ASX Release

Independence Group

18 February 2015

HALF-YEAR REPORT, INTERIM DIVIDEND AND UPGRADED FY2015 GUIDANCE

Independence Group NL (IGO or the "Company") reports its results for the half-year ended 31 December 2014 (H1 FY2015) and announces its interim dividend and provides upgraded FY2015 guidance.

HIGHLIGHTS

- Revenue up 65% to $274.3 million (H1 FY2014: $166.7 million) with the first full half-year's revenue contribution from the Tropicana Gold Project ("Tropicana").
- Profit up 264% to $49.5 million (H1 FY2014: $13.6 million) with improved contributions from its Long Operation ("Long") and Jaguar Operation ("Jaguar") as well as full half-year's contribution from Tropicana.
- Operating cashflows are up 175% to $113.9 million (H1 FY2014: $41.4 million) with increased contributions from all three operations.
- Production from all three operations is ahead of FY2015 production guidance on an annualised basis.
- Per unit production costs at all three operations are below FY2015 cost guidance.
- Upgraded FY2015 guidance is provided for each operation.
- Interim dividend increased by 100% from 3 cents to 6 cents in line with Dividend Policy.

FINANCIAL SUMMARY

HALF-YEAR ENDED 31 DECEMBER	2014	2013*	INC/(DEC)
Total Revenue	**$274.3M**	$166.7M	65%
Underlying EBITDA[1]	**$121.4M**	$48.5M	150%
Profit After Tax	**$49.5M**	$13.6M	264%
Net Cash Flow From Operating Activities	**$113.9M**	$41.4M	175%
Interim Dividend – fully franked	**6 cents**	3 cents	100%
	Dec 2014	June 2014*	
Total Assets	**$794.4M**	$780.8M	2%
Cash	**$93.3M**	$57.0M	64%
Total Liabilities	**$143.1M**	$171.3M	(16%)
Shareholders' Equity	**$651.3M**	$609.5M	7%
Net tangible assets per share	**$2.78**	$2.62	6%

* - Adjusted for a voluntary change in accounting policy discussed on page 2 of this announcement.

"We are very satisfied with the increased revenue, profit after tax and operating cashflows being generated by each of our three operations," IGO's Managing Director, Peter Bradford said. "The Company is essentially debt free and generating material cashflows."

OPERATIONAL SUMMARY

- **Tropicana** [IGO 30%]: IGO's attributable gold production from Tropicana for H1 FY2015 was 77,248oz Au (H1 FY2014: 28,485oz Au) at a cash cost[2] of $549/oz Au (H1 FY2014: $612/oz Au).

[1] Underlying EBITDA is a non-IFRS measure and comprises net profit or loss after tax, adjusted to exclude tax expense, finance costs, interest income, asset impairments, depreciation and amortisation.
[2] Cash Costs are reported inclusive of royalties and after by-product credits on per unit of payable metal.

- **Long** [IGO 100%]: Production for H1 FY2015 was 5,123 tonnes of contained nickel metal (H1 FY2014: 5,729t) at a cash cost[3] of $4.00/lb Ni (H1 FY2014: $3.59 /lb Ni).
- **Jaguar** [IGO 100%]: H1 FY2015 production was 25,373 tonnes of contained zinc metal (H1 FY2014: 19,573t) and 4,807 tonnes of contained copper metal (H1 FY2014: 3,741t) at a cash cost[3] of $0.23/lb Zn (H1 FY2014: $0.34 /lb Zn).

RESULTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

Revenue from continuing operations for H1 FY2015 increased by 65% to $274.3 million (H1 FY2014: $166.7 million) due to a full half-year's revenue from Tropicana and improved contributions from Long and Jaguar. Strong production results from Jaguar and sustained cost control measures at Long and Jaguar also contributed to improved earnings from these operations.

The Company made a change in its accounting policy for exploration and evaluation expenditure. 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. Profit after tax for the period includes the negative impact of this change in accounting policy of $6.6 million after tax (H1 FY2014 $7.8 million after tax).

CASH FLOW STATEMENT

Net cash flow from operating activities was $113.9 million (H1 FY2014: $41.4 million) which includes a full half-year contribution from Tropicana of $53.8 million.

Cash used in investing activities was $38.7 million (H1 FY2014: $63.0 million). The decrease is attributable to the completion of Tropicana construction in H1 FY2014. As a result, capitalised development expenditure was 54% lower at $23.6 million (H1 FY2014: $51.2 million) and comprised $18.0 million for Tropicana, $5.2 million for Jaguar, and $0.3 million for Long.

Net cash payments for financing activities were $38.9 million (H1 FY2014: cash inflows of $40.3 million) and included net repayment of borrowings of $25.0 million under the Company's corporate finance facility and the FY2014 Final Dividend of $11.7 million.

BALANCE SHEET

Cash and cash equivalents at 31 December 2014 totalled $93.3 million (H1 FY2014: $45.8 million), a net increase of $47.5 million for H1 FY2015. At 31 December 2014, the Company had $1.8 million of lease liabilities and no outstanding corporate facility loans.

INTERIM DIVIDEND

IGO is pleased to announce a fully franked Interim Dividend for H1 FY2015 of 6 cents (H1 FY2014: 3 cents) per share which will be payable on 20 March 2015, with a record date for determining entitlements of 6 March 2015. This dividend payment will result in a cash outflow of $14.1 million in Q3 FY2015 (Q3 FY2014: $7.0 million).

This Interim Dividend is in line with the Company's Dividend Policy of maintaining a minimum dividend payment payout ratio of 30% of net profit after tax, rounded to the nearest whole cent (see IGO ASX announcement dated 28 August 2014 for further details on the Company's Dividend Policy).

"The Company is pleased to increase its interim dividend by 100%," Mr. Bradford said. "The Board has made it clear in the Company's Dividend Policy that shareholders should share in the profitability of the Company. Going forward, the Board will endeavour to maintain a balance between dividends paid, reinvestment into existing operations and investment in growth opportunities."

[3] Cash Costs are reported inclusive of royalties and after by-product credits on per unit of payable metal.

UPGRADED FY2015 GUIDANCE

IGO is pleased to advise that, following the successful restart of the Jaguar mill, it has revised its FY2015 production guidance upwards across all of its operations and lowered its cost guidance at Long and Jaguar.

