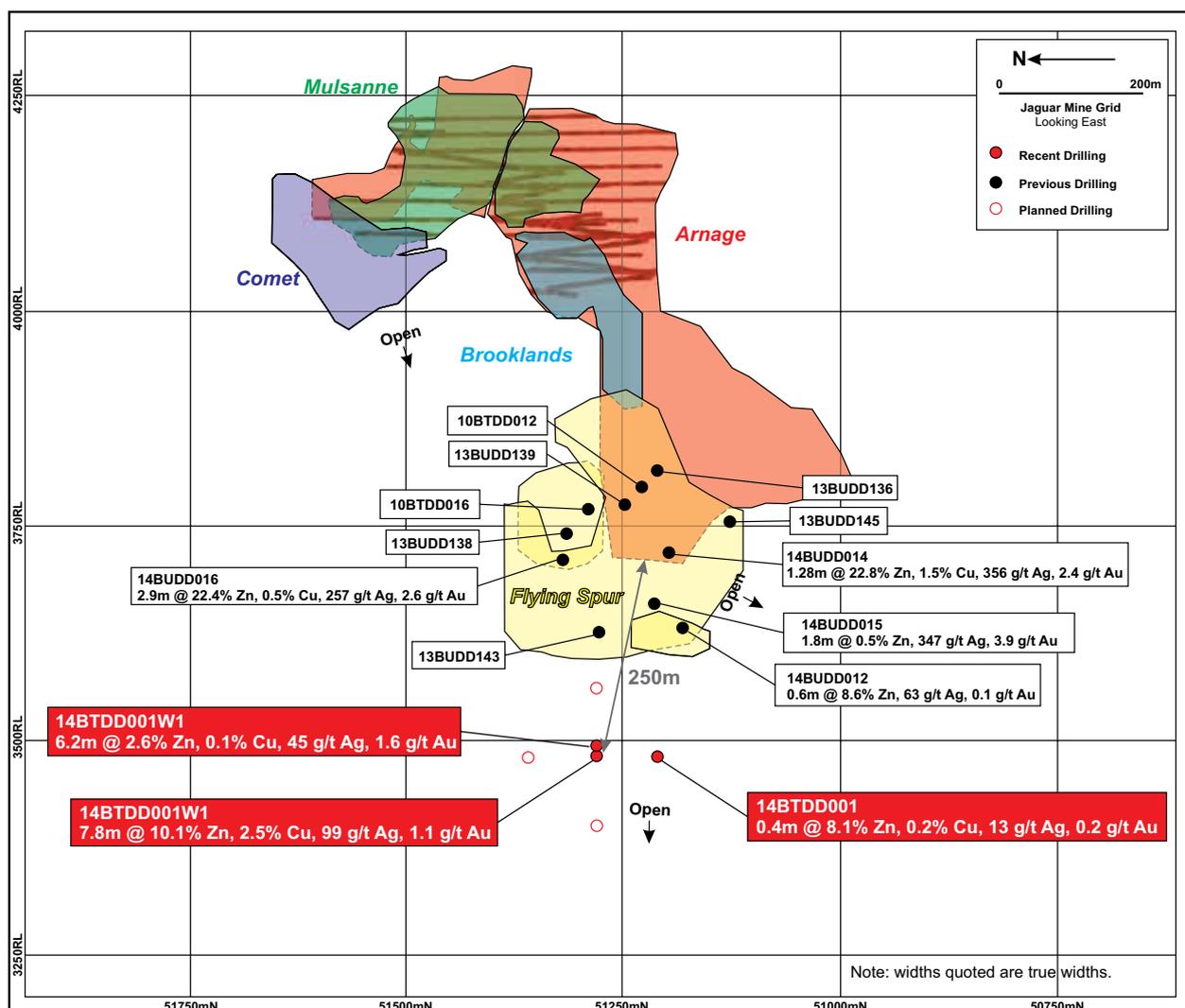
Sustaining capital, development and exploration expenditure are forecast to be \$4 – \$5 million, \$12 – \$14 million and \$10 – \$12 million respectively during FY2016.

Near Mine Exploration

In April 2015, IGO commenced development of a drill drive in the hanging wall of the Bentley mine to provide a platform to enable infill drilling to convert the Bentley Inferred Resource to Indicated category. It will also serve as a platform to test for depth extensions of the Arnage and Flying Spur lenses. The drill drive was completed in June 2015 and drilling commenced in July 2015.

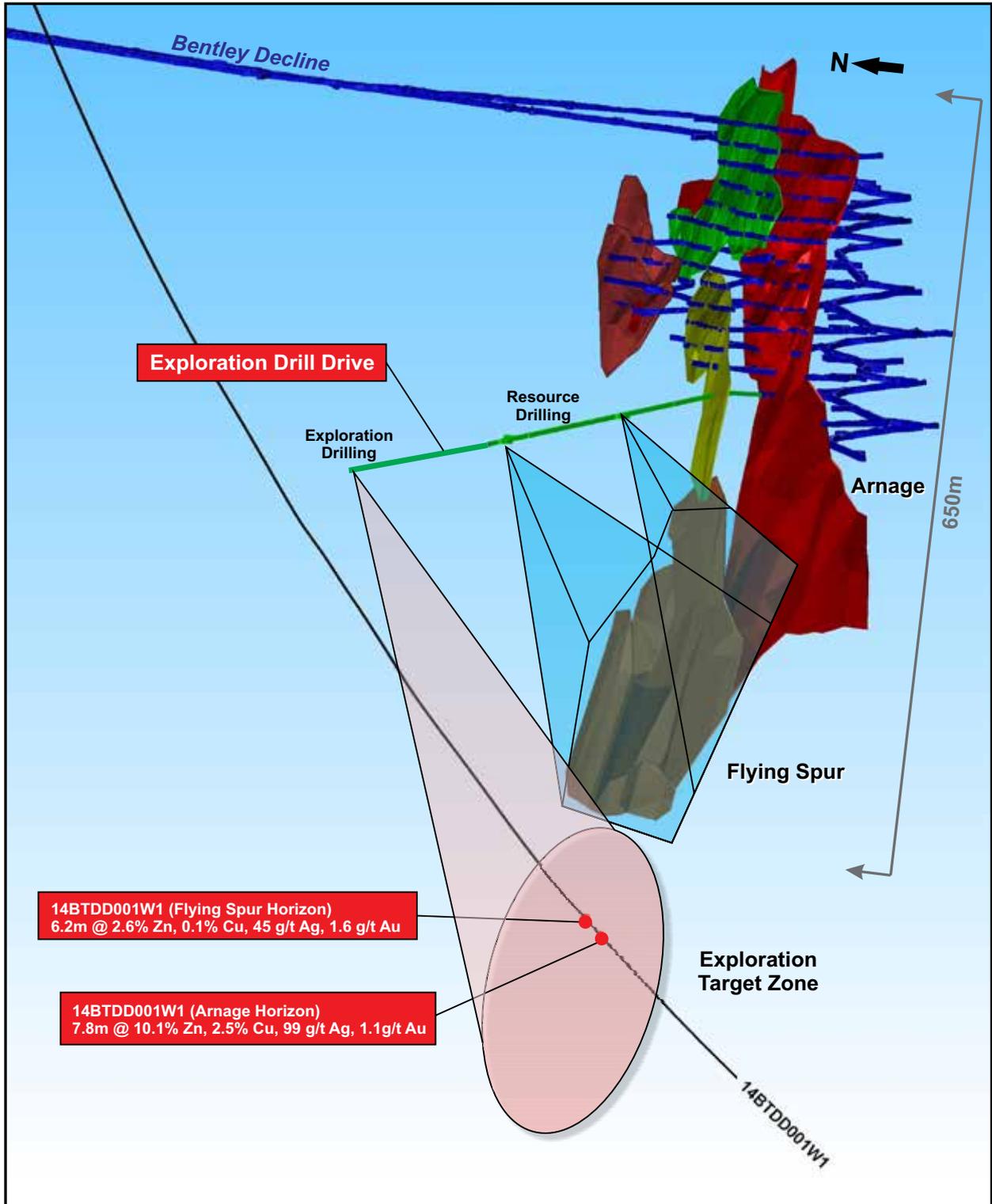
A detailed structural study of the Bentley Deeps area was completed during FY2015. The study aimed to determine the structural controls on mineralisation that may provide vectors to potential depth extensions to the Arnage and Flying Spur lenses. A key outcome of the study was the determination that there are no major late structural dislocations of mineralisation in the down plunge position. It is interpreted that the highest potential for additional proximal mineralisation lies along the sub-horizontal early growth/feeder fault in the footwall rhyolite – volcanoclastic interface, immediately down-dip of Arnage. Drill testing of this target area is planned for FY2016.

Figure 18: Jaguar Operation: Bentley Composite Long Section showing location of Flying Spur and Bentley Deeps drill holes. Down hole widths are true widths.



Note: North is to the left in the diagram. See ASX release dated 22 September 2014

Figure 19: Isometric view of Bentley deposit showing location of Arnage and Flying Spur lenses, intercept pierce points and planned follow-up drilling



Regional Exploration

The Jaguar Project covers 50km of strike prospective for the discovery of Volcanogenic Massive Sulphides (VMS) deposits. It encompasses three known high grade zinc-copper-silver-gold deposits: Teutonic Bore (inactive), Jaguar (mining recently completed) and Bentley (in production).

During FY2015 exploration was focused on detailed evaluation of the Triumph Prospect and target generation at Daimler, as well as the identification of potential hydrothermal signatures along the prospective contact in the less explored southern and northern extremities of the project tenure.

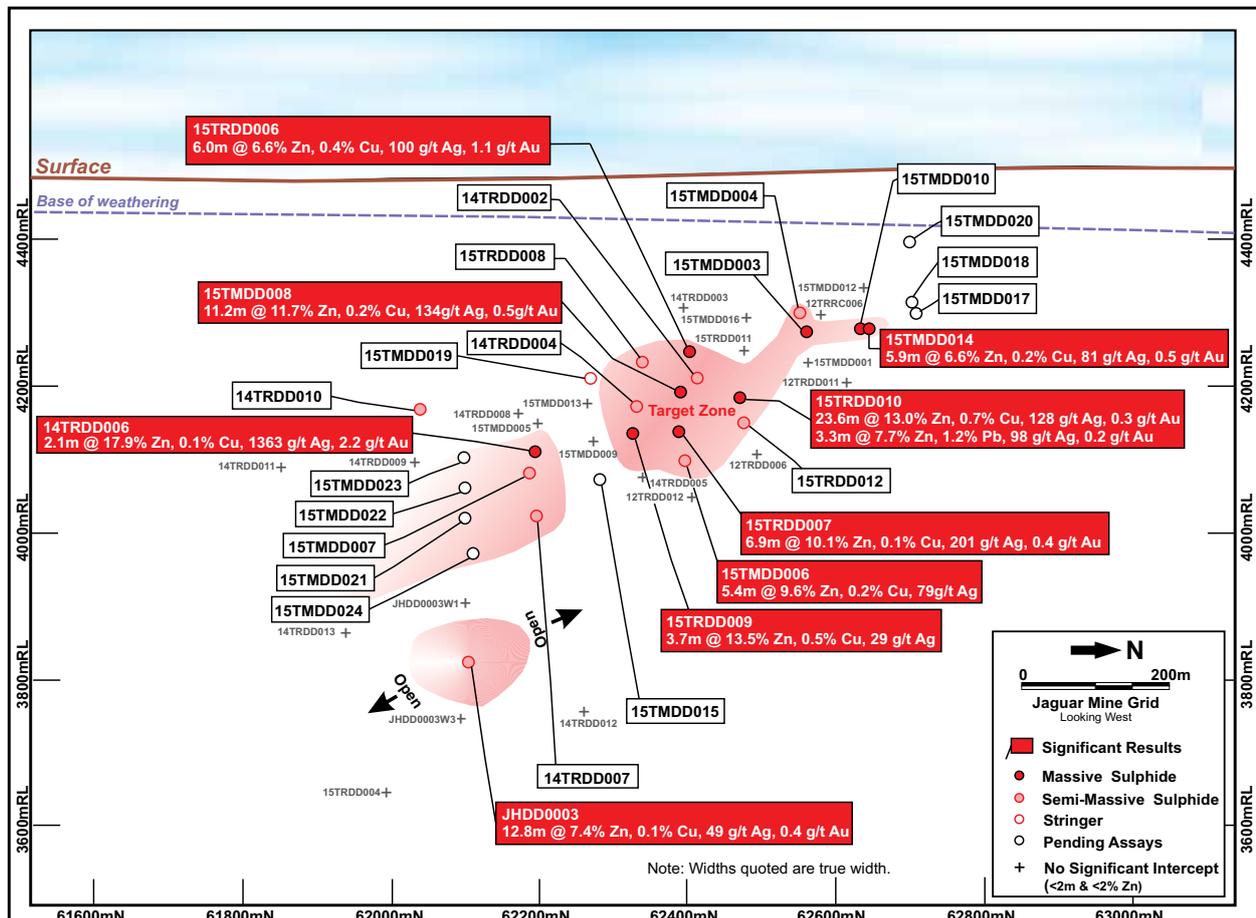
Exploration during FY2015 has confirmed the discovery of a significant new VMS mineralised system at Triumph in the same stratigraphic position as the other VMS deposits in the belt. Drilling has intersected Zn-Cu-Ag-Au mineralisation from a vertical depth of 200m extending over a strike length of approximately 400m with a steep-dip and a shallow south-plunge. Mineralisation forms a broad, thin, low to moderate grade envelope around a linear, elongate high grade core of variable thickness (2-25m) and dip extent (40-80m). Mineralisation remains open both up-and down-plunge. Intercepts from within the higher grade core include:

- 25.3m (true width) @ 13.0% Zn, 0.7% Cu, 128g/t Ag and 0.3g/t Au from 305.6m in hole 15TRDD010 including:
 - 8.0m (true width) @ 14.8% Zn, 1.2% Cu, 150g/t Ag and 0.6g/t Au from 323.0m
 - 10.4m (true width) @ 0.1% Zn, 3.0% Cu, 57g/t Ag and 0.2g/t Au from 335.0m.
- 7.4m (true width) @ 10.1% Zn, 0.1%Cu, 200g/t Ag and 0.4g/t Au from 376.4m in hole 15TRDD007
- 3m (true width) @ 9.6% Zn, 0.5%Cu, 147g/t Ag and 1.6g/t Au from 287.5m in hole 15TRDD006.

Ongoing drilling at Triumph aims to infill and test the immediate up-and down-plunge extents on an 80m x 40m spacing. It is anticipated that this work will enable the estimation of an initial Inferred Resource in FY2016.

In late 2014, IGO commenced an internal review of all of the existing drill-holes and data from the Daimler prospect. This included the re-logging and re-sampling of diamond and RC holes as well as re-interpretation and integration of all various data sets. The outcome of this work was a new geological model that generated a new target area for massive sulphide mineralisation at Daimler which included the definition of a basin present between the Daimler stringer mineralisation and the Teutonic Bore deposit.

Figure 20: Jaguar Operation – Regional Exploration – Triumph Long Section



Note: See September 2015 Quarterly Report released to ASX on 29 October 2015

Three diamond drill-holes were drilled to test the geological model proposed in the Daimler review. The target was a fault bounded thickened volcanoclastic sediment package that hydrothermal fluids associated with the Daimler stringer mineralisation may have intersected and replaced with semi-massive massive-sulphide mineralisation. Drilling confirmed the geological model and intersected zones of semi-massive sulphides which were highly anomalous in VMS pathfinder elements. The levels of anomalism in each hole suggest a close proximity to massive sulphide mineralisation. Further work on the prospect will be progressed following a full interpretation of results.

Diamond drilling programs testing geochemical anomalism at the Possie Well and Charlie Chicks prospects towards the south of the project area, confirmed anomalism but did not identify extensive hydrothermal alteration in the footwall indicative of a strong VMS system. Aircore drilling was completed in the Kent Bore area at the far south end of the project area to define the prospective contact position and test auger geochemical anomalism. Several holes returned low-level Zn anomalism. A review of the prospectivity of these prospects is currently being undertaken.

Late in FY2015 an AC drilling program tested the interpreted prospective contact in the far north of the project area at the Wilson Creek Prospect. Further work on the prospect will be considered following a full interpretation of results.

Figure 21: Jaguar Operation – Triumph location

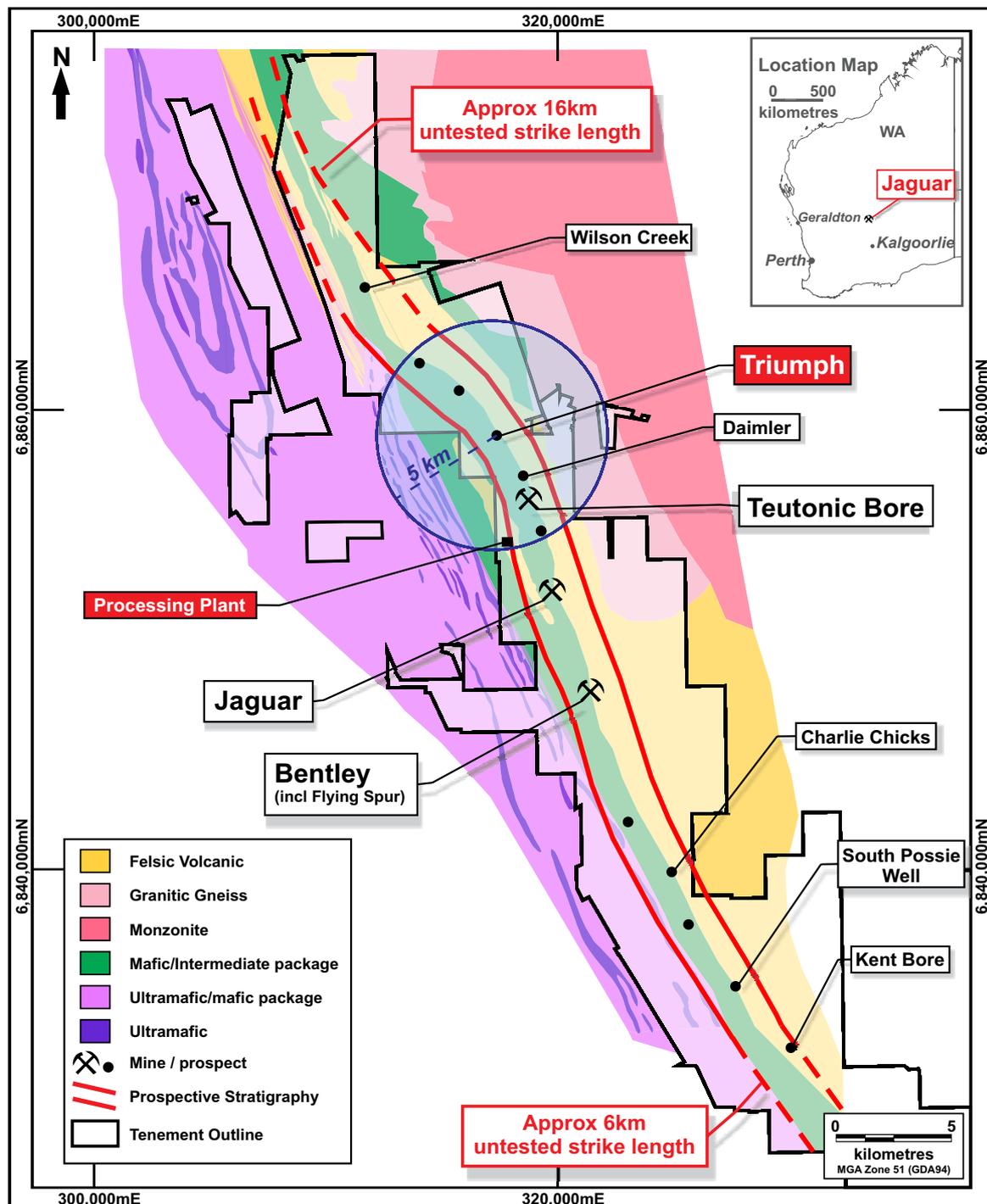
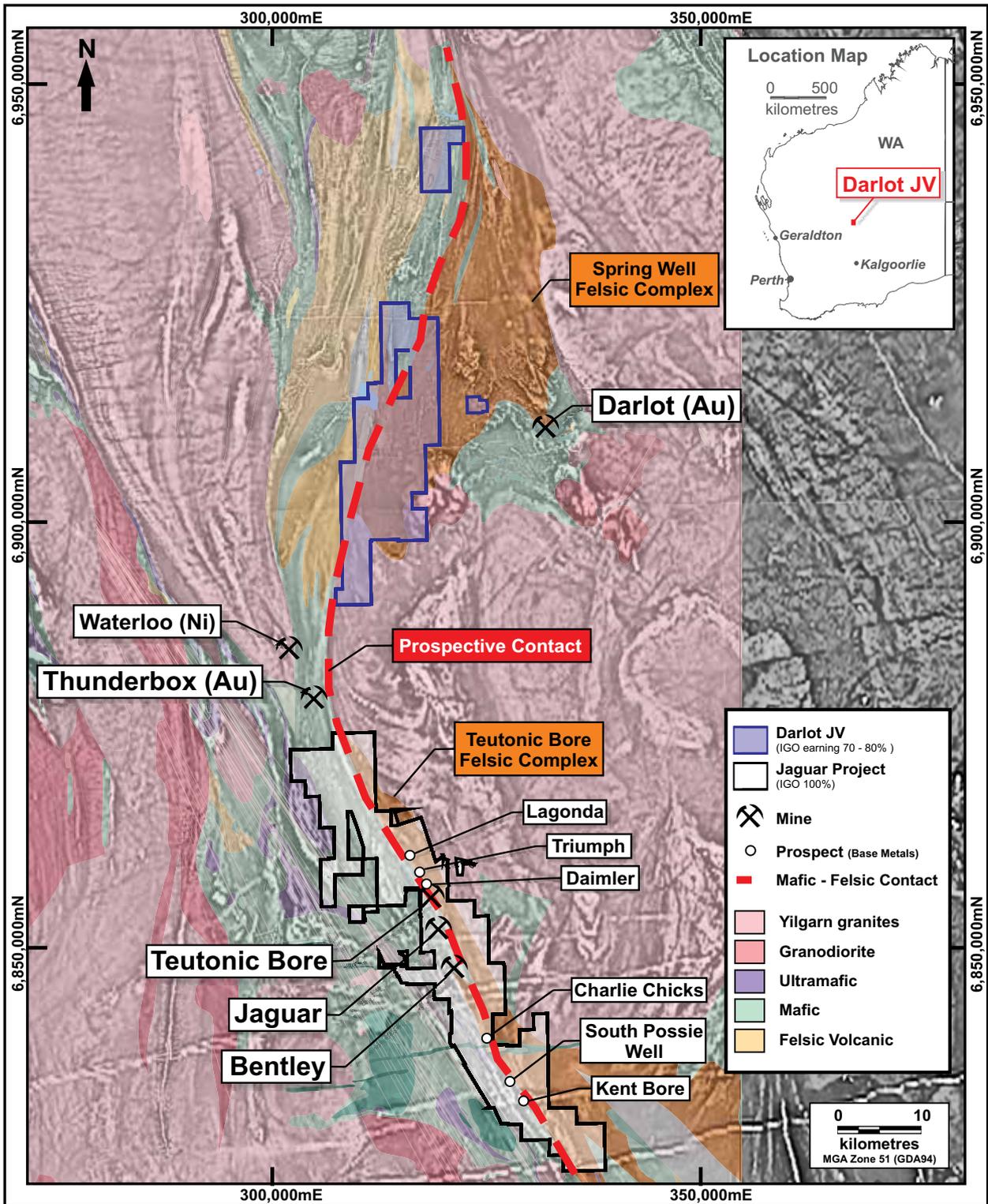


Figure 22: Jaguar Operation and Darlot Joint Venture – Tenure, regional geology, mines and significant prospect locations



Late in FY2015 an AC program comprising 106 holes for 4,968m tested the Jarrah Well and 20 foot prospects. Earlier wide-spaced AC drilling at these prospects in FY2014 outlined anomalous base metals and VMS pathfinder geochemical responses associated with black shale horizons. The current program was designed to infill and extend previous drilling to generate targets for follow-up deeper RC and diamond drill testing.

FY2016 Jaguar Operation Exploration

Drilling in FY2016 will continue to focus on defining high-grade massive zinc-copper sulphides. IGO is expecting to spend approximately \$10 – \$12 million on exploration during FY2016 for ongoing work at Flying Spur, Triumph and elsewhere on the Jaguar concession and on the Darlot JV tenements.



REGIONAL EXPLORATION AND DEVELOPMENT

OVERVIEW

Greenfields exploration in FY2015 has focused on target generation, definition and drill testing at the Beachcomber and Salt Creek JV's, formerly part of the Tropicana JV, Bryah Basin (VMS) project, and Lake Mackay (Gold and Base metals) project. IGO has two projects in Sweden under a targeting alliance with Mawson Resources Ltd (nickel-copper).

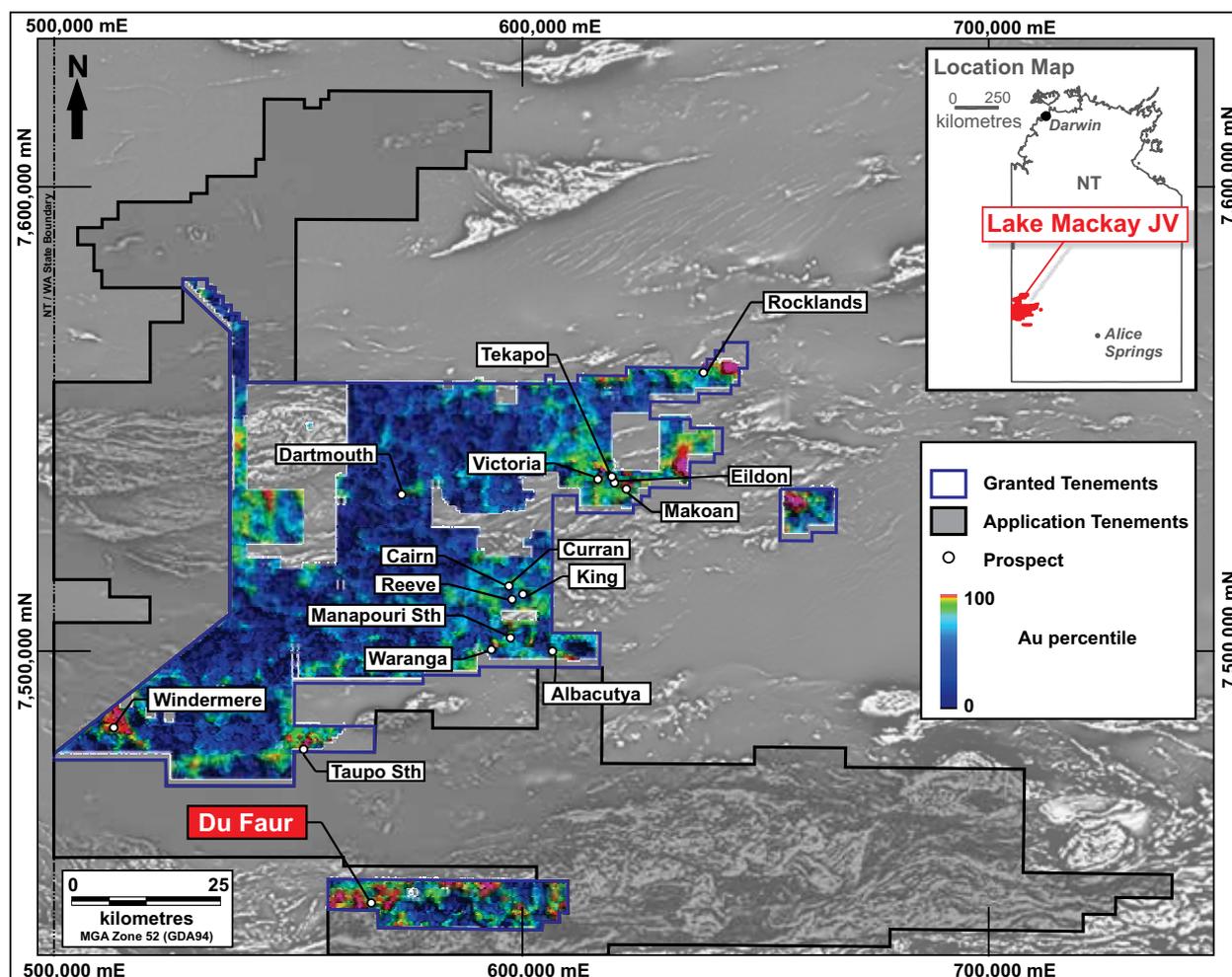
Target generation activities continued in Australia, South America and West Africa using an in-house prospectivity mapping process incorporating the Global Lithospheric Architecture Mapping (GLAM) database. This initiative highlighted a number of areas of interest that are being evaluated and additionally provides a useful first pass screening process when reviewing opportunities in these jurisdictions.

The Company will continue to investigate opportunities both in Australia and overseas.

\$11.5million

was spent on greenfields exploration during FY2015

Figure 23: Lake Mackay tenure with aeromagnetic underlay



Lake Mackay Exploration Alliance (IGO has potential to earn up to 70%)

IGO has an exploration alliance with ABM Resources NL (ASX: ABU) under which it can earn a 70% interest in a portfolio of tenements in the Lake Mackay region in the Northern Territory.

The Lake Mackay Project is located 400km northwest of Alice Springs, adjacent to the Western Australian border, and includes 7,200km² of exploration licences and 12,130 km² of exploration licence applications, including recent applications in the Du Faur area. The area includes sparsely explored Proterozoic age metasediments intruded by granitic and mafic rocks beneath varying thickness of aeolian sand cover and is considered prospective for gold, base metals and nickel sulphide mineralisation.

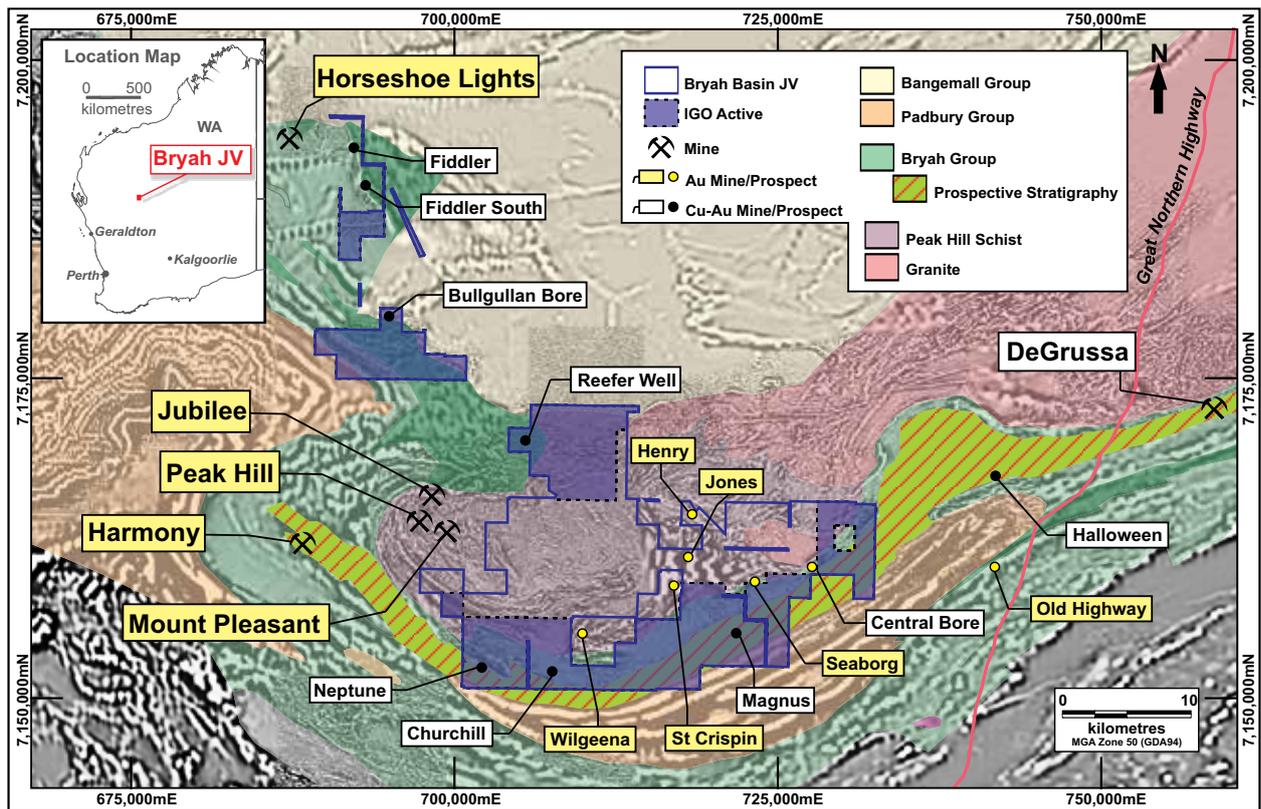
The exploration approach is to initially blanket the project area with systematic high quality, low detection limit surface sampling to identify the geochemical signature potentially caused by large mineralised systems beneath shallow cover. During FY2015, IGO collected 5,128 first pass reconnaissance samples and 3,505 infill samples, which together with sampling undertaken in FY2014, completes the geochemical coverage of the project area.

