



27 February 2014

HALF YEAR RESULTS AND INTERIM DIVIDEND

Independence Group NL (IGO) reports its results for the half year ended 31 December 2013 and announces a 200% increase in its interim dividend to 3 cents per share.

FINANCIAL SUMMARY

- **\$21.5 million Net Profit After Tax, up 30.3% on the previous corresponding period** (HY to 31 Dec 2012: \$16.5 million Net Profit after Tax).
- **Underlying Earnings Before Interest, Tax, Depreciation and Amortisation¹ of \$63.3 million, up 72.5% on the previous corresponding period** (HY to 31 Dec 2012: \$36.7 million).
- **Revenue of \$166.7 million, up 36.5% on the previous corresponding period** (HY to 31 Dec 2012: \$122.1 million).
- **Operating cash flows of \$57.0 million, up 49.2% on the previous corresponding period** (HY to 31 Dec 2012: \$38.2 million).
- **Fully franked Interim Dividend of 3.0 cents per share announced, up 200% on the previous corresponding period** (HY to 31 Dec 2012: 1.0 cent).
- **Cash and cash equivalents of \$45.8 million** (30 June 2013: \$27.2 million) and **debt of \$61.7 million** (30 June 2013: \$27.8 million).

OPERATIONAL SUMMARY

- **Tropicana JV [IGO 30%]:** Tropicana commenced commissioning during the December 2013 Half Year. The first gold pour occurred in late September 2013 and total 100% attributable gold poured for the December 2013 half-year was 95,050 ounces. IGO's attributable cash costs per ounce during the December 2013 Quarter were A\$612/oz Au.
- **Long [IGO 100%]:** Record Half Year production of 5,729 tonnes of contained nickel metal (HY to 31 Dec 2012: 5,598 tonnes) up 2.3% on the previous corresponding period. Payable cash costs including royalties for the Half Year were A\$3.59 per pound nickel (HY to 31 Dec 2012: A\$4.34) down 17.3% on the previous corresponding period.
- **Jaguar [IGO 100%]:** Half Year production was 19,573 tonnes of contained zinc metal (HY to 31 Dec 2012: 15,630t) up 25.3% on the previous corresponding period, and 3,741 tonnes of contained copper metal (HY to 31 Dec 2012: 2,567t) up 45.7% on the previous corresponding period. The payable cash costs including royalties were A\$0.34 per pound zinc (HY to 31 Dec 2012: A\$0.51 per pound zinc) down 33.3% on the previous corresponding period.

RESULT FOR THE HALF YEAR ENDED 31 DECEMBER 2013

Revenue from continuing operations for Half Year increased by 36.5% to \$166.7 million (HY to 31 Dec 2012: \$122.1 million) due primarily to an improved revenue contribution from the Jaguar Operation and the commencement of positive cashflow out of the Tropicana Gold Mine (IGO: 30%).

Earnings during the half year ended 31 December 2013 were positively impacted by a weakening A\$, strong production results and prudent cost control measures at the Company's operations. This is despite a continuation of depressed commodity prices.

¹ See footnote 2 on page 2 for definition of underlying EBITDA.

INDEPENDENCE GROUP NL

Suite 4 Level 5 | South Shore Centre
85 South Perth Esplanade
South Perth | Western Australia | 6151
PO Box 496 | South Perth | WA | 6951

ABN 46 092 786 304
T +61 8 9238 8300
F +61 8 9238 8399
E contact@igo.com.au
W www.igo.com.au

 GROWING
A GREAT
AUSTRALIAN
MINING
COMPANY



CASH FLOW STATEMENT

Net Cash flows from operating activities prior to interest received was \$56.9 million (HY to 31 Dec 2012: \$38.2 million).

Cash payments for investing activities were \$78.6 million (HY to 31 Dec 2012: \$116.0 million) which includes capitalised development totalling \$51.2 million (HY to 31 Dec 2012: \$95.9 million). This capitalised development comprises \$1.3 million for Long Nickel Operation development, \$10.1 million for Jaguar Operation development, and \$39.8 million towards the Tropicana Gold Project.

Net cash inflows from financing activities were \$40.3 million (HY to 31 Dec 2012: Net cash outflows \$12.8 million) and included proceeds from borrowings under the corporate finance facility net of transaction costs of \$46.0 million.

BALANCE SHEET

Cash and cash equivalents were \$45.8 million at half year-end (30 June 2013: \$27.2 million), a net increase of \$18.6 million for the Half Year which is inclusive of the \$39.8 million Tropicana project construction spend.