"The completion of the scheduled shutdown and the successful restart of the Jaguar mill gave us an opportunity to review our FY2015 production and cost guidance with more certainty," Mr. Bradford said. "Tropicana, Long and Jaguar are all currently ahead of the current production and cost guidance year to date on an annualised basis. Based on current production and cost projections, the Company believes the revised FY2015 Guidance provides realistic targets for each operation in FY2015."

The upgraded FY2015 Guidance is as follows:

MINING OPERATION	UNITS	H1 FY2015 ACTUAL	PREVIOUS (JULY 2014) FY2015 GUIDANCE - RANGE	REVISED FULL YEAR FY2015 GUIDANCE - RANGE
Tropicana (IGO 30%)				
Gold (100% basis)	ounces	257,494	470,000 to 490,000	**480,000 to 510,000**
Gold (IGO's 30% share)	ounces	77,248	141,000 to 147,000	**144,000 to 153,000**
Cash cost [2]	$/oz Au	$549	$590 to $630	**Unchanged: $590 to $630**
All-in Sustaining Costs [1]	$/oz Au	$792	Not previously provided	**$770 to $830**
Long				
Nickel (contained metal)	tonnes	5,135	9,000 to 10,000	**9,500 to 10,500**
Cash cost [2]	$/lb Ni	$4.00	$4.30 to $4.70	**$4.10 to $4.50**
Jaguar				
Zinc in concentrate	tonnes	25,126	40,000 to 43,000	**44,000 to 48,000**
Copper in concentrate	tonnes	4,807	5,500 to 6,500	**7,000 to 8,000**
Cash cost [2]	$/lb Zn	$0.23	$0.40 to $0.60	**$0.30 to $0.50**

1. The Company uses the World Gold Council (WGC) for the All-in Sustaining Costs metric. See WGC's website for details.
2. Cash costs are reported inclusive of royalties and after by-product credits on per unit of payable metal.

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INDEPENDENCE GROUP NL
ABN 46 092 786 304

APPENDIX 4D
HALF-YEAR REPORT

HALF-YEAR INFORMATION – 1 JULY 2014 TO 31 DECEMBER 2014
LODGED WITH THE ASX UNDER LISTING RULE 4.2A

Key Information – Results for Announcement to the Market

	$'000	% Increase/(Decrease) from Previous Corresponding Period
Revenue from ordinary activities	274,260	64.5%
Profit after tax attributable to members	49,522	262.9%
Net profit attributable to members	49,522	262.9%

The previous corresponding period is the half-year ended 31 December 2013.

	2014	2013
Basic earnings per share (cents)	21.14	5.85
Diluted earnings per share (cents)	20.96	5.80
Net tangible assets per share (cents)	278.04	249.24

The major factors contributing to the above variances are as follows:

- The Tropicana Gold Mine contributed $37.5 million in profit before tax compared to $7.1 million profit before tax in the prior period. This was as a result of the mine's full half-year of production compared to the prior period when the mine was being commissioned, with the first gold pour occurring in September 2013. The Group's share of gold production during the period was 77,248 ounces, produced at an average cash cost of $549 per ounce.
- The Jaguar Operation's profit before tax for the period increased by $13.3 million to $37.9 million as a result of significantly improved zinc, copper and silver production and sales and improved cash costs. Copper metal equivalent sold during the period increased by 33%. Payable zinc sold increased by 45% and payable silver sales increased by 25%.
- The Long Operation's profit before tax increased by $3.5 million to $17.9 million primarily due to 14.0% higher realised nickel prices during the period, offset by 10% lower sales volume.

Further details are available in the Review of Operations section of the Directors' Report.

Interim Dividend

The Company paid a final 2013/14 fully franked dividend of 5 cents per share in September 2014.

The Company will pay a fully franked interim dividend of 6 cents per share on 20 March 2015. The record date of the dividend will be 6 March 2015.

Other matters

The Company did not gain or lose control over any entity during the period.

The accounts have been reviewed by BDO Audit (WA) Pty Ltd and they are not subject to dispute or qualification.

INDEPENDENCE GROUP NL
ABN 46 092 786 304

INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

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The interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, this report is to be read in conjunction with the annual financial statements for the year ended 30 June 2014 and any public announcements made by Independence Group NL during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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 half-year ended 31 December 2014.

Directors

The following persons were directors of Independence Group NL during the whole of the interim period and up to the date of this report unless otherwise noted:

Peter Bradford (Managing Director)
Peter Bilbe (Chairman)
Peter Buck (Non-executive Director)
Geoffrey Clifford (Non-executive Director)
Keith Spence (Non-executive Director)

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.

Review of Operations

A summary of consolidated revenues and results for the half-year by significant industry segment is set out below:

	Segment revenues		Segment results	
	2014 **$'000**	2013 $'000	**2014** **$'000**	2013 (Restated) $'000
Tropicana Gold Project	**109,762**	32,780	**37,496**	7,117
Long Operation	**56,971**	55,799	**17,873**	14,395
Jaguar Operation	**107,304**	77,951	**37,908**	24,600
Feasibility and Regional Exploration Activities	**9**	16	**(14,271)**	(16,773)
Unallocated revenue	**214**	164	**-**	-
	274,260	166,710	**79,006**	29,339
Unallocated revenue less unallocated expenses			**(9,259)**	(9,035)
Profit before income tax			**69,747**	20,304
Income tax expense			**(20,225)**	(6,658)
Profit after income tax			**49,522**	13,646
Net profit attributable to members of Independence Group NL			**49,522**	13,646

Comments on the operations and the results of those operations are set out below:

a) Tropicana Gold Project

This division consists of the Group's interest in the Tropicana Gold Mine which is held 30% by the Company and 70% by AngloGold Ashanti Australia Limited.

Revenue derived by the segment increased by 235% to $109,762,000 as a result of a full half-year's production relative to the previous corresponding period during which the mine was being commissioned, with first gold pour occurring in late September 2013. The Company's attributable share of gold production for the period was 77,248 ounces (2013: 28,515 ounces). The revenue increase is almost entirely volume related, only $4,569,000 being due to an increase in average realised gold price. Cash costs per ounce produced were $549. Cash costs comprise the costs of producing gold at the mine site and include credit adjustments for waste stripping costs and inventory build and draw costs. The Company has adopted a recommendation from the World Gold Council to report an All-in Sustaining Costs metric (AISC). AISC per ounce sold was $791. In addition to cash costs, AISC includes capitalised sustaining deferred waste stripping costs, sustaining exploration costs, sustaining capital and non-cash rehabilitation accretion costs.