In the December 2014 quarter, 15 low-level surface sample geochemical anomalies were tested by an AC drilling program comprising 145 holes for 12,277m. The strongest results from this program came from the Tekapo Prospect and included intercepts of 8m @ 1.57g/t Au, 22m @ 0.25g/t Au and 16m @ 0.48% copper in 14LMAC058.

Surface sampling in the March 2015 quarter, on EL24915 identified an area of nickel-cobalt anomalism on the margins of a large gabbro-noritic intrusive body. Rock chip samples returned up to 1.60% nickel, 1.61% cobalt and 38.5% manganese from a lateritic outcrop while nearby soil sampling produced a 7km x 5km nickel-in-soil anomaly with peak value of 1,300 parts per million. Gabbro-norites are prospective for magmatic nickel-copper sulphide mineralisation and this potential is currently being evaluated.

Late in the June 2015 quarter, an AC program comprising approximately 100 holes (8,000m) commenced in the southern part of the project testing six gold and multi-element surface sample anomalies located on EL24915 and one gold target (Windermere South) located on EL27780.

Figure 24: Bryah Basin Joint Venture tenure



Bryah Basin Joint Venture (IGO Manager and Earning 70% – 80%)

The Company has an exploration alliance with Alchemy Resources Limited (ASX: ALY) under which IGO can earn a 70% – 80% interest (excluding iron ore) in ALY's Bryah Basin portfolio of tenements. The Bryah Basin JV tenure is situated approximately 40km west, along strike from the DeGrussa Cu-Au VMS deposit currently being mined by Sandfire Resources Ltd (ASX: SFR) and covers the same prospective Narracoota Volcanic – Karaluni Formation host stratigraphy. The IGO exploration team has extensive VMS exploration and discovery experience through its Jaguar and Stockman projects and is applying similar exploration techniques developed at these projects to the exploration of the Bryah Basin JV Project.

A full data review was completed with a specific focus on determining those areas along the prospective contact that had not been fully or effectively tested by past exploration. Following this review, MLEM and broad spaced AC geochemical programs were completed across priority areas to identify conductors and geochemical responses potentially representing buried massive sulphide mineralisation. This work highlighted the Neptune prospect, comprising a strong multi-element (Au-Cu-Ag) geochemical anomaly with semi-coincident MLEM conductors as a high priority for follow-up.

Late in FY2015, IGO commenced a drilling program comprising five RC holes and three RC/diamond tail holes on five sections nominally 500m apart to test 2km of strike of the prospective Narracoota basal contact. The diamond drilling component of this program was part funded by the Western Australian Governments Exploration Incentive Scheme.

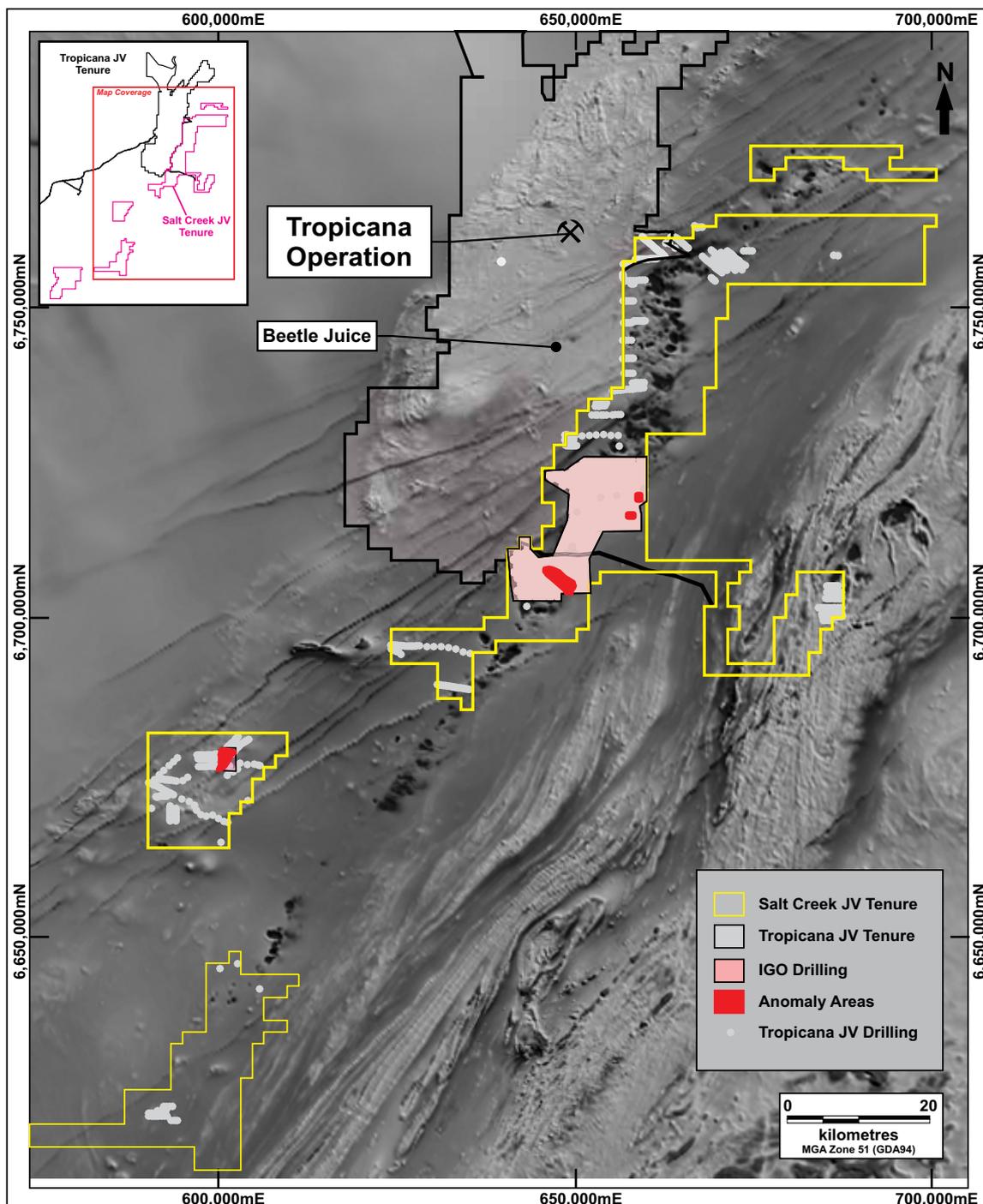
Salt Creek Joint Venture

During FY2015, IGO entered into a joint venture with AngloGold Ashanti on a series of tenements on the eastern flank of the Tropicana JV whereby the Company has the right to increase its interest in these tenements from 30% to 70% by spending \$3 million over four years. The Salt Creek Joint Venture tenements cover a significant area of the Salt Creek Complex, a Proterozoic mafic/ultramafic intrusive complex considered to have potential for magmatic nickel-copper sulphide mineralisation.

The Salt Creek Joint Venture comprises a northern group and southern group of tenements. The southern group contains a number of discrete magnetic features potentially representing mafic/ultramafic intrusions. These have been tested by a program of MLEM which has identified a conductor that is planned to be followed-up with Fixed-Loop EM (FLEM) to determine if a drill test is warranted.

The northern group covers a broad area with a complex magnetic signature, interpreted to represent multiple intrusive events. Detailed gravity surveying followed by broad scale AC drilling is being undertaken to highlight geochemical signatures indicative of fertile lithologies. First pass AC drilling, which is not yet completed, has identified a number of areas of elevated nickel-copper geochemistry that are planned to be followed up with closer spaced AC drilling.

Figure 25: Salt Creek Joint Venture tenure



Beachcomber Joint Venture

In the Beachcomber Joint Venture with Anglo Gold Ashanti, IGO had the right to increase its interest from 30% to 70% via exploration expenditure in a number of tenements previously forming part of the Tropicana JV. IGO has withdrawn from the Beachcomber Joint Venture and the tenements have since reverted back to the Tropicana JV (IGO: 30%).

Darlot Joint Venture (IGO Manager and Earning 70% – 80%)

IGO is earning a 70% – 80% interest in the Darlot project located approximately 60km north and along-strike from IGO's Jaguar Operation, covering similar volcanic stratigraphy to the Jaguar Project. The Darlot Project has strategic value to IGO as any base metals discoveries are potentially within economically viable trucking distance of its Jaguar processing facility.

Scandinavia Nickel Targets Joint Venture (IGO 51%, can earn up to 75%)

IGO has an exploration alliance with Mawson Resources (TSX: MAW) under which it can earn a 75% interest in a portfolio of targets in Fennoscandia. The JV partners currently have tenements covering two targets in Sweden, in the Karesuando and Pessinki areas.

Three Exploration Permits totalling 259km² cover the Karesuando project. A series of ultramafic to mafic intrusives are located proximal to an Archaean-Proterozoic boundary zone, a similar setting to a number of major nickel deposits. A nickel deposit is located about 10km north of the tenure, over the border in Finland, supporting the prospectivity of the region. Previous exploration has recorded Ni mineralisation in boulders to 0.98% Ni, multi-element (Ni, Cu, Cr, Co, Ag) geochemical anomalies in peat sampling and very limited modern exploration within the IGO project tenements. A heli-EM survey covering part of the project area has been planned for H1 FY2016.

The Pessinki project consists of three Exploration Permits covering 134km². The area has had no documented previous mineral exploration. The tenements cover part of a major gravity feature, and a coincident multi-element geochemical anomaly in very broadly spaced regional till sampling by the Swedish Geological Survey (SGU). Outcrop through the area is generally sparse, but cover depth is likely to be shallow. A small check till sampling has confirmed the original geochemical responses in the areas tested, and extended the original area of anomalism. The initial target was a large mafic-hosted Ni-Cu sulphide deposit, but initial geochemical sampling has also suggested there may also be potential for other types of mineralisation. Infill geochemical and gravity surveys are planned, and have been scheduled to take local stakeholder issues into account. Additional work will be dependent on results from these exploration programs.

FY2016 Regional Exploration

IGO has budgeted \$11 million for greenfields and generative exploration in FY2016. This is in addition to funds committed to ongoing brownfields and regional exploration on the Tropicana Joint Venture and IGO's in-mine and regional exploration programs at Long and Jaguar discussed in previous sections of this Annual Report.

New gold and base metal exploration projects are constantly being evaluated and a budget has been set aside to commence exploration on one or more of these in the coming 12 months should a suitable opportunity be identified. There will be a continued strong focus on target generation including ongoing evaluation of the De Beers database as a second stage filter to our prospectivity mapping program.

Stockman Project, Victoria IGO 100%

The Stockman Project is located in Eastern Victoria, 460km by road north-east of Melbourne. The proposed project is on mining tenements approximately 19km east-south-east of Benambra in the East Gippsland region. The project encompasses two copper-zinc-lead-silver-gold VMS deposits, Wilga and Currawong, which were discovered in 1978 and 1979. The larger Currawong deposit is intact, whilst a core of copper-rich ore from the Wilga deposit was mined and processed on-site between 1992 and 1996.

Project Background

The scope of the Stockman Project encompasses concurrent development of the two underground deposits to feed a central 1.0Mtpa differential flotation concentrator that could produce approximately 150,000tpa of copper and zinc concentrates over a project life of approximately 10 years. The proposed development includes recommissioning the Wilga underground mine, a new Currawong underground mine and construction of a process plant and infrastructure.

The existing tailings storage facility will be expanded for use by the project, while water will be sourced from either local on-site sources or, if required, off-site.

Optimisation Study

During FY2015, IGO completed an optimisation study on the Stockman Project which included an updated Ore Reserve estimate for the project.

IGO is committed to advancing the Stockman Project through the licensing phase, which is expected to be completed in FY2016.

As a result of the acquisition of Sirius, IGO's near-term development focus will be the Nova Project. It is anticipated that IGO will only make a decision on whether or not to proceed with EP&C of the Stockman Project after completing the development of the Nova Project, and subject to securing the critical licences for the Stockman Project. Any development decision will be made by IGO in the context of the markets and IGO's other operations at the relevant time.

Permitting

The Stockman Project's Environmental Effects Statement (EES) permitting approval from the State of Victoria and the Commonwealth (under the Federal EPBC Act 1999) was received in the first half of FY2015. Detailed permitting currently in progress will allow an accurate project timeline to be prepared and the approval conditions to be properly assessed and integrated into the final investment assessment.



MINERAL RESOURCES & ORE RESERVES

Table 1: Nova Project Mineral Resource estimate

Nova Project Mineral Resource – 30 June 2015								
Deposit	Classification	Tonnes (Mt)	Ni %	Cu %	Co %	Contained Metal		
						Nickel (kt)	Copper (kt)	Cobalt (kt)
Nova	Indicated	9.1	2.5	1.0	0.08	230	94	7.3
	Inferred	1.0	1.4	0.6	0.05	14	6	0.5
	Sub-total	10.1	2.4	1.0	0.08	244	100	7.7
Bollinger	Indicated	2.4	2.7	1.1	0.11	64	26	2.6
	Inferred	1.8	1.0	0.4	0.04	17	8	0.7
	Sub-total	4.2	2.0	0.8	0.08	82	34	3.3
Total	Indicated	11.5	2.6	1.0	0.09	294	120	9.8
	Inferred	2.8	1.1	0.5	0.04	31	14	1.2
	GRAND TOTAL	14.3	2.3	0.9	0.08	325	134	11.0

Notes:

1. Sirius Resources NL owned until IGO acquisition transaction completed on 22 September 2015.
2. Mineral Resources are reported above a 0.6% NiEq Cut-off grade. $NiEq\% = ((Cu\% \times 0.95) \times (\$7,655/\$16,408)) + (Ni\% \times 0.89)$.
3. Resources are inclusive of Reserves.
4. No depletion has occurred during the period.
5. Ore tonnes have been rounded to the nearest hundred thousand tonnes.
6. Contained metal tonnes have been rounded to the nearest thousand tonnes for Ni, Cu and the nearest hundred tonnes for Co. This may result in slight rounding differences in the total values in the table above.
7. The Competent Persons statement is incorporated in the JORC Code (2012) Competent Persons Statements section of this report.
8. JORC Code (2012) Table 1 Parameters are in IGO's ASX release of 28 October 2015.

Table 2: Nova Project Ore Reserve estimate

Nova Project Ore Reserve – 30 June 2015								
Deposit	Classification	Tonnes (Mt)	Ni %	Cu %	Co %	Contained Metal		
						Nickel (kt)	Copper (kt)	Cobalt (kt)
Nova	Probable	10.3	2.1	0.9	0.07	218	90	7.0
Bollinger	Probable	2.8	2.0	0.8	0.08	55	22	2.0
	GRAND TOTAL	13.1	2.1	0.9	0.07	273	112	9.0

Notes:

1. Sirius Resources NL owned until IGO acquisition transaction completed on 22 September 2015.
2. Ore tonnes have been rounded to the nearest hundred thousand tonnes.
3. Contained metal tonnes have been rounded to the nearest thousand tonnes for Ni and Cu. This may result in slight rounding differences in the total values in the table above.
4. A Net Smelter Return (NSR) cut-off value of \$105 per stope ore tonne has been used in the evaluation of the Ore Reserve.
5. No depletion has occurred during the period.
6. Revenue factor inputs (US\$): Ni \$16,408/t, Cu \$7,655/t, Co \$26,417/t. Exchange rate AU\$1.00 : US\$0.90.
7. Metallurgical recoveries – 89% Ni in Ni concentrate with Co; 95% Cu in Cu concentrate with Ag.
8. Sub-level open-stopping with paste backfill is the primary method of mining to be used at Nova.
9. The Ore Reserve has been estimated as part of the Definitive Feasibility Study completed by Sirius in July 2014. The Probable Ore Reserve underpins the Life of Mine (LOM) plan announced in the ASX release by Sirius on 14 July 2014.
10. The Competent Persons statement is incorporated in the JORC Code (2012) Competent Persons Statements section of this report.
11. JORC Code (2012) Table 1 Parameters are in IGO's ASX release of 28 October 2015.

Table 3: Tropicana Gold Mine – 100% basis (IGO Share 30%) – 30 June 2015 Mineral Resources (and 2014 comparison)

	Mineral Resource – 30 June 2014				Mineral Resource – 30 June 2015		
	Classification	Tonnes (Mt)	Au g/t	Contained Au (Moz)	Tonnes (Mt)	Au g/t	Contained Au (Moz)
Open Pit	Measured	22.8	2.11	1.56	12.8	2.09	0.86
	Indicated	73.7	1.89	4.47	75.3	1.85	4.47
	Inferred	5.8	2.57	0.48	5.8	2.54	0.48
	Sub-Total	102.4	1.97	6.50	93.9	1.92	5.80
Underground	Measured	-	-	-	-	-	-
	Indicated	2.4	3.58	0.27	2.4	3.58	0.27
	Inferred	6.1	3.07	0.60	5.8	3.14	0.59
	Sub-Total	8.5	3.21	0.87	8.2	3.26	0.86
Stockpiles	Measured	4.9	1.04	0.16	13.6	0.87	0.38
Total Tropicana	Measured	27.7	1.92	1.72	26.4	1.46	1.24
	Indicated	76.1	1.94	4.74	77.7	1.90	4.74
	Inferred	11.9	2.83	1.08	11.7	2.84	1.06
GRAND TOTAL		115.7	2.03	7.54	115.7	1.89	7.04

Notes:

- For the Open Pit Mineral Resource estimate, mineralisation in the Havana, Havana South, Tropicana and Boston Shaker areas was calculated within a US\$1,550/oz pit optimisation at an AUD:USD exchange rate of \$1.03 (\$1,500/oz).
- The Open Pit Mineral Resources have been estimated using the geostatistical technique of Uniform Conditioning, using a cut-off grade of 0.3g/t Au for all material types.
- The Havana Deeps Underground Mineral Resource estimate has been reported outside the US\$1,550/oz pit optimisation at a cut-off grade of 2.0g/t Au, which was calculated using a gold price of US\$1,600/oz (AUD:USD 1.02) (\$1,566/oz).
- The Havana Deeps Underground Mineral Resource was estimated using the geostatistical technique of Ordinary Kriging using average drill hole intercepts.
- The Mineral Resource is estimated from the 2012 Mineral Resource model and stockpile volumes at 30 June 2015. Mining as at 30 June 2015 has been removed from the 2015 Resource estimate.
- Resources are inclusive of Reserves.
- The Competent Persons statement is incorporated in the JORC Code (2012) Competent Persons Statements section of this report.
- JORC Code (2012) Table 1 Parameters are in IGO's ASX release of 28 October 2015.

Table 4: Tropicana Gold Mine – 100% basis (IGO Share 30%) – 30 June 2015 Ore Reserves (and 2014 comparison)

	Ore Reserve – 30 June 2014				Ore Reserve – 30 June 2015		
	Classification	Tonnes (Mt)	Au g/t	Contained Au (Moz)	Tonnes (Mt)	Au g/t	Contained Au (Moz)
Open Pit	Proved	20.2	2.29	1.49	11.1	2.27	0.81
	Probable	29.7	2.02	1.94	29.0	2.05	1.91
	Stockpiles	3.3	1.27	0.13	8.4	1.09	0.29
GRAND TOTAL		53.3	2.08	3.56	48.5	1.93	3.01

Notes:

- The Proved and Probable Ore Reserve (30 June 2015) is reported above economic break-even gold cut-off grades for each material type at nominated gold price US\$1,100/oz and exchange rate 0.87 AUD:USD (equivalent to \$1,261/oz Au).
- The 30 June 2015 Reserve estimate is updated using the end of June 2015 surveyed surface topography and end of June 2015 stockpile balances. The final pit designs, cut-off grades and the Resource model used are unchanged from the December 2014 estimate reported by AngloGold Ashanti (ASX:AGG) on their website (2014 Mineral Resource and Ore Reserve Report). The cut-off grades reported were 0.5g/t Au for oxide material and 0.7g/t Au for transitional and fresh material.
- The Competent Persons statement is incorporated in the JORC Code (2012) Competent Persons Statements section of this report.
- JORC Code (2012) Table 1 Parameters are in IGO's ASX release of 28 October 2015.

Table 5: Long Operation – June 2015 Mineral Resources (and 2014 comparison)

		Mineral Resource – 30 June 2014			Mineral Resource – 30 June 2015		
Classification		Tonnes	Ni %	Contained Ni	Tonnes	Ni %	Contained Ni
				Tonnes			Tonnes
Long	Measured	70,000	5.5	3,900	65,000	5.4	3,500
	Indicated	270,000	5.5	15,000	287,000	5.1	14,600
	Inferred	138,000	5.4	7,400	355,000	4.7	16,700
	Sub-Total	478,000	5.5	26,300	707,000	4.9	34,800
Victor South	Measured	-	-	-	-	-	-
	Indicated	188,000	2.0	3,700	147,000	2.1	3,100
	Inferred	28,000	1.6	400	33,000	1.5	500
	Sub-Total	216,000	1.9	4,100	180,000	2.0	3,600
McLeay	Measured	74,000	6.7	4,900	63,000	6.3	4,000
	Indicated	85,000	4.8	4,100	71,000	4.9	3,500
	Inferred	75,000	4.6	3,400	21,000	6.7	1,400
	Sub-Total	234,000	5.3	12,400	155,000	5.7	8,900
Moran	Measured	285,000	7.3	20,800	234,000	6.6	15,500
	Indicated	90,000	6.9	6,300	51,000	3.3	1,700
	Inferred	86,000	4.0	3,500	52,000	3.7	1,900
	Sub-Total	461,000	6.6	30,600	337,000	5.7	19,100
Stockpiles	Measured	3,000	3.3	100	-	-	-
GRAND TOTAL		1,392,000	5.3	73,400	1,379,000	4.8	66,400

Notes:

1. Mineral Resources are reported using a 1% Ni cut-off grade except for the Victor South disseminated Mineral Resource which is reported using a cut-off grade of 0.6% Ni.
2. Mining as at 30 June 2015 has been removed from the 2015 Resource estimate.
3. Resources are inclusive of Reserves.
4. Ore tonnes have been rounded to the nearest thousand tonnes and nickel tonnes have been rounded to the nearest hundred tonnes. This may result in slight rounding differences in the total values in the table above.
5. The Competent Persons statement is incorporated in the JORC Code (2012) Competent Persons Statements section of this report.
6. JORC Code (2012) Table 1 Parameters are in IGO's ASX release of 28 October 2015.

Table 6: Long Operation – June 2015 Ore Reserves (and 2014 comparison)

		Ore Reserve – 30 June 2014			Ore Reserve – 30 June 2015		
Classification		Tonnes	Ni %	Contained Ni	Tonnes	Ni %	Contained Ni
				Tonnes			Tonnes
Long	Proved	50,000	3.8	1,900	28,000	3.6	1,000
	Probable	56,000	3.1	1,700	94,000	2.8	2,600
	Sub-Total	106,000	3.4	3,600	122,000	3.0	3,600
Victor South	Proved	5,000	3.7	200	7,000	3.0	200
	Probable	8,000	3.2	200	15,000	2.2	300
	Sub-Total	13,000	3.4	400	22,000	2.5	500
McLeay	Proved	49,000	4.1	1,900	22,000	3.5	800
	Probable	3,000	3.3	100	24,000	3.1	700
	Sub-Total	52,000	3.9	2,000	46,000	3.3	1,500
Moran	Proved	449,000	4.5	20,200	380,000	4.0	15,200
	Probable	120,000	3.1	3,600	38,000	3.0	1,200
	Sub-Total	569,000	4.2	23,800	418,000	3.9	16,400
Stockpiles	Proved	3,000	3.3	100	-	-	-
GRAND TOTAL		743,000	4.0	29,900	608,000	3.6	22,000

Notes:

1. Ore Reserves are reported above an economic Ni cut-off value as at 30 June.
2. A Net Smelter Return (NSR) value of \$169 per ore tonne has been used in the evaluation of the 2015 Reserve.
3. Mining as at 30 June 2015 has been removed from the 2015 Reserve estimate.
4. Ore tonnes have been rounded to the nearest thousand tonnes and nickel tonnes have been rounded to the nearest hundred tonnes.
5. Revenue factor inputs (US\$): Ni \$19,678/t, Cu \$6,323/t. Exchange rate AU\$1.00 : US\$0.77.
6. The Competent Persons statement is incorporated in the JORC Code (2012) Competent Persons Statements section of this report.
7. JORC Code (2012) Table 1 Parameters are in IGO's ASX release of 28 October 2015.

Table 7: Jaguar Operation – June 2015 Mineral Resources (and 2014 comparison)

	Classification	Mineral Resource – 30 June 2014					Mineral Resource – 30 June 2015				
		Tonnes	Cu %	Zn %	Ag g/t	Au g/t	Tonnes	Cu %	Zn %	Ag g/t	Au g/t
Bentley	Measured	706,000	2.2	12.3	172	0.8	529,000	2.1	11.5	159	0.8
	Indicated	1,502,000	1.5	8.0	123	0.7	1,252,000	1.6	7.3	118	0.8
	Inferred	631,000	1.2	6.1	101	0.6	1,113,000	1.0	8.8	149	1.1
	Stockpiles	16,000	1.8	11.7	166	0.8	13,000	1.1	9.2	121	0.6
Sub-Total		2,855,000	1.6	8.7	130	0.7	2,907,000	1.5	8.6	138	0.9

	Classification	Mineral Resource – August 2009					Mineral Resource – August 2009				
		Tonnes	Cu %	Zn %	Ag g/t	Au g/t	Tonnes	Cu %	Zn %	Ag g/t	Au g/t
Teutonic Bore	Measured	-	-	-	-	-	-	-	-	-	-
	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	-
GRAND TOTAL		4,409,000	1.6	6.5	102	-	4,461,000	1.5	6.5	107	-

Notes:

1. Mineral Resources include massive sulphide and stringer sulphide mineralisation. Massive sulphide Resources are geologically defined; stringer sulphide Resources for 2015 are reported above a cut-off grade of 0.7% Cu.
2. Block modelling mainly used ordinary kriging grade interpolation methods within wireframes for all elements and density. The Flying Spur lens, part of the Bentley deposit, was estimated using the Inverse Distance Squared Weighting method (IDW2).
3. Mining as at 30 June 2015 has been removed from the 2015 Resource estimate for Bentley. Historic mining has been removed from the 2009 Resource estimate for Teutonic Bore.
4. Resources are inclusive of Reserves.
5. The Teutonic Bore Resource estimate is reported in compliance with JORC Code 2012 reporting guidelines. The model is unchanged from the 2009 model.
6. The Competent Persons statement is incorporated in the JORC Code (2012) Competent Persons Statements section of this report.
7. JORC Code (2012) Table 1 Parameters are in IGO's ASX release of 28 October 2015.

Table 8: Jaguar Operation – June 2015 Ore Reserves (and 2014 comparison)

	Classification	Ore Reserve – 30 June 2014					Ore Reserve – 30 June 2015				
		Tonnes	Cu %	Zn %	Ag g/t	Au g/t	Tonnes	Cu %	Zn %	Ag g/t	Au g/t
Bentley	Proved	499,000	2.1	12.1	168	0.8	323,000	2.0	10.8	155	0.8
	Probable	771,000	1.6	8.8	144	0.8	821,000	1.6	6.3	115	0.7
Sub-Total		1,270,000	1.8	10.1	154	0.8	1,144,000	1.7	7.6	126	0.7
Stockpiles	Proved	16,000	1.8	11.7	166	0.8	13,000	1.1	9.2	121	0.6
GRAND TOTAL		1,286,000	1.8	10.1	154	0.8	1,157,000	1.7	7.6	126	0.7

Notes:

1. Cut-off values were based on Net Smelter Return (NSR) values of \$163 per ore tonne for direct mill feed and \$80 per ore tonne for marginal feed.
2. Revenue factor inputs (US\$): Cu \$6,417/t, Zn \$2,686/t, Ag \$18.00/troy oz, Au \$1,225/troy oz. Exchange rate AU\$1.00 : US\$0.77.
3. Metallurgical recoveries – 86% Cu, 57% Ag, and 40% Au in Cu concentrate; 86% Zn and 20% Ag in Zn concentrate.
4. Longitudinal sub-level long hole stoping is the primary method of mining used at Bentley.
5. All Measured Resource and associated dilution was classified as Proved Reserve. All Indicated Resource and associated dilution was classified as Probable Reserve. No Inferred Resource has been converted into Reserve.
6. Mining as at 30 June 2015 has been removed from the 2015 Reserve estimate.
7. The Competent Persons statement is incorporated in the JORC Code (2012) Competent Persons Statements section of this report.
8. JORC Code (2012) Table 1 Parameters are in IGO's ASX release of 28 October 2015.

Table 9: Stockman Project – June 2015 Mineral Resources (and 2014 comparison)

		Mineral Resource – 30 June 2014					Mineral Resource – 30 June 2015				
		Tonnes (Mt)	Cu %	Zn %	Ag g/t	Au g/t	Tonnes (Mt)	Cu %	Zn %	Ag g/t	Au g/t
Currawong	Measured	-	-	-	-	-	-	-	-	-	-
	Indicated	9.5	2.0	4.2	42	1.2	9.5	2.0	4.2	42	1.2
	Inferred	0.8	1.4	2.2	23	0.5	0.8	1.4	2.2	23	0.5
	Sub-Total	10.3	2.0	4.0	40	1.1	10.3	10.3	4.0	40	1.1
Wilga	Measured	-	-	-	-	-	-	-	-	-	-
	Indicated	3.0	2.0	4.8	31	0.5 ⁴	3.0	2.0	4.8	31	0.5 ⁴
	Inferred	0.7	3.7	5.5	34	0.4	0.7	3.7	5.5	34	0.4
	Sub-Total	3.7	2.3	4.9	32	0.5 ⁴	3.7	3.7	4.9	32	0.5 ⁴
GRAND TOTAL		14.0	2.1	4.3	38	1.0 ⁴	14.0	14.0	4.3	38	1.0 ⁴

Notes:

- All Resource tonnes have been rounded to the nearest one hundred thousand tonnes and grade to the nearest 1/10th percentage/gram per tonne.
- The Mineral Resource estimate is unchanged since 2012.
- Mineral 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.
- Au grades for Wilga are all Inferred due to paucity of Au data in historic drilling.
- Block modelling used ordinary kriging grade interpolation methods within wireframes for all elements and density.
- Mining as at end of historic mine life (1996) has been removed from the Resource estimate for Wilga.
- Resources are inclusive of Reserves.
- The Competent Persons statement is incorporated in the JORC Code (2012) Competent Persons Statements section of this report.
- JORC Code (2012) Table 1 Parameters are in IGO's ASX release of 28 October 2015.

