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UPDATE ON OPERATIONS AND FINANCIALS FOR THE CURRENT HALF-YEAR

Independence Group NL (ASX: IGO) (**Independence** or the **Company**) today provides an update on its operations and on the Company's anticipated financial result for the current half-year.

OPERATIONAL UPDATE

LONG NICKEL OPERATION [IGO 100%]

This operation continues to perform well and, despite lower commodity prices, is continuing to achieve strong margins and cash flow. Some statistics are provided below:

OCTOBER 2011	October Actual	October Budget	YTD Actual	YTD Budget
Ore mined	20,771t	19,915t	77,668t	75,731t
Contained Nickel	840t	789t	2,848t	2,719t
Cost/pound Nickel (payable):	A\$4.29	A\$4.74	A\$5.00	A\$5.08

NOVEMBER 2011	November Actual	November Budget		
Note: Preliminary ore tonnage figures.				
Ore mined:	23,047t	20,837t		

JAGUAR/BENTLEY OPERATION [IGO 100%]

The processing plant continues to perform well, with above budget availability and recoveries. The Heavy Media Separation (HMS) plant is being commissioned at present. This plant is expected to improve mill throughput, grades and recoveries.

Ore production and head grades at the Jaguar Mine have not fully recovered from the geotechnical issues encountered during the June 2011 Quarter. While those geotechnical issues are now well understood, the mining sequence has been altered and that has adversely impacted in the short term on budgeted performances. Further optimisation of the mining model is being investigated with the goal of achieving budgeted production for the full year to June 2011. The use of the HMS plant in the second half of the year should assist.

Shipment of concentrates through Geraldton Port is proceeding smoothly. The stockpiles which awaited shipment at the end of the September 2011 Quarter have been shipped. .../2



Some statistics are provided below:

OCTOBER 2011	October Actual	October Budget	YTD Actual	YTD Budget
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Ore mined	37,647t	44,296t	138,397t	145,733t
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Metal in Concentrate Produced:				
Copper:	792t	750t	2,361t	2,696t
Zinc:	1,152t	1,022t	4,865t	5,768t

Zinc (C1) cost/lb (payable)	A\$0.14	A\$0.04	A\$0.40	A\$0.08
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NOVEMBER 2011	November Actual	November Budget		
Note: Preliminary metal-in-concentrate figures.				
Copper	637t	706t		
Zinc	1,329t	1,689t		

TROPICANA GOLD PROJECT JV [IGO 30%]

Project development is proceeding as planned. The Company announced on 29 November 2011 an increase in the Project's Mineral Resource estimate by 1.05 million ounces to 6.41 million ounces of contained gold [IGO share 1.92 million ounces].

Reference IGO 29.11.2011 ASX Release for Mineral Resource Estimates.

STOCKMAN COPPER-ZINC-SILVER-GOLD PROJECT [IGO 100%]

Discussions with governmental agencies continue. The processing plant design study is nearing completion, as is the mining cost estimation. Completion of the Definitive Feasibility Study is on track for completion in the March 2012 Quarter.

FINANCIAL UPDATE

Independence has been impacted by recent declines and continuing volatility of global commodity prices. In its September 2011 Quarterly Independence reported an unaudited NPAT loss of \$8.5 million. Lower commodity prices and the previously disclosed operational difficulties experienced at the Jaguar/Bentley Operations are expected to adversely impact the Company's half-year financial results.

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Based on the information available to date, including current commodity prices, the Directors expect the December 2011 Quarter result to be an improvement on the September Quarter, however it is nevertheless envisaged that there will be a NPAT loss for the half-year ending 31 December 2011, prior to taking into account any potential for asset impairment.

At each reporting date, the Board of Independence assesses whether current circumstances indicate that the carrying value of any of its assets, including goodwill, should be impaired. Independence notes that, as part of this process, it will need to assess: the goodwill of approximately \$117 million recorded on its balance sheet at 30 June 2011, arising from the acquisition of Jabiru Metals Limited; and the carrying value of the Jaguar/Bentley Operation (an asset of Jabiru).

As part of its 31 December half-year review process, Independence will consider whether an impairment is required, based on commodity prices at the time and a review of operational performance. While circumstances may change before this process is completed (expected in February 2012), culminating in the release of the December half-year results to the ASX, at the present time the Company believes that there are reasonable grounds for expecting a significant write-down of both the Jabiru goodwill and the carrying value of the Jaguar/Bentley Operation. It should be noted that any impairment would be a non-cash item.

Yours sincerely

Christopher Bonwick
Managing Director
Independence Group NL