The table below outlines key production and financial statistics.

Review of Operations (continued)

Tropicana Gold Mine	December 2014	December Quarter 2013 *	Variance
Gold ore mined (>0.6g/t Au) ('000 wmt)	**5,375**	2,102	155.7%
Gold ore mined (>0.4 and <0.6g/t Au) ('000 wmt)	**831**	417	99.3%
Waste mined ('000 wmt)	**22,141**	7,640	189.8%
Gold grade mined (>0.6g/t Au) (g/t)	**2.17**	2.17	-
Ore milled ('000 wmt)	**2,849**	1,184	140.6%
Gold grade milled (g/t)	**3.10**	3.05	1.64%
Metallurgical recovery (%)	**90.2**	87.9	2.6%
Gold recovered (ounces)	**256,515**	102,078	151.3%
Gold produced (ounces)	**257,494**	94,949	171.2%
Gold refined and sold (IGO 30% share) (ounces)	**79,383**	24,740	220.9%
Cash costs (A$ per ounce produced)	**549**	612	-10.3%
All-in Sustaining Costs (AISC) (A$ per ounce sold)**	**791**	687	15.1%
Realised A$ gold price (A$ per ounce sold)	**1,377**	1,323	4.1%

*The mine commenced commissioning during the December 2013 quarter, with the first gold pour occurring in late September 2013.

**All-in Sustaining Costs (AISC) 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 AISC.

b) Long Operation

Segment revenue and segment results of the Long Operation increased by 2.1% and 24.2% respectively, primarily impacted by a combination of 14.0% higher realised A$ nickel prices offset by 10.2% lower payable nickel equivalent metal. The lower nickel volumes were primarily driven by workforce restructuring in order to achieve productivity consistency during the period. Refer below for key production and financial statistics.

Long Operation	December 2014	December 2013	Variance
Ore mined (t)	**124,196**	137,634	-9.8%
Grade mined (%)	**4.12**	4.16	-1.0%
Contained nickel metal (t)	**5,123**	5,729	-10.6%
Payable nickel metal (t)	**3,097**	3,449	-10.2%
Nickel C1 cash costs & royalties (A$ per payable pound)	**4.00**	3.59	11.4%
Realised A$ nickel price (A$ per pound)	**8.15**	7.15	14.0%

c) Jaguar Operation

The Jaguar Operation showed a marked improvement on the previous corresponding period. Segment results increased by 54.1% to $37,908,000 and segment revenues increased by 37.7% to $107,304,000. The improved result is due to improved production across all payable metals comprising zinc, copper, silver and gold. The increase in segment revenues of $29,353,000 comprised a sales volume variance of $27,021,000 with the balance comprising sales price variance. During the period, 50% of revenues were derived from zinc sales compared to 41% in the previous half-year. Realised zinc prices increased by 19.3% relative to the previous corresponding half-year. The following table outlines key production and financial statistics.

Review of Operations (continued)

Jaguar Operation	December 2014	December 2013	Variance
Ore mined (t)	**250,334**	210,266	19.1%
Ore milled (t)	**254,371**	217,900	16.7%
Zinc grade (%)	**11.52**	10.28	12.1%
Copper grade (%)	**2.16**	1.94	11.3%
Silver grade (g/t)	**179**	132	35.6%
Gold grade (g/t)	**0.70**	0.48	45.8%
Contained zinc metal (t)	**25,373**	19,573	29.6%
Contained copper metal (t)	**4,807**	3,741	28.5%
Payable zinc metal (t)	**21,203**	16,299	30.1%
Payable copper metal (t)	**4,618**	3,598	28.3%
Payable silver metal (oz)	**818,151**	544,792	50.2%
Payable gold metal (oz)	**2,373**	1,958	21.2%
Zinc C1 cash costs & royalties (A$ per payable pound)	**0.23**	0.34	-32.4%
Realised A$ zinc price (A$ per pound)	**1.14**	0.96	18.8%
Realised A$ copper price (A$ per pound)	**3.41**	3.53	-3.4%

d) Feasibility and Regional Exploration Activities

The feasibility and regional exploration activities reflected in this segment relate to exploration expenditure, feasibility and evaluation studies and scoping studies incurred on the Company's exploration prospects.

The Jaguar Project continued to be a strong focus with exploration aimed at locating additional VMS deposits within the Jaguar tenure and nearby Darlot JV. This work resulted in the identification of the Triumph prospect where drilling returned intercepts up to 8.4m (true width) @ 9.7% Zn, 0.1% Cu, 44g/t Ag and 0.3g/t Au. At Bryah Basin, where the Company is looking for DeGrussa style Cu-Au deposits, aircore drilling confirmed VMS style multi-element geochemical anomalism at the Neptune prospect. Follow-up work is planned. First pass and infill surface geochemistry was completed over the extensive Lake Mackay Project where the Company is targeting Tanami style gold mineralisation. A number of geochemical anomalies have been defined and tested with broad spaced aircore drilling. Best results came from the Tekapo Prospect including an intercept of 8m @ 1.57g/t Au. A major new reverse JV was entered into with AngloGold Ashanti Australia Limited over approximately 3,000 square kilometres of tenure on the eastern flank of the Tropicana JV. The tenements are prospective for intrusion related (Nova style) Ni-Cu sulphide mineralisation. Under the JV arrangement IGO may earn back a 40% interest in the tenements giving it a total equity of 70%.

The scope of the Stockman Project encompasses concurrent development of two underground deposits to feed a central 1.0M tpa differential flotation concentrator that could produce approximately 15,000 ktpa Cu and 26,000 ktpa Zn in concentrate over a project life of approximately ten years. The development includes recommissioning the Wilga underground mine and developing a new Currawong underground mine.

An Environment Effects Statement (EES) was prepared for the project under the Victorian *Environment Effects Act* 1978. The EES also addressed matters raised by the Commonwealth through the *Environment Protection and Biodiversity and Conservation Act* 1999.