Table 10: Stockman Project – June 2015 Ore Reserves (and 2014 comparison)

		Ore Reserve – 30 June 2014					Ore Reserve – 30 June 2015				
Classification		Tonnes (Mt)	Cu %	Zn %	Ag g/t	Au g/t	Tonnes (Mt)	Cu %	Zn %	Ag g/t	Au g/t
Currawong	Proved	-	-	-	-	-	-	-	-	-	-
	Probable	7.3	2.2	4.1	40	1.2	7.4	2.1	4.3	40	1.2
	Sub-Total	7.3	2.2	4.1	40	1.2	7.4	2.1	4.3	40	1.2
Wilga	Proved	-	-	-	-	-	-	-	-	-	-
	Probable	1.1	2.5	5.3	30	0.5 ²	1.6	2.1	5.6	31	0.5 ²
	Sub-Total	1.1	2.5	5.3	30	0.5 ²	1.6	2.1	5.6	31	0.5 ²
GRAND TOTAL		8.4	2.3	4.3	39	1.1 ²	9.0	2.1	4.5	39	1.1 ²

Notes:

- All Reserve tonnes have been rounded to the nearest one hundred thousand tonnes and grade to the nearest 1/10th percentage/gram per tonne.
- Gold (Au) grades are Inferred at Wilga due to a paucity of gold assays in historic drilling. Revenue from gold in the Wilga ore was included in the estimation of the Ore Reserve. The contribution to Revenue of this gold was estimated to be \$8.65 per gram of gold *in situ*. This inclusion was not material to the value of the mining envelopes considered and did not warrant downgrading of any portion of the Ore Reserve attributable to Wilga. The contribution from Wilga represents 18% of the Total Ore Reserve.
- The Ore Reserve was estimated using the Net Smelter Return (NSR) method. The NSR value represents unit revenue per tonne net of all off-site costs. These off-site costs included road transport, sea transport, treatment charges, refining costs and state royalties. The NSR value did not include site costs such as mining, geology, processing and site administration. These site costs were applied in the form of an NSR cut-off, used to guide the limits of a practical and economic mining envelope. For 2015, the Currawong NSR cut-off was \$97/t and for Wilga it was \$105/t.
- Revenue factor inputs (US\$): Cu \$6,591/t, Zn \$2,979/t, Ag \$20.17/troy oz, Au \$1,146/troy oz. Exchange rate AU\$1.00 : US\$0.84.
- Metallurgical recoveries – 81.5% Cu, 40.7% Ag, and 20.4% Au in Cu concentrate; 76.4% Zn and 18.5% Ag in Zn concentrate.
- Long hole open stoping with cemented paste backfill is the primary method of mining proposed at Stockman.
- Historic mining at Wilga has been removed from the Reserve estimate.
- The Ore Reserve estimate includes Inferred and unclassified material in the form of mining dilution estimated to be approximately 780,000t at 0.31 Cu%, 1.0 Zn%, 5.2g/t Ag and 0.1g/t Au.
- The Competent Persons statement is incorporated in the JORC Code (2012) Competent Persons Statements section of this report.
- JORC Code (2012) Table 1 Parameters are in IGO's ASX release of 28 October 2015.

JORC CODE (2012) COMPETENT PERSONS STATEMENTS

General

The information in this report that relates to Exploration Results is based on information compiled by Mr. Tim Kennedy.

Mr. Kennedy is a full-time employee and security holder of the Company and is a member of AusIMM. Mr. Kennedy has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code) and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Nova Project Resources and Reserves

The information that relates to the Nova Project Mineral Resources is based on information compiled by Mr Mark Drabble, a full-time employee of consultancy group Optiro Pty Ltd and a member of The Australasian Institute of Mining and Metallurgy. Mr Drabble has sufficient experience relevant to the type and style of mineral deposit under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined in the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Mr Drabble is not a security holder of the Company. Mr Drabble consented to the release of the Mineral Resource estimate, based on his information in the form and context in which it appears.

The information that relates to the Nova Project Ore Reserves is based on information compiled by Mr Shane McLeay who is a Fellow of The Australasian Institute of Mining and Metallurgy. Mr McLeay is a full-time employee of Entech Pty Ltd and is not a security holder of the Company. Mr McLeay has sufficient experience which is relevant to style of mineralisation and type of deposit under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Mr McLeay consented to the release of the Ore Reserve estimate, based on his information, in the form and context in which it appears.

Tropicana Gold Mine (TGM) Resources and Reserves

The information that relates to TGM Mineral Resources is based on information compiled by Mr Mark Kent, a full-time employee and security holder of AngloGold Ashanti Australia Limited, who is a member of The Australasian Institute of Mining and Metallurgy. Mr Kent has sufficient experience relevant to the type and style of mineral deposits under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Mr Kent consented to the release of the Mineral Resource estimate, based on the information in the form and context in which it appears.

The information that relates to TGM Ore Reserves is based on information compiled by Ms Diana Greenup, a full-time employee and security holder of AngloGold Ashanti Australia Limited, who is a member of The Australasian Institute of Mining and Metallurgy. Ms Greenup has sufficient experience relevant to the type and style of mineral deposit under consideration, and to the activity which has been undertaken, to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Ms Greenup consented to the release of the Ore Reserve estimate, based on her information, in the form and context in which it appears.

Long Operation Resources and Reserves

The information in this report that relates to the Long Operation's Mineral Resources is based on information compiled by Ms. Somealy Sheppard. The information in this report that relates to the Long Operation's Ore Reserves is based on information compiled by Mr. Brett Hartmann. Ms. Sheppard is a full-time employee and security holder of the Company and is a member of the Australian Institute of Geoscientists. Mr Hartmann is a full-time employee and security holder of the Company and is a member of AusIMM. Ms. Sheppard 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 are undertaking to qualify as Competent Persons as defined in the 2012 edition of the JORC Code, and consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Jaguar Operation Bentley / Teutonic Bore Resources and Reserves

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 Teutonic Bore Mineral Resources is based on information compiled by Mr. Graham Sweetman. The information in this report that relates to the Bentley Ore Reserves is based on information compiled by Mr. Brett Hartmann. Ms. Wild, Mr. Sweetman and Mr. Hartmann are full-time employees and security holders of the Company and are members of AusIMM. Ms. Wild, Mr. Sweetman 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 2012 edition of the JORC Code. Ms. Wild, Mr. Sweetman 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.

Stockman Project Currawong and Wilga Resources and Reserves

The information in this report that relates to the Stockman Mineral Resources is based on information compiled by Mr. Bruce Kendall. Mr. Kendall is a full-time employee and security holder of the Company and is a member of the Australian Institute of Geoscientists. Mr. Kendall has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Mr. Kendall consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to the Stockman Ore Reserves is based on information compiled by Mr. Geoff Davidson who is a Fellow of AusIMM. Mr. Davidson is a consultant working for Mining and Cost Engineering Pty Ltd and is not a security holder of the Company. Mr. Davidson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and the activity which he is undertaking, to qualify as a Competent Person as defined in the 2012 edition of the JORC Code. Mr. Davidson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Annual Report Mineral Resource and Ore Reserve Statement

The information in this report that relates to the Independence Group Annual Report Mineral Resources and Ore Reserves Statement as a whole is based on information compiled by Ms. Michelle Wild who is a member of AusIMM and is a full-time employee and security holder of the Company. The Annual Report Mineral Resources and Ore Reserves Statement is based on, and fairly represents, information and supporting documentation prepared by the above-named Competent Persons. The Annual Report Mineral Resources and Ore Reserves Statement has been issued with the prior written consent of Ms. Wild, in the form and context in which it appears in the Annual Report.

Mineral Resource and Ore Reserve Governance

In estimating Mineral Resources and Ore Reserves the Competent Person(s) for each estimate is (are) responsible for:

- Adopting annual Board approved metal prices and foreign exchange assumptions for use in estimates
- Monitoring the planning, progress, estimation and reporting of Mineral Resources and Ore Reserves to meet IGO standards and timelines
- JORC Code compliant reporting
- Periodic internal review of process, data, estimates and reports
- Periodic external review of data, Estimates and reports for new or materially changed estimates.

Independence Group NL reports its Mineral Resources and Ore Reserves on an annual basis, in accordance with the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code) 2012 Edition. Mineral Resources are quoted inclusive of Ore Reserves.

Competent Persons named by Independence Group NL are Members or Fellows of the AusIMM and/or the Australian Institute of Geoscientists, and qualify as Competent Persons as defined in the JORC Code.



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DIRECTORS' REPORT

Your Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Independence Group NL (referred to hereafter as the Company) and the entities it controlled at the end of, or during, the year ended 30 June 2015.

Directors

The following persons held office as Directors of Independence Group NL during the whole of the financial year and up to the date of this report, unless otherwise noted:

Peter Bilbe
Peter Bradford
Peter Buck
Geoffrey Clifford
Rod Marston
Kelly Ross
Keith Spence

Peter Buck and Keith Spence were appointed as Non-executive Directors on 3 October 2014 and 17 December 2014 respectively and continue in office at the date of this report.

Rod Marston was a Non-executive Director from the beginning of the financial year until his retirement on 20 November 2014.

Kelly Ross was a Non-executive Director from the beginning of the financial year until her retirement on 24 December 2014.

Principal activities

The principal activities of the Group during the financial year were non-operator gold mining from the Company's 30% interest in the Tropicana gold mine, nickel mining at the Long Operation, zinc and by-product mining at the Jaguar Operations and ongoing mineral exploration.

Dividends - Independence Group NL

Dividends paid to members during the financial year were as follows:

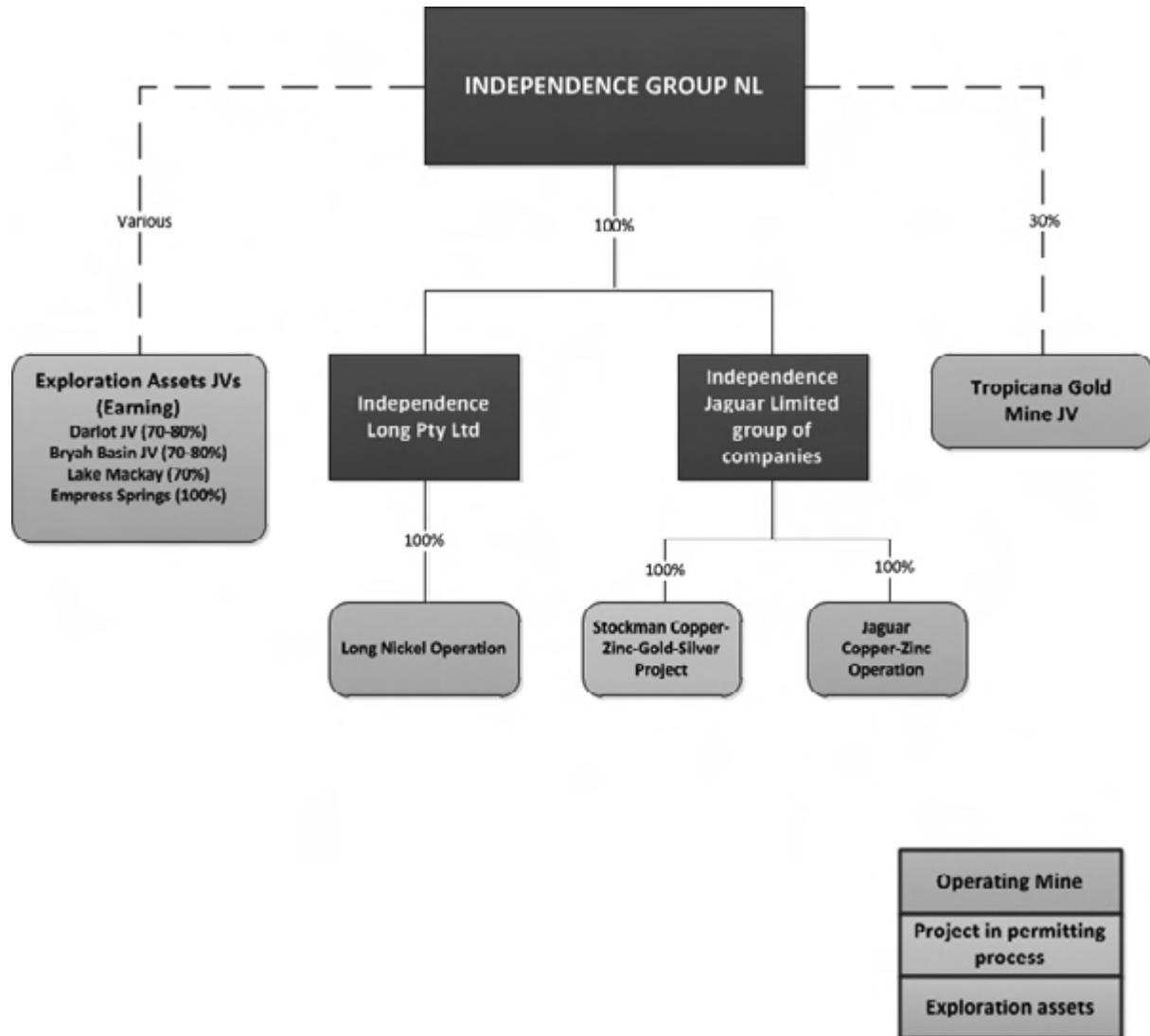
	2015 \$'000	2014 \$'000
Final ordinary dividend for the year ended 30 June 2014 of 5 cents (2013: 1 cent) per fully paid share	11,713	2,333
Interim ordinary dividend for the year ended 30 June 2015 of 6 cents (2014: 3 cents) per fully paid share	14,055	7,000
	25,768	9,333

In addition to the above dividends, since the end of the financial year the Company has announced the establishment of a final dividend pool of \$13,000,000. The record date for this final dividend is expected to be no later than 30 September 2015. The final dividend will be fully franked.

Operating and financial review

Independence Group NL is a company listed on the Australian Securities Exchange (ASX:IGO). The Company has been listed on the ASX since 17 January 2002, having traded as Independence Gold NL from 17 January 2002 to 19 December 2003.

Operating and financial review (continued)



The Group currently has operations in the production phase in Western Australia comprising:

- The Tropicana gold operation (IGO: Non-operator joint venturer; 30% owned) located 330km east northeast of Kalgoorlie. The operation comprises approximately 3,000km² of tenements (excluding the Beachcomber and Salt Creek joint venture tenure) stretching over more than 275km in strike length along the Yilgarn Craton and Fraser Range Mobile Belt Collision Zone. The Company targeted and pegged the area containing the current Ore Reserves in 2001. AngloGold Ashanti farmed into the project in 2002, discovering Tropicana, Havana and the Boston Shaker gold deposits in 2005, 2006 and 2010 respectively. The gold deposits occur over a 5km strike length with gold mineralisation intersected to a depth of 1km vertically beneath the natural surface. The decision by the Tropicana Joint Venture partners to develop the Tropicana Gold Mine was announced in November 2010 following a positive bankable feasibility study assessment. In early 2011, construction commenced with the site access road, followed by key site infrastructure including an aerodrome, accommodation village, borefields and processing plant. Mining of the Havana deposit commenced in 2012.
- Commissioning of the processing plant occurred in 2013, with the first gold poured in September 2013. Nameplate capacity of the processing plant, 5.8Mtpa, was achieved in March 2014.

Operating and financial review (continued)

- The Jaguar zinc, copper and silver mine and processing operations, located 60km north of Leonora in Western Australia - 100% owned. The Jaguar Operation consists of the Bentley underground mine, the Jaguar processing facility and administration infrastructure and the accommodation village. These assets are situated on tenure that hosts a 50km long corridor of prospective stratigraphy.

The prospective corridor has hosted three economically viable volcanogenic massive sulphides ("VMS") ore bodies. The first deposit discovered was Teutonic Bore in 1976. The Jaguar deposit was discovered in 2002, approximately 4km south of Teutonic Bore and the most recent discovery, the Bentley deposit located another 4km south of Jaguar, was discovered in 2008.

All ore is processed at the Jaguar concentrator, which produces both a copper and a zinc concentrate. The copper concentrate also contains significant silver and gold credits. The concentrates are trucked to the port of Geraldton for export; and

- The Long nickel mine located near Kambalda - 100% owned. The Company acquired the Long Operation in Kambalda, Western Australia, from BHP Billiton Nickel West Pty Ltd ("BHPB Nickel West") in September 2002. The mine was successfully re-commissioned in October 2002 and has been operating successfully and safely since then.

Since recommissioning, and through to 30 June 2015, the Long Operation has mined 2.9 million ore tonnes for 116,215 tonnes of contained metal and has achieved exploration success with the discovery of the McLeay (2005) and Moran (2008) ore bodies. At the time of purchasing the Long Operation, the Group entered into an offtake agreement with BHPB Nickel West whereby the ore produced from the mine is delivered to the adjacent BHPB Nickel West Kambalda Nickel Concentrator for toll treatment and production of nickel concentrate. The current offtake agreement with BHPB Nickel West expires in February 2019.

Sirius Resources NL transaction - On 25 May 2015, the Company and Sirius Resources NL ("Sirius") announced the execution of a binding Scheme Implementation Deed ("SID") under which the Company will acquire all the issued capital of Sirius by way of an Acquisition Scheme of Arrangement (the "Acquisition Scheme").

Under the Acquisition Scheme, Sirius shareholders will receive 0.66 IGO shares and 52 cents cash for each Sirius share. Sirius shareholders will also participate pro-rata in the demerger of the Polar Bear and Scandinavian exploration assets.

The transaction is intended to create a leading diversified Australian mining company with a strong portfolio of high-margin/long-life mining assets, across a range of base and precious metals. The combination of the two companies has a strategic rationale of generating significant value for the shareholders of both companies. A successful acquisition will bring the world-class Nova Project into the IGO Group portfolio. The Boards of both IGO and Sirius have unanimously recommended that all Sirius shareholders vote in favour of the Acquisition Scheme.

The transaction remains on track with Sirius shareholders expected to approve the scheme in early September 2015 and the Company expected to complete the issue of the Share Scheme consideration in mid-September 2015.

The Group is also an active explorer for base and precious metals within and outside of Australia. Active search areas within Australia include:

- Tropicana (Havana) Near-mine Exploration - A total of 187 aircore ("AC") holes (7,034m), 49 reverse circulation ("RC") holes (6,822m) and 44 diamond holes (11,009) were completed in FY2015 targeting down dip extensions to mineralisation at Tropicana, Havana North and Havana South. Better results include 12m @ 1.79g/t Au and 5m @ 5.25g/t Au at Havana North, 8m @ 3.48g/t Au at Crouching Tiger and 19m @ 1.19g/t in the Tropicana Extensions area.

A high resolution 3D seismic survey was completed over the immediate down dip projection of the Tropicana ore body. This work has highlighted a number of high priority structural targets which are currently being drill tested.

- Regional exploration continues to identify and test numerous prospects. In total 774 AC holes (46,514m), 65 RC holes (7,465m) and eight diamond holes (1,312m) were completed. Encouraging gold assay results were returned from several prospects. The most significant came from Madras, located 25km south of Tropicana. Drilling will continue throughout calendar 2015 to define the extent of mineralisation at Madras.

Operating and financial review (continued)

- Beachcomber and Salt Creek Joint Ventures - During FY2015, the Company entered into two joint ventures with AngloGold Ashanti whereby it has the right to increase its interest in certain tenements from 30% to 70% by spending an aggregate of \$6 million over 4 years. The Beachcomber JV comprises five tenements at the southern end of the Tropicana JV footprint covering approximately 140km² and the Salt Creek JV covers eleven tenements on the eastern margin of the Tropicana JV footprint covering approximately 2,300km². The Company withdrew from the Beachcomber JV on 25 June 2015 and the tenements reverted back to the Tropicana JV.

The Salt Creek JV is targeting mafic intrusive related magmatic nickel-copper sulphides, which is a similar style of mineralisation to Sirius' Nova-Bollinger. The initial exploration work programme will continue through the remainder of calendar 2015.

- Jaguar Operation Exploration - Exploration activities at the Jaguar Operation focused on in-mine, near-mine and regional exploration.

The Jaguar Operation is currently focusing its in-mine exploration activity on seeking additional resources at depth at Bentley and near-processing plant deposits. At Bentley work is also focused on in-fill drilling on the Arnage and Flying Spur lens in order to enhance resource definition with a view to achieving incremental increases in mine life at the Bentley deposit.

In terms of regional exploration, the Jaguar Operation covers 50km of strike prospective for the discovery of VMS deposits. It encompasses three known high grade zinc-copper-silver-gold deposits: Teutonic Bore (inactive), Jaguar (mining completed in FY2014) and Bentley (in production). Ongoing exploration has identified a number of high priority areas and exploration activities during FY2015 have been focused on the Triumph Prospect, approximately 5km north of the Jaguar processing plant. Drilling at Triumph has identified disseminated, stringer, semi-massive and massive base metal sulphide mineralisation with a shallow southerly plunge which extends over a strike of at least 450m. Drilling to define the continuity and extent of mineralisation is ongoing.

- Darlot JV (IGO Manager and earning 70% - 80%) - During FY2014, the Company entered into a joint venture on the Darlot Project, held by Enterprise Metals Limited. The Company is earning a 70%-80% interest in the project which covers some 740km² of tenure approximately 60km north and along-strike from the Group's Jaguar Operation. The Darlot Project, which covers similar volcanic stratigraphy to the Jaguar Operation, has strategic value to the Group as any base metals discoveries are potentially within economically viable trucking distance of its Jaguar processing facility. Late in FY2015, an aircore program comprising 106 holes for 4,968m tested the Jarrah Well and 20ft prospects. Earlier wide-spaced aircore drilling at these prospects last year outlined anomalous base metals and VMS pathfinder geochemical responses associated with black shale horizons. The current program was designed to infill and extend previous drilling to generate targets for follow-up deeper RC and diamond drill testing. Results are in the process of being evaluated.
- Long Operation Exploration - During the financial year, exploration activities at the Long Operation have focused on in-mine exploration with a view to growing the resource base and extending mine life. The Long Operation is currently focusing its in-mine exploration activity on Moran South and McLeay South.
- Stockman Project - 100% owned - The Stockman Project is located in Eastern Victoria, 460km by road north-east of Melbourne. The proposed project is on mining tenements approximately 19km east-south-east of Benambra in the East Gippsland region. The project encompasses two copper-zinc-lead-silver-gold VMS deposits, Wilga and Currawong, which were discovered in 1978 and 1979. The larger Currawong deposit is intact, whilst a core of copper-rich ore from the Wilga deposit was mined and processed onsite between 1992 and 1996.

The scope of the Stockman Project encompasses concurrent development of the two underground deposits to feed a central 1.0Mtpa differential flotation concentrator that could produce approximately 150,000tpa of copper and zinc concentrates over a project life of approximately ten years. The development includes recommissioning the Wilga underground mine, a new Currawong underground mine and construction of a process plant and infrastructure.

The existing tailings storage facility will be expanded for use by the project, whilst water will be sourced from either local onsite sources or, if required, off-site.

On 28 November 2014, the Company announced the results of an optimisation study on the Stockman Project that, among other things, included an updated Ore Reserve estimate for the project.

This review should be read in conjunction with the financial statements and the accompanying notes.

Operating and financial review (continued)

The objective and strategy of the Group is to create long-term shareholder value through the discovery, development and acquisition of low cost and high grade projects. Since incorporation in 2002, and including the current financial year, the Company has returned to shareholders in excess of \$119 million by way of a combination of \$110.0 million fully franked dividends and a \$9.7 million share buy back in 2009. The Company currently has 235,580,187 shares outstanding.

The Group's future prospects are dependent on a number of external factors that are summarised towards the end of this report.

At the end of the financial year, the Group had cash and cash equivalents of \$121.3 million (2014: \$57.0 million).

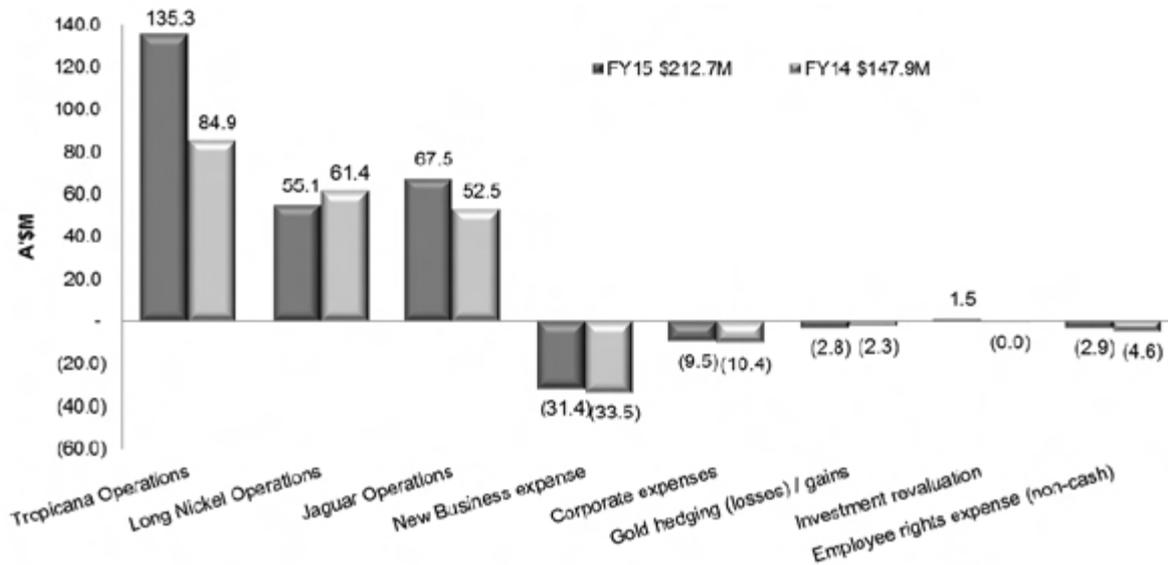
Cash flows from operating activities achieved a record for the Group of \$201.7 million (an increase of 57% during the year). Contributing to this result was a full year contribution of gold sales from Tropicana as against nine months production in 2014. Segment contribution increases arose from both Tropicana (37%) and the Jaguar Operations (54%) with a reduction of 4% from the Long Operation. Payments for exploration expenditure fell by 15% to \$25.7 million.

Cash flows from investing activities fell 12% during the year. This fall was primarily due to higher construction and development spend at Tropicana during its final pre-operating financial year; development capital expenditure fell by 73% to \$44.1 million. Other movements comprised a \$7.7 million increase in property plant and equipment expenditure to \$16.6 million (primarily at Jaguar), and the acquisition of approximately 33.8 million shares in Gold Road Resources Limited (ASX: GOR) for a total consideration of \$13.1 million in the second half of FY2015.

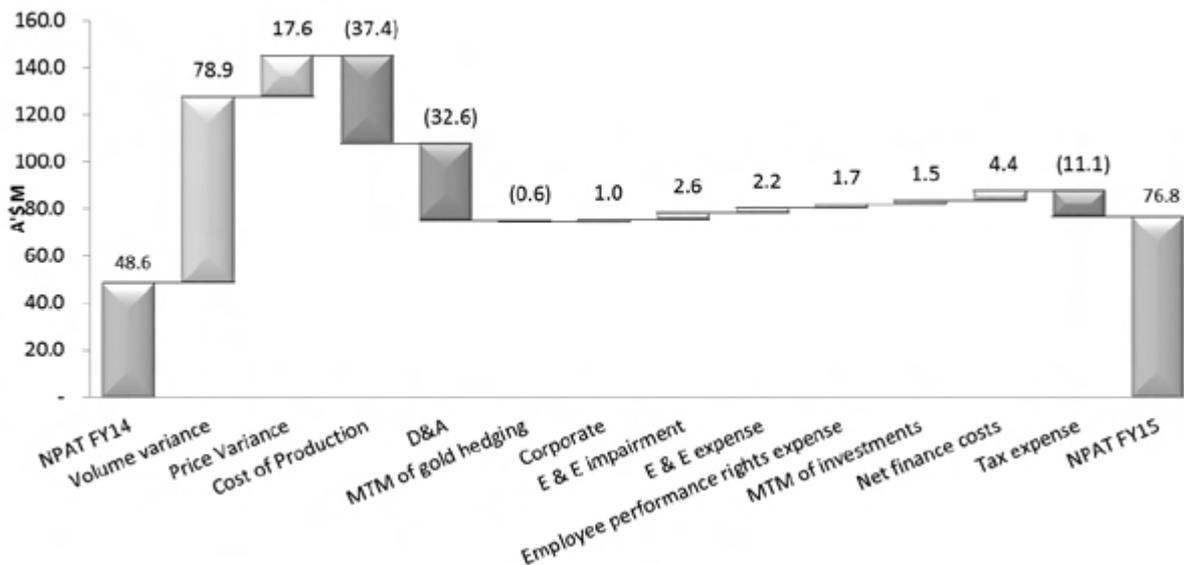
Cash flows from financing activities during the financial year rose significantly from "neutral" in 2014 to an outflow of \$54.4 million in FY2015. Significant movements include the repayment of \$25.0 million in debt from the Company's corporate finance facility with National Australia Bank (\$47.0 million debt was drawn from the facility in FY2014), and higher dividends paid of \$25.8 million (2014: \$9.3 million). The finance facility matures in December 2015 and as at 30 June 2015 was fully repaid. The facility currently is undrawn. On 16 July 2015, the Company entered into a new syndicated facility agreement ("Debt Agreement") with National Australia Bank Limited, Australia and New Zealand Banking Group Limited and Commonwealth Bank of Australia Limited for a \$550 million committed term finance facility on an unsecured basis. The Debt Agreement comprises a five year \$350 million amortising term loan facility that will be used to refinance Sirius' existing Nova Project finance facility, and provide funds for the continued development, construction and operation of the Nova Project; and a five year \$200 million revolving loan facility that will be used to partially fund the payment of the cash component of the Acquisition Scheme and transaction costs, in addition to providing funding for general corporate purposes.

During discussions of the operating results of its business, the Group's Board and management monitor a measure known as Underlying EBITDA. The Board considers this measure to be important to the Group and investors alike, as it represents a useful proxy to measuring an operation's cash generating capabilities. Underlying EBITDA is calculated as profit after tax adjusted for income tax expense, finance costs, interest income, asset impairments, depreciation and amortisation. Underlying EBITDA increased relative to the previous financial year as can be seen in the following chart:

Operating and financial review (continued)



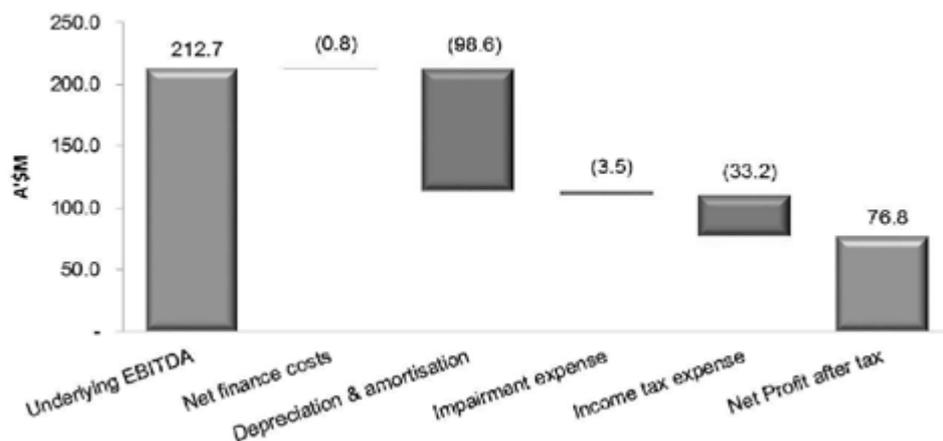
Net profit after tax ("NPAT") for the year of \$76.8 million outperformed the 2014 financial year NPAT of \$48.6 million. The chart below outlines the key drivers of the results for FY2015 compared to the corresponding year. 90% of the volume variance is driven by a full year's gold production from Tropicana. In addition, zinc contributed 21%, with falls in output from Long (10%). The cost of production increase and depreciation and amortisation charge also relates primarily to Tropicana's full year of operations.



