Indago Resources Limited

ASX Appendix 4E
Preliminary Final Report
Year ended 30 June 2010

Name of entity

INDAGO RESOURCES LIMITED

ABN

69 009 150 618

Financial year ended ("current year")

30 June 2010

Comparative year ended ("prior year")

30 June 2009

Statement

This report is based on information extracted from the Annual Financial Report of Indago Resources Limited (Company) and the entities it controlled at the end of, or during the year ended 30 June 2010 (Consolidated Entity or Group) which is currently in the process of being audited.

Results for announcement to the market

	$'000	UP/DOWN	CHANGE $'000	% CHANGE
Revenues from ordinary activities	**1,144**	**UP**	**108**	**10%**
Revenues from continuing activities relate primarily to interest income which is higher than in the prior year due to higher average cash balances over the course of the year.				
Profit from ordinary activities after tax attributable to members.	**24,935**	**UP**	**36,543**	**561%**
Profit for the year was $24.9m, whereas in the prior year a loss of $11.6m was recorded. The current year profit includes a consolidated gain on disposal of Tusker Gold Limited of $42.6m after provision for the associated estimated tax expense.				
Net profit for the period attributable to members	**24,935**	**UP**	**36,543**	**561%**
As above.				
No dividends have been paid during or are proposed in respect of the financial year ended 30 June 2010 (2009: nil).				

Unaudited Preliminary Statement of Comprehensive Income for the Year ended 30 June 2010

Indago Resources Limited ("(Indago" or "Company") has recorded a consolidated profit of $24.9m for the year to 30 June 2010 (2009: loss of $11.6m). The profit is primarily attributable to an accounting gain on the disposal of Tusker Gold Limited ("Tusker") of $42.6m after estimated tax expenses, offset by non-cash expenses on the valuation of share-based payments approved by shareholders of $10.8m (across both continuing and discontinued operations).

Unaudited Preliminary Statement of Financial Position as at 30 June 2010

Consolidated Net assets as at balance date are $65.9m, up from $22.2m in the prior year. The increase is primarily attributable to an increase in cash and deposits on receipt of proceeds from the sale of Tusker and the Group's other exploration projects offset by a decrease in capitalised exploration assets associated with those projects.

Unaudited Preliminary Statement of Cash Flows for the year ended 30 June 2010

Operating Cashflows
Cash applied to operating activities was $3.4m, net of interest receipts of $1.0m.

Investing Cashflow
Cash from investing activities in the year was $15.5m. This includes $48.0m (net of cash disposed) from the sale of Tusker and other exploration projects, payments of $5.0m for listed securities and payments of $25.0m for terms deposits which have not been disclosed within the cash balance.

Financing Cashflows
Cash provided by financing activities of $15.5m in the year relate to $9.3m from the underwritten share and option rights issue in the year (net of costs of the offer) and also includes the consolidated increase in cash from the issue of shares in Tusker (net of costs of issue and Indago's investment of $3.5m at that time) prior to the disposal of Tusker.

Unaudited Preliminary Statement of Comprehensive Income for the year ended 30 June 2010

	Note	2010 $'000	2009 $'000
REVENUE FROM CONTINUING OPERATIONS	2	**1,144**	1,036
EXPENSES			
Compliance fees		**(426)**	(133)
Consultancy fees		**(488)**	(350)
Depreciation		**(60)**	(140)
Impairment of fixed assets		**(638)**	(216)
Share-based payments	(15)	**(9,595)**	(633)
Employee benefits expense		**(3,586)**	(2,984)
Legal fees		**(218)**	(234)
Rent expense		**(524)**	(403)
Travel expense		**(27)**	(214)
Administrative expenses		**(340)**	(819)
Total expenses	(3)	**(15,902)**	(6,126)
Loss before income tax expense		**(14,758)**	(5,090)
Income tax expense from continuing operations	(4)	**-**	-
LOSS FROM CONTINUING OPERATIONS		**(14,758)**	(5,090)
Profit / (Loss) from discontinued operations	(5)	**39,693**	(6,518)
NET PROFIT (LOSS) ATTRIBUTABLE TO EQUITY HOLDERS OF INDAGO RESOURCES LIMITED		**24,935**	(11,608)
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME		**24,935**	(11,608)
		Cents per share	Cents per share
EARNINGS/(LOSS) PER SHARE	(6)		
For loss from continuing operations attributable to the ordinary equity holders of the Company			
Basic		**(17.1)**	(10.5)
Diluted		**(17.1)**	(10.5)
For profit / (loss) from continuing operations attributable to the ordinary equity holders of the Company			
Basic		**28.9**	(18.7)
Diluted		**28.9**	(18.7)