At the end of 2014, the Company received both a positive assessment report from the Victorian Government and project approval, subject to conditions, from the Commonwealth.

The Stockman Project is a significant development for the Company and will require a Final Investment Decision (FID) from the Board of Directors in order to proceed once planning and permitting have reached the appropriate points in late 2015. If the Board of Directors conclude that the project is strategically and financially viable, final construction and permitting is likely to take approximately two years to complete from that time.

Events subsequent to balance date

The Company announced that an interim dividend would be paid on 20 March 2015. The dividend is 6 cents per share and will be fully franked.

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 reporting periods.

Auditor's Independence Declaration

The Auditor's Independence Declaration on page 7 required under section 307C of the *Corporations Act 2001* forms part of the Directors' Report for the six months ended 31 December 2014.

Rounding of amounts to nearest thousand dollars

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

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

Peter Bilbe
Chairman

Perth, Western Australia
17 February 2015

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DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF INDEPENDENCE GROUP NL

As lead auditor for the review of Independence Group NL for the half-year ended 31 December 2014, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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

Brad McVeigh

Director

BDO Audit (WA) Pty Ltd

Perth, 17 February 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the half-year ended 31 December 2014

	31 December 2014 $'000	31 December 2013 Restated* $'000
Revenue from continuing operations	**274,260**	166,710
Other income	**118**	-
Mining and processing costs	**(76,196)**	(44,852)
Employee benefits expense	**(31,776)**	(29,905)
Share-based payments expense	**(1,353)**	(1,636)
Fair value adjustment of listed investments	**158**	633
Depreciation and amortisation expenses	**(48,286)**	(24,552)
Exploration costs expensed	**(12,876)**	(16,789)
Impairment of exploration and evaluation expenditure	**(2,133)**	(1,678)
Rehabilitation and restoration borrowing costs	**(308)**	(310)
Ore tolling expense	**(5,839)**	(6,109)
Royalty expense	**(8,597)**	(6,092)
Shipping and wharfage costs	**(11,779)**	(8,910)
Borrowing and finance costs	**(1,396)**	(1,881)
Other expenses	**(4,250)**	(4,325)
Profit before income tax expense	**69,747**	20,304
Income tax expense	**(20,225)**	(6,658)
Profit for the period	**49,522**	13,646
Other comprehensive income		
Items that will be reclassified to profit or loss		
Effective portion of changes in fair value of cash flow hedges, net of tax	**2,659**	(1,424)
Exchange differences on translation of foreign operations	**(2)**	-
Other comprehensive income (loss) for the period, net of tax	**2,657**	(1,424)
Total comprehensive income for the period	**52,179**	12,222
Profit attributable to the members of Independence Group NL	**49,522**	13,646
Total comprehensive income for the period attributable to the members of Independence Group NL	**52,179**	12,222
Earnings per share for profit attributable to the ordinary equity holders of the Company		
	Cents	**Cents**
Basic earnings per share	**21.14**	5.85
Diluted earnings per share	**20.96**	5.80

∗ Refer to note 2 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 31 December 2014

	Notes	31 December 2014 $'000	30 June 2014 Restated* $'000	1 July 2013 Restated* $'000
Current assets				
Cash and cash equivalents		**93,333**	56,972	27,215
Trade and other receivables		**33,167**	30,070	24,159
Inventories		**32,670**	40,383	22,760
Financial assets		**1,016**	858	1,092
Derivative financial instruments	7	**5,800**	2,519	6,946
Total current assets		**165,986**	130,802	82,172
Non-current assets				
Other receivables		**6**	57	604
Inventories		**16,159**	8,803	-
Property, plant and equipment	4	**46,690**	47,230	36,278
Mine properties	5	**318,825**	329,279	319,690
Exploration and evaluation expenditure	6	**110,782**	111,583	115,379
Deferred tax assets		**135,980**	152,395	152,261
Intangible assets		**-**	-	179
Derivative financial instruments	7	**-**	658	1,981
Total non-current assets		**628,442**	650,005	626,372
Total assets		**794,428**	780,807	708,544
Current liabilities				
Trade and other payables		**40,044**	46,855	53,599
Borrowings		**1,755**	3,508	6,030
Derivative financial instruments	7	**4,132**	6,381	1,910
Provisions		**2,545**	2,557	2,446
Total current liabilities		**48,476**	59,301	63,985
Non-current liabilities				
Borrowings		**82**	24,854	11,524
Provisions		**27,090**	25,545	21,724
Derivative financial instruments	7	**905**	-	-
Deferred tax liabilities		**66,551**	61,602	41,249
Total non-current liabilities		**94,628**	112,001	74,497
Total liabilities		**143,104**	171,302	138,482
Net assets		**651,324**	609,505	570,062
Equity				
Contributed equity	8	**737,323**	735,060	734,007
Reserves	9	**15,223**	13,476	14,332
Accumulated losses	9	**(101,222)**	(139,031)	(178,277)
Total equity		**651,324**	609,505	570,062

∗ Refer to note 2 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 Cash Flows

For the half-year ended 31 December 2014

	31 December 2014 $'000	31 December 2013 Restated* $'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	**274,316**	164,732
Payments to suppliers and employees (inclusive of goods and services tax)	**(145,969)**	(105,386)
	128,347	59,346
Interest and other costs of finance paid	**(910)**	(361)
Interest received	**381**	296
Payments for exploration expenditure	**(13,946)**	(18,000)
Receipts from other operating activities	**56**	100
Net cash provided by operating activities	**113,928**	41,381
Cash flows from investing activities		
Dividends received	**-**	5
Payments for purchase of listed and unlisted investments	**-**	(75)
Proceeds from the sale of property, plant and equipment	**115**	-
Payments for property, plant and equipment	**(7,543)**	(5,580)
Payments for development expenditure	**(23,560)**	(51,151)
Payments for capitalised exploration and evaluation expenditure	**(7,685)**	(6,247)
Net cash used in investing activities	**(38,673)**	(63,048)
Cash flows from financing activities		
Proceeds from borrowings	**-**	47,000
Repayment of borrowings	**(25,000)**	-
Costs associated with borrowings	**-**	(1,041)
Repayment of finance lease liabilities	**(2,181)**	(3,346)
Payment of dividends	**(11,713)**	(2,333)
Net cash (used in) / provided by financing activities	**(38,894)**	40,280
Net increase in cash and cash equivalents held	**36,361**	18,613
Cash and cash equivalents at the beginning of the reporting period	**56,972**	27,215
Cash and cash equivalents at the end of the reporting period	**93,333**	45,828

* Refer to note 2 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.

Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2014

	Contributed Equity $'000	Accumulated Losses $'000	Share-Based Payments Reserve $'000	Hedging Reserve $'000	Acquisition Reserve $'000	Foreign Currency Translation Reserve $'000	Total Equity $'000
At 1 July 2013	734,007	(98,870)	8,793	2,397	3,142	-	649,469
- Change in accounting policy	-	(79,407)	-	-	-	-	(79,407)
Restated total equity at 1 July 2013	734,007	(178,277)	8,793	2,397	3,142	-	570,062
Profit for the period as reported in the 2013 financial statements	-	21,492	-	-	-	-	21,492
- Change in accounting policy	-	(7,846)	-	-	-	-	(7,846)
Restated profit for the period	-	13,646	-	-	-	-	13,646
Other comprehensive income							
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	(1,424)	-	-	(1,424)
Total comprehensive income (loss) for the period	-	13,646	-	(1,424)	-	-	12,222
Transactions with owners in their capacity as owners							
Issue of shares – Employee Performance Rights Plan	1,053	-	(1,053)	-	-	-	-
Dividends paid	-	(2,333)	-	-	-	-	(2,333)
Share-based payments	-	-	1,636	-	-	-	1,636
At 31 December 2013 (Restated*)	735,060	(166,964)	9,376	973	3,142	-	581,587
At 1 July 2014 (Restated*)	**735,060**	**(139,031)**	**12,372**	**(2,038)**	**3,142**	**-**	**609,505**
Profit for the period	**-**	**49,522**	**-**	**-**	**-**	**-**	**49,522**
Other comprehensive income							
Effective portion of changes in fair value of cash flow hedges, net of tax	**-**	**-**	**-**	**2,659**	**-**	**-**	**2,659**
Currency translation differences – current period	**-**	**-**	**-**	**-**	**-**	**(2)**	**(2)**
Total comprehensive income for the period	**-**	**49,522**	**-**	**2,659**	**-**	**(2)**	**52,179**
Transactions with owners in their capacity as owners							
Issue of shares – Employee Performance Rights Plan	**2,263**	**-**	**(2,263)**	**-**	**-**	**-**	**-**
Dividends paid	**-**	**(11,713)**	**-**	**-**	**-**	**-**	**(11,713)**
Share-based payments expense	**-**	**-**	**1,353**	**-**	**-**	**-**	**1,353**
At 31 December 2014	**737,323**	**(101,222)**	**11,462**	**621**	**3,142**	**(2)**	**651,324**

∗ Refer to note 2 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.

Note 1. Basis of preparation of half-year financial statements

This general purpose financial report for the half-year reporting period ended 31 December 2014 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This half-year financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, this half-year financial report is to be read in conjunction with the annual financial report for the year ended 30 June 2014 and any public announcements made by Independence Group NL during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as follows:

Changes in accounting policies

During the current half-year the Group adopted a voluntary change in accounting policy relating to Exploration and Evaluation Expenditure. Refer to note 2 for details of the change.

In addition to the above, the following amended Standards have been adopted from 1 July 2014. Adoption of these Standards did not have any material impact on the financial position or performance of the Group.

- AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities;
- AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets; and
- AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C).

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

Impact of standards issued but not effective

From 1 July 2015, the Group is required to adopt Standards and Interpretations mandatory for annual periods beginning on or after 1 January 2015. The Group has reviewed the impact of these Standards and Interpretations and are continuing to assess whether they will have a significant effect on the financial position or performance of the Group.

The Company has not elected to early adopt any new standards or amendments.

Note 2. Voluntary change in accounting policy

(a) Exploration and evaluation accounting policy

The half-year 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 and 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.

Note 2. Voluntary change in accounting policy (continued)

(b) Impact on financial statements

As a result of the change in the accounting policy for exploration and evaluation expenditure, prior year financial statements had to be restated. The following Consolidated Statement of Profit or Loss and Other Comprehensive Income, Balance Sheet and Statement of Cash Flows show the impact of the change in the entity's accounting policy for exploration and evaluation expenditure on the prior half-year and full year financial statements.

Impact on prior years

Consolidated Statement of Profit or Loss and Other Comprehensive Income

		Prior year restatement Increase/ (decrease)	
	31 December 2013 (Previously stated) $'000	**31 December 2013 (Adjustment) $'000**	**31 December 2013 (Restated) $'000**
Revenue from continuing operations	166,710	-	166,710
Mining and processing costs	(44,709)	(143)	(44,852)
Employee benefits expense	(29,905)	-	(29,905)
Share-based payments expense	(1,636)	-	(1,636)
Fair value adjustment of listed investments	633	-	633
Depreciation and amortisation expenses	(25,469)	917	(24,552)
Exploration costs expensed	(2,135)	(14,654)	(16,789)
Impairment of exploration and evaluation expenditure	(4,350)	2,672	(1,678)
Rehabilitation and restoration borrowing costs	(310)	-	(310)
Ore tolling expense	(6,109)	-	(6,109)
Royalty expense	(6,092)	-	(6,092)
Shipping and wharfage costs	(8,910)	-	(8,910)
Borrowing and finance costs	(1,881)	-	(1,881)
Other expenses	(4,325)	-	(4,325)
Profit before income tax expense	31,512	(11,208)	20,304
Income tax expense	(10,020)	3,362	(6,658)
Profit for the period	21,492	(7,846)	13,646
Other comprehensive income			
Items that will be reclassified to profit or loss			
Effective portion of changes in fair value of cash flow hedges, net of tax	(1,424)	-	(1,424)
Other comprehensive loss for the period, net of tax	(1,424)	-	(1,424)
Total comprehensive income for the period	20,068	(7,846)	12,222
Profit attributable to the members of Independence Group NL	21,492	(7,846)	13,646
Total comprehensive income for the period attributable to the members of Independence Group NL	20,068	(7,846)	12,222
Earnings per share for profit attributable to the ordinary equity holders of the Company			
	Cents	Cents	**Cents**
Basic earnings per share	9.21	(3.36)	5.85
Diluted earnings per share	9.14	(3.34)	5.80