During the year, the Group adopted a voluntary change in accounting policy whereby exploration and evaluation expenditure that is incurred is capitalised only if it is anticipated that future economic benefits are more likely than not to be generated as a result of the expenditures. Otherwise, exploration and evaluation expenditure will be expensed. The change in accounting policy has been adopted retrospectively, and hence prior year's reported figures in this financial report may differ from figures reported in last years' financial report.

Operating and financial review (continued)

Below is a reconciliation of Underlying EBITDA to NPAT for FY2015:



Depreciation and amortisation expense ("D&A") of \$98.6 million includes \$55.9 million relating to Tropicana, \$21.9 million to Long Operations, \$19.7 million to Jaguar Operations and the balance to corporate assets. Jaguar's D&A increased by 108% during the year, primarily as a result of increased amortisation from a higher proportion of ore sourced from reserves compared to the previous year, together with additional depreciation charges following the replenishment of the underground haulage and production fleet.

Operations

Tropicana Gold Project

The table below outlines the key results and operational statistics during the current and prior year.

Tropicana Gold Mine		2015	2014*
Total revenue	\$'000	218,966	137,918
Segment operating profit before tax	\$'000	76,117	48,332
Total segment assets	\$'000	645,071	440,585
Total segment liabilities	\$'000	31,748	29,705
Gold ore mined (>0.6g/t Au)	'000 wmt	10,763	5,721
Gold ore mined (>0.4 and 0.6g/t Au)	'000 wmt	1,601	1,088
Waste mined	'000 wmt	42,761	25,251
Gold grade mined (>0.6g/t)	g/t	2.06	2.22
Ore milled	'000 wmt	5,826	4,043
Gold grade milled	g/t	2.92	3.02
Metallurgical recovery	%	90.2	89.4
Gold recovered	Ounces	492,780	350,743
Gold produced	Ounces	496,413	348,371
Gold refined and sold (IGO share)	Ounces	150,836	100,167
Cash Costs	\$ per ounce produced	568	552
All-in Sustaining Costs ("AISC")**	\$ per ounce sold	795	740

* 2014 refers to the period October 2013 to June 2014 being the period when the first full month of commissioning commenced.

** All-in Sustaining costs is a measure derived by the World Gold Council. On 27 June 2013, the Council released a publication outlining definitions of both Cash Costs and All-in Sustaining Costs.

Operating and financial review (continued)

Operations (continued)

Tropicana Gold Project (continued)

Total revenue increased by 59% as a result of a full year's production, post commissioning. Total segment assets increased by 46% due to ongoing contributions by the Company to the operation by way of cash calls paid to the joint venture manager. Cash calls paid during the year totalled \$142.5 million (2014: \$110.2 million). Another significant contribution to total assets includes capitalised inventories (increase of 97% to \$43.8 million). This is the outcome of the current mining strategy to mine and process higher grade ore in the initial three years of production. At year end, the capitalised run of mine stockpile comprised ore > 0.6g/t and totalled 8.9 million tonnes grading an average of 1.09g/t (2014: 3.2 million tonnes at 1.22g/t).

Based on current ore reserves, the mine currently has a life of approximately eight years.

Long Operation

Independence Long Pty Ltd has entered into a long term ore tolling agreement with BHPB Nickel West whereby the Group is paid for the nickel metal contained in the ore mined, less applicable ore toll charges. Revenue from nickel sales is priced on a quotational period of three months after the month of production. 70% of the sales receipt is provisionally paid based on the average London Metals Exchange ("LME") price for the month of delivery; a balancing adjustment is paid in the fourth month after delivery based on the average LME price of the third month after delivery. The mine produced 10,198 tonnes of contained nickel during the year at payable cash costs including royalties (net of copper credits) of \$4.01 per pound (2014: \$3.78 per pound).

The Long Operation constitutes an operating segment as disclosed in the Financial Report. During the year a total of 258,634 tonnes of ore was mined, sourced from Moran - 68%, Long Lower - 15%, McLeay - 12% and Victor South - 5%. The majority of ore continued to be mined from long hole stoping (70%) with lesser amounts coming from other mechanised mining methods and non-mechanised methods.

Total segment revenue decreased by 6% during 2015; a result which is volume driven with 6% lower payable nickel sold. Net operating profit before income tax fell 12% during 2015 due to lower nickel tonnage sold together with 6% higher cash costs during the year.

Based on current ore reserves, the mine currently has a life of approximately two and a half years.

The table below highlights the key results and operational statistics during the current and prior year.

Long Nickel Mine		2015	2014
Total revenue	\$'000	111,423	118,859
Segment operating profit before tax	\$'000	32,180	37,233
Total segment assets	\$'000	92,546	111,854
Total segment liabilities	\$'000	36,180	29,960
Ore mined	Tonnes	258,634	268,162
Nickel grade	Head %	3.94	4.07
Copper grade	Head %	0.28	0.29
Tonnes milled	Tonnes	258,634	268,162
Nickel delivered	Tonnes	10,198	10,909
Copper delivered	Tonnes	723	769
Metal payable (IGO share)			
- Nickel	Tonnes	6,151	6,589
- Copper	Tonnes	293	312
Ni cash costs and royalties	A\$ payable metal per pound	4.01	3.78

* Cash costs include credits for copper

Operating and financial review (continued)

Operations (continued)

Jaguar Operation

The Jaguar Operation was acquired by the Company from Jabiru Metals Limited in 2011. The Operation is located 60km north of Leonora and 250km north of Kalgoorlie. Active mining is currently underway in the Bentley underground mine located 6km south of the Jaguar processing facility which is used to beneficiate the ore mined to produce zinc and copper concentrates. These concentrates are trucked to the Geraldton port for shipping to customers primarily in Asia. The copper concentrate contains significant levels of silver and gold as by-products, which attract precious metal credits that contribute significantly to the Group's cash flows and revenue. The zinc concentrate has minor amounts of silver in its concentrate.

In addition, both near mine and greenfields exploration targets continue to be investigated for potential to add mine life to the operation. Two potential areas are projects known as the 'Bentley deeps', beneath the existing Bentley underground mine, and Triumph, located 6km north of the Jaguar processing facility. Both projects are being targeted in the 2016 financial year for drilling, once completed they will be further evaluated.

As it did last financial year, the performance of the Bentley underground mine continued to outperform the previous year; ore mined increased by 13% and ore milled increased by 11%. Copper grade fell 10% to 1.8% while zinc grades mined were constant at 10.6%. This variation in run of mine grades is an outcome of mine scheduling and is not as a result of resource reconciliation as both reserve and reserves are reconciling well. Similar to nickel sales, copper and zinc concentrate sales are paid on a quotational period that varies between one and four months, with generally 90% of the sales receipt payable by the customer shortly after shipment. The one month or four month average LME copper and zinc price ultimately determines the final price paid by the customer.

Based on current ore reserves, the Bentley underground mine is currently anticipated to have a life of approximately two and a half years.

The table below outlines the key results and operational statistics during the current and prior year.

Jaguar Operation		2015	2014
Total revenue	\$'000	164,016	141,795
Segment operating profit before tax	\$'000	47,665	42,703
Total segment assets	\$'000	134,569	102,828
Total segment liabilities	\$'000	24,374	30,535
Ore mined	Tonnes	485,302	431,362
Copper grade	%	1.8	2.0
Zinc grade	%	10.6	10.6
Silver grade	g/t	156	145
Gold grade	g/t	0.7	0.7
Ore milled	Tonnes	488,466	441,867
Metal in concentrate	%		
- Copper	Tonnes	7,380	7,692
- Zinc	Tonnes	44,999	41,162
- Silver	Ounces	1,876,384	1,657,461
- Gold	Ounces	4,439	4,834
Metal payable (IGO share)			
- Copper	Tonnes	7,090	7,396
- Zinc	Tonnes	37,551	34,258
- Silver	Ounces	1,293,858	1,233,972
- Gold	Ounces	4,110	4,467
Zinc cash costs and royalties*	A\$/lb Total Zn Metal Produced	0.43	0.31

*Cash costs include credits for copper, silver and gold

The Jaguar Operation also constitutes an operating segment. Segment revenue increased by 16% during FY2015. The main drivers of this result were an increase in zinc revenue of 48%, due to a combination of 30% higher payable zinc sold and 18% higher realised prices. Copper revenue decreased 10% due to lower realised prices.

Operating and financial review (continued)

External factors affecting the Group's results

The Group operates in an uncertain economic environment and its performance is dependent upon the result of inexact and incomplete information. As a consequence, the Group's Board and management monitor these uncertainties and mitigate the associated risk of adverse outcomes where possible. The following external factors are all capable of having a material adverse effect on the business and will affect the prospects of the Group for future financial years.

Commodity prices

The Group's operating revenues are sourced from the sale of commodities and precious metals that are priced by the LME. The Group is not a price maker with respect to the commodities it sells and it is, and will remain, susceptible to adverse price movements. By way of example, the average cash seller and settlement LME prices of zinc, copper and nickel decreased by 10%, 18% and 21% respectively between July 2014 and June 2015. Between July 2013 and June 2014, these metals increased (decreased) by 16%, (1%) and 0% respectively. The Group's Board and management regularly review commodity prices in light of forecast trends and give consideration to hedging between 0% and 50% of payable production.

Exchange rates

The Group is exposed to exchange rate risk on sales denominated in United States dollars ("USD") whilst its Australian dollar ("AUD") functional currency is the currency of payment to the majority of its suppliers and employees. The monthly average AUD/USD currency pair weakened from 0.9392 for the month of July 2014 to 0.7680 in June 2015. A weaker AUD implies a higher AUD receipt of sales denominated in USD. The Group's policy is to mitigate adverse foreign exchange risk by transacting commodity hedges in AUD equivalent terms where possible.

Downstream processing markets

The price of sea freight, smelting and refining charges are market driven and vary throughout the year. These also impact on the Group's overall profitability.

Interest rates

Interest rate movements affect both returns on funds on deposit as well as the cost of borrowings. Furthermore, AUD and USD interest rate differentials are intimately related to movements in the AUD/USD exchange rate.

Native Title

With regard to tenements in which the Group has an existing interest in, or will acquire an interest in the future, it is the case that there are areas over which common law Native Title rights exist, or may be found to exist, which may preclude or delay exploration, development or production activities. Specifically, at our Long Operation, a Federal Court judgement determined that certain tenements are invalid insofar as they are inconsistent with the exercise of the Native Title rights of the Aboriginal Native Title holders. An appeal on this determination has been heard by the Full Bench of the Federal Court and the parties are awaiting release of the judgement. The Company will continue to monitor the matter, in conjunction with other affected parties.

Other external factors and risks

- Operational performance including uncertain mine grades, seismicity ground support conditions, grade control, in fill resource drilling, mill performance and experience of the workforce;
 - Contained metal (tonnes and grades) are estimated annually and published in resource and reserve statements, however actual production in terms of tonnes and grade often vary as the ore body can be complex and inconsistent.
 - Active underground mining operations can be subjected to varying degrees of seismicity. This natural occurrence can represent significant safety, operational and financial risk. To mitigate this risk substantial amounts of resources and technology are used in an attempt to predict and control seismicity.
- Exploration success or otherwise;
 - Due to the nature of an ever depleting reserve/resource base, the ability to continually find or replace reserves/resources presents a significant operational risk. Drill sites need to be continually mined (for underground drilling) to enable effective exploration drilling.
- Operating costs including labour markets and productivity;
 - Labour is one of the main cost drivers in the business and as such can materially impact the profitability of an operation.
- Changes in market supply and demand of products;

Operating and financial review (continued)

External factors affecting the Group's results (continued)

Other external factors and risks (continued)

- Any change in the supply or demand impacts on the ability to generate revenues and hence the profitability of an operation.
- Changes in government taxation legislation;
- Changes in health, safety and environmental regulations;
- Environmental issues and social expectations; and
- Assumption of estimates that impact on reported asset and liability values.

Shareholders are also encouraged to read notes 4 and 5 in the Financial Report.

Significant changes in the state of affairs

Significant changes in the state of affairs of the Group during the financial year were as follows:

On 25 May 2015, the Company and Sirius announced the execution of a binding SID under which the Company will acquire all the issued capital of Sirius by way of an Acquisition Scheme. In addition, Sirius will also undertake a demerger of its Polar Bear and Scandinavian exploration assets via a Demerger Scheme of Arrangement ("Demerger Scheme"), whereby the assets will be held in a new listed vehicle called S2 Resources Ltd.

The transaction will be implemented via two inter-conditional Schemes of Arrangement (the Acquisition Scheme and the Demerger Scheme), and a capital reduction to effect the demerger. In exchange for their shares, Sirius shareholders will receive:

- 0.66 Independence Group shares for each Sirius share held;
- Cash consideration of 52 cents cash for each Sirius share held; and
- Circa one S2 share for every 2.5 Sirius shares held.

The Federal Court of Australia has given orders to Sirius approving the issue of the Acquisition Scheme and Demerger Scheme Booklets in relation to the proposed transaction. These Booklets were provided to Sirius shareholders in early August 2015, and will be followed by meetings of shareholders of Sirius to approve the Schemes to be held on 3 September 2015.

The Board of Sirius have unanimously recommended that, in the absence of a superior proposal, all Sirius shareholders vote in favour of the Acquisition Scheme.

There have been no other significant changes in the state of affairs of the Group during the year.

Events since the end of the financial year

On 21 August 2015, the Company announced the establishment of a final dividend pool for the year ended 30 June 2015 of \$13,000,000. The record date for this final dividend is expected to be no later than 30 September 2015. The dividend will be fully franked.

In July 2015, the Company entered into a syndicated facility agreement ("Debt Agreement") with National Australia Bank Limited, Australia and New Zealand Banking Group Limited and Commonwealth Bank of Australia Limited for a \$550 million unsecured committed term finance facility. The Debt Agreement comprises:

- A five year \$350 million amortising term loan facility that will be used to refinance the existing Nova Project finance facility, and provide funds for the continued development, construction and operation of the Nova Project; and
- A five year \$200 million revolving loan facility that will be used to partially fund the payment of the cash component of the Acquisition Scheme for Sirius (as discussed above) and transaction costs, in addition to providing funding for general corporate purposes.

The Debt Agreement has been entered into to assist the Company in meeting its obligations under the relevant acquisition documents that pertain to the acquisition of Sirius by the Company. The Debt Agreement is intended to provide the Company with funds required for the ongoing construction and development of Sirius' Nova Project, as well as general corporate purposes. The Debt Agreement is conditional upon the successful acquisition of Sirius, to be determined by a court hearing for approval of the Acquisition Scheme in early September 2015.

Other than the above, there has been no other transaction or event of a material and unusual nature likely, in the opinion of the Directors, to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

Environmental regulation

The Group's operations are subject to significant environmental regulation under the laws of the Commonwealth and various States of Australia. During the year there were no non-compliance incidents.

The Group is subject to the reporting obligations of the National Greenhouse and Energy Reporting Act 2007, under which the Group reports its greenhouse emissions, energy consumption and production. Systems have been put in place to comply with these reporting requirements. The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use.

The Environmental Policy is available in the Corporate Governance section of the Company's website.

Information on directors

Peter Bilbe - Chairman and Independent Non-executive Director.	
Qualifications	BEng (Mining) (Hons), MAusIMM
Tenure	Board member since March 2009 and Chairman since July 2011.
Special responsibilities	Mr Bilbe is a member of the Remuneration, Audit and Sustainability and Risk Committees.
Other directorships	Mr Bilbe is currently a director of Northern Iron Limited. He was also a director of Sihayo Gold Limited until November 2013.

Peter Bradford - Managing Director and Chief Executive Officer.	
Qualifications	BAppSc (Extractive Metallurgy), FAusIMM, MSMME
Tenure	Managing Director and Board member since March 2014.
Special responsibilities	Mr Bradford is the executive in charge of the day to day management of the Group's activities, including operations, risk management and corporate development. He is also a member of the Sustainability and Risk Committee.
Other directorships	Mr Bradford was previously a director of PMI Gold Corporation until February 2014.

Peter Buck - Independent Non-executive Director from 3 October 2014.	
Qualifications	M.Sc. (Geology), M.AusIMM
Tenure	Board member since his appointment on 3 October 2014.
Special responsibilities	Mr Buck is a member of the Remuneration, Audit and Sustainability and Risk Committees.
Other directorships	Mr Buck is currently a non-executive director of Antipa Minerals Ltd.

Geoffrey Clifford - Independent Non-executive Director.	
Qualifications	BBus, FCPA, FCIS, FAICD
Tenure	Board member since 2012.
Special responsibilities	Mr Clifford is a member of the Remuneration, Audit, Sustainability and Risk Committees.
Other directorships	Mr Clifford is currently a director of Saracen Mineral Holdings Limited (from 1 October 2013).

DIRECTORS' REPORT

Information on directors (continued)

Keith Spence - Independent Non-executive Director from 17 December 2014.	
Qualifications	BSc (Geophysics) (Hons)
Tenure	Board member since his appointment on 17 December 2014.
Special responsibilities	Mr Spence is a member of the Remuneration, Audit and Sustainability and Risk Committees.
Other directorships	Mr Spence is currently the non-executive Chairman of Geodynamics Limited and Base Resources Limited and a non-executive director of Oil Search Limited. Mr Spence was also on the board of Clough Limited from August 2008 (and Chairman from 2010) until December 2013.

Company secretary

Mr Tony Walsh was appointed to the position of Company secretary in 2013. Mr Walsh, who is also employed as the Company's General Manager, Corporate, has over 25 years' experience in dealing with listed companies, ASX, ASIC and corporate transactions. Mr Walsh is currently a member of the West Australian State Council of Chartered Secretaries Australia and is also a Fellow of Chartered Secretaries Australia and the Institute of Chartered Accountants in Australia.

Meetings of directors

The numbers of meetings of the Company's board of Directors and of each Board Committee held during the year ended 30 June 2015, and the numbers of meetings attended by each Director were:

	Full meetings of directors		Meetings of committees					
			Remuneration Committee		Audit Committee		Sustainability and Risk Committee	
	A	B	A	B	A	B	A	B
Peter Bilbe	16	16	1	1	3	3	3	3
Peter Bradford	16	16	**	**	**	**	3	3
Peter Buck (appointed 3 October 2014)	12	12	-	-	3	3	2	2
Geoffrey Clifford	16	16	1	1	4	4	3	3
Rod Marston (retired 20 November 2014)	6	6	1	1	1	1	1	1
Kelly Ross (retired 24 December 2014)	7	7	**	**	1	1	1	1
Keith Spence (appointed 17 December 2014)	9	9	-	-	3	3	2	2

A = Number of meetings attended

B = Number of meetings held during the time the Director held office or was a member of the committee during the year

** = Not a member of the relevant committee

Directors interests in shares and share rights of the Company

At the date of this report, the interests of the Directors in the shares and share rights of Independence Group NL were as follows:

	Ordinary fully paid shares	Share rights
Peter Bilbe	20,000	-
Peter Bradford	350,480	175,365
Peter Buck	4,700	-
Geoffrey Clifford	-	-
Keith Spence	-	-
Total	375,180	175,365

Remuneration report

The Directors present the Independence Group NL 2015 remuneration report, outlining key aspects of the Company's remuneration policy and framework, and remuneration awarded this year.

The report is structured as follows:

- (a) Key management personnel (KMP) covered in this report
- (b) Remuneration policy and link to performance
- (c) Elements of remuneration
- (d) Link between remuneration and performance
- (e) Remuneration expenses for executive KMP
- (f) Contractual arrangements for executive KMP
- (g) Non-executive director arrangements
- (h) Other statutory information

(a) Key management personnel covered in this report

<i>Non-executive and executive Directors (see pages 12 to 13 for details about each Director)</i>
Peter Bilbe Peter Bradford Peter Buck (from 3 October 2014) Geoffrey Clifford Rod Marston (until 20 November 2014) Kelly Ross (until 24 December 2014) Keith Spence (from 17 December 2014)

Other key management personnel

Name	Position
Matt Dusci (from 27 July 2014)	General Manager, New Business
Brett Hartmann	General Manager, Operations
Scott Steinkrug	Chief Financial Officer
Tony Walsh	Company Secretary and General Manager, Corporate
Keith Ashby (from 7 April 2015)	Sustainability Manager
Sam Retallack	Human Resources Manager

Following a review of the organisational structure, and to coincide with the 2015 financial year budget, a number of changes were made in early July 2014, effective 1 July 2014. This included changes to the structure of the Exploration Department and the appointment of Matt Dusci to the position of General Manager, New Business. As a result of this change in structure, Tim Kennedy, Rodney Jacobs and Andrew Eddowes were no longer considered KMP's, effective 1 July 2014. Further to this, Sam Retallack also became a direct report to the Managing Director and became a KMP effective 1 July 2014.

(b) Remuneration policy and link to performance

The Company's Remuneration Committee ("Committee") is made up of independent non-executive directors. The Committee reviews and determines the Company's remuneration policy and structure annually to ensure it remains aligned to business needs, and meets the Company's remuneration principles. From time to time, the Committee also engages external remuneration consultants to assist with this review, see page 23 for further information. In particular, the Board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the company to attract and retain key talent;
- aligned to the company's strategic and business objectives and the creation of shareholder value; and
- transparent and easily understood.

The remuneration framework of the Group is summarised as follows:

Remuneration report (continued)

(b) Remuneration policy and link to performance (continued)

Element	Purpose	Performance metrics	Potential value	Changes for FY 2016
Total fixed remuneration (TFR)	Provides competitive market salary, including superannuation	Nil	Positioned at median market rate	Reviewed in line with market positioning annually
STI	Reward for in-year performance	Individual key performance indicators aligned to the Group's overall Strategic Plan	CEO: 40% of TFR Executives: 15-25% of TFR	Nil
LTI	Alignment to long-term shareholder value	3 year relative TSR performance	CEO: 100% of TFR Executives: 20-55% of TFR	Nil

(c) Elements of remuneration

(i) Total fixed remuneration

Executives receive their total fixed remuneration ("TFR") as cash and statutory superannuation. TFR is reviewed annually, or on promotion. It is benchmarked against market data for comparable roles in companies in a similar industry and with similar market capitalisation. The Committee aims to position executives at or near the median, with flexibility to take into account capability, experience, value to the organisation and performance of the individual.

(ii) Short-term incentives

The short term incentive ("STI") aims to align individual's performance with achieving the overall Strategic Plan of the Group. Key performance indicators are set annually for executives and comprise a combination of the following metrics:

- Sustainability;
- People and performance;
- Processes and outputs;
- Company growth; and
- Quality and communications.

The Managing Director can currently earn 40% of his TFR as an STI, while all other executives can earn between 15-25% of their TFR as an STI.

The STI's are awarded in cash following assessment of actual performance against the performance metrics.

The payment of STI's is subject to Board approval. The Board has the discretion to adjust remuneration outcomes up or down to prevent any inappropriate reward outcomes, including reducing (down to zero, if appropriate) any STI.

(iii) Long-term incentives

The long term incentive ("LTI") component of the remuneration package is to reward executive directors, senior managers and other invited employees of the Group in a manner which aligns a proportion of their remuneration package with the creation of shareholder wealth over a longer period than the STI.

The Independence Group NL Employee Performance Rights Plan ("PRP") was approved by shareholders at the Annual General Meeting in November 2011. Under the PRP, participants are granted share rights that will only vest if certain performance conditions are met and the employees are still employed by the Group at the end of the vesting period. Participation in the PRP is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

The Managing Director has the opportunity to earn 100% of his TFR as an LTI. All other executives have the opportunity to earn between 20-55% of their TFR as an LTI.

Share rights granted after 1 July 2014

Vesting of the performance rights granted to executive directors and executives after 1 July 2014 is based on a total shareholder return ("TSR") scorecard. The TSR scorecard for the three year measurement period 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 peer group over the same three year measurement period.

Remuneration report (continued)

(c) *Elements of remuneration (continued)*

(iii) Long-term incentives (continued)

Share rights granted after 1 July 2014 (continued)

The peer group is to comprise the constituents of the S&P ASX 300 Metals and Mining Index who are engaged in gold and/or base metals mining in Australia and have the closest market capitalisation to the Company.

The vesting schedule of the performance rights subject to relative TSR testing is as follows:

Relative TSR performance	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%

The Company's TSR performance for share rights issued during the current financial year will be assessed against the following 22 peer group companies:

Peer companies	
* Aditya Birla Minerals Ltd	* Oz Minerals Ltd
* Alacer Gold Corp.	* PanAust Ltd
* Beadell Resources Ltd	* Panoramic Resources Ltd
* Cudoco 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

Share rights granted prior to 30 June 2014

Vesting of the performance rights granted to executive directors and executives prior to 30 June 2014 is subject to a combination of the Company's shareholder return and return on equity. The performance rights will vest if, over the three year measurement period, the following performance hurdles are achieved:

Shareholder return

The vesting of 75% of the performance rights at the end of the third year will be based on measuring the actual shareholder return over the three year period compared with the change in the S&P ASX 300 Metals and Mining Index ("Index") over that same period. The portion of performance rights (75% of the total) that will vest based on the comparative shareholder return will be:

Shareholder return	Level of vesting
100% of the Index	25%
Between 100% and 115% of the Index	Pro-rata straight line percentage
115% of the Index or greater	100%

Return on equity

The vesting of the remaining 25% of the performance rights at the end of the third year will be based on the average return on equity over the three year period compared with the average target return on equity as set by the Board for the same period.

Return on equity ("ROE") for each year will be calculated in accordance with the following formula:

$$\text{ROE} = \text{Net profit after tax} / \text{Total shareholders' equity}$$

The target ROE will be set each year by the Board as part of the budget approval process for the following year. The target ROE used in previous financial years was 10%. The portion of performance rights (25% of the total) that will vest based on the comparative return on equity will be:

Remuneration report (continued)

(c) *Elements of remuneration (continued)*

(iii) **Long-term incentives (continued)**

Return on equity (continued)

Actual ROE	Level of vesting
100% of average target ROE	25%
Between 100% and 115% of average target ROE	Pro-rata straight line percentage
115% of average target ROE or greater	100%

Long term incentive - Non-executive directors

The PRP permits non-executive directors to be eligible employees and therefore to participate in the plan. It is not currently intended that non-executive directors will be issued with performance rights under the PRP and any such issue would be subject to all necessary shareholder approvals.

Share trading policy

The trading of shares issued to participants under the PRP is subject to, and conditional upon, compliance with the Company's employee share trading policy.

(d) *Link between remuneration and performance*

Statutory performance indicators

The Company aims to align its executive remuneration to the strategic and business objectives of the Group and the creation of shareholder value. The table below shows measures of the Group's financial performance over the last five years as required by the *Corporations Act 2001*. These measures are not necessarily consistent with the measures used in determining the variable amounts of remuneration to be awarded to KMPs as other internal measures are used to drive these results.

	2015	2014	2013	2012**	2011*
Revenue (\$millions)	495.3	399.1	225.9	216.6	163.6
Profit for the year attributable to owners of (\$millions)	76.8	48.6	18.3	(285.3)	5.5
Share price at year end (\$/share)	4.17	4.35	2.26	3.16	5.63
Dividends paid (cents/share)	11.0	7.0	5.0	2.0	4.0

* Includes results and performance of Jabiru Metals Limited from 4 April 2011.

** Includes after tax non-cash asset impairments of \$288 million.

Remuneration report (continued)

(e) *Remuneration expenses for KMP's*

The following tables show details of the remuneration received by the Group's key management personnel for the current and previous financial year.

Name	Short-term employee benefits		Post-employment benefits	Long-term benefits	Share based payments	Total
	Cash salary and fees ¹	Cash bonus	Super-annuation	Long service leave ²	Share rights ³	
	\$	\$	\$	\$	\$	\$
2015						
Non-executive Directors						
Peter Bilbe	195,914	-	18,615	-	-	214,529
Peter Buck ⁴	81,398	-	7,732	-	-	89,130
Geoffrey Clifford	102,312	-	9,721	-	-	112,033
Rod Marston ⁵	35,645	-	3,392	-	-	39,037
Kelly Ross ⁶	50,220	-	4,773	-	-	54,993
Keith Spence ⁷	59,162	-	5,620	-	-	64,782
Executive Directors						
Peter Bradford	757,217	-	35,000	5,869	165,311	963,397
Other key management personnel						
Keith Ashby ⁸	77,013	-	6,805	263	-	84,081
Matt Dusci ⁹	348,730	-	28,524	1,246	27,469	405,969
Brett Hartmann	429,856	45,662	36,575	14,489	149,036	675,618
Sam Retallack ¹⁰	204,351	18,265	21,237	5,070	45,865	294,788
Scott Steinkrug	378,608	38,356	30,000	9,414	136,016	592,394
Tony Walsh	351,860	38,356	35,000	3,950	83,716	512,882
Total key management personnel compensation	3,072,286	140,639	242,994	40,301	607,413	4,103,633
2014						
Non-executive Directors						
Peter Bilbe ¹¹	192,982	-	17,851	-	-	210,833
Geoffrey Clifford	91,284	-	8,444	-	-	99,728
Rod Marston	91,284	-	8,444	-	-	99,728
Kelly Ross	91,284	-	8,444	-	-	99,728
Executive Directors						
Peter Bradford ¹²	218,058	-	17,371	740	-	236,169
Christopher Bonwick ¹³	256,382	216,000	24,067	1,083	257,509	755,041
Other key management personnel						
Andrew Eddowes ¹⁴	277,144	25,000	25,000	19,939	49,455	396,538
Brett Hartmann	461,964	40,000	45,489	15,469	130,351	693,273
Rodney Jacobs ¹⁴	333,705	-	25,000	12,618	114,042	485,365
Tim Kennedy ¹⁴	303,708	25,000	25,000	11,009	101,381	466,098
Scott Steinkrug	355,280	25,000	25,000	8,797	120,940	535,017
Tony Walsh	350,985	-	25,000	1,248	29,587	406,820
Total key management personnel compensation	3,024,060	331,000	255,110	70,903	803,265	4,484,338

Remuneration report (continued)

(e) Remuneration expenses for KMP's (continued)

- 1 Cash salary and fees includes movements in annual leave provision during the year.
- 2 Long service leave relates to movements in long service leave provision during the year.
- 3 Rights to shares granted under the PRP are expensed over the performance period, which includes the vesting period of the rights, in accordance with AASB 2 *Share-based Payment*. Refer to note 31 for details of the valuation techniques used for the PRP.
- 4 Mr Buck was appointed a Non-executive Director effective 3 October 2014.
- 5 Mr Marston retired as a Non-executive Director effective 20 November 2014.
- 6 Mrs Ross retired as a Non-executive Director effective 24 December 2014.
- 7 Mr Spence was appointed a Non-executive Director effective 17 December 2014.
- 8 Mr Ashby commenced employment as Sustainability Manager with the Company on 7 April 2015.
- 9 Mr Dusci commenced employment as General Manager, New Business with the Company on 27 July 2014.
- 10 Following a review of the organisational structure, Mrs Retallack (Human Resources Manager) became a KMP effective 1 July 2014.
- 11 In addition to his base fee for the previous financial year, the Board approved that Mr Bilbe be paid an additional once-off payment of \$20,000 for the extra services provided by him during that year for the benefit of the Company.
- 12 Mr Bradford commenced employment with the Company effective 17 March 2014.
- 13 Mr Bonwick resigned from his position as Managing Director effective 15 November 2013. Amounts accrued for annual leave (\$25,210) and long service leave (\$161,279) were paid out on termination, these amounts have been offset against the movement in the provisions for the previous financial year.
- 14 Following a review of the organisational structure and the appointment of Matt Dusci as General Manager, New Business in July 2014, Andrew Eddowes, Rodney Jacobs and Tim Kennedy were no longer considered KMP's of the Group from 1 July 2014.