The accompanying notes form part of these unaudited preliminary financial statements

	Note	2010 $'000	2009 $'000
CURRENT ASSETS			
Cash and cash equivalents	(7)	**42,936**	15,278
Other financial assets	(8)	**15,038**	-
Trade and other receivables		**327**	228
Listed investments	(9)	**5,171**	-
TOTAL CURRENT ASSETS		**63,472**	15,506
NON-CURRENT ASSETS			
Other financial assets	(10)	**10,000**	240
Property, plant and equipment	(11)	**41**	901
Exploration assets	(12)	**-**	6,835
TOTAL NON-CURRENT ASSETS		**10,041**	7,976
TOTAL ASSETS		**73,513**	23,482
CURRENT LIABILITIES			
Trade and other payables	(13)	**(2,757)**	(1,258)
Current tax liability	(4)	**(4,825)**	-
TOTAL CURRENT LIABILITIES		**(7,582)**	(1,258)
TOTAL LIABILITIES		**(7,582)**	(1,258)
NET ASSETS		**65,931**	**22,224**
EQUITY			
Issued capital	(14)	**48,852**	39,701
Reserves	(16)	**15,057**	5,436
Retained earnings / (Accumulated losses)	(16)	**2,022**	(22,913)
TOTAL EQUITY		**65,931**	**22,224**

Net Tangible Assets (NTA) Per Security	**2010**	2009
Net Tangible Assets ($’000)	**65,931**	15,389
Ordinary shares on issue (No.)	**99,500,192**	62,155,721
NTA per share (cents per share)	**66**	25

The accompanying notes form part of these unaudited preliminary financial statements

	Notes	2010 $'000	2009 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		**(4,443)**	(6,044)
Interest received		**1,039**	993
Government grant received		**-**	96
Rent received		**-**	23
Payment of rental bond		**-**	(68)
Tax refund		**-**	145
Net cash provided by (used in) operating activities	(7)	**(3,404)**	(4,855)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(105)**	(325)
Proceeds from sale of property, plant and equipment		**135**	14
Proceeds from sale of subsidiaries	(5)	**56,717**	181
Less cash disposed with subsidiaries		**(8,731)**	-
Payments for capitalised exploration expenditure		**(2,649)**	(4,099)
Payment for purchase of subsidiary net of cash acquired		**-**	(1,243)
Deposits purchased / refunded		**(24,780)**	
Payments for listed securities		**(5,066)**	-
Net cash proceeds from sale of tenements		**-**	28
Net cash provided by (used in) investing activities		**15,521**	(5,444)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares (net of capital-raising expenses)	(14)	**9,337**	-
Shares issued in subsidiary (net of investment)		**6,204**	
Net cash provided by (used in) financing activities		**15,541**	-
Net increase (decrease) in cash and cash equivalents held		**27,658**	(10,299)
Cash and cash equivalents at the beginning of the financial year		**15,278**	24,255
Effects of exchange rate changes on cash and cash equivalents		**-**	1,322
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	(7)	**42,936**	15,278

The accompanying notes form part of these unaudited preliminary financial statements.

Indago Resources Limited

Unaudited Preliminary Statement of Changes in Equity for the year ended 30 June 2010