Note 2. Voluntary change in accounting policy (continued)

(b) Impact on financial statements (continued)

Impact on prior years (continued)

Consolidated Balance Sheet

	31 December 2013 (Previously stated) $'000	Prior year restatements Increase/ (decrease) 31 December 2013 (Adjustment) $'000	31 December 2013 (Restated) $'000
Current assets			
Cash and cash equivalents	45,828	-	45,828
Trade and other receivables	25,341	-	25,341
Inventories	39,673	(144)	39,529
Financial assets	1,800	-	1,800
Derivative financial instruments	7,768	-	7,768
Total current assets	120,410	(144)	120,266
Non-current assets			
Other receivables	84	-	84
Property, plant and equipment	52,221	-	52,221
Mine properties	359,801	(29,489)	330,312
Exploration and evaluation expenditure	210,393	(95,014)	115,379
Deferred tax assets	162,594	-	162,594
Intangible assets	41	-	41
Total non-current assets	785,134	(124,503)	660,631
Total assets	905,544	(124,647)	780,897
Current liabilities			
Trade and other payables	50,944	-	50,944
Borrowings	4,865	-	4,865
Derivative financial instruments	2,710	-	2,710
Provisions	2,348	-	2,348
Total current liabilities	60,867	-	60,867
Non-current liabilities			
Borrowings	56,794	-	56,794
Provisions	24,019	-	24,019
Deferred tax liabilities	95,024	(37,394)	57,630
Total non-current liabilities	175,837	(37,394)	138,443
Total liabilities	236,704	(37,394)	199,310
Net assets	668,840	(87,253)	581,587
Equity			
Contributed equity	735,060	-	735,060
Reserves	13,491	-	13,491
Accumulated losses	(79,711)	(87,253)	(166,964)
Total equity	668,840	(87,253)	581,587

Note 2. Voluntary change in accounting policy (continued)

(b) Impact on financial statements (continued)

Impact on prior years (continued)

Consolidated Balance Sheet

	Prior year restatements					
	30 June 2014 (Previously stated) $'000	Increase/ (decrease) 30 June 2014 (Adjustment) $'000	30 June 2014 (Restated) $'000	1 July 2013 (Previously stated) $'000	Increase/ (decrease) 1 July 2013 (Adjustment) $'000	1 July 2013 (Restated) $'000
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	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						
Other 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
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

Note 2. Voluntary change in accounting policy (continued)

(b) Impact on financial statements (continued)

Impact on prior years (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 $15,865,000 for the half-year to 31 December 2013. This has also resulted in a corresponding reduction of $15,865,000 being reflected in the net cash outflows from investing activities for the same reporting period.

Impact on current year

The following Consolidated Statement of Profit or Loss and Other Comprehensive Income, Balance Sheet and Statement of Cash Flows show the impact of the change in the entity's accounting policy for exploration and evaluation expenditure on the current half-year.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	31 December 2014 $'000	Current year impact Increase/ (decrease) 31 December 2014 (Adjustment) $'000	31 December 2014 (As presented) $'000
Revenue from continuing operations	274,260	-	274,260
Other income	118	-	118
Mining and processing costs	(76,263)	67	(76,196)
Employee benefits expense	(31,776)	-	(31,776)
Share-based payments expense	(1,353)	-	(1,353)
Fair value adjustment of listed investments	158	-	158
Depreciation and amortisation expenses	(51,232)	2,946	(48,286)
Exploration costs expensed	(785)	(12,091)	(12,876)
Impairment of exploration and evaluation expenditure	(1,897)	(236)	(2,133)
Rehabilitation and restoration borrowing costs	(308)	-	(308)
Ore tolling expense	(5,839)	-	(5,839)
Royalty expense	(8,597)	-	(8,597)
Shipping and wharfage costs	(11,779)	-	(11,779)
Borrowing and finance costs	(1,396)	-	(1,396)
Other expenses	(4,250)	-	(4,250)
Profit before income tax expense	79,061	(9,314)	69,747
Income tax expense	(22,930)	2,705	(20,225)
Profit for the period	56,131	(6,609)	49,522
Other comprehensive income			
Items that will be reclassified to profit or loss			
Effective portion of changes in fair value of cash flow hedges, net of tax	2,659	-	2,659
Exchange differences on translation of foreign operations	(2)	-	(2)
Other comprehensive income for the period, net of tax	2,657	-	2,657
Total comprehensive income for the period	58,788	(6,609)	52,179
Profit attributable to the members of Independence Group NL	56,131	(6,609)	49,522
Total comprehensive income for the period attributable to the members of Independence Group NL	58,788	(6,609)	52,179
Earnings per share for profit attributable to the ordinary equity holders of the Company			
	Cents	**Cents**	**Cents**
Basic earnings per share	23.96	(2.82)	21.14
Diluted earnings per share	23.76	(2.80)	20.96

Note 2. Voluntary change in accounting policy (continued)

(b) Impact on financial statements (continued)

Impact on current year (continued)

Consolidated Balance Sheet

	31 December 2014 $'000	Increase/ (decrease) 31 December 2014 (Adjustment) $'000	31 December 2014 (As presented) $'000
Current assets			
Cash and cash equivalents	93,333	-	93,333
Trade and other receivables	33,167	-	33,167
Inventories	32,603	67	32,670
Financial assets	1,016	-	1,016
Derivative financial instruments	5,800	-	5,800
Total current assets	165,919	67	165,986
Non-current assets			
Other receivables	6	-	6
Inventories	16,159	-	16,159
Property, plant and equipment	46,690	-	46,690
Mine properties	316,961	1,864	318,825
Exploration and evaluation expenditure	122,027	(11,245)	110,782
Deferred tax assets	133,275	2,705	135,980
Total non-current assets	635,118	(6,676)	628,442
Total assets	801,037	(6,609)	794,428
Current liabilities			
Trade and other payables	40,044	-	40,044
Borrowings	1,755	-	1,755
Derivative financial instruments	4,132	-	4,132
Provisions	2,545	-	2,545
Total current liabilities	48,476	-	48,476
Non-current liabilities			
Borrowings	82	-	82
Provisions	27,090	-	27,090
Derivative financial instruments	905	-	905
Deferred tax liabilities	66,551	-	66,551
Total non-current liabilities	94,628	-	94,628
Total liabilities	143,104	-	143,104
Net assets	657,933	(6,609)	651,324
Equity			
Contributed equity	737,323	-	737,323
Reserves	15,223	-	15,223
Accumulated losses	(94,613)	(6,609)	(101,222)
Total equity	657,933	(6,609)	651,324

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 $13,021,000 for the half year to 31 December 2013. This has also resulted in a corresponding reduction of $13,021,000 being reflected in the net cash outflows from investing activities for the same reporting period.