(f) Contractual arrangements with executive KMPs

Remuneration and other terms of employment for the executives are formalised in service agreements. The service agreements specify the components of remuneration, benefits and notice periods. Participation in the STI and LTI plans is subject to the Board's discretion. Other major provisions of the agreements relating to remuneration are set out below.

Name	Term of agreement and notice period	Base salary including superannuation	Termination payments
Peter Bradford Managing Director	No fixed term 6 months	\$750,000	6 months *
Matt Dusci General Manager, New Business (from 27 July 2014)	No fixed term 3 months	\$390,000	6 months
Brett Hartmann General Manager, Operations	No fixed term 3 months	\$455,000	6 months
Sam Retallack Human Resources Manager	No fixed term 3 months	\$223,963	6 months
Scott Steinkrug Chief Financial Officer	No fixed term 3 months	\$390,000	6 months
Tony Walsh Company Secretary and General Manager, Corporate	No fixed term 3 months	\$390,000	6 months
Keith Ashby (from 7 April 2015) Sustainability Manager	No fixed term 3 months	\$333,213	6 months

* In addition to the above, Mr Bradford is entitled to a maximum termination benefit payable of up to 12 months of average annual base salary should the Company terminate the employment contract without cause, but only if such payment would not breach ASX Listing Rules. A termination benefit of three month's remuneration is payable to Mr Bradford should the Company terminate the employment contract due to illness, injury or incapacity.

Remuneration report (continued)

(g) Non-executive director remuneration policy

The remuneration of non-executive directors is determined by the Board within the maximum amount approved by shareholders in general meeting. Non-executive directors are not entitled to retirement benefits other than statutory superannuation or other statutory required benefits. Non-executive directors do not participate in share or bonus schemes designed for executive directors or employees.

The remuneration of non-executive directors is fixed to encourage impartiality, high ethical standards and independence on the Board. The available non-executive directors' fees pool is \$1,000,000 which was approved by shareholders at the Annual General Meeting on 24 November 2014, of which \$590,000 was being utilised at 30 June 2015 (2014: \$490,000).

Non-executive directors may provide additional consulting services to the Group, at a rate approved by the Board. No such amounts were paid to Directors during the current year.

	From 1 September 2014 \$	From 1 January 2014 to 30 September 2014 \$
Base fees		
Chairman	230,000	190,000
Other non-executive directors	120,000	100,000

(h) Additional statutory information

(i) Relative proportions of fixed vs variable remuneration expense

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense:

Name	Fixed remuneration ¹		At risk - STI		At risk - LTI	
	2015 %	2014 %	2015 %	2014 %	2015 %	2014 %
Executive Directors of Independence Group NL						
Peter Bradford ²	83	100	-	-	17	-
Christopher Bonwick	-	37	-	29	-	34
Other key management personnel of the group						
Keith Ashby	100	-	-	-	-	-
Matt Dusci	93	-	-	-	7	-
Andrew Eddowes	-	81	-	6	-	13
Brett Hartmann	71	75	7	6	22	19
Rodney Jacobs	-	77	-	-	-	23
Tim Kennedy	-	73	-	5	-	22
Sam Retallack	78	-	6	-	16	-
Scott Steinkrug	71	73	6	5	23	22
Tony Walsh	76	93	8	-	16	7

1. Fixed remuneration paid is not based upon any measurable performance indicators. Non-performance based remuneration is based on relative industry remuneration levels and is set at a level designed to retain the services of the director or senior executive.

2. Mr Bradford commenced employment with the Company on 17 March 2014. Eligibility for short term and long term incentives was not assessed at 30 June 2014, therefore 100% of Mr Bradford's remuneration was considered fixed for the previous year.

(ii) Performance based remuneration granted and forfeited during the year

A reference to share rights is a reference to share rights granted under the PRP.

The details of each grant of share rights affecting remuneration in the current or future reporting period are as follows:

DIRECTORS' REPORT

Remuneration report (continued)

(h) Additional statutory information (continued)

(ii) Performance based remuneration granted and forfeited during the year (continued)

	Date of grant	Number of share rights granted	Fair value of share right at grant date \$	Fair value of share rights at grant date \$	Vesting date	Unamortised total value of grant yet to vest \$
Peter Bradford	20/11/2014	175,365	2.84	497,295	01/07/2017	331,984
Matt Dusci	09/01/2015	50,154	2.55	127,868	01/07/2017	100,399
Brett Hartmann	09/01/2015	58,513	2.55	127,868	01/07/2017	117,132
	28/02/2014	71,421	2.14	152,537	01/07/2016	60,486
	28/02/2013	67,324	2.06	138,643	01/07/2015	-
	13/03/2012	58,318	1.69	98,848	01/07/2014	-
Sam Retallack	09/01/2015	10,473	2.55	26,702	01/07/2017	17,826
	28/02/2014	16,347	3.45	56,446	01/07/2015	-
	28/02/2013	8,656	3.61	31,235	01/07/2014	-
Scott Steinkrug	09/01/2015	50,154	2.55	127,868	01/07/2017	100,399
	28/02/2014	66,272	2.14	141,542	01/07/2016	56,126
	28/02/2013	62,461	2.06	128,626	01/07/2015	-
	13/03/2012	54,106	1.69	91,708	01/07/2014	-
Tony Walsh	09/01/2015	50,154	2.55	127,868	01/07/2017	100,399
	28/02/2014	66,596	2.14	142,233	01/07/2016	56,401

1. The value at grant date for share rights granted during the year as part of remuneration is calculated in accordance with AASB 2 *Share-based Payment*. Refer to note 31 for details of the valuation techniques used for the PRP.

2. Unamortised total value of grant yet to vest comprises the total fair value of the award at the date of grant less amounts expensed to date.

3. Share rights only vest if performance targets are achieved.

The number and percentage of share rights that vested in the financial year and the number and percentage of share rights that were forfeited during the financial year are set out below.

	Date of grant	Vesting date	Share rights granted		Vested during the year		Value of share rights at vesting date		Share rights forfeited during the year		Value of share rights forfeited	
			Number	%	Number	%	\$	%	Number	\$		
Peter Bradford	20/11/2014	01/07/2017	175,365	-	-	-	-	-	-	-	-	
Matt Dusci	09/01/2015	01/07/2017	50,154	-	-	-	-	-	-	-	-	
Brett Hartmann	09/01/2015	01/07/2017	58,513	-	-	-	-	-	-	-	-	
	28/02/2014	01/07/2016	71,421	-	-	-	-	-	-	-	-	
	28/02/2013	01/07/2015	67,324	-	-	-	-	-	-	-	-	
	13/03/2012	01/07/2014	58,318	75	43,738	191,572	25	14,580	63,860			
Sam Retallack	09/01/2015	01/07/2017	10,473	-	-	-	-	-	-	-	-	
	28/02/2014	01/07/2015	16,347	-	-	-	-	-	-	-	-	
	28/02/2013	01/07/2014	8,656	86	7,443	32,600	14	1,213	5,313			
Scott Steinkrug	09/01/2015	01/07/2017	50,154	-	-	-	-	-	-	-	-	
	28/02/2014	01/07/2016	66,272	-	-	-	-	-	-	-	-	
	28/02/2013	01/07/2015	62,461	-	-	-	-	-	-	-	-	
	13/03/2012	01/07/2014	54,106	75	40,579	177,736	25	13,527	59,248			
Tony Walsh	09/01/2015	01/07/2017	50,154	-	-	-	-	-	-	-	-	
	28/02/2014	01/07/2016	66,596	-	-	-	-	-	-	-	-	

Remuneration report (continued)

(h) *Additional statutory information (continued)*

(iii) *Reconciliation of ordinary shares and share rights shares held by KMP*

(i) **Shareholdings and share rights of key management personnel**

The number of ordinary shares and share rights in the Company held by each director and other key management personnel, including their personally related entities, are set out below.

Shareholdings in the Company

2015

Name	Balance at the start of the year	Received on vesting of share rights	Other changes during the year ²	Balance at the end of the year
Directors of Independence Group NL				
Peter Bilbe	-	-	20,000	20,000
Peter Bradford	-	-	250,000	250,000
Peter Buck	-	-	4,700	4,700
Geoffrey Clifford	-	-	-	-
Rod Marston ¹	1,321,917	-	(1,321,917)	-
Kelly Ross ¹	345,000	-	(345,000)	-
Keith Spence	-	-	-	-
Other key management personnel				
Keith Ashby	-	-	-	-
Matt Dusci	-	-	9,900	9,900
Andrew Eddowes ¹	85,775	-	(85,775)	-
Brett Hartmann	40,000	43,738	(43,738)	40,000
Rodney Jacobs ¹	-	-	-	-
Tim Kennedy ¹	50,000	-	(50,000)	-
Sam Retallack	-	7,443	-	7,443
Scott Steinkrug	2,000	40,579	(42,579)	-
Tony Walsh	10,000	-	(10,000)	-
Total	1,854,692	91,760	(1,614,409)	332,043

1. Shareholdings are reversed to show a zero balance at 30 June 2015 on resignation as a director or ceasing to be a KMP.

2. Other changes during the year include opening balances on becoming a KMP for the first time during the year.

Remuneration report (continued)

(h) *Additional statutory information (continued)*

(iii) *Reconciliation of ordinary shares and share rights shares held by KMP (continued)*

Share rights in the Company

2015

Name	Balance at the start of the year	Granted during the year	Vested as shares during the year	Lapsed during the year	Other changes during the year	Balance at the end of the year
Directors of Independence Group NL						
Peter Bradford	-	175,365	-	-	-	175,365
Other key management personnel						
Keith Ashby	-	-	-	-	-	-
Matt Dusci	-	50,154	-	-	-	50,154
Andrew Eddowes ¹	87,218	-	-	-	(87,218)	-
Brett Hartmann	197,063	58,513	(43,738)	(14,580)	-	197,258
Rodney Jacobs ¹	172,394	-	-	-	(172,394)	-
Tim Kennedy ¹	153,265	-	-	-	(153,265)	-
Sam Retallack	25,003	10,473	(7,443)	(1,213)	-	26,820
Scott Steinkrug	182,839	50,154	(40,579)	(13,527)	-	178,887
Tony Walsh	66,596	50,154	-	-	-	116,750
Total	884,378	394,813	(91,760)	(29,320)	(412,877)	745,234

1. Shareholdings are reversed to show a zero balance at 30 June 2015 on resignation as a director or ceasing to be a KMP.

The share rights relate to the KMP's participation in the PRP. The share rights represent the maximum number of share rights that the KMP are entitled to. They are subject to certain performance conditions being met, including the ongoing employment of the KMP at the end of the vesting period.

(iv) *Other transactions with key management personnel*

During the current financial year, there were no other transactions with key management personnel or their related parties.

(v) *Reliance on external remuneration consultants*

During the current financial year, the Board authorised the engagement of Gerard Daniels to prepare a report examining the competitiveness of remuneration for directors and officers employed by the Company in the context of a group of peer companies. An amount of \$12,500 was paid for the report.

The Company also utilised data provided by Aon Hewitt McDonald and AusREM regarding salaries and benefits across the organisation, with amounts paid for the data of \$4,750 and \$4,500 respectively.

The Board is satisfied that the recommendations provided in the various reports were made free from undue influence from any members of the key management personnel.

(vi) *Voting of shareholders at last year's annual general meeting*

Independence Group NL received more than 99% of "yes" votes on its remuneration report for the 2014 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

Shares under option

At the reporting date, there were no unissued ordinary shares under options, nor were there any ordinary shares issued during the year ended 30 June 2015 on the exercise of options.

Insurance of officers and indemnities

During the financial year, the Company paid an insurance premium in respect of a contract insuring the Directors and executive officers of the Company and of any related body corporate against a liability incurred as such a Director or executive officer to the extent permitted by the Corporations Law. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the end of the financial year, indemnified or agreed to indemnify an officer of the Company or of any related body corporate against a liability incurred by such an officer.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the auditor (BDO Audit (WA) Pty Ltd) for non-audit services provided during the year are set out below.

The Directors are satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* nor the principles set out in APES110 *Code of Ethics for Professional Accountants*.

During the year the following fees were paid or payable for non-audit services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2015 \$	2014 \$
Other services		
BDO Audit (WA) Pty Ltd firm:		
Other services in relation to the entity and any other entity in the consolidated Group	35,913	2,350
Total remuneration for non-audit services	35,913	2,350

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 90.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

This report is made in accordance with a resolution of Directors.



Peter Bilbe
Chairman

Perth, Western Australia
Dated this 21st day of August 2015

AUDITOR'S INDEPENDENCE DECLARATION



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Australia

DECLARATION OF INDEPENDENCE BY IAN SKELTON TO THE DIRECTORS OF INDEPENDENCE GROUP NL

As lead auditor of Independence Group NL for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Independence Group NL and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Ian Skelton', is written over a light grey circular stamp.

Ian Skelton

Director

BDO Audit (WA) Pty Ltd

Perth, 21 August 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$'000	Restated* 2014 \$'000
Revenue from continuing operations	7	495,326	399,059
Other income	8	3,268	-
Mining, development and processing costs		(135,352)	(100,494)
Employee benefits expense		(63,841)	(61,196)
Share-based payments expense		(2,949)	(4,632)
Fair value movement of financial investments		1,467	(2)
Depreciation and amortisation expense		(98,551)	(65,938)
Rehabilitation and restoration borrowing expense		(590)	(565)
Exploration costs expensed		(25,263)	(31,129)
Royalty expense		(15,647)	(14,309)
Ore tolling expense		(12,297)	(11,973)
Shipping and wharfage costs		(19,539)	(17,551)
Borrowing and finance costs		(1,566)	(5,138)
Impairment of exploration and evaluation expenditure	20	(3,461)	(6,079)
Other expenses		(11,044)	(9,355)
Profit before income tax		109,961	70,698
Income tax expense	10	(33,182)	(22,119)
Profit for the year		76,779	48,579
Other comprehensive income			
<i>Items that will be reclassified to profit or loss</i>			
Effective portion of changes in fair value of cash flow hedges, net of tax		2,038	(4,435)
Exchange differences on translation of foreign operations		(8)	-
Other comprehensive income for the year, net of tax		2,030	(4,435)
Total comprehensive income for the year		78,809	44,144
Profit for the year attributable to the members of Independence Group NL		76,779	48,579
Total comprehensive income for the year attributable to the members of Independence Group NL		78,809	44,144
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share	12	32.78	20.82
Diluted earnings per share	12	32.47	20.64

* Refer to note 3 for details about restatements for the voluntary change in accounting policy.

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2015

	Notes	2015 \$'000	Restated* 2014 \$'000	Restated* 1 July 2013 \$'000
ASSETS				
Current assets				
Cash and cash equivalents	13	121,296	56,972	27,215
Trade and other receivables	14	22,086	30,070	24,159
Inventories	15	40,298	40,383	22,760
Financial assets at fair value through profit or loss	16	15,574	858	1,092
Derivative financial instruments	25	4,981	2,519	6,946
Total current assets		204,235	130,802	82,172
Non-current assets				
Receivables	17	18	57	604
Inventories	15	24,979	8,803	-
Property, plant and equipment	18	47,244	47,230	36,278
Mine properties	19	303,300	329,279	319,690
Exploration and evaluation expenditure	20	109,930	111,583	115,379
Deferred tax assets	10	130,517	152,395	152,261
Intangible assets	21	-	-	179
Derivative financial instruments	25	-	658	1,981
Total non-current assets		615,988	650,005	626,372
TOTAL ASSETS		820,223	780,807	708,544
LIABILITIES				
Current liabilities				
Trade and other payables	22	45,091	46,855	53,599
Borrowings	26	510	3,508	6,030
Derivative financial instruments	25	2,384	6,381	1,910
Provisions	23	2,659	2,557	2,446
Total current liabilities		50,644	59,301	63,985
Non-current liabilities				
Borrowings	26	-	24,854	11,524
Derivative financial instruments	25	717	-	-
Provisions	24	29,387	25,545	21,724
Deferred tax liabilities	10	73,980	61,602	41,249
Total non-current liabilities		104,084	112,001	74,497
TOTAL LIABILITIES		154,728	171,302	138,482
NET ASSETS		665,495	609,505	570,062
EQUITY				
Contributed equity	27	737,324	735,060	734,007
Reserves	28	16,191	13,476	14,332
Accumulated losses	28	(88,020)	(139,031)	(178,277)
TOTAL EQUITY		665,495	609,505	570,062

* Refer to note 3 for details about restatements for the voluntary change in accounting policy.

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Issued capital \$'000	Accumulated losses \$'000	Hedging reserve \$'000	Share- based payments reserve \$'000	Acquisition reserve \$'000	Foreign currency translation reserve \$'000	Total equity \$'000
At 1 July 2013	734,007	(98,870)	2,397	8,793	3,142	-	649,469
Change in accounting policy (note 3(b))	-	(79,407)	-	-	-	-	(79,407)
Restated total equity at 1 July 2013	734,007	(178,277)	2,397	8,793	3,142	-	570,062
Profit for the year as reported in the 2014 financial statements	-	46,556	-	-	-	-	46,556
Change in accounting policy (note 3(b))	-	2,023	-	-	-	-	2,023
Restated profit for the year	-	48,579	-	-	-	-	48,579
Other comprehensive income							
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	(4,435)	-	-	-	(4,435)
Total comprehensive income for the year	-	48,579	(4,435)	-	-	-	44,144
Transactions with owners in their capacity as owners:							
Dividends paid	-	(9,333)	-	-	-	-	(9,333)
Share-based payments expense	-	-	-	4,632	-	-	4,632
Issue of shares - Employee Performance Rights Plan	1,053	-	-	(1,053)	-	-	-
Balance at 30 June 2014	735,060	(139,031)	(2,038)	12,372	3,142	-	609,505

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Issued capital \$'000	Accumulated losses \$'000	Hedging reserve \$'000	Share-based payments \$'000	Acquisition reserve \$'000	Foreign currency translation reserve \$'000	Total equity \$'000
At 1 July 2014	735,060	(139,031)	(2,038)	12,372	3,142	-	609,505
Profit for the year	-	76,779	-	-	-	-	76,779
Other comprehensive income							
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	2,038	-	-	-	2,038
Currency translation differences - current period	-	-	-	-	-	(8)	(8)
Total comprehensive income for the year	-	76,779	2,038	-	-	(8)	78,809
Transactions with owners in their capacity as owners:							
Dividends paid	-	(25,768)	-	-	-	-	(25,768)
Share-based payments expense	-	-	-	2,949	-	-	2,949
Issue of shares - Employee Performance Rights Plan	2,264	-	-	(2,264)	-	-	-
Balance at 30 June 2015	737,324	(88,020)	-	13,057	3,142	(8)	665,495

* Refer to note 3 for details about restatements for the voluntary change in accounting policy.

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$'000	Restated* 2014 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		527,425	418,790
Payments to suppliers and employees (inclusive of goods and services tax)		(300,592)	(257,100)
		226,833	161,690
Interest and other costs of finance paid		(1,054)	(4,177)
Interest received		1,351	563
Exploration expenditure		(25,742)	(30,415)
Receipts from other operating activities		325	959
Net cash inflow from operating activities	29(a)	201,713	128,620
Cash flows from investing activities			
Payments for property, plant and equipment		(16,602)	(8,935)
Proceeds from sale of property, plant and equipment		336	377
Dividends received		-	5
Payments for purchase of listed and unlisted investments		(13,085)	(75)
Payments for development expenditure		(44,118)	(76,101)
Payments for exploration and evaluation expenditure		(12,417)	(12,471)
Net cash (outflow) from investing activities		(85,886)	(97,200)
Cash flows from financing activities			
Proceeds from borrowings		-	47,000
Repayment of borrowings		(25,000)	(32,000)
Transaction costs associated with borrowings		(142)	(82)
Repayment of finance lease liabilities		(3,497)	(6,030)
Payment of dividends	11	(25,768)	(9,333)
Net cash (outflow) from financing activities		(54,407)	(445)
Net increase in cash and cash equivalents		61,420	30,975
Cash and cash equivalents at the beginning of the financial year		56,972	27,215
Effects of exchange rate changes on cash and cash equivalents		2,904	(1,218)
Cash and cash equivalents at end of year	13	121,296	56,972

* Refer to note 3 for details about restatements for the voluntary change in accounting policy.

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



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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

1 Corporate information

The financial report of Independence Group NL (the Company) and its subsidiaries (collectively, the Group) for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the Directors on 21 August 2015.

Independence Group NL is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in the directors' report.

2 Summary of significant accounting policies

This note provides a list of all significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Independence Group NL and its subsidiaries.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Independence Group NL is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the Group also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

(ii) Historical cost convention

These financial statements have been prepared under the historical cost basis, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss and certain classes of property, plant and equipment.

(iii) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for first time in their annual reporting period commencing 1 July 2014:

- AASB 2013-3 *Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets*

The Group has not elected to early adopt any new accounting standards.

(iv) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 5.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Independence Group NL ("Company" or "parent entity") as at 30 June 2015 and the results of all subsidiaries for the year then ended. Independence Group NL and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group recognises its direct right to the assets, liabilities, revenues and expenses of the Tropicana Gold Project and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

2 Summary of significant accounting policies (continued)

(b) Principles of consolidation (continued)

The acquisition method of accounting is used to account for business combinations by the Group (refer to note 2(e)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of profit or loss and other comprehensive income, statement of changes in equity and balance sheet respectively.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(iii) Joint arrangements

Under AASB 11 *Joint Arrangements* investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group's interests in joint venture entities, if any, are brought to account at cost using the equity method of accounting in the financial statements, after initially being recognised at cost in the balance sheet.

(c) Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start up operations which are yet to earn revenues.

Operating segments have been identified based on the information provided to the chief operating decision makers - identified as being the Board of Independence Group NL.

Operating segments that meet the quantitative criteria as described by AASB 8 *Operating Segments* are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is the Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

2 Summary of significant accounting policies (continued)

(d) Foreign currency translation (continued)

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each consolidated statement of profit or loss and other comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

(e) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred;
- amount of any non-controlling interest in the acquired entity; and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

2 Summary of significant accounting policies (continued)

(f) Revenue recognition (continued)

(i) Sale of goods

Revenue from the sale of goods is recognised when there is persuasive evidence indicating that there has been a transfer of risks and rewards to the customer.

Sales revenue comprises gross revenue earned, net of treatment and refining charges where applicable, from the provision of product to customers, and includes hedging gains and losses. Sales are initially recognised at estimated sales value when the product is delivered. Adjustments are made for variations in metals price, assay, weight and currency between the time of delivery and the time of final settlement of sales proceeds.

(ii) Interest income

Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(g) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Tax consolidation legislation

Independence Group NL and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

2 Summary of significant accounting policies (continued)

(h) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(i) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

(j) Trade receivables

Trade receivables are generally received up to four months after the shipment date. The receivables are initially recognised at fair value.

Trade receivables are subsequently revalued by the marking-to-market of open sales. The Group determines mark-to-market prices using forward prices at each period end for copper and zinc concentrates and nickel ore.

Collectibility of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable. Financial difficulties of the debtor or default payments are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

(k) Inventories

(i) Ore, concentrate and gold inventories

Inventories, comprising copper and zinc in concentrate, gold dore, gold in circuit and ore stockpiles, are valued at the lower of weighted average cost and net realisable value. Costs include fixed direct costs, variable direct costs and an appropriate portion of fixed overhead costs. A portion of the related depreciation, depletion and amortisation charge is included in the cost of inventory.

(ii) Stores and fuel

Inventories of consumable supplies and spare parts are valued at the lower of cost and net realisable value. Cost is assigned on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion, and the estimated costs necessary to make the sale.

The recoverable amount of surplus items is assessed regularly on an ongoing basis and written down to its net realisable value when an impairment indicator is present.

(l) Derivatives and hedging activities

The Group uses derivative financial instruments to manage its risks associated with metals price and foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value at the end of each reporting period.

The Group uses derivative financial instruments such as foreign currency contracts and commodity contracts to hedge its risks associated with gold, nickel, copper and zinc prices and foreign currency fluctuations. Such derivative financial instruments are recognised at fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

2 Summary of significant accounting policies (continued)

(l) Derivatives and hedging activities (continued)

The fair value of forward exchange contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of commodity contracts is determined by reference to market values for similar instruments.

For the purposes of hedge accounting, hedges are classified as cash flow hedges where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecast transaction.

In relation to cash flow hedges (ie forward foreign currency contracts and commodity contracts) to hedge firm commitments which meet the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in other comprehensive income and the ineffective portion is recognised in the profit or loss. If the hedge accounting conditions are not met, movements in fair value are recognised in the profit or loss.

Amounts accumulated in equity are recycled in the statement of profit or loss and other comprehensive income in the periods when the hedged item will affect profit or loss, for instance when the forecast sale that is hedged takes place. The gain or loss relating to the effective portion of forward foreign exchange contracts and forward commodity contracts is recognised in the profit or loss within sales.

(m) Investments and other financial assets

The Group classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- loans and receivables; and
- available-for-sale financial assets.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial assets are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, financial assets which are classified as held for trading are measured at fair value. Gains or losses on investments held for trading are recognised in the profit or loss. The Group has investments in listed entities which are considered to be tradeable by the Board and which the Company expects to sell for cash in the future.

For investments carried at amortised cost, gains and losses are recognised in the statement of profit or loss and other comprehensive income when the investments are de-recognised or impaired, as well as through the amortisation process.

Fair value of quoted investments is based on current bid prices. If the market for a financial asset is not active (eg. unlisted securities), a valuation technique is applied and if this is deemed unsuitable, they are held at initial cost.

(n) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. It also includes the direct cost of bringing the asset to the location and condition necessary for first use and the estimated future cost of rehabilitation, where applicable. The assets are subsequently measured at cost less accumulated depreciation and any accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using either units-of-production or straight-line depreciation as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

2 Summary of significant accounting policies (continued)

(n) Property, plant and equipment (continued)

Depreciation periods are primarily:

Buildings	5 - 10 years
Mining plant and equipment	2 - 5 years
Motor vehicles	3 - 8 years
Furniture and fittings	3 - 10 years
Leased assets	3 - 4 years

Depreciation is expensed as incurred, unless it relates to an asset or operation in the construction phase, in which case it is capitalised.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 2(h)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

(o) Exploration and evaluation expenditure

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource.

Exploration and evaluation expenditure is expensed to the profit or loss as incurred except in the following circumstances in which case the expenditure may be capitalised:

- The existence of a commercially viable mineral deposit has been established and it is anticipated that future economic benefits are more likely than not to be generated as a result of the expenditure; and
- The exploration and evaluation activity is within an area of interest which was acquired as an asset acquisition or in a business combination and measured at fair value on acquisition.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. An impairment exists when the carrying value of expenditure exceeds its estimated recoverable amount. The area of interest is then written down to its recoverable amount and the impairment losses are recognised in profit or loss.

(p) Mine properties

(i) Mine properties in development

When technical feasibility and commercial viability of extracting a mineral resource have been demonstrated, then any subsequent expenditure in that area of interest is classified as mine properties in development. These costs are not amortised but the carrying value is assessed for impairment whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

(ii) Mine properties in production

Mine properties in production represent the accumulation of all acquisition, exploration, evaluation and development expenditure incurred by or on behalf of the Group in relation to areas of interest in which mining of the mineral resource has commenced. When further development expenditure, including waste development and stripping, is incurred in respect of a mine property after the commencement of production, such expenditure is carried forward as part of the cost of that mine property only when substantial future economic benefits are established, otherwise such expenditure is classified as part of the cost of production.

Amortisation is provided on a units-of-production basis, with separate calculations being made for each mineral resource. The units-of-production method results in an amortisation charge proportional to the depletion of the economically recoverable mineral resources (comprising proven and probable reserves).

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. An impairment exists when the carrying value of expenditure not yet amortised exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount and the impairment losses are recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

2 Summary of significant accounting policies (continued)

(q) Deferred stripping

Stripping activity costs incurred in the development phase of a mine are capitalised as part of the cost of constructing the mine and subsequently amortised over the life of the mine on a units-of-production basis.

Stripping activity incurred during the production phase of a mine is assessed as to whether the benefit accruing from that activity is to provide access to ore that can be used to produce ore inventory, or whether it in addition provides improved access to ore that will be mined in future periods.

To the extent that the benefit from the stripping activity is realised in the form of inventory produced, the Group accounts for those stripping activity costs in accordance with AASB102 *Inventories*. A stripping activity asset is brought to account if it is probable that future economic benefits (improved access to the ore body) will flow to the Group, the component of the ore body for which access has been improved can be identified and costs relating to the stripping activity can be measured reliably.

The amount of stripping activity costs that are capitalised is determined based on a comparison of the stripping ratio in the relevant period with the life of mine stripping ratio. To the extent that there is a period of sustained stripping that exceeds the average life of mine stripping ratio, mine waste stripping costs are capitalised to the stripping activity asset. Such capitalised costs are amortised over the life of that mine on a units-of-production basis. The life of mine ratio is based on economically recoverable reserves of the mine. Changes to the life of mine are accounted for prospectively.

Deferred stripping costs are included in Mine Properties in the balance sheet. These form part of the total investment in the relevant cash generating units, which are reviewed for impairment if events or changes of circumstances indicate that the carrying value may not be recoverable.

(r) Rehabilitation, restoration and environmental costs

Long-term environmental obligations are based on the Group's environmental management plans, in compliance with current environmental and regulatory requirements.

Full provision is made based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the reporting date. To the extent that future economic benefits are expected to arise, these costs are capitalised and amortised over the remaining lives of the mines.

Annual increases in the provision relating to the change in the net present value of the provision are recognised as finance costs. The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean-up at closure.

(s) Intangible assets

(i) Goodwill

Goodwill is measured as described in note 2(e). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(ii) Other

Other intangible assets relate to a database for research purposes, which is carried at fair value at the date of acquisition less accumulated amortisation. Amortisation is calculated based on the time it will take to complete the research on the database which is currently four years.

(t) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

2 Summary of significant accounting policies (continued)

(u) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other current and non-current borrowings. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases (note 32). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(v) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(w) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the period in which they are incurred.

(x) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in trade and other payables presented as current employee benefit obligations in the balance sheet.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national Government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(y) Share-based payment transactions

Equity-settled transactions

The Company provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

There is currently a plan in place to provide these benefits, the Employee Performance Rights Plan ("PRP"), which provides benefits to executive directors and other employees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

2 Summary of significant accounting policies (continued)

(y) Share-based payment transactions (continued)

The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value is determined with the assistance of a valuation software using a trinomial tree which has been adopted by the Boyle and Law (1994) node alignment algorithm to improve accuracy. In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Independence Group NL (market conditions).

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (vesting date).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at the reporting date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award is treated as if it was a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding share rights is reflected as additional share dilution in the computation of diluted earnings per share.