At balance date, there was \$61.7 million of debt comprising \$6.7 million of lease liabilities and net corporate facility loan of \$55.0 million (\$57.0 million face value of debt less capitalised charges of \$2.0 million).

DIVIDENDS

IGO has announced a fully franked Interim Dividend for the Half Year ended 31 December 2013 of 3 cents per share which will be payable on 28 March 2014, with a record date for determining entitlements of 12 March 2014. This is a 200% increase on the fully franked interim dividend of 1 cent per share paid in March 2013.

IGO paid a fully franked final FY2013 dividend of 1 cent per share in September 2013.

FINANCIAL SUMMARY

	H1 FY2014	H1 FY2013	INC/(DEC)
Total Revenue	\$166.7M	\$122.1M	36.5%
Underlying EBITDA²	\$63.3M	\$36.7M	72.5%
Profit Before Tax	\$31.5M	\$23.5M	34.0%
Profit After Tax	\$21.5M	\$16.5M	30.3%
Net Cash Flow From Operating Activities	\$57.0M	\$38.2M	49.2%
	Dec 2013	Dec 2012	
Total Assets	\$905.5M	\$822.0M	10.2%
Total Liabilities	\$236.7M	\$172.5M	37.2%
Shareholders' Equity	\$668.8M	\$649.5M	3.0%
Net tangible assets per share	\$2.87	\$2.79	3.0%

² Underlying EBITDA is a non-IFRS measure and comprises profit before tax less interest income net of finance costs, depreciation & amortisation expense and exploration impairment expenses.



OPERATIONS

Each of the Company's three mining operations made a positive contribution to H1 FY2014 Net Profit (see Half Year Accounts for further details).

TROPICANA JV [IGO 30%]

Tropicana Gold Mine (TGM) commenced commissioning during the Half Year. A maiden gold pour occurred in late September 2013 and total 100% attributable gold poured for the December 2013 half-year was 95,050 ounces.

Revenue totalled \$32.78 million, which includes a reversal of unrealised hedge gains recorded at 30 June 2013 of \$1.2 million in relation to the mark-to-market of zero cost gold collar options. The Company's attributable share of gold production for the period was 28,515 ounces. 24,740 ounces were refined and sold at half-year end. IGO's attributable cash costs per ounce produced during the December 2013 Quarter were \$612/oz Au.

The Company's total gold production over the first 3 years is estimated to average between 141,000 - 147,000 ounces per annum with cash costs estimated to be in the range A\$590 - 630/oz Au. Forecast mine life is in excess of 10 years.

The Havana Deeps Pre-Feasibility Study (PFS) was completed in late December 2013. The PFS recommendations being considered by the joint venture partners include a phased approach to an enhanced pre-feasibility study (EPFS) which would include targeted exploration of shoot repetitions north of the Havana deeps resource.

LONG [IGO 100%]

The Long Operation's revenue and profits were down 19% and 46% respectively, primarily impacted by a combination of 21.4% lower realised A\$ nickel prices and \$10.46 million hedging gains of the prior period not available in the current half-year. Offsetting these were 17.3% lower C1 cash costs and royalties per payable pound nickel.

JAGUAR [IGO 100%]

The Jaguar Operation continued to improve significantly over the previous corresponding Half Year. The Jaguar Operation's results rose to \$24.6 million compared to \$5.8 million in the prior period. Revenues increased by 54% to \$77.95 million. The result is primarily due to significantly improved production statistics; primarily higher copper, zinc and silver grades and payable metal, notwithstanding similar realised prices for base metals and precious metals.

PROJECT AT FEASIBILITY STUDY STAGE

STOCKMAN [IGO 100%]

During the Half Year, the Stockman Environmental Effects Statement (EES) was lodged with the Victorian government with the aim of getting the project permitted in mid-2014.

The Company will invest in the first phase of a 3 phased Enhanced Feasibility Study (EFS) (aggregate cost of up to \$1.5 million) for the Stockman project. The first phase of the EFS is looking to demonstrate a reduction in total capital expenditure by approximately 30% and initiate some key technical testwork. Investment in the second and third phases of the EFS is subject to successful outcomes from the first phase.



EXPLORATION

The Karlawinda Gold Project (100% IGO) continues to be an active exploration area with significant potential for the Company.

Half Year cash outflows included \$22.1 million on exploration and feasibility expenditure (HY to 31 Dec 2012: \$20.4 million).

For further information contact:

Brett Hartmann
Acting Chief Executive Officer
Independence Group NL
Ph: 08 9238 8300

Tony Walsh
Company Secretary/General Manager Corporate
Independence Group NL
Ph: 08 9238 8300

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.