	Issued capital $'000	*Option premium reserve* $'000	*Share based payment reserve* $'000	*Foreign currency translation reserve* $'000	*Available-for-sale investments revaluation reserve* $'000	*Other reserve* $'000	*Accumulated losses* $'000	*Attributable to owners of the parent* $'000	*Non-controlling interests* $'000	***Total Equity*** $'000
Balance at 1 July 2008	39,701	-	4,644	47	111	-	(11,304)	33,199	-	33,199
Loss for the half-year	-	-	-	-	-	-	(11,608)	(11,608)	-	(11,608)
Share-based payment expense	-	-	632	-	-	-	-	632	-	632
Change in fair value of available-for-sale financial asset	-	-	-	-	(111)	-	-	(111)	-	(111)
Exchange differences arising on translation of foreign operations	-	-	-	112	-	-	-	112	-	112
Total comprehensive income	**-**	**-**	**5,276**	**159**	**-**	**-**	**-**	**22,224**	**-**	**22,224**
Transactions with owners in their capacity as owners	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance at 30 June 2009	**39,701**	**-**	**5,276**	**159**	**-**	**-**	**(22,913)**	**22,224**	**-**	**22,224**
Creation of non-controlling interest and difference arising on the issue of shares in Tusker Gold Limited	-	-	-	-	-	1,499	-	1,499	4,474	5,973
Share-based payment expense	-	-	10,829	-	-	-	-	10,829	-	10,829
Profit for the year	-	-	-	-	-	-	24,935	24,935	-	24,935
Realised through income statement on disposal of subsidiaries	-	-	(1,234)	(159)	-	(1,499)	-	(2,892)	(4,474)	(7,366)
Total comprehensive income	**-**	**-**	**9,595**	**(159)**	**-**	**-**	**24,935**	**34,370**	**-**	**34,370**
Transactions with owners in their capacity as owners										
Share and option issues (net of cost)	9,151	186	-	-	-	-	-	9,337	-	9,337
Balance at 30 June 2010	**48,852**	**186**	**14,871**	**-**	**-**	**-**	**2,022**	**65,931**	**-**	**65,931**

The accompanying notes form part of these preliminary unaudited financial statements.

Note 1 Statement of significant accounting policies

(a) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(b) Share based payments

Share options
The Company has brought the issue of options to account by using the valuation determined by the Black-Scholes option pricing model as the basis for charging the expense to the income statement and the corresponding entry to the share-based payments reserve.

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price (and / or other indications of value at grant date) and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options granted excluded the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employees benefit expense recognised each period takes into account the most recent estimate.

Note 2: Revenues
Profit (loss) for the year includes the following specific revenues:

	Consolidated	
	2010	2009
	$'000	$'000
Continuing operations		
Interest – other persons	**1,023**	993
Rent received	**14**	43
Unrealised gain on investments	**105**	-
	1,144	1,036
Discontinued operations		
Profit before tax on sale of subsidiaries	**47,441**	-
	47,441	-

Note 3: Expenses

Profit (loss) for the year includes the following specific expenses:

	Consolidated	
	2010	2009
	$'000	$'000
Continuing operations		
Depreciation	**(60)**	(140)
Share based payments	**(9,595)**	(633)
Foreign exchange loss	**-**	-
Impairment of fixed assets	**(638)**	(216)
Loss on disposal of available for sale assets	**-**	(598)
Discontinued operations		
Depreciation	**(8)**	(44)
Share based payments	**(1,234)**	-
Foreign exchange loss	**(775)**	-
Impairment of exploration assets	**(408)**	(8,314)

Note 4: Income Tax

a)	**Income tax expense**		
	Continuing operations	**-**	-
	Discontinued operations		
	Current tax	**4,825**	-
	Deferred tax	**-**	-
	Under provision in respect of prior years	**-**	(145)
	Income tax expense	**4,825**	(145)
b)	**Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable**		
	Prima facie tax payable on profit from ordinary activities before income tax at 30% (2008: 30%)	**8,928**	(3,526)
	Increase in tax expense due to:		
	- non-deductible expenses	**3,877**	1,536
	- non-recognition of deferred tax assets	**-**	2,403
	Decrease in tax expense due to:		
	- income non-assessable for tax purposes	**(4,722)**	(413)
	Under/(over) provision for prior year's tax	**-**	(145)
	Deferred tax assets not previously recognised, now brought to account	**(3,258)**	-
	Income tax expense/(benefit)	**4,825**	(145)

		Consolidated	
		2010	2009
		$'000	$'000
c)	**Recognised deferred tax assets and liabilities**		
	i Deferred tax liabilities		
	- Exploration and evaluation expenditure	-	1,074
	- Other	-	601
	Gross deferred tax liabilities	-	1,674
	Set-off of deferred tax assets	-	(1,674)
	Net deferred tax liabilities	-	-
	ii Deferred tax assets		
	Tax losses	-	1,674
	Gross deferred tax assets	-	1,674
	Set-off of deferred tax liabilities	-	(1,674)
	Net deferred tax assets	-	-

d) Tax consolidation legislation

Indago Resources Limited and its wholly-owned Australian controlled entities implemented the tax consolidation legislation on 26 February 2009.