(z) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(aa) Earnings per share

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(ab) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the consolidated balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

2 Summary of significant accounting policies (continued)

(ab) Goods and Services Tax ("GST") (continued)

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(ac) Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(ad) Parent entity financial information

The financial information for the parent entity, Independence Group NL, disclosed in note 35 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Independence Group NL. Dividends received from associates are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

(ii) Tax consolidation legislation

Independence Group NL and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Independence Group NL, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Independence Group NL also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Independence Group NL for any current tax payable assumed and are compensated by Independence Group NL for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Independence Group NL under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

(ae) Comparatives

Where appropriate, comparatives have been reclassified to be consistent with the current year presentation. The reclassification does not have an impact on the results presented.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

2 Summary of significant accounting policies (continued)

(af) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods and have not been early adopted by the Group. The Group's assessment of the impact of these new standards and interpretations is set out below.

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by group
AASB 9 Financial Instruments (issued December 2014)	<p>Classification and measurement AASB 9 amends the classification and measurement of financial assets:</p> <ul style="list-style-type: none"> • Financial assets will either be measured at amortised cost, fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"). • Financial assets are measured at amortised cost or FVTOCI if certain restrictive conditions are met. All other financial assets are measured at FVTPL. • All investments in equity instruments will be measured at fair value. For those investments in equity instruments that are not held for trading, there is an irrevocable election to present gains and losses in OCI. Dividends will be recognised in profit or loss. <p>The following requirements have generally been carried forward unchanged from AASB 139 Financial Instruments: Recognition and Measurement into AASB 9:</p> <ul style="list-style-type: none"> • Classification and measurement of financial liabilities, and • Derecognition requirements for financial assets and liabilities. <p>However, AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.</p> <p>Impairment The new impairment model in AASB 9 is now based on an 'expected loss' model rather than an 'incurred loss' model. A complex three stage model applies to debt instruments at amortised cost or at fair value through other comprehensive income for recognising impairment losses.</p>	<p>Adoption of AASB 9 is only mandatory for the year ending 30 June 2019.</p> <p>This standard is not expected to impact the Group as financial assets are currently classified through profit or loss.</p> <p>The entity currently applies hedge accounting. It is expected that the application of the new amendments will not have an impact on the entity's financial statements.</p> <p>The new impairment model is an expected credit loss ("ECL") model which may result in the earlier recognition of credit losses.</p>	<p>Mandatory for financial years commencing on or after 1 January 2018.</p> <p>Expected date of adoption by the group: 1 July 2018.</p>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

2 Summary of significant accounting policies (continued)

(af) New standards and interpretations not yet adopted (continued)

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by group
<p>AASB 9 Financial Instruments (issued December 2014) (continued)</p>	<p>A simplified impairment model applies to trade receivables and lease receivables with maturities that are less than 12 months. For trade receivables and lease receivables with maturity longer than 12 months, entities have a choice of applying the complex three stage model or the simplified model.</p> <p>Hedge accounting Under the new hedge accounting requirements:</p> <ul style="list-style-type: none"> • The 80-125% highly effective threshold has been removed. • Risk components of non-financial items can qualify for hedge accounting provided that the risk component is separately identifiable and reliably measurable. • An aggregated position (i.e. combination of a derivative and a non-derivative) can qualify for hedge accounting provided that it is managed as one risk exposure. • When entities designate the intrinsic value of options, the initial time value is deferred in OCI and subsequent changes in time value are recognised in OCI. • When entities designate only the spot element of a forward contract, the forward points can be deferred in OCI and subsequent changes in forward points are recognised in OCI. Initial foreign currency basis spread can also be deferred in OCI with subsequent changes be recognised in OCI. • Net foreign exchange cash flow positions can qualify for hedge accounting. 		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

2 Summary of significant accounting policies (continued)

(af) New standards and interpretations not yet adopted (continued)

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by group
AASB 15 Revenue from Contracts with Customers (issued December 2014)	An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 <i>Revenue</i> .	Adoption of AASB 15 is only mandatory for the year ending 30 June 2019. Due to the recent release of this standard, the entity has not yet made a detailed assessment of the impact of this standard.	Mandatory for financial years commencing on or after 1 January 2018. Expected date of adoption by the Group: 1 July 2018
AASB 2014-9 (issued December 2014) Amendments to Australian Accounting Standards - Equity Method in Separate Financial Statements	Currently, investments in subsidiaries, associates and joint ventures are accounted for in separate financial statements at cost or at fair value under AASB 139/AASB 9. These amendments provide an additional option to account for these investments using the equity method as described in AASB 128 <i>Investments in Associates and Joint Ventures</i> .	It is not anticipated that the changes will have any material impact on the Group's financial statements.	Mandatory for financial years commencing on or after 1 January 2016. Expected date of adoption by the Group: 1 July 2016
AASB 2014-4 (issued August 2014) Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation	Clarifies that use of revenue-based methods for calculating depreciation and amortisation is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of economic benefits embodied in the asset. This assumption is rebuttable for intangible assets and can be overcome in limited circumstances, for example, where revenue is established as the predominant limiting factor in the contract, such as a concession to explore and extract from a gold mine that expires when total cumulative revenue from extraction of gold reaches a certain dollar threshold.	The Standard will not have an impact on the Group's financial statements as it does not use any revenue-based methods for calculating depreciation and amortisation.	Mandatory for financial years commencing on or after 1 January 2016. Expected date of adoption by the Group: 1 July 2016

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

2 Summary of significant accounting policies (continued)

(af) New standards and interpretations not yet adopted (continued)

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by group
<p>AASB 2014-3 (issued August 2014) Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Ventures</p>	<p>When an entity acquires an interest in a joint operation whose activities meet the definition of a 'business' in AASB 3 <i>Business Combinations</i>, to the extent of its share of assets, liabilities, revenues and expenses as specified in the contractual arrangement, the entity must apply all of the principles for business combination accounting in AASB 3, and other IFRSs, to the extent that they do not conflict with AASB 11 <i>Joint Arrangements</i>. This means that it will expense all acquisition-related costs and recognise its share, according to the contractual arrangements, of:</p> <ul style="list-style-type: none"> • Fair value of identifiable assets and liabilities, unless fair value exceptions included in AASB 3 or other IFRSs, and • Deferred tax assets and liabilities that arise from the initial recognition of an asset or liability as required by AASB 3 and AASB 112 <i>Income Taxes</i>. <p>Goodwill will then be recognised as the excess consideration over the fair value of net identifiable assets acquired.</p>	<p>There will be no impact on the financial statements when these amendments are first adopted because they apply prospectively to acquisitions of interests in joint operations.</p>	<p>Mandatory for financial years commencing on or after 1 January 2016.</p> <p>Expected date of adoption by the Group: 1 July 2016</p>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

2 Summary of significant accounting policies (continued)

(af) New standards and interpretations not yet adopted (continued)

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by group
<p>AASB 2014-10 (issued December 2014) Amendments to Australian Accounting Standards - Sale or Contribution of Assets between An Investor and its Associate or Joint Venture</p>	<p>Removes the inconsistency between AASB 10 <i>Consolidated Financial Statements</i> and AASB 128 <i>Investments in Associates and Joint Ventures</i> in accounting for transactions where a parent loses control over a subsidiary that is not a business under AASB 3 <i>Business Combinations</i>, by selling part of its interest to an associate or joint venture, or by selling down part of its interest so that the remaining investment becomes an associate or joint venture. Requires that:</p> <ul style="list-style-type: none"> • Gain or loss from measuring the retained interest in the former subsidiary at fair value, as well as gains or losses to be reclassified from other comprehensive income to profit or loss, only be recognised to the extent of the unrelated investor's interest in that associate or joint venture, and • Remaining gains or losses to be eliminated against the investment in associate or joint venture. 	<p>There will be no impact on the financial statements when these amendments are first adopted because they apply prospectively to sales or contributions of assets occurring after the application date.</p>	<p>Mandatory for financial years commencing on or after 1 January 2016.</p> <p>Expected date of adoption by the Group: 1 July 2016</p>

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

3 Voluntary change in accounting policy

(a) Exploration and evaluation accounting policy

The financial report has been prepared on the basis of a retrospective application of a voluntary change in accounting policy relating to exploration and evaluation expenditure.

The new exploration and evaluation expenditure accounting policy is to capitalise exploration and evaluation expenditure only if it is anticipated that future economic benefits are more likely than not to be generated as a result of the expenditure. All other exploration and evaluation expenditure will be expensed against the profit and loss as incurred. Acquisition costs and expenditure incurred after a decision to proceed to development will continue to be capitalised as an asset.

The previous accounting policy was to capitalise exploration and evaluation expenditure incurred and carry forward as an asset when rights to tenure of the area of interest were current and costs were expected to be recouped through the successful development of the area of interest (or alternatively by its sale), or where activities in the area had not yet reached a stage which permitted a reasonable assessment of the existence or otherwise of economically recoverable reserves and active operations were continuing.

Management judges that the change in policy will result in more relevant and reliable information in the financial report. Recognition criteria of exploration and evaluation assets are inherently uncertain and expensing as incurred results in a more transparent balance sheet and profit or loss. Furthermore, the change in policy aids in accountability of line management's expenditures and the newly adopted policy is consistent with those of many mining companies.

(b) Impact on financial statements

(i) Impact on prior years

As a result of the change in the accounting policy for exploration and evaluation expenditure, prior year financial statements had to be restated. The amounts disclosed for the 2014 reporting period and in the balance sheets as at 1 July 2013 and 30 June 2014 are after the change in accounting policy for exploration and evaluation expenditure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

3 Voluntary change in accounting policy (continued)

(b) Impact on financial statements (continued)

Consolidated statement of profit or loss and other comprehensive income	Prior year restatement		
	2014 (Previously stated) \$'000	Profit Increase/ (Decrease) \$'000	2014 (Restated) \$'000
Revenue from continuing operations	399,059	-	399,059
Mining, development and processing costs	(100,310)	(184)	(100,494)
Employee benefits expense	(61,196)	-	(61,196)
Share-based payments expense	(4,632)	-	(4,632)
Fair value of movements of financial investments	(2)	-	(2)
Depreciation and amortisation expense	(69,840)	3,902	(65,938)
Rehabilitation and restoration borrowing costs	(565)	-	(565)
Exploration costs expensed	(4,334)	(26,795)	(31,129)
Royalty expense	(14,309)	-	(14,309)
Ore tolling expense	(11,973)	-	(11,973)
Shipping and wharfage costs	(17,551)	-	(17,551)
Borrowing and finance costs	(5,138)	-	(5,138)
Impairment of exploration and evaluation expenditure	(32,045)	25,966	(6,079)
Other expenses	(9,355)	-	(9,355)
Profit before income tax	67,809	2,889	70,698
Income tax expense	(21,253)	(866)	(22,119)
Profit for the year	46,556	2,023	48,579
Other comprehensive income			
<i>Items that will be reclassified to profit or loss</i>			
Effective portion of changes in fair value of cash flow hedges, net of tax	(4,435)	-	(4,435)
Other comprehensive loss for the year, net of tax	(4,435)	-	(4,435)
Total comprehensive income for the year	42,121	2,023	44,144
Profit for the year attributable to the members of Independence Group NL	46,556	2,023	48,579
Total comprehensive income for the year attributable to the members of Independence Group NL	42,121	2,023	44,144
	Cents	Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share	19.95	0.87	20.82
Diluted earnings per share	19.78	0.86	20.64

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

3 Voluntary change in accounting policy (continued)

(b) Impact on financial statements (continued)

Balance sheet	Prior years restatement					
	30 June 2014 (Previously stated) \$'000	In-crease/ (Decrease) \$'000	30 June 2014 (Restated) \$'000	1 July 2013 (Previously stated) \$'000	In-crease/ (Decrease) \$'000	1 July 2013 (Restated) \$'000
ASSETS						
Current assets						
Cash and cash equivalents	56,972	-	56,972	27,215	-	27,215
Trade and other receivables	30,070	-	30,070	24,159	-	24,159
Inventories	40,567	(184)	40,383	22,760	-	22,760
Financial assets at fair value through profit or loss	858	-	858	1,092	-	1,092
Derivative financial instruments	2,519	-	2,519	6,946	-	6,946
Total current assets	130,986	(184)	130,802	82,172	-	82,172
Non-current assets						
Receivables	57	-	57	604	-	604
Inventories	8,803	-	8,803	-	-	-
Property, plant and equipment	47,230	-	47,230	36,278	-	36,278
Mine properties	364,443	(35,164)	329,279	349,115	(29,425)	319,690
Exploration and evaluation expenditure	186,784	(75,201)	111,583	199,392	(84,013)	115,379
Deferred tax assets	152,339	56	152,395	152,261	-	152,261
Intangible assets	-	-	-	179	-	179
Derivative financial instruments	658	-	658	1,981	-	1,981
Total non-current assets	760,314	(110,309)	650,005	739,810	(113,438)	626,372
TOTAL ASSETS	891,300	(110,493)	780,807	821,982	(113,438)	708,544
LIABILITIES						
Current liabilities						
Trade and other payables	46,855	-	46,855	53,599	-	53,599
Borrowings	3,508	-	3,508	6,030	-	6,030
Derivative financial instruments	6,381	-	6,381	1,910	-	1,910
Provisions	2,557	-	2,557	2,446	-	2,446
Total current liabilities	59,301	-	59,301	63,985	-	63,985
Non-current liabilities						
Borrowings	24,854	-	24,854	11,524	-	11,524
Provisions	25,545	-	25,545	21,724	-	21,724
Deferred tax liabilities	94,711	(33,109)	61,602	75,280	(34,031)	41,249
Total non-current liabilities	145,110	(33,109)	112,001	108,528	(34,031)	74,497
TOTAL LIABILITIES	204,411	(33,109)	171,302	172,513	(34,031)	138,482
NET ASSETS	686,889	(77,384)	609,505	649,469	(79,407)	570,062
EQUITY						
Contributed equity	735,060	-	735,060	734,007	-	734,007
Reserves	13,476	-	13,476	14,332	-	14,332
Accumulated losses	(61,647)	(77,384)	(139,031)	(98,870)	(79,407)	(178,277)
TOTAL EQUITY	686,889	(77,384)	609,505	649,469	(79,407)	570,062

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

3 Voluntary change in accounting policy (continued)

(b) Impact on financial statements (continued)

Consolidated statement of cash flows

Exploration and evaluation expenditure that is expensed is included as part of cash flows from operating activities whereas exploration and evaluation expenditure that is capitalised is included as part of cash flows from investing activities. This has resulted in additional cash outflows from operating activities of \$26,221,000 for the year ended 30 June 2014. This has also resulted in a corresponding reduction of \$26,221,000 being reflected in the net cash outflows from investing activities for the same reporting period.

4 Financial risk management

The Group's activities expose it to a variety of financial risks; market risk (including currency risk, interest rate risk, equity price risk and commodity price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as foreign exchange contracts, forward commodity contracts and collar arrangements to hedge certain risk exposures.

Risk management relating to commodity and foreign exchange risk is overseen by management, under policies approved by the Board of Directors. The Board identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as mitigating foreign exchange, commodity price, interest rate and credit risks, use of derivative financial instruments and investing excess liquidity.

(a) Risk exposures and responses

(i) Foreign currency risk

As the Group's sales revenues for nickel, copper, zinc, gold and silver are denominated in US dollars ("USD") and the majority of operating costs are denominated in Australian dollars ("AUD"), the Group's cash flow is significantly exposed to movements in the AUD:USD exchange rate. The Group mitigates this risk through the use of derivative instruments, including, but not limited to, forward contracts and the purchase of AUD call options.

The financial instruments denominated in USD and then converted into the functional currency (i.e. AUD) were as follows:

	2015 \$'000	2014 \$'000
Financial assets		
Cash and cash equivalents	16,971	17,923
Trade and other receivables	15,506	25,054
Derivative financial instruments	4,981	1,809
	37,458	44,786
Financial liabilities		
Derivative financial instruments	1,622	6,381
	1,622	6,381
Net financial assets	35,836	38,405

The cash balance above only represents the cash held in the USD bank accounts at the reporting date and converted into AUD at the 30 June 2015 AUD:USD exchange rate of \$0.7680 (2014: \$0.9420). The remainder of the cash balance of \$104,325,000 (2014: \$39,049,000) was held in AUD and therefore not exposed to foreign currency risk.

The trade and other receivables amounts represent the USD denominated trade debtors. All other trade and other receivables were denominated in AUD at the reporting date.

The following table summarises the Group's sensitivity of financial instruments held at 30 June 2015 to movements in the AUD:USD exchange rate, with all other variables held constant. Sensitivity analysis is calculated using a reasonable possible change of 1.5% (2014: 1.5%) in the foreign rate in both directions based on the exposure period of the trade receivables, a 5.0% (2014: 5.0%) variation for derivative contracts and an 18.0% (2014: 3.0%) variation for USD cash balances in both directions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

4 Financial risk management (continued)

(a) Risk exposures and responses (continued)

Sensitivity of financial instruments to foreign currency movements	Impact on post-tax profit		Impact on other components of equity	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial assets				
Cash and cash equivalents				
Increase 18.0% (2014: 3.0%)	(1,812)	(365)	-	-
Decrease 18.0% (2014: 3.0%)	2,608	388	-	-
Trade receivables				
Increase 1.5% (2014: 1.5%)	(120)	(176)	-	-
Decrease 1.5% (2014: 1.5%)	140	222	-	-
Derivative financial instruments				
Increase 5.0% (2014: 5.0%)	(166)	361	-	1,444
Decrease 5.0% (2014: 5.0%)	183	(399)	-	(1,596)
	833	31	-	(152)
Financial liabilities				
Derivative financial instruments				
Increase 5.0% (2014: 5.0%)	693	50	-	163
Decrease 5.0% (2014: 5.0%)	(766)	(55)	-	(180)
	(73)	(5)	-	(17)
Net sensitivity to foreign currency movements	760	26	-	(169)

(ii) Commodity price risk

The Group's sales revenues are generated from the sale of nickel, copper, zinc, silver and gold. Accordingly, the Group's revenues, derivatives and trade receivables are exposed to commodity price risk fluctuations, primarily nickel, copper, zinc, silver and gold.

Nickel

Nickel ore sales have an average price finalisation period of three months until the sale is finalised with the customer.

It is the Board's policy to hedge between 0% and 50% of total nickel production tonnes. All of the hedges qualify as "highly probable" forecast transactions for hedge accounting purposes.

Copper and zinc

Copper and zinc concentrate sales have an average price finalisation period of up to four months from shipment date.

It is the Board's policy to hedge between 0% and 50% of total copper and zinc production tonnes.

Gold

It is the Board's policy to hedge between 0% and 50% of forecast gold production from the Company's 30% interest in the Tropicana Gold Mine.

The markets for nickel, copper, zinc, silver and gold are freely traded and can be volatile. As a relatively small producer, the Group has no ability to influence commodity prices. The Group mitigates this risk through derivative instruments, including, but not limited to, quotational period pricing, forward contracts and collar arrangements.

At the reporting date, the carrying value of the financial instruments exposed to commodity price movements were as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

4 Financial risk management (continued)

(a) Risk exposures and responses (continued)

Financial instruments exposed to commodity price movements	2015 \$'000	2014 \$'000
Financial assets		
Trade and other receivables	10,702	19,853
Derivative financial instruments - commodity hedging contracts	4,981	1,777
	15,683	21,630
Financial liabilities		
Derivative financial instruments - commodity hedging contracts	1,479	6,381
	1,479	6,381
Net exposure	14,204	15,249

The following table summarises the sensitivity of financial instruments held at 30 June 2015 to movements in the nickel price, with all other variables held constant. Trade receivables valuation uses a sensitivity analysis of 1.5% (2014: 1.5%) which is based upon the three month forward commodity rate as there is a three month lag time between delivery and final nickel price received. A 20.0% (2014: 20.0%) sensitivity rate is used to value derivative contracts held and is based on reasonable assessment of the possible changes.

Sensitivity of financial instruments to nickel price movements	Impact on post-tax profit		Impact on other components of equity	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial assets				
Trade receivables				
Increase 1.5% (2014: 1.5%)	117	217	-	-
Decrease 1.5% (2014: 1.5%)	(117)	(217)	-	-
Derivative financial instruments - commodity hedging contracts				
Increase 20.0% (2014: 20.0%)	(1,634)	(1,346)	-	(3,949)
Decrease 20.0% (2014: 20.0%)	1,634	1,353	-	3,946
Net sensitivity to nickel price movements	-	7	-	(3)

The following table summarises the sensitivity of financial instruments held at 30 June 2015 to movements in the copper price, with all other variables held constant. Trade receivables valuation uses a sensitivity analysis of 1.5% (2014: 1.5%) which is based upon the three month forward commodity rate as there is generally a four month lag time between delivery and final copper price received. A 20.0% (2014: 20.0%) sensitivity rate is used to value derivative contracts held and is based on reasonable assessment of the possible changes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

4 Financial risk management (continued)

(a) Risk exposures and responses (continued)

Sensitivity of financial instruments to copper price movements	Impact on post-tax profit		Impact on other components of equity	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial assets				
Trade receivables				
Increase 1.5% (2014: 1.5%)	6	11	-	-
Decrease 1.5% (2014: 1.5%)	(6)	(11)	-	-
Derivative financial instruments - commodity hedging contracts				
Increase 20.0% (2014: 20.0%)	(578)	(960)	-	(1,323)
Decrease 20.0% (2014: 20.0%)	578	957	-	1,317
Net sensitivity to copper price movements	-	(3)	-	(6)

The following table summarises the sensitivity of financial instruments held at 30 June 2015 to movements in the gold price, with all other variables held constant. A 20.0% (2014: 20.0%) sensitivity rate is used to value derivative contracts held and is based on reasonable assessment of the possible changes.

Sensitivity of financial instruments to gold price movements	Impact on post-tax profit		Impact on other components of equity	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Financial assets				
Derivative financial instruments - commodity hedging contracts				
Increase 20.0% (2014: 20.0%)	(432)	(4,280)	(6,158)	-
Decrease 20.0% (2014: 20.0%)	959	1,581	4,366	-
Net sensitivity to gold price movements	527	(2,699)	(1,792)	-

The following table summarises the sensitivity of financial instruments held at 30 June 2015 to movements in the zinc price, with all other variables held constant. Trade receivables valuation uses a sensitivity analysis of 1.5% (2014: 1.5%) which is based upon the three month forward commodity rate as there is a generally a four month lag time between delivery and final zinc price received.

Sensitivity of financial instruments to zinc price movements	Impact on post-tax profit	
	2015 \$'000	2014 \$'000
Financial assets		
Trade receivables		
Increase 1.5% (2014: 0%)	108	-
Decrease 1.5% (2014: 0%)	(108)	-
Net sensitivity to zinc price movements	-	-

(iii) Equity price risk sensitivity analysis

The following sensitivity analysis has been determined based on the exposure to equity price risks at the reporting date. Each equity instrument is assessed on its individual price movements with the sensitivity rate based on a reasonably possible change of 45% (2014: 45%). At reporting date, if the equity prices had been higher or lower, net profit for the year would have increased or decreased by \$4,890,000 (2014: \$254,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

4 Financial risk management (continued)

(a) Risk exposures and responses (continued)

(iv) Cash flow and fair value interest rate risk

The Group's exposure to interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates. At the reporting date, the Group had the following exposure to interest rate risk on financial instruments:

	30 June 2015		30 June 2014	
	Weighted average interest rate %	Balance \$'000	Weighted average interest rate %	Balance \$'000
Financial assets				
Cash and cash equivalents	1.6%	121,296	1.3%	56,972
	1.6%	121,296	1.3%	56,972
Financial liabilities				
Bank loans	-	-	4.9%	25,000
	-	-	4.9%	25,000
Net exposure		121,296		31,972

The sensitivity analysis below has been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

Sensitivity of interest revenue and expense to interest rate movements	Impact on post-tax profit	
	2015 \$'000	2014 \$'000
Revenue		
Interest revenue		
Increase 1.0% (2014: 1.0%)	293	243
Decrease 1.0% (2014: 1.0%)	(293)	(243)
	-	-
Expense		
Interest expense		
Increase 0% (2014: 1.0%)	-	(175)
Decrease 0% (2014: 1.0%)	-	175
	-	-

The interest rate on the outstanding lease liabilities is fixed for the term of the lease, therefore there is no exposure to movements in interest rates.

(b) Credit risk

Nickel ore sales

The Group has a concentration of credit risk in that it depends on BHP Billiton Nickel West Pty Ltd for a significant volume of revenue. During the year ended 30 June 2015 all nickel sales revenue was sourced from this company. The risk is mitigated in that the agreement relating to sales revenue contains provision for the Group to seek alternative revenue providers in the event that BHP Billiton Nickel West Pty Ltd is unable to accept supply of the Group's product due to a force majeure event. The risk is further mitigated by the receipt of 70% of the value of any months' sale within a month of that sale occurring.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

4 Financial risk management (continued)

(b) Credit risk (continued)

Copper and zinc concentrate sales

Credit risk arising from sales to customers is managed by contracts that stipulate a provisional payment of at least 90% of the estimated value of each sale. This is generally paid promptly after vessel loading. Title to the concentrate does not pass to the buyer until this provisional payment is received by the Group.

Due to the large size of concentrate shipments, there are a relatively small number of transactions each month and therefore each transaction and receivable balance is actively managed on an ongoing basis, with attention to timing of customer payments and imposed credit limits. The resulting exposure to bad debts is not considered significant.

Gold bullion sales

Credit risk arising from the sale of gold bullion to the Company's customer is low as the payment by the customer (being The Perth Mint Australia) is guaranteed under statute by the Western Australian State Government.

The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history.

Other

In respect of financial assets and derivative financial instruments, the Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. Exposure at the reporting date is addressed below. The Group does not hold any credit derivatives to offset its credit exposure.

Derivative counterparties and cash transactions are restricted to high credit quality financial institutions.

The maximum exposure to credit risk at the reporting date was as follows:

	2015 \$'000	2014 \$'000
Financial assets		
Cash and cash equivalents	121,296	56,972
Trade and other receivables	13,481	24,828
Other receivables	5,384	2,456
Financial assets	15,574	858
Derivative financial instruments	4,981	3,177
	160,716	88,291

On analysis of trade and other receivables, none are past due or impaired for either 30 June 2015 or 30 June 2014.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial liabilities as they fall due. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Management and the Board monitors liquidity levels on an ongoing basis.

Maturities of financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables are based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

4 Financial risk management (continued)

(c) Liquidity risk (continued)

Contractual maturities of financial liabilities	Less than	6 - 12	Between	Total	Carrying amount
	6 months	months	1 and 5	contractual	
	\$'000	\$'000	years	cash	\$'000
			\$'000	flows	\$'000
At 30 June 2015					
Trade and other payables	40,476	-	-	40,476	40,476
Finance lease liabilities	458	64	-	522	510
	40,934	64	-	40,998	40,986
At 30 June 2014					
Trade and other payables	42,982	-	-	42,982	42,982
Finance lease liabilities	2,300	1,371	522	4,193	4,018
Bank loans	-	-	25,000	25,000	24,344
	45,282	1,371	25,522	72,175	71,344

The following table details the Group's liquidity analysis for its derivative financial instruments. The table is based on the undiscounted net cash inflows/(outflows) on the derivative instrument that settles on a net basis. When the net amount payable is not fixed, the amount disclosed has been determined by reference to the projected forward curves existing at the reporting date.

	Less than	6 - 12	Between	Total	Carrying amount
	6 months	months	1 and 5	contractual	
	\$'000	\$'000	years	cash	\$'000
			\$'000	flows	\$'000
At 30 June 2015					
Commodity hedging contracts	100	662	717	1,479	1,479
Foreign currency hedging contracts	1,622	-	-	1,622	1,622
	1,722	662	717	3,101	3,101
At 30 June 2014					
Commodity hedging contracts	3,013	3,368	-	6,381	6,381
	3,013	3,368	-	6,381	6,381

(d) Recognised fair value measurements

(i) Fair value hierarchy

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the Group's assets and liabilities measured and recognised at fair value at 30 June 2015 and 30 June 2014 on a recurring basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

4 Financial risk management (continued)

(d) Recognised fair value measurements (continued)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
At 30 June 2015				
Financial assets				
Listed and unlisted investments	15,524	-	50	15,574
Derivative instruments				
Commodity hedging contracts	-	4,981	-	4,981
	15,524	4,981	50	20,555
Financial liabilities				
Derivative instruments				
Commodity hedging contracts	-	1,479	-	1,479
Foreign currency hedging contracts	-	1,622	-	1,622
	-	3,101	-	3,101
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
At 30 June 2014				
Financial assets				
Listed and unlisted investments	808	-	50	858
Derivative instruments				
Foreign currency hedging contracts	-	1,400	-	1,400
Commodity hedging contracts	-	1,777	-	1,777
	808	3,177	50	4,035
Financial liabilities				
Derivative instruments				
Commodity hedging contracts	-	6,381	-	6,381
	-	6,381	-	6,381

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 30 June 2015 and did not transfer any fair value amounts between the fair value hierarchy levels during the year ended 30 June 2015.

(ii) Valuation techniques used to determine level 1 fair values

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

(iii) Valuation techniques used to determine level 2 and level 3 fair values

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of commodity and forward foreign exchange contracts is determined using forward commodity and exchange rates at the reporting date.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities which are included in level 3.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

4 Financial risk management (continued)

(d) Recognised fair value measurements (continued)

(iv) Fair value of other financial instruments

The Group also has a number of financial instruments which are not measured at fair value in the balance sheet. These instruments had the following fair value at the reporting date.

	Carrying amount \$'000	Fair value \$'000
At 30 June 2015		
Current assets		
Cash and cash equivalents	121,296	121,296
	121,296	121,296
Current liabilities		
Lease liabilities	510	522
	510	522
At 30 June 2014		
Current assets		
Cash and cash equivalents	56,972	56,972
	56,972	56,972
Current liabilities		
Lease liabilities	3,508	3,671
	3,508	3,671
Non-current liabilities		
Bank loans	24,344	25,000
Lease liabilities	510	522
	24,854	25,522

5 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Trade receivables

The Group estimates the value of trade receivables in accordance with the accounting policy disclosed in note 2(j).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

5 Critical accounting estimates and judgements (continued)

Critical accounting estimates and assumptions (continued)

(ii) Reserve estimates

Estimates of recoverable quantities of proven and probable reserves include assumptions regarding commodity prices, exchange rates, discount rates, production and transportation costs for future cash flows. It also requires interpretation of complex and difficult geological and geophysical models in order to make an assessment of the size, shape, depth and quality of reserves and their anticipated recoveries. The economic, geological and technical factors used to estimate reserves may change from period to period. Changes in reported reserves can impact asset carrying values, the provision for restoration and the recognition of deferred tax assets, due to changes in expected future cash flows. Reserves are integral to the amount of depreciation, depletion and amortisation charged to the profit or loss and the calculation of inventory. The Group prepares reserve estimates in accordance with the JORC Code 2012, guidelines prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

(iii) Rehabilitation and restoration provisions

The provision for rehabilitation and restoration costs is based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the reporting date. Significant estimates and assumptions are made in determining the provision for mine rehabilitation as there are numerous factors that will affect the ultimate liability payable. These factors include estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates and changes in discount rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

(iv) Share-based payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined with the assistance of a valuation software using a trinomial tree method. The related assumptions are detailed in note 31. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

6 Segment information

(a) Identification of reportable segments

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions. The Group operates in predominantly only one geographic segment (ie. Australia) and has identified four operating segments, being the Tropicana Gold Project, the Long Nickel Operation which is disclosed under the nickel mining segment, the Jaguar Operation which is disclosed under the copper and zinc mining segment, and other regional exploration, scoping studies and feasibility which are disclosed under feasibility and regional exploration activities.