Note 3. Segment information

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The Group operates predominantly in only one geographic segment (ie. Australia) and has identified four operating segments, being the Tropicana Gold Project, the Long 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 of Directors.

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

The Jaguar Operation primarily produces copper and zinc concentrate, containing in addition gold and silver. 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 and feasibility studies. 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.

	Tropicana Gold Project $'000	Copper and Zinc Mining $'000	Nickel Mining $'000	Feasibility and Regional Exploration Activities $'000	Total $'000
Half-year ended 31 December 2014					
Sales to external customers	**109,762**	**107,275**	**56,734**	**-**	**273,771**
Other revenue	**-**	**29**	**237**	**9**	**275**
Total segment revenue	**109,762**	**107,304**	**56,971**	**9**	**274,046**
Segment net operating profit (loss) before income tax	**37,496**	**37,908**	**17,873**	**(14,271)**	**79,006**
Half-year ended 31 December 2013 (Restated)					
Sales to external customers	32,780	77,931	55,721	-	166,432
Other revenue	-	20	78	16	114
Total segment revenue	32,780	77,951	55,799	16	166,546
Segment net operating profit (loss) before income tax	7,117	24,600	14,395	(16,773)	29,339
Total segment assets					
31 December 2014	**537,697**	**124,720**	**109,581**	**113,325**	**885,323**
30 June 2014 (Restated)	440,585	102,828	111,854	114,123	769,390
Total segment liabilities					
31 December 2014	**29,505**	**24,256**	**29,582**	**32,573**	**115,916**
30 June 2014 (Restated)	29,705	30,535	29,960	30,879	121,079

Note 3. Segment information (continued)

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

	Consolidated	
	31 December 2014 $'000	31 December 2013 $'000
Total segment revenue	**274,046**	166,546
Interest revenue on corporate cash balances and other unallocated revenue	**214**	164
Total revenue	**274,260**	166,710

(ii) A reconciliation of reportable segment profit (loss) to operating profit before income tax is as follows:

	31 December 2014 $'000	31 December 2013 Restated $'000
Total profit for reportable segments	**79,006**	29,339
Interest revenue on corporate cash balances and other unallocated revenue	**214**	164
Unrealised gains (losses) on financial assets	**158**	633
Share-based payment expense	**(1,353)**	(1,636)
Depreciation and amortisation expense on corporate assets	**(400)**	(520)
Borrowing and finance costs	**(1,278)**	(1,510)
Other corporate costs and unallocated other income	**(6,600)**	(6,166)
Profit before income tax from continuing operations	**69,747**	20,304

(iii) A reconciliation of reportable segment assets to total assets is as follows:

	31 December 2014 $'000	30 June 2014 Restated $'000
Total assets for reportable segments	**885,323**	769,390
Intersegment eliminations	**(293,500)**	(163,896)
Unallocated assets		
Deferred tax assets	**135,980**	152,395
Financial assets	**966**	808
Cash and receivables held by the parent entity	**62,773**	19,224
Office and general plant and equipment	**2,886**	2,886
Total assets per the balance sheet	**794,428**	780,807

(iv) A reconciliation of reportable segment liabilities to total liabilities is as follows:

	31 December 2014 $'000	30 June 2014 Restated $'000
Total liabilities for reportable segments	**115,916**	121,079
Intersegment eliminations	**(44,322)**	(44,489)
Unallocated liabilities		
Deferred tax liabilities	**66,551**	61,602
Corporate creditors and accruals	**3,785**	7,598
Provision for employee entitlements	**1,174**	1,168
Bank loans	**-**	24,344
Total liabilities per the balance sheet	**143,104**	171,302

Note 4. Property, plant and equipment

	31 December 2014 $'000	31 December 2013 $'000
Property, plant and equipment	**46,690**	52,221

Reconciliations of the carrying amounts at the beginning and end of the half-year are as follows:

Property, plant and equipment		
Carrying amount at beginning of the period	**47,230**	36,278
Additions	**7,665**	6,303
Depreciation expense	**(8,205)**	(7,525)
Disposals	**-**	(50)
Transfers from mine properties in development	**-**	17,215
Carrying amount at end of the period	**46,690**	52,221

Note 5. Mine properties

	31 December 2014 $'000	31 December 2013 Restated $'000
Mine properties in development (a)	**-**	-
Mine properties in production (b)	**318,825**	330,312
	318,825	330,312

Reconciliations of the carrying amounts at the beginning and end of the half-year are as follows:

(a) Mine properties in development		
Carrying amount at beginning of the period	**-**	230,628
Additions	**-**	28,479
Transfers to mine properties in production*	**-**	(242,609)
Transfers to property, plant and equipment	**-**	(17,215)
Borrowing costs capitalised	**-**	544
Depreciation expense capitalised	**-**	173
Carrying amount at end of the period	**-**	-

(b) Mine properties in production		
Carrying amount at beginning of the period	**329,279**	89,062
Additions	**23,325**	20,771
Transfer from exploration and evaluation	**6,353**	4,569
Transfer from mine properties in development*	**-**	242,609
Amortisation expense	**(40,132)**	(17,179)
Transfers to inventories	**-**	(9,520)
Carrying amount at end of the period	**318,825**	330,312

* Transfers relate to commissioning and commencement of production of gold dore at the Tropicana Gold Mine during the previous half-year.