On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which, in the opinion of the Directors, limits the joint and several liability of the wholly-owned entities in the case of a default by the head entity, Indago Resources Limited.

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

Note 5: Discontinued Operations

On 4 January 2010, the Company announced a proposal for a significant change in its business activities from a mineral exploration company to a listed alternative investment company (with a focus on investment in the resources sector).

At a general meeting of the Company held on 10 February 2010, the Company obtained approval from its Shareholders to change the nature of its activities under ASX Listing Rule 11.1. As a result, the Company was required to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

Asset divestment and restructure

As part of its strategy of repositioning the Company for growth, the board resolved to divest a number of assets and restructure its operations during the 2009 and 2010 calendar years, further information on which is set out below.

Snowbird Base Metals Project (Canada) and Mid Continent Nickel Project (USA)

On 7 September 2009, the Company announced that it had agreed to sell the Snowbird Project in Canada and the Mid Continent Project in the USA to US Nickel Limited ("US NIckel" formerly Lumacom Ltd), in consideration for:

- $500,000 in cash (of which $200,000 has been received as a deposit);
- 1,000,000 options in US Nickel exercisable at 30 cents (following the consolidation of US Nickel's capital) with a 3 year expiry date; and
- $2,000,000 in cash upon commencement of production with reserves greater than 250,000 ounces of gold equivalent.

Of the cash consideration, $300,000 is receivable within 9 months of the date of final transfer of the Projects to US Nickel.

US Nickel has completed due diligence on the projects and all of the conditions precedent have been satisfied. Settlement of the transaction occurred on 26 February 2010.

Tanzanian Uranium Assets

On 30 October 2009, the Company announced that it had entered into an agreement to sell its Tanzanian Uranium assets to AIM listed Uranium Resources PLC (URA), in consideration for:

- $2,500,000 in cash; and
- $400,000 equivalent in URA shares.

The transaction was completed on 13 January 2010 and the URA shares have subsequently been sold by the Company.

Spin-off of Tanzanian Gold Assets

On 11 November 2009, the Company announced the spin-off of its Tanzanian gold assets into a new listed company, Tusker Gold Limited (Tusker), following the lodgement of a prospectus with the ASIC (Prospectus).

Under the transaction, the Company received 50 million shares in Tusker valued at 20 cents each as vendor consideration for the Tanzanian gold assets.

Tusker successfully raised $10 million through the issue of 50 million shares at 20 cents each under the Prospectus. The Company subscribed for 17.5 million shares under the initial public offer representing a $3.5 million investment (at an issue price of 20 cents per share), for a total controlling interest in 67.5% of the issued shares of Tusker.

A priority offer of 5,000,000 shares in Tusker was set aside for Shareholders in the Company on the register at the date of lodgement of the Prospectus.

On 11 December 2009, Tusker was admitted to the official list of ASX and quotation of its shares commenced on 16 December 2009.

Takeover Bid for Tusker by Barrick Gold Corporation

On 8 February 2010, Tusker and Barrick Gold Corporation (Barrick) executed an Implementation Agreement pursuant to which Barrick (or a subsidiary of Barrick) agreed to make an off-market takeover bid to acquire all the issued shares in Tusker for 80 cents per Tusker share (Offer).

Indago entered into a pre-bid acceptance agreement with Barrick under which it agreed to accept the Offer in respect of 17,500,000 Tusker shares not subject to ASX imposed escrow.

On 17 March 2010, BUK Holdco Limited (a subsidiary of Barrick) lodged a bidder's statement with ASIC in relation to the Offer.

ASX provided its consent to the removal of a holding lock on 50,000,000 Tusker shares held by Indago to enable it to accept the Offer, subject to satisfaction of certain conditions.

On 7 April 2010, Indago accepted the Offer in respect of its remaining holding of 50