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

The Long Nickel Operation produces primarily nickel, together with copper, from which its revenue is derived. Revenue derived by the Long Nickel Operation is received from one customer, being BHP Billiton Nickel West Pty Ltd. The Registered Manager of the Long Nickel Operation is responsible for the budgets and expenditure of the operation, which includes exploration activities on the mine's tenure. The Long Nickel Operation and exploration properties are owned by the Group's wholly owned subsidiary Independence Long Pty Ltd.

The Jaguar Operation primarily produces copper and zinc concentrate. Revenue is derived from a number of different customers. The Registered Manager of the Jaguar Operation is responsible for the budgets and expenditure of the operation, responsibility for ore concentrate sales rests with the General Manager, Operations. The Jaguar Operation and exploration properties are owned by the Group's wholly owned subsidiary Independence Jaguar Limited.

The Group's General Manager, New Business is responsible for budgets and expenditure relating to the Group's regional exploration, scoping studies, feasibility studies and new business development. The feasibility and regional exploration division does not normally derive any income. Should a project generated by the feasibility and regional exploration division commence generating income or lead to the construction or acquisition of a mining operation, that operation would then be disaggregated from feasibility and regional exploration and become reportable as a separate segment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

6 Segment information (continued)

(b) Segment results

Year ended 30 June 2015	Tropicana gold project \$'000	Nickel mining \$'000	Copper and zinc mining \$'000	Feasibility and regional exploration activities \$'000	Total \$'000
Total segment revenue	218,966	110,834	163,675	-	493,475
Other revenue	-	589	341	28	958
Revenue from external customers	218,966	111,423	164,016	28	494,433
Segment net operating profit (loss) before income tax	76,117	32,180	47,665	(27,603)	128,359
Total segment assets	645,071	92,546	134,569	112,424	984,610
Total segment liabilities	31,748	36,180	24,374	33,914	126,216
Acquisition of property, plant and equipment	1,652	4,622	8,256	5	14,535
Impairment loss before tax	-	1,229	-	2,232	3,461
Depreciation and amortisation	55,931	21,949	19,671	97	97,648
Other non-cash expenses	319	32	239	-	590

Year ended 30 June 2014 (Restated)	Tropicana gold project \$'000	Nickel mining \$'000	Copper and zinc mining \$'000	Feasibility and regional exploration activities \$'000	Total \$'000
Total segment revenue	137,918	118,648	140,963	-	397,529
Other revenue	-	211	832	55	1,098
Revenue from external customers	137,918	118,859	141,795	55	398,627
Segment net operating profit (loss) before income tax	48,332	37,233	42,703	(34,864)	93,404
Total segment assets	440,585	111,854	102,828	114,123	769,390
Total segment liabilities	29,705	29,960	30,535	30,879	121,079
Acquisition of property, plant and equipment	1,993	1,076	5,358	-	8,427
Impairment loss before tax	-	2,283	-	3,796	6,079
Depreciation and amortisation	33,886	21,569	9,474	-	64,929
Other non-cash expenses	296	36	233	-	565

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

6 Segment information (continued)

(c) Segment revenue

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

	2015 \$'000	2014 \$'000
Total segment revenue	494,433	398,627
Other revenue from continuing operations	893	432
Total revenue	495,326	399,059

Revenues for the nickel mining segment are all derived from a single customer, being BHP Billiton Nickel West Pty Ltd.

Revenues for the copper and zinc mining segment were derived from various customers during the year.

Revenues for the Tropicana gold project were derived from a single customer, being The Perth Mint Australia.

(d) Segment net profit (loss) before income tax

A reconciliation of reportable segment net profit before income tax to net profit before income tax is as follows:

	2015 \$'000	Restated* 2014 \$'000
Segment net operating profit before income tax	128,359	93,404
Interest revenue on corporate cash balances and other unallocated revenue	893	432
Unrealised losses on financial assets	1,467	(2)
Share-based payments expense	(2,949)	(4,632)
Other corporate costs	(16,424)	(13,960)
Borrowing and finance costs	(1,385)	(4,544)
Total net profit before tax	109,961	70,698

(e) Segment assets

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

	2015 \$'000	Restated* 2014 \$'000
Total assets for reportable segments	984,610	769,390
Intersegment eliminations	(389,508)	(163,896)
Unallocated assets:		
Deferred tax assets	130,517	152,395
Listed equity securities	15,524	808
Cash and receivables held by the parent entity	75,812	19,224
Office and general plant and equipment	3,268	2,886
Total assets as per the balance sheet	820,223	780,807

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

6 Segment information (continued)

(f) Segment liabilities

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

	2015 \$'000	Restated* 2014 \$'000
Total liabilities for reportable segments	126,216	121,079
Intersegment eliminations	(55,005)	(44,489)
Unallocated liabilities:		
Deferred tax liabilities	73,980	61,602
Creditors and accruals	8,225	7,598
Provision for employee entitlements	1,312	1,168
Bank loans	-	24,344
Total liabilities as per the balance sheet	154,728	171,302

7 Revenue

	2015 \$'000	2014 \$'000
Sales revenue		
Sale of goods	493,475	397,529
	493,475	397,529
Other revenue		
Interest revenue	1,396	566
Other revenue	455	964
	1,851	1,530
Total revenue	495,326	399,059

8 Other income

	2015 \$'000	2014 \$'000
Net gain on disposal of property, plant and equipment	211	-
Net foreign exchange gains	2,892	-
Net gain on disposal of tenements	165	-
	3,268	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

9 Expenses and losses

	2015 \$'000	Restated* 2014 \$'000
Cost of sale of goods	239,745	199,138
Employee benefits expenses	63,841	61,196
Share-based payments expense	2,949	4,632
Exploration costs expensed	25,263	31,129
Rental expense relating to operating leases	1,273	1,291
Rehabilitation and restoration borrowing costs	590	565
Impairment of exploration and evaluation expenditure	3,461	6,079
Net loss of sale of property, plant and equipment and other investments	-	60
Amortisation	81,911	50,937
<i>Depreciation</i>		
Depreciation expense	16,640	15,369
Less : amounts capitalised	-	(368)
Depreciation expensed	16,640	15,001
<i>Borrowing and finance costs</i>		
Borrowing and finance costs - other entities	857	3,919
Amortisation of borrowing costs	709	1,763
Less: amounts capitalised	-	(544)
Finance costs expensed	1,566	5,138

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

10 Income tax expense

(a) Income tax expense

	2015 \$'000	Restated* 2014 \$'000
The major components of income tax expense are:		
Deferred income tax	33,182	22,119
Income tax expense	33,182	22,119

Deferred income tax revenue (expense) included in income tax expense comprises:

Decrease (increase) in deferred tax assets	22,068	(897)
Increase in deferred tax liabilities	11,114	23,016
Income tax expense	33,182	22,119

(b) Amounts recognised directly in equity

	2015 \$'000	2014 \$'000
Deferred income tax revenue (expense) related to items charged or credited to other comprehensive income:		
Recognition of hedge contracts	1,074	(1,900)
Income tax expense reported in equity	1,074	(1,900)

(c) Numerical reconciliation of income tax expense to prima facie tax payable

	2015 \$'000	Restated* 2014 \$'000
Profit from continuing operations before income tax expense	109,961	70,698
Tax at the Australian tax rate of 30% (2014: 30%)	32,988	21,209
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share-based payments	(318)	1,074
Other non-deductible items	296	110
Capital losses not brought to account	-	357
Previously unrecognised capital losses brought to account	(52)	-
Difference in overseas tax rates	42	-
Overseas tax losses not brought to account	116	-
Adjustments for current tax of prior periods	110	(631)
Income tax expense	33,182	22,119

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

10 Income tax expense (continued)

(d) Deferred tax assets and liabilities

	Balance Sheet		Profit or loss		Equity	
	2015 \$'000	Restated* 2014 \$'000	2015 \$'000	Restated* 2014 \$'000	2015 \$'000	Restated* 2014 \$'000
Deferred tax liabilities						
Capitalised exploration, pre-production and acquisition costs	(24,914)	(30,935)	(6,021)	(568)	-	-
Capitalised development expenditure	(44,443)	(25,592)	18,851	21,595	-	-
Deferred gains and losses on hedging contracts	(1,467)	(900)	(697)	885	1,264	(2,663)
Trade debtors	(1,377)	(2,885)	(1,508)	1,388	-	-
Consumable inventories	(1,748)	(1,259)	489	97	-	-
Other	(31)	(31)	-	(381)	-	-
Gross deferred tax liabilities	(73,980)	(61,602)	11,114	23,016	1,264	(2,663)
Deferred tax assets						
Property, plant and equipment	20,640	24,019	3,379	2,649	-	-
Deferred losses on hedged commodity contracts	904	1,862	1,148	(741)	(190)	763
Capitalised development expenditure	-	-	-	2,312	-	-
Concentrate inventories	398	32	(366)	534	-	-
Business-related capital allowances	908	1,402	494	1,196	-	-
Provision for employee entitlements	2,700	2,387	(313)	(470)	-	-
Provision for rehabilitation	8,298	7,205	(1,093)	(997)	-	-
Mining information	1,392	2,680	1,288	8,696	-	-
Carry forward tax losses	92,958	110,299	17,341	(13,042)	-	-
Other	2,319	2,509	190	(1,034)	-	-
Gross deferred tax assets	130,517	152,395	22,068	(897)	(190)	763
Deferred tax expense (income)	56,537	90,793	33,182	22,119	1,074	(1,900)

(e) Tax losses

In addition to the above recognised tax losses, the Group also has the following capital tax losses for which no deferred tax asset has been recognised:

	2015 \$'000	2014 \$'000
Unrecognised capital tax losses	2,403	2,576
Potential tax benefit @ 30% (2014: 30%)	721	773

(f) Tax consolidation

Members of the tax consolidated group and the tax sharing arrangement

Independence Group NL and its wholly owned subsidiaries formed a tax consolidated group with effect from 1 July 2002. Independence Group NL is the head entity of the tax consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the "separate tax payer within group" approach. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax consolidated group are recognised by the Company, as head entity in the tax consolidated group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

10 Income tax expense (continued)

(f) Tax consolidation (continued)

Due to the existence of a tax funding arrangement between entities in the tax consolidated group, amounts are recognised as payable to or receivable by the Company and each member of the Group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax consolidated group in accordance with the arrangement.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

11 Dividends paid and proposed

(a) Ordinary shares

	2015 \$'000	2014 \$'000
Final ordinary dividend for the year ended 30 June 2014 of 5 cents (2013: 1 cent) per fully paid share	11,713	2,333
Interim dividend for the year ended 30 June 2015 of 6 cents (2014: 3 cents) per fully paid share	14,055	7,000
Total dividends paid during the financial year	25,768	9,333

(b) Dividends not recognised at the end of the reporting period

	2015 \$'000	2014 \$'000
In addition to the above dividends, since year end the Directors have established a final dividend pool of \$13,000,000 (2014: 5 cents per fully paid ordinary share), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend pool expected to be paid out of retained earnings at 30 June 2015, but not recognised as a liability at year end, is	13,000	11,713

(c) Franked dividends

The franked portions of the final dividends recommended after 30 June 2015 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ended 30 June 2016.

	2015 \$'000	2014 \$'000
Franking credits available for subsequent reporting periods based on a tax rate of 30% (2014: 30%)	47,845	58,888

The above amounts are calculated from the balance of the franking account as at the end of the reporting period, adjusted for:

- (a) franking credits that will arise from the payment of the amount of the provision for income tax;
- (b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- (c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

The impact on the franking account of the dividend pool established by the Company since the end of the reporting period, but not recognised as a liability at the reporting date, will be a reduction in the franking account of up to \$5,571,000 (2014: \$5,020,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

12 Earnings per share

(a) Earnings used in calculating earnings per share

Profit used in calculating basic and diluted earnings per share attributable to ordinary equity holders of the parent is \$76,779,000 (2014: \$48,579,000).

(b) Weighted average number of shares used as the denominator

	2015 Number	2014 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	234,248,549	233,318,721
Adjustments for calculation of diluted earnings per share:		
Share rights	2,183,588	1,991,871
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share	236,432,137	235,310,592

(c) Information concerning the classification of securities

Share rights

Share rights granted to executives and employees under the Company's Employee Performance Rights Plan are included in the calculation of diluted earnings per share. The rights are not included in the determination of basic earnings per share. Further information about the share rights is provided in note 31.

13 Current assets - Cash and cash equivalents

	2015 \$'000	2014 \$'000
Cash at bank and in hand	121,247	32,021
Deposits at call	49	24,951
	121,296	56,972

The Group has cash balances of \$2,226,000 (2014: \$1,268,000) not generally available for use as the balances are held by the Tropicana Joint Venture and may only be used in relation to joint venture expenditure.

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 4.

14 Current assets - Trade and other receivables

	2015 \$'000	2014 \$'000
Trade receivables	13,481	24,828
GST Receivable	1,924	1,112
Sundry debtors	3,442	1,314
Prepayments	3,239	2,816
	22,086	30,070

No balances within trade and other receivables contain impaired assets nor are past due. It is expected that these balances will be received when due.

Information about the Group's exposure to credit risk, foreign exchange and commodity price risk in relation to trade receivables is provided in note 4.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

15 Inventories

	2015 \$'000	Restated* 2014 \$'000
Current		
Mine spares and stores - at cost	16,103	14,965
ROM inventory - at cost	9,670	3,834
Concentrate inventory - at cost	4,726	4,441
Concentrate inventory - at net realisable value	5,696	11,661
Work in progress - gold in process	881	499
Gold in circuit	798	1,510
Gold dore	2,424	3,473
	40,298	40,383
Non-current		
ROM inventory - at cost	24,979	8,803
	24,979	8,803

Inventory classified as non-current relates to 0.6 to 1.2 g/t grade gold ore stockpiles which are not intended to be utilised in the next 12 months but will be utilised over the life of the mine.

16 Current assets - Financial assets at fair value through profit or loss

	2015 \$'000	2014 \$'000
Shares in Australian listed and unlisted companies - at fair value through profit or loss	15,574	858
	15,574	858

The shares in Australian listed companies are valued at fair value through profit or loss and are all held for trading. Changes in the fair values of these financial assets are recognised in the profit or loss and are valued using market prices at year end.

The Group's exposure to price risk and a sensitivity analysis for financial assets are disclosed in note 4.

During the current year, the changes in fair values of financial assets resulted in a gain to the profit or loss of \$1,467,000 (2014: \$2,000 loss). Changes in fair values of financial assets at fair value through profit or loss are recorded in fair value of financial investments in the profit or loss.

17 Non-current assets - Receivables

	2015 \$'000	2014 \$'000
Prepayments	-	27
Term and other deposits	18	30
	18	57

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

18 Non-current assets - Property, plant and equipment

	2015 \$'000	2014 \$'000
Buildings		
Buildings - at cost	36,176	35,994
Accumulated depreciation and impairment	(16,135)	(12,570)
	20,041	23,424
Mining plant under construction		
Mining plant under construction - at cost	3,431	407
	3,431	407
Mining plant and equipment		
Mining plant and equipment - at cost	124,050	92,223
Accumulated depreciation	(104,443)	(79,039)
	19,607	13,184
Motor vehicles		
Motor vehicles - at cost	4,440	18,260
Accumulated depreciation and impairment	(3,221)	(14,386)
	1,219	3,874
Furniture, fittings and other equipment		
Furniture, fitting and other equipment - at cost	8,490	7,396
Accumulated depreciation and impairment	(6,023)	(4,787)
	2,467	2,609
Leased assets		
Leased asset - at cost	3,903	18,746
Accumulated depreciation and impairment	(3,424)	(15,014)
	479	3,732
	47,244	47,230

(i) Reconciliation of the carrying amounts at the beginning and end of the period

Reconciliations of the carrying amount for each class of property, plant and equipment at the beginning and end of the financial year are as follows:

	2015 \$'000	2014 \$'000
Buildings		
Carrying amount at beginning of financial year	23,424	7,791
Additions	112	684
Transfers	70	18,030
Depreciation expense	(3,565)	(3,081)
Net carrying amount at end of financial year	20,041	23,424
Mining plant under construction		
Carrying amount at beginning of financial year	407	2,362
Additions	3,338	279
Transfers	(314)	(2,234)
Net carrying amount at end of financial year	3,431	407

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

18 Non-current assets - Property, plant and equipment (continued)

	2015 \$'000	2014 \$'000
Mining plant and equipment		
Carrying amount at beginning of financial year	13,184	13,443
Additions	11,009	3,865
Transfers	3,628	2,003
Disposals	(60)	(50)
Depreciation expense	(8,154)	(6,077)
Net carrying amount at end of financial year	19,607	13,184
Motor vehicles		
Carrying amount at beginning of financial year	3,874	1,730
Additions	383	3,274
Transfers	(2,536)	(146)
Disposals	(20)	-
Depreciation expense	(482)	(984)
Net carrying amount at end of financial year	1,219	3,874
Furniture, fittings and other equipment		
Carrying amount at beginning of financial year	2,609	3,268
Additions	926	1,113
Transfers	185	(438)
Disposals	-	(59)
Depreciation expense	(1,253)	(1,275)
Net carrying amount at end of financial year	2,467	2,609
Leased assets		
Carrying amount at beginning of financial year	3,732	7,684
Disposals	(67)	-
Depreciation expense	(3,186)	(3,952)
Net carrying amount at end of financial year	479	3,732
Total property, plant and equipment		
Carrying amount at beginning of financial year	47,230	36,278
Additions	15,768	9,215
Transfers from mine properties in development	1,033	17,215
Disposals	(147)	(109)
Depreciation expense	(16,640)	(15,369)
Net carrying amount at end of financial year	47,244	47,230

(ii) Non-current assets pledged as security

Refer to note 26 for information on non-current assets pledged as security by the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

19 Non-current assets - Mine properties

	2015 \$'000	Restated* 2014 \$'000
Mine properties in production	303,300	329,279
	303,300	329,279

Reconciliations of the carrying amounts at the beginning and end of the financial year are as follows:

	2015 \$'000	Restated* 2014 \$'000
Mine properties in development		
Carrying amount at beginning of financial year	-	230,628
Additions	-	28,587
Transfers to property, plant and equipment	-	(17,215)
Transfers to mine properties in production	-	(242,717)
Borrowing costs capitalised	-	544
Depreciation expense capitalised	-	173
Carrying amount at end of financial year	-	-
Mine properties in production		
Carrying amount at beginning of financial year	329,279	89,062
Additions	46,356	47,589
Transfers from exploration and evaluation expenditure	10,609	10,188
Transfers to property, plant and equipment	(1,033)	-
Transfers from mine properties in development	-	242,717
Transfers to inventories	-	(9,519)
Amortisation expense	(81,911)	(50,758)
Carrying amount at end of financial year	303,300	329,279

20 Non-current assets - Exploration and evaluation expenditure

	2015 \$'000	Restated* 2014 \$'000
Exploration and evaluation costs	109,930	111,583
	109,930	111,583

Reconciliations of the carrying amounts at the beginning and end of the financial year are as follows:

	2015 \$'000	Restated* 2014 \$'000
Carrying amount at beginning of financial year	111,583	115,379
Additions	12,417	12,471
Transfers to mine properties in production	(10,609)	(10,188)
Impairment charge	(3,461)	(6,079)
Carrying amount at end of financial year	109,930	111,583

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. Management regularly evaluates the recoverability of exploration and evaluation assets. The Group has impaired the following capitalised exploration and evaluation costs during the reporting period:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

20 Non-current assets - Exploration and evaluation expenditure (continued)

Impairment charge	2015	Restated*
	\$'000	2014
		\$'000
Jaguar regional exploration costs	2,232	774
Karlawinda exploration and feasibility costs	-	3,022
Other regional exploration costs	1,229	2,283
	3,461	6,079

21 Intangible assets

	Database	Total
	\$'000	\$'000
At 1 July 2013		
Cost	1,378	1,378
Accumulation amortisation	(1,199)	(1,199)
Net book amount	179	179
Year ended 30 June 2014		
Opening net book amount	179	179
Amortisation charge	(179)	(179)
	-	-
At 30 June 2014		
Cost	1,378	1,378
Accumulation amortisation	(1,378)	(1,378)
	-	-
At 30 June 2015		
Cost	1,378	1,378
Accumulated amortisation	(1,378)	(1,378)
	-	-

22 Current liabilities - Trade and other payables

	2015	2014
	\$'000	\$'000
Current liabilities		
Trade payables	8,918	7,706
Other payables	31,558	35,276
Employee entitlements	4,615	3,873
	45,091	46,855

The Group's exposure to liquidity risk is disclosed in note 4.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

23 Current liabilities - Provisions

	2015 \$'000	2014 \$'000
Provision for employee entitlements	2,659	2,557
	2,659	2,557

24 Non-current liabilities - Provisions

	2015 \$'000	2014 \$'000
Provision for employee entitlements	1,727	1,527
Provision for rehabilitation costs	27,660	24,018
	29,387	25,545

(a) Movements in provisions

Movements in the provision for rehabilitation costs during the financial year are set out below:

	2015 \$'000	2014 \$'000
Carrying amount at beginning of financial year	24,018	20,694
Additional provision	3,120	2,889
Rehabilitation and restoration borrowing costs expense	590	565
Payments during the period	(68)	(130)
	27,660	24,018

Rehabilitation provision

A provision for restoration is recognised in relation to mining activities for such costs as reclamation, site closure, plant closure and other costs associated with the restoration of the mining sites.

25 Derivative financial instruments

	2015 \$'000	2014 \$'000
Current assets		
Commodity hedging contracts - held for trading	4,981	-
Commodity hedging contracts - cash flow hedges	-	1,119
Foreign currency contracts - held for trading	-	29
Foreign currency contracts - cash flow hedges	-	1,371
	4,981	2,519
Non-current assets		
Commodity hedging contracts - cash flow hedges	-	658
	-	658
Current liabilities		
Commodity hedging contracts - held for trading	-	1,489
Commodity hedging contracts - cash flow hedges	762	4,892
Foreign currency contracts - held for trading	1,622	-
	2,384	6,381
Non-current liabilities		
Commodity hedging contracts - cash flow hedges	717	-
	717	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

25 Derivative financial instruments (continued)

(i) Instruments used by the Group

Derivative financial instruments are used by the Group in the normal course of business in order to hedge exposure to fluctuations in foreign exchange rates and commodity prices.

The derivative financial instruments are classified as held for trading and accounted for at fair value through profit or loss unless they are designated as cash flow hedges. The Group's accounting policy for its cash flow hedges is set out in note 2(l).

The fair value of the derivative instruments at the reporting date is reflected in current and non-current assets and liabilities in the balance sheet and is calculated by comparing the contracted rate to the market rates for derivatives with the same length of maturity.

Refer to note 4 and below for details of the foreign currency and commodity prices risk being mitigated by the Group's derivative instruments as at 30 June 2015 and 30 June 2014.

Nickel

At 30 June 2015, the Group held various nickel commodity contracts denominated in US dollars ("USD"). Foreign exchange contracts are also held which match the terms of the commodity contracts. These contracts are used to reduce the exposure to a future decrease in the Australian dollar ("AUD") market value of nickel sales.

The outstanding nickel contracts held by the Group at 30 June 2015 are as follows:

	Tonnes of metal		Weighted average price (USD/metric tonne)		Fair value	
	2015	2014	2015	2014	2015 \$'000	2014 \$'000
0 - 6 months	750	1,200	16,711	16,816	4,626	(2,838)
6 - 12 months	-	1,200	-	16,401	-	(3,368)
Total	750	2,400	16,711	16,608	4,626	(6,206)

The following table details the forward foreign currency contracts outstanding at the reporting date:

	Notional amounts (USD)		Weighted average AUD:USD exchange rate		Fair value	
	2015 \$'000	2014 \$'000	2015	2014	2015 \$'000	2014 \$'000
Sell USD forward						
0 - 3 months	12,534	10,174	0.8482	0.9368	(1,533)	29
3 - 6 months	-	10,005	-	0.9212	-	140
6 - 12 months	-	19,681	-	0.9036	-	493
Total	12,534	39,860	0.8482	0.9163	(1,533)	662

Copper

At 30 June 2015, the Group held various copper commodity contracts denominated in USD. Foreign exchange contracts are also held which match the terms of the commodity contracts. These contracts are used to reduce the exposure to a future decrease in the AUD market value of copper sales.

The outstanding copper contracts held by the Group at 30 June 2015 are as follows:

	Tonnes of metal		Weighted average price (USD/metric tonne)		Fair value	
	2015	2014	2015	2014	2015 \$'000	2014 \$'000
0 - 3 months	550	1,200	6,261	6,889	355	(175)
3 - 6 months	-	550	-	7,178	-	96
6 - 12 months	-	950	-	7,303	-	313
Total	550	2,700	6,261	7,093	355	234

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

25 Derivative financial instruments (continued)

The following table details the forward foreign currency contracts outstanding at the reporting date:

	Notional amounts (USD)		Weighted average AUD:USD exchange rate		Fair value	
	2015	2014	2015	2014	2015	2014
	\$'000	\$'000			\$'000	\$'000
Sell USD forward						
0 - 3 months	3,444	-	0.7825	-	(89)	-
3 - 6 months	-	3,948	-	0.8783	-	195
6 - 12 months	-	6,938	-	0.8591	-	543
Total	3,444	10,886	0.7825	0.8720	(89)	738

Gold

Gold collar structures (i.e. purchased put and sold call) have been designated as hedges of future gold sales and have been designated as cash flow hedges. These comprise:

	Ounces of metal		Weighted average price (AUD/ounce)		Fair value	
	2015	2014	2015	2014	2015	2014
					\$'000	\$'000
0 - 6 months						
Gold put options purchased	23,500	33,000	1,350	1,300	137	237
Gold call options sold	23,500	33,000	1,744	1,803	(101)	(14)
6 - 12 months						
Gold put options purchased	15,000	29,000	1,330	1,316	314	803
Gold call options sold	15,000	29,000	1,560	1,719	(1,112)	(316)
12 - 18 months						
Gold put options purchased	12,500	23,500	1,330	1,350	460	1,175
Gold call options sold	12,500	23,500	1,593	1,744	(1,177)	(517)
Total/weighted average strike price						
Gold put options purchased	51,000	85,500	1,339	1,319	911	2,215
Gold call options sold	51,000	85,500	1,653	1,758	(2,390)	(847)

The fair value of the gold collars outstanding at the reporting date is comprised exclusively of the extrinsic value (time value) of the options.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

26 Borrowings

	2015 \$'000	2014 \$'000
Current Secured		
Lease liabilities	510	3,508
Total secured current borrowings	510	3,508
Non-current Secured		
Bank loans	-	24,344
Lease liabilities	-	510
Total secured non-current borrowings	-	24,854

(a) Corporate loan facility

On 1 March 2013, the Company entered into a Corporate Loan Facility (Facility) with National Australia Bank. The Facility comprised a corporate debt facility of \$130,000,000 (of which \$110,000,000 was cancelled during the year, leaving an available facility of \$20,000,000), an asset finance facility of \$20,000,000 and a contingent instrument facility of \$20,000,000.

Total capitalised transaction costs to 30 June 2015 are \$nil (2014: \$2,377,000). Transaction costs are accounted for under the effective interest rate method. These costs are incremental costs that are directly attributable to the loan and include loan origination fees, commitment fees and legal fees. There are no unamortised transaction costs at 30 June 2015. At 30 June 2014, a balance of unamortised transaction costs of \$656,000 was offset against the bank loans contractual liability of \$25,000,000.

No borrowing costs were capitalised in the current year. In the prior year, borrowing costs of \$544,000 related to a qualifying asset (Tropicana Gold Project) and were capitalised in accordance with AASB 123 *Borrowing Costs*. Refer to note 19.

The Facility has certain financial covenants that the Company has to comply with. All such financial covenants have been complied with in accordance with the Facility.

In addition to the above Facility, the Group had an additional asset finance facility with Australia and New Zealand Banking Group Limited in the prior year of \$420,000. This facility expired during the year and all outstanding lease contracts were repaid in full.

Refer to note 33 for details of a new financing facility entered into by the Company in July 2015.

(b) Interest rate, foreign exchange and liquidity risk

Details regarding interest rate, foreign exchange and liquidity risk are disclosed in note 4.

(c) Assets pledged as security

There are no assets pledged as security for non-current borrowings at 30 June 2015. The carrying amount of assets pledged as security for non-current borrowings at 30 June 2014 was \$25,000,000. The security is provided under a General Security Agreement and is on arm's length commercial terms with the financier.

Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

In addition to the above, \$1,315,000 (2014: \$15,950,000) is pledged as security in relation to the contingent instrument facility.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

26 Borrowings (continued)

(d) Financing arrangements

The Group had access to the following financing arrangements at the reporting date:

	2015 \$'000	2014 \$'000
Total facilities		
Corporate debt facility	20,000	130,000
Asset finance facility ¹	20,000	20,420
Contingent instrument facility	20,000	20,000
	60,000	170,420
Facilities used as at reporting date		
Corporate debt facility	-	25,000
Asset finance facility	510	3,826
Contingent instrument facility	1,315	15,950
	1,825	44,776
Facilities unused as at reporting date		
Corporate debt facility	20,000	105,000
Asset finance facility	19,490	16,594
Contingent instrument facility	18,685	4,050
	58,175	125,644

1. This facility provides financial backing in relation to non-performance of third party guarantee requirements.

27 Equity

(a) Contributed equity

	2015 \$'000	2014 \$'000
Fully paid issued capital	737,324	735,060

(i) Movements in ordinary share capital

Details	2015 Number of shares	2015 \$'000	2014 Number of shares	2014 \$'000
Balance at beginning of financial year	233,323,905	735,060	232,882,535	734,007
Issue of share under the Employee Performance Rights Plan	932,668	2,264	441,370	1,053
Balance at end of financial year	234,256,573	737,324	233,323,905	735,060

(ii) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. Every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

27 Equity (continued)

(a) Contributed equity (continued)

(iii) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The capital structure of the Group consists of debt, which includes the borrowings, cash and cash equivalents and equity, comprising issued capital, reserves and retained earnings.

Operating cash flows are used to maintain and expand the Group's operating and exploration assets, as well as to make dividend payments. The Board and management assess various financial ratios to determine the Group's debt levels and capital structure prior to making any major investment or expansion decisions.

None of the Group's entities are currently subject to externally imposed capital requirements.

There were no changes in the Group's approach to capital management during the year.

28 Reserves and retained earnings

(a) Reserves

	2015 \$'000	2014 \$'000
Hedging reserve	-	(2,038)
Share-based payments reserve	13,057	12,372
Foreign currency translation	(8)	-
Acquisition reserve	3,142	3,142
	16,191	13,476

The movements in each of the reserves is as follows:

	2015 \$'000	2014 \$'000
<i>Hedging reserve</i>		
Balance at beginning of financial year	(2,038)	2,397
Revaluation - gross	4,349	(7,894)
Deferred tax	(1,305)	2,368
Transfer to net profit - gross	(1,237)	1,559
Deferred tax	231	(468)
Balance at end of financial year	-	(2,038)
<i>Share-based payments reserve</i>		
Balance at beginning of financial year	12,372	8,793
Share-based payments expense	2,949	4,632
Issue of shares under the Employee Performance Rights Plan	(2,264)	(1,053)
Balance at end of financial year	13,057	12,372
<i>Foreign currency translation reserve</i>		
Balance at beginning of financial year	-	-
Currency translation differences arising during the year	(8)	-
Balance at end of financial year	(8)	-
<i>Acquisition reserve</i>		
Balance at beginning of financial year	3,142	3,142
Balance at end of financial year	3,142	3,142

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

28 Reserves and retained earnings (continued)

(b) Nature and purpose of reserves

Hedging reserve

The hedging reserve is used to record gains or losses on derivatives that are designated and qualify as cash flow hedges and that are recognised in other comprehensive income, as described in note 2(l). Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

As at the reporting date, cash flow hedges comprise only gold collar structures as set out in note 25(i). The fair value of the gold collars outstanding at the reporting date is comprised exclusively of the extrinsic value (time value) of the options and hence no amount of gains or losses are recorded in the hedging reserve at 30 June 2015.