Note 6. Exploration and evaluation expenditure

	31 December 2014 $'000	31 December 2013 Restated $'000
Exploration and evaluation expenditure	**110,782**	115,379

Reconciliations of the carrying amounts at the beginning and end of the half-year are as follows:

	31 December 2014 $'000	31 December 2013 Restated $'000
Exploration and evaluation expenditure		
Carrying amount at beginning of the period	**111,583**	115,379
Additions	**7,685**	6,247
Transfer to mine properties in production	**(6,353)**	(4,569)
Impairment charge	**(2,133)**	(1,678)
Carrying amount at end of the period	**110,782**	115,379

An assessment is performed quarterly on the carrying value of capitalised exploration and evaluation. This assessment resulted in an impairment of exploration and evaluation expenditure to the profit or loss of $2,133,000 (2013: $1,678,000) during the period.

Note 7. Derivative financial instruments

	31 December 2014 $'000	30 June 2014 $'000
Current assets		
Commodity hedging contracts – at fair value through profit or loss	**1,921**	1,119
Commodity hedging contracts – cash flow hedges	**3,879**	-
Foreign currency hedging contracts – at fair value through profit or loss	**-**	29
Foreign currency hedging contracts – cash flow hedges	**-**	1,371
	5,800	2,519
Current liabilities		
Commodity hedging contracts – at fair value through profit or loss	**-**	1,489
Commodity hedging contracts – cash flow hedges	**-**	4,892
Foreign currency hedging contracts – at fair value through profit or loss	**1,706**	-
Foreign currency hedging contracts – cash flow hedges	**2,426**	-
	4,132	6,381
Non-current assets		
Commodity hedging contracts – cash flow hedges	**-**	658
	-	658
Non-current liabilities		
Commodity hedging contracts – cash flow hedges	**905**	-
	905	-

Note 8. Contributed equity

	31 December 2014 $'000	31 December 2013 $'000
Fully paid issued capital	**737,323**	735,060

(a) Movements in shares on issue

	Half-year		Half-year	
	2014 No. of shares	**2014 $'000**	2013 No. of shares	2013 $'000
Balance at 1 July	**233,323,905**	**735,060**	232,882,535	734,007
Issued during the year:				
- shares issued under the Employee Performance Rights Plan	**932,668**	**2,263**	441,370	1,053
Balance at 31 December	**234,256,573**	**737,323**	233,323,905	735,060

Note 9. Reserves and retained earnings

	31 December 2014 $'000	30 June 2014 $'000
(a) Reserves		
Share-based payments reserve	**11,462**	12,372
Hedging reserve	**621**	(2,038)
Acquisition reserve	**3,142**	3,142
Foreign currency translation reserve	**(2)**	-
	15,223	13,476

	31 December 2014 $'000	31 December 2013 (Restated) $'000
(b) Accumulated losses		
A reconciliation of accumulated losses for the half-year is as follows:		
Balance at the beginning of the half-year	**(139,031)**	(178,277)
Net profit for the half-year	**49,522**	13,646
Dividends paid	**(11,713)**	(2,333)
Balance at the end of the half-year	**(101,222)**	(166,964)

Note 10. Fair value measurement of financial instruments

a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1),
(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
(c) 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 financial assets and financial liabilities measured and recognised at fair value at 31 December 2014 and 30 June 2014 on a recurring basis:

At 31 December 2014	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Derivative instruments				
Commodity hedging contracts	-	5,800	-	5,800
Listed and unlisted investments	966	-	50	1,016
	966	5,800	50	6,816
Financial liabilities				
Derivative instruments				
Commodity hedging contracts	-	905	-	905
Foreign exchange hedging contracts	-	4,132	-	4,132
	-	5,037	-	5,037

At 30 June 2014	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
Derivative instruments				
Commodity hedging contracts	-	1,777	-	1,777
Foreign currency hedging contracts	-	1,400		1,400
Listed investments	808	-	50	858
	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 31 December 2014 and did not transfer any fair value amounts between the fair value hierarchy levels during the half-year ended 31 December 2014.

b) Valuation techniques used to derive 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 balance sheet 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.

Note 10. Fair value measurement of financial instruments (continued)

c) 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 31 December 2014 and 30 June 2014.

At 31 December 2014	Carrying Amount $'000	Fair Value $'000
Current assets		
Cash and cash equivalents	93,333	93,333
	93,333	93,333
Current liabilities		
Lease liabilities	1,755	1,811
	1,755	1,811
Non-current liabilities		
Lease liabilities	82	82
	82	82

At 30 June 2014	Carrying Amount $'000	Fair Value $'000
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

Note 11. Dividends paid and proposed

	Consolidated	
	31 December 2014 $'000	31 December 2013 $'000
(a) Dividends paid		
Final dividend for the year ended 30 June 2014 of 5 cents (2013: 1 cent) per fully paid share	**11,713**	**2,333**
Total dividends paid during the half-year	**11,713**	**2,333**
(b) Unrecognised amounts		
In addition to the above dividends, since half-year end the Directors have recommended the payment of an interim dividend of 6 cents (2013: 3 cents) per fully paid share, fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 20 March 2015, but not recognised as a liability at half-year end is:	**14,055**	**7,000**

Note 12. Contingent assets and liabilities

(a) Contingent assets

There have been no material changes in contingent assets since the last annual reporting date.

(b) Contingent liabilities

Guarantees relating to environmental and rehabilitation bonds total $11,154,000 (30 June 2014: $15,950,000). There have been no other changes in contingent liabilities since the last annual reporting date.

Note 13. Events subsequent to balance date

The Company announced a fully franked interim dividend of 6 cents per share to be paid on 20 March 2015 (refer note 11 for details).

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

Directors' Declaration

The Directors of the Company declare that:

(a) The financial report and notes of Independence Group NL for the half-year ended 31 December 2014 are in accordance with the *Corporations Act 2001*, including:

   (i) Giving a true and fair view of the financial position as at 31 December 2014 and the performance for the half-year ended on that date of the consolidated entity; and

   (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001.*

(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.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

Peter Bradford
Managing Director

Perth, Western Australia
17 February 2015

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Independence Group NL

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Independence Group NL, which comprises the consolidated balance sheet as at 31 December 2014, 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 half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Independence Group NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, 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 review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Independence Group NL is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

BDO Audit (WA) Pty Ltd

BDO

Brad McVeigh
Director

Perth, 17 February 2015