Share-based payments reserve

The share-based payments reserve is used to record the value of share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to note 31 for further details of these plans.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 2(d) and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed of.

Acquisition reserve

The acquisition reserve is used to record differences between the carrying value of non-controlling interests and the fair value of the shares issued, where there has been a transaction involving non-controlling interests that do not result in a loss of control. The reserve is attributable to the equity of the parent.

(c) Accumulated losses

	Notes	2015 \$'000	Restated* 2014 \$'000
Balance at beginning of financial year		(139,031)	(178,277)
Net profit for the period		76,779	48,579
Dividends paid during the year	11	(25,768)	(9,333)
Balance at end of financial year		(88,020)	(139,031)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

29 Cash flow statement reconciliation

(a) Reconciliation of profit after income tax to net cash inflow from operating activities

	2015 \$'000	Restated* 2014 \$'000
Profit for the year	76,779	48,579
Depreciation and amortisation	98,551	65,938
Impairment of exploration and evaluation expenditure	3,461	6,079
Net (gain) loss on sale of non-current assets	(376)	60
Fair value of movement of financial investments	(1,467)	2
Non-cash employee benefits expense - share-based payments	2,949	4,632
Dividend and interest income	-	(5)
Fair value adjustment to derivatives	(1,971)	3,886
Amortisation of borrowing expenses	709	1,280
Amortisation of lease incentive	(55)	(55)
Foreign exchange gains (losses) on cash balances	(2,904)	1,218
Change in operating assets and liabilities:		
(Increase) decrease in trade receivables	11,348	(11,989)
(Increase) in inventories	(16,091)	(26,426)
(Increase) decrease in deferred tax assets	21,878	(134)
(Increase) decrease in other operating receivables and prepayments	(686)	2,602
(Decrease) increase in trade and other payables	(2,539)	9,657
(Decrease) increase in deferred tax liabilities	11,304	22,253
(Decrease) increase in other provisions	823	1,043
Net cash inflow from operating activities	201,713	128,620

(b) Non-cash investing and financing activities

There were no non-cash investing and financing activities during the current or previous year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

30 Related party transactions

(a) Subsidiaries

Significant investments in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following principal subsidiaries in accordance with the accounting policy described in note 2(b):

Name of entity	Country of incorporation	Class of shares	Equity holding *	
			2015 %	2014 %
Independence Long Pty Ltd*	Australia	Ordinary	100	100
Independence Newsearch Pty Ltd	Australia	Ordinary	100	100
Independence Karlawinda Pty Ltd	Australia	Ordinary	100	100
Independence Jaguar Limited*	Australia	Ordinary	100	100
Independence ESP Pty Ltd	Australia	Ordinary	100	100
Independence Jaguar Exploration Parent Pty Ltd	Australia	Ordinary	100	100
Independence Jaguar Exploration Pty Ltd	Australia	Ordinary	100	100
Independence Stockman Parent Pty Ltd	Australia	Ordinary	100	100
Independence Stockman Project Pty Ltd	Australia	Ordinary	100	100
Independence Jaguar Project Parent Pty Ltd	Australia	Ordinary	100	100
Independence Jaguar Project Pty Ltd	Australia	Ordinary	100	100
Independence CM Pty Ltd	Australia	Ordinary	100	100
Independence BBS Pty Ltd	Australia	Ordinary	100	100
Independence Projects Pty Ltd	Australia	Ordinary	100	100
Independence Europe Pty Ltd	Australia	Ordinary	100	100

* These subsidiaries have been granted relief from the necessity to prepare financial reports in accordance with Class Order 98/1418 issued by the Australian Securities and Investments Commission. For further information refer to note 36.

(b) Transactions with other related parties

During the financial year, a wholly-owned entity paid dividends of \$48,000,000 (2014: \$20,000,000) to Independence Group NL. This amount has been eliminated on consolidation for the purposes of calculating the profit of the Group for the financial year.

Loans were made between Independence Group NL and certain entities in the wholly-owned group. The loans receivable from controlled entities are interest-free and repayable on demand.

(c) Key management personnel

Compensation of key management personnel

	2015 \$	2014 \$
Short-term employee benefits	3,212,925	3,355,060
Post-employment benefits	242,994	255,110
Long-term benefits	40,301	70,903
Share-based payments	607,413	803,265
	4,103,633	4,484,338

Detailed remuneration disclosures are provided in the remuneration report on pages 14 to 23.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

31 Share-based payments

(a) Employee Performance Rights Plan

The Independence Group NL Employee Performance Rights Plan ("PRP") was approved by shareholders at the Annual General Meeting of the Company in November 2011. Under the PRP, participants are granted share rights which will only vest if certain performance conditions are met and the employees are still employed by the Group at the end of the vesting period. Participation in the PRP is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

	2015	Weighted average fair value	2014	Weighted average fair value
	Number of share rights		Number of share rights	
Outstanding at the beginning of the year	3,255,175	2.99	3,239,280	2.66
Rights issued during the year	509,480	2.65	1,821,215	3.29
Rights vested during the year	(932,668)	3.00	(441,370)	3.93
Rights lapsed during the year	(518,230)	3.23	(1,231,204)	3.62
Rights cancelled during the year	-	-	(132,746)	2.04
Outstanding at the end of the year	2,313,757	2.85	3,255,175	2.99

Fair value of share rights granted

The fair value of the share rights granted under the PRP is estimated at the grant date using a trinomial tree which has been adopted by the Boyle and Law (1994) node alignment algorithm to improve accuracy.

The following table lists the inputs to the models used.

Grant date	Performance hurdle	Dividend yield	Expected stock volatility	Expected peer group/index volatility*	Risk free rate	Effective life	Weighted average share price at grant date	Probability ROE exceeding target
		%	%	%	%	Years	\$	%
09/01/2015	TSR	2.17	42	63	2.15	2.5	4.60	-
21/11/2014	TSR	2.40	44	62	2.56	2.6	4.16	-
28/02/2014	TSR	1.45	48	22	2.70	0.3	4.13	-
28/02/2014	TSR	1.45	43	24	2.95	2.3	4.13	-
28/02/2014	ROE	-	-	-	-	-	-	<50
21/11/2012	TSR	0.47	41	24	2.64	2.6	4.29	-
21/11/2012	ROE	-	-	-	-	-	-	<50
28/02/2013	TSR	0.45	40	22	2.67	0.3	4.47	-
28/02/2013	TSR	0.45	40	23	2.72	2.3	4.47	-
28/02/2013	ROE	-	-	-	-	-	-	<50
23/11/2011	TSR	1.07	54	30	3.09	2.6	4.69	-
23/11/2011	ROE	-	-	-	-	-	-	<50
13/03/2012	TSR	0.72	46	29	3.56	0.3	4.17	-
13/03/2012	TSR	0.72	46	29	3.56	2.3	4.17	-
13/03/2012	ROE	-	-	-	-	-	-	<50

1. The peer group volatility is calculated as the average volatility of the 22 peer group companies.

The share-based payments expense included in profit or loss for the year totalled \$2,949,000 (2014: \$4,632,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

31 Share-based payments (continued)

Employee share scheme

Share rights granted after 1 July 2014

Vesting of the performance rights granted to executive directors and executives after 1 July 2014 is based on a total shareholder return ("TSR") scorecard. The TSR scorecard for the three year measurement period 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 peer group over the same three year measurement period.

The peer group is to comprise the constituents of the S&P ASX 300 Metals and Mining Index who are engaged in gold and/or based metals mining in Australia and have the closest market capitalisation to the Company.

The vesting schedule of the performance rights subject to relative TSR testing is as follows:

Relative TSR performance	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%

The Company's TSR performance for share rights issued during the current financial year will be assessed against the following 22 peer group companies:

Peer companies	
* Aditya Birla Minerals Ltd	* Oz Minerals Ltd
* Alacer Gold Corp.	* PanAust Ltd
* Beadell Resources Ltd	* Panoramic Resources Ltd
* Cudoco 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

Share rights granted prior to 30 June 2014

Vesting of the performance rights granted to executive directors and other executives of the Company prior to 30 June 2014 is subject to a combination of the Company's shareholder return and return on equity. The performance rights will vest if over the three year measurement period the following performance hurdles are achieved:

Shareholder return

The vesting of 75% of the performance rights at the end of the third year will be based on measuring the actual shareholder return over the three year period compared with the change in the S&P ASX 300 Metals and Mining Index ("Index") over that same period: The portion of performance rights (75% of the total) that will vest based on the comparative shareholder return will be:

Shareholder return	Level of vesting
100% of the Index	25%
Between 100% and 115% of the Index	Pro-rata straight line percentage
115% of the Index or greater	100%

Return on equity

The vesting of the remaining 25% of the performance rights at the end of the third year will be based on the average return on equity over the three year period compared with the average target return on equity as set by the Board for the same period.

Return on equity ("ROE") for each year will be calculated in accordance with the following formula:

$$\text{ROE} = \text{Net profit after tax} / \text{Total shareholders' equity}$$

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

31 Share-based payments (continued)

Employee share scheme (continued)

The target ROE will be set each year by the Board as part of the budget approval process for the following year. The target ROE used in previous financial years was 10%.

The portion of performance rights (25% of the total) that will vest based on the comparative return on equity will be:

Actual ROE	Level of vesting
100% of average target ROE	25%
Between 100% and 115% of average target ROE	Pro-rata straight line percentage
115% of average target ROE or greater	100%

Other employees

Vesting of the performance rights to all other employees of the Company is subject to a combination of the personal performance of the individual and the Company's shareholder return over the measurement period, being one year. The performance rights will vest one year after measurement period on the following basis:

Personal performance

The vesting of between 60-90% of the number of performance rights at the end of the second year will be based on the personal performance of the individual employee. The personal performance of the participant will be determined solely at the discretion of the Company and is determined as a result of the annual performance review of each participant. The portion of performance rights (ranging between 60-90% of the total) that will vest based on the personal performance return will be:

Performance standard criteria	Level of vesting
Unsatisfactory work performance	0%
Improvement in performance standard required	0%
Developing contributor	40%
Consistent contributor	60%
Solid contributor	80%
Outstanding contributor	100%

Shareholder return

The vesting of between 10-40% of the performance rights at the end of the second year will be based on measuring the actual shareholder return at the end of the measurement period of one year compared with the change in the S&P ASX 300 Metals and Mining Index ("Index") over that same period. The portion of performance rights (ranging between 10-40% of the total) that will vest based on the comparative shareholder return will be:

Shareholder return	Level of vesting
100% of the Index	25%
Between 100% and 115% of the Index	Pro-rata straight line percentage
115% of the Index or greater	100%

The performance rights will not be subject to any further escrow restrictions once they have vested to the employees.

Share trading policy

The trading of shares issued to participants under the Company's PRP is subject to, and conditional upon, compliance with the Company's employee share trading policy.

Non-executive Directors

The PRP permits non-executive directors to be eligible employees and therefore to participate in the plan. It is not currently intended that non-executive directors will be issued with performance rights under the PRP and any such issue would be subject to all necessary shareholder approvals.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

32 Commitments and contingencies

(a) Commitments

(i) Leasing commitments

	2015 \$'000	2014 \$'000
<i>Operating lease commitments</i>		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	1,275	1,374
Later than one year but not later than five years	5,516	6,768
Later than five years	1,242	1,242
Total minimum lease payments	8,033	9,384

	2015 \$'000	2014 \$'000
<i>Finance lease and hire purchase commitments</i>		
Future minimum lease payments under lease contracts with the present value of net minimum lease payments are as follows:		
Within one year	522	3,671
Later than one year but not later than five years	-	522
Total minimum lease payments	522	4,193
Future finance charges	(12)	(175)
Present value of minimum lease payments	510	4,018
Current	510	3,508
Non-current	-	510
Total included in borrowings	510	4,018

(ii) Property, plant and equipment commitments

The Group had no specific contractual obligations to purchase plant and equipment at the reporting date (2014: \$nil).

(b) Contingencies

The Group had guarantees outstanding at 30 June 2015 totalling \$1,315,000 (2014: \$15,950,000) which have been granted in favour of various third parties. The guarantees primarily relate to environmental and rehabilitation bonds at the various mine sites.

33 Events occurring after the reporting period

On 21 August 2015, the Company announced the establishment of a final dividend pool of \$13,000,000. The record date for this final dividend is expected to be no later than 30 September 2015. The final dividend will be fully franked.

On 25 May 2015, the Company and Sirius Resources NL ("Sirius") announced the execution of a binding Scheme Implementation Deed ("SID") under which the Company will acquire all the issued capital of Sirius by way of an Acquisition Scheme of Arrangement (the "Acquisition Scheme"). In addition, Sirius will also undertake a demerger of its Polar Bear and Scandinavian exploration assets via a Demerger Scheme of Arrangement ("Demerger Scheme"), whereby the assets will be held in a new listed vehicle called S2 Resources Ltd.

If successful, the transaction will be implemented via two inter-conditional Schemes of Arrangement (the Acquisition Scheme and the Demerger Scheme), and a capital reduction to effect the demerger. In exchange for their shares, Sirius shareholders will receive:

- 0.66 Independence Group shares for each Sirius share held;
- Cash consideration of 52 cents cash for each Sirius share held; and
- Circa one S2 share for every 2.5 Sirius shares held.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

33 Events occurring after the reporting period (continued)

The Federal Court of Australia has given orders to Sirius approving the issue of the Acquisition Scheme and Demerger Scheme Booklets in relation to the proposed transaction. These Booklets were provided to Sirius shareholders in early August 2015, and will be followed by meetings of shareholders of Sirius to approve the Schemes to be held on 3 September 2015.

The Board of Sirius have unanimously recommended that, in the absence of a superior proposal, all Sirius shareholders vote in favour of the Acquisition Scheme.

In July 2015, the Company entered into a syndicated facility agreement ("Debt Agreement") with National Australia Bank Limited, Australia and New Zealand Banking Group Limited and Commonwealth Bank of Australia Limited for a \$550 million unsecured committed term finance facility. The Debt Agreement comprises:

- A five year \$350 million amortising term loan facility that will be used to refinance the existing Nova Project finance facility, and provide funds for the continued development, construction and operation of the Nova Project; and
- A five year \$200 million revolving loan facility that will be used to partially fund the payment of the cash component of the Acquisition Scheme for Sirius (as discussed above) and transaction costs, in addition to providing funding for general corporate purposes.

The Debt Agreement has been entered into to assist the Company in meeting its obligations under the relevant acquisition documents that pertain to the acquisition of Sirius by the Company. The Debt Agreement is intended to provide the Company with funds required for the ongoing construction and development of Sirius' Nova Project, as well as general corporate purposes. The Debt Agreement is conditional upon the successful acquisition of Sirius, to be determined by a court hearing for approval of the Scheme of Arrangement in September 2015.

Other than the above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Director of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity, in future financial years, other than as stated elsewhere in the financial report.

34 Remuneration of auditors

The auditor of Independence Group NL is BDO Audit (WA) Pty Ltd.

	2015 \$	2014 \$
<i>Amounts received or due and receivable by BDO Audit (WA) Pty Ltd for:</i>		
Audit and review of financial statements	220,500	261,200
Other services in relation to the entity and any other entity in the consolidated Group	35,913	2,350
	256,413	263,550

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

35 Parent entity financial information

(a) Summary financial information

The following information relates to the parent entity, Independence Group NL, at 30 June. The information presented here has been prepared using consistent accounting policies as presented in note 2.

	2015 \$'000	Restated* 2014 \$'000
Balance sheet		
Current assets	115,225	37,952
Non-current assets	614,930	653,904
Total assets	730,155	691,856
Current liabilities	24,717	26,013
Non-current liabilities	38,914	50,236
Total liabilities	63,631	76,249
Net assets	666,524	615,607
Shareholders' equity		
Issued capital	737,324	735,060
Reserves		
Acquisition reserve	3,142	3,142
Hedging reserve	-	(2,038)
Share-based payments reserve	13,057	12,372
Accumulated losses	(86,999)	(134,967)
Total equity	666,524	613,569
	2015 \$'000	2014 \$'000
Profit or loss for the year	73,736	14,405
Other comprehensive income for the year	-	-
Total comprehensive income for the year	73,736	14,405

(b) Guarantees entered into by the parent entity

The parent entity has given unsecured guarantees in respect of finance leases of subsidiaries amounting to \$510,000 (2014: \$3,406,000).

There are cross guarantees given by the Independence Group NL, Independence Long Pty Ltd and Independence Jaguar Limited as described in note 36. No deficiencies of assets exist in any of these companies.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2015 or 30 June 2014.

(d) Contractual commitments for the acquisition of property, plant or equipment

The parent entity did not have any outstanding contractual commitments for the acquisition of property, plant and equipment at 30 June 2015 or 30 June 2014.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

36 Deed of cross guarantee

Independence Group NL, Independence Long Pty Ltd and Independence Jaguar Limited are parties to a deed of cross guarantee under which each company guarantees the debts of the others. By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

(a) Consolidated statement of profit or loss and other comprehensive income and summary of movements in consolidated retained earnings

The above companies represent a 'closed group' for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by Independence Group NL, they also represent the 'extended closed group'.

Set out below is a consolidated statement of profit or loss and other comprehensive income and a summary of movements in consolidated retained earnings for the year ended 30 June 2015 of the closed group consisting of Independence Group NL, Independence Long Pty Ltd and Independence Jaguar Limited.

Consolidated statement of profit or loss and other comprehensive income	2015	Restated*
	\$'000	2014 \$'000
Revenue from continuing operations	495,298	399,004
Other income	3,327	-
Mining, development and processing costs	(135,352)	(100,494)
Employee benefits expense	(63,841)	(61,196)
Share-based payments expense	(2,949)	(4,632)
Fair value movement of financial investments	1,467	(2)
Depreciation and amortisation expense	(95,959)	(66,521)
Rehabilitation and restoration borrowing costs	(271)	(269)
Exploration costs expensed	(21,184)	(22,930)
Royalty expense	(15,647)	(14,309)
Ore tolling expense	(12,297)	(11,973)
Shipping and wharfage expense	(19,539)	(17,551)
Borrowing and finance costs	(1,566)	(5,138)
Impairment of exploration and evaluation expenditure	(3,461)	(3,057)
Impairment of loans to subsidiaries	(4,278)	(12,518)
Other expenses	(11,004)	(9,362)
Profit before income tax	112,744	69,052
Income tax expense	(35,142)	(25,382)
Profit for the year	77,602	43,670

Other comprehensive income

Items that may be reclassified to profit or loss

Effective portion of changes in fair value of cash flow hedges, net of tax	2,038	(4,435)
Other comprehensive income for the year, net of tax	2,038	(4,435)
Total comprehensive income for the year	79,640	39,235

Summary of movements in consolidated retained earnings (accumulated losses)

	2015	Restated*
	\$'000	2014 \$'000
Accumulated losses at the beginning of the financial year	(16,282)	(50,619)
Profit for the year	77,602	43,670
Dividends paid	(25,768)	(9,333)
Retained earnings (accumulated losses) at the end of the financial year	35,552	(16,282)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

36 Deed of cross guarantee (continued)

(b) Consolidated balance sheet

Set out below is a consolidated balance sheet as at 30 June 2015 of the closed group consisting of Independence Group NL, Independence Long Pty Ltd and Independence Jaguar Limited.

	2015 \$'000	Restated* 2014 \$'000
ASSETS		
Current assets		
Cash and cash equivalents	119,009	55,603
Trade and other receivables	19,179	27,637
Inventories	21,511	26,935
Financial assets at fair value through profit or loss	15,524	808
Derivative financial instruments	4,981	2,519
Total current assets	180,204	113,502
Non-current assets		
Receivables	8	54
Property, plant and equipment	25,353	25,030
Mine properties	82,935	87,917
Exploration and evaluation expenditure	8,235	9,888
Deferred tax assets	130,725	151,498
Investments in controlled entities	139,333	139,276
Investments in joint ventures	316,150	312,373
Derivative financial instruments	-	658
Total non-current assets	702,739	726,694
TOTAL ASSETS	882,943	840,196
LIABILITIES		
Current liabilities		
Trade and other payables	52,389	38,866
Borrowings	510	3,508
Derivative financial instruments	2,384	6,381
Provisions	2,659	2,557
Total current liabilities	57,942	51,312
Non-current liabilities		
Borrowings	-	24,854
Derivative financial instruments	717	-
Provisions	13,942	13,540
Deferred tax liabilities	21,267	18,236
Total non-current liabilities	35,926	56,630
TOTAL LIABILITIES	93,868	107,942
NET ASSETS	789,075	732,254
EQUITY		
Contributed equity	737,324	735,060
Other reserves	16,199	13,476
Retained earnings	35,552	(16,282)
TOTAL EQUITY	789,075	732,254

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 91 to 155 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date, and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and
- (c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note 36 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 36.

This declaration is made in accordance with a resolution of Directors.



Peter Bradford
Managing Director

Perth, Western Australia
Dated this 21st day of August 2015



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INDEPENDENT AUDITOR'S REPORT

To the members of Independence Group NL

Report on the Financial Report

We have audited the accompanying financial report of Independence Group NL, which comprises the consolidated balance sheet as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2(a)(i), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Independence Group NL, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the financial report of Independence Group NL is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2(a)(i).

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Independence Group NL for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

Ian Skelton

Director

Perth, 21 August 2015

ADDITIONAL ASX INFORMATION

The following additional information not shown elsewhere in this report is required by ASX Limited in respect of listed companies only. This information is current as at 24 September 2015.

1. Shareholding

a. Distribution of shareholders

Range	Total holders	Units	% of Issued Capital
1 - 1,000	4,520	1,738,353	0.34
1,001 - 5,000	3,676	9,123,585	1.78
5,001 - 10,000	1,086	7,997,132	1.56
10,001 - 100,000	1,200	32,685,914	6.39
100,001 - 9,999,999,999	184	459,877,887	89.93
TOTAL	10,666	511,422,871	100

b. The number of shareholders holding less than a marketable parcel of fully paid ordinary shares is 1,652.

c. The Company has received the following notices of substantial shareholding ("Notice"):

Substantial shareholder	Relevant Interest per the Notice - Number of shares
Mark Creasy and Creasy Group entities	96,552,917

d. Voting rights: The voting rights of the fully paid ordinary shares are one vote per share held.

2. The name of the Company Secretary is Mr Tony Walsh B.Com, MBA, FCA, FCIS. Mr Walsh is a fellow of Governance Institute of Australia (formerly called Chartered Secretaries Australia) and fellow of the Institute of Chartered Accountants in Australia. Mr Walsh has over 25 years' experience in dealing with ASX listed companies. ASIC, the Corporations Act and ASX listing rules. Prior to joining the Company in July 2013, Mr Walsh worked for Atlas Iron Limited in a similar role for 7 years, ASX Limited for over 14 years and Ernst & Young for over 5 years.

3. The address of the registered office and principal administrative office in Australia is Suite 4, Level 5, South Shore Centre, 85 South Perth Esplanade, South Perth, Western Australia, telephone (08) 9238 8300.

4. The register of securities is held at Computershare Investor Services Pty Limited, Level 2, 45 St Georges Terrace, Perth WA 6000, Australia.

5. No on-market share buy-back is current.

6. Stock Exchange Listing: Quotation has been granted for 511,422,871 ordinary shares of the Company on the Australian Securities Exchange (ASX).

7. Unquoted securities: IGO has the following performance rights on issue:

Number	Class
368,059	Performance Rights vesting not earlier than 1 July 2016*.
509,480	Performance Rights vesting not earlier than 1 July 2017*.

Note 1 – Updated to reflect vesting of shares issued under this Appendix 3B. The remaining shares are still subject to vesting conditions.

* Subject to vesting conditions.

There are currently no other securities outstanding which have been issued by the Company and not quoted on the ASX.

8. Twenty largest holders of ordinary shares

Ordinary Shareholders	No. of Shares held	Percentage Held
1 J P Morgan Nominees Australia Limited	92,596,315	18.11
2 HSBC Custody Nominees <Australia> Pty Ltd	69,649,959	13.62
3 National Nominees Limited	52,409,965	10.25
4 Yandal Investments Pty Ltd <Investec A/C>	41,929,135	8.2
5 Citicorp Nominees Pty Limited	32,994,873	6.45
6 Fraserx Pty Ltd	13,678,188	2.67
7 BNP Paribas Noms Pty Ltd <Drp>	13,006,650	2.54
8 Ponton Minerals Pty Ltd	10,964,532	2.14
9 Free Ci Pty Ltd	10,964,531	2.14
10 Lake Rivers Gold Pty Ltd	10,964,531	2.14
11 Morgan Stanley Australia Securities <Nominee> Pty Ltd	8,317,337	1.63
12 AMP Life Limited	5,969,813	1.17
13 Warbont Nominees Pty Ltd <Unpaid Entrepot A/C>	5,420,162	1.06
14 RBC Investor Services Australia Nominees Pty Limited <Pi Pooled A/C>	4,804,310	0.94
15 Yandal Investments Pty Ltd	4,620,000	0.9
16 HSBC Custody Nominees <Australia> Pty Ltd	4,420,688	0.86
17 UBS Nominees Pty Ltd	4,169,183	0.82
18 HSBC Custody Nominees <Australia> Pty Ltd	3,663,088	0.72
19 CS Fourth Nominees Pty Ltd	3,565,654	0.7
20 Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	2,991,705	0.58
	397,100,619	77.65

GLOSSARY OF TERMS

AC – means air core usually in the context of drilling or drill holes.

AngloGold Ashanti – means AngloGold Ashanti Australia Pty Ltd.

Ag – means silver.

Au – means Gold.

BCM – means bulk cubic metres.

Cu – means Copper.

EM – means electromagnetic.

EM conductors – means electromagnetic conductors returned from EM surveys.

FLEM – means Fixed-Loop electromagnetic.

LTIFR – means lost time injury frequency rate per million hours worked.

MLEM – means moving-loop electromagnetic surveys.

Mt – means million metric tonnes.

Ni – means Nickel.

oz – means ounce.

RC drilling – means reverse circulation drilling.

t – means metric tonnes.

TGM – means the Tropicana Gold Mine that is 30% owned by the Company and 70% owed by AngloGold Ashanti under the TJV agreement.

TJV – means the Tropicana Joint Venture that is 30% owned by the Company and 70% owed by AngloGold Ashanti.

Zn – means Zinc.

\$ – means Australian dollars. All currency amounts in this report are Australian Dollars unless otherwise stated.

\$M – means million Australian dollars.

Forward-looking statements

This document may include Forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning IGO's planned production and planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "may", "potential", "should" and similar expressions are Forward-looking statements. Although IGO believes that its expectations reflected in these Forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these Forward-looking statements.

Cash Costs

All cash costs quoted include royalties and net of by-product credits unless otherwise stated

Underlying Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)

Underlying EBITDA is a non-IFRS measure and comprises of profit before tax less interest income net of finance costs, depreciation & amortisation expense and exploration impairment expenses .

Currency

All currency amounts in this report are Australian Dollars unless otherwise stated.

All-in Sustaining Costs (AISC) per ounce of gold

IGO reports All-in Sustaining Costs (AISC) per ounce of gold in AUD for its 30% interest in the Tropicana Gold Mine using the World Gold Council guidelines for AISC. The World Gold Council guidelines publication was released via press release on 27th June 2013 and is available from the World Gold Council's website.

COMPANY DIRECTORY

Directors

Peter Bilbe
Non-Executive Chairman

Peter Bradford
Managing Director

Peter Buck
Non-Executive Director

Geoffrey Clifford
Non-Executive Director

Keith Spence
Non-Executive Director

Mark Bennett
Non-Executive Director

Neil Warburton
Non-Executive Director

Management

Peter Bradford
Managing Director and CEO

Brett Hartmann
General Manager Operations

Scott Steinkrug
Chief Financial Officer & Joint Company Secretary

Matt Dusci
General Manager New Business

Rob Dennis
General Manager Projects

Sam Retallack
Organisational Capability Manager

Keith Ashby
Sustainability Manager

Joanne McDonald
Company Secretary

Perth Office

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South Shore Centre
85 South Perth Esplanade
South Perth WA 6151

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South Perth WA 6951

Telephone: +61 8 9238 8300
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Email: contact@igo.com.au
Website: www.igo.com.au

Auditor

BDO Audit (WA) Pty Ltd
128 Hay Street
Subiaco WA 6008
Telephone: +61 8 9380 8400

Share Registry

Computershare Investor Services
Pty Limited
Level 2, 45 St Georges Terrace
Perth WA 6000
Telephone: 1300 850 505
(within Australia),
+61 3 9415 4000 (outside Australia)
Fax: +61 3 9473 2500
Email: www.investorcentre.com/contact
Web: www.computershare.com

Shares

Listed on Australian Securities Exchange (ASX)

ASX code: IGO

Shares on issue: 511,422,871
ordinary shares

Cautionary Notes and Disclaimer

This annual report has been prepared by Independence Group NL ("IGO") (ABN 46 092 786 304). It should not be considered as an offer or invitation to subscribe for or purchase any securities in IGO or as an inducement to make an offer or invitation with respect to those securities in any jurisdiction. This annual report contains general summary information about IGO. The information, opinions or conclusions expressed in the course of this presentation should be read in conjunction with IGO's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), which are available on the IGO website. No representation or warranty, express or implied, is made in relation to the fairness, accuracy or completeness of the information, opinions and conclusions expressed in this presentation.

This annual report includes forward looking information regarding future events, conditions, circumstances and the future financial performance of IGO. Often, but not always, forward looking statements can be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue" and "guidance", or other similar words and may include statements regarding plans, strategies and objectives of management, anticipated production or construction commencement dates and expected costs or production outputs. Such forecasts, projections and information are not a guarantee of future performance and involve unknown risks and uncertainties, many of which are beyond IGO's control, which may cause actual results and developments to differ materially from those expressed or implied. Further details of these risks are set out below. All references to future production and production guidance made in relation to IGO are subject to the completion of all necessary feasibility studies, permit applications and approvals, construction, financing arrangements and access to the necessary infrastructure. Where such a reference is made, it should be read subject to this paragraph and in conjunction with further information about the Mineral Resources and Ore Reserves, as well as any Competent Persons' Statements included in periodic and continuous disclosure announcements lodged with the ASX. Forward looking statements in this presentation only apply at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information IGO does not undertake any obligation to publicly update or revise any of the forward looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

There are a number of risks specific to IGO and of a general nature which may affect the future operating and financial performance of IGO and the value of an investment in IGO including and not limited to economic conditions, stock market fluctuations, commodity demand and price movements, access to infrastructure, timing of environmental approvals, regulatory risks, operational risks, reliance on key personnel, reserve and resource estimations, native title and title risks, foreign currency fluctuations and mining development, construction and commissioning risk. The production guidance in this presentation is subject to risks specific to IGO and of a general nature which may affect the future operating and financial performance of IGO.

Any references to Mineral Resource and Ore Reserve estimates should be read in conjunction with IGO's 2015 Mineral Resource and Ore Reserve announcement dated 28 October 2015, and lodged with the ASX, which are available on the IGO website. Any references to Mineral Resource and Ore Reserve estimates for Sirius Resources NL ("Sirius" or "SIR") should be read in conjunction with SIR's ASX announcement dated 14 July 2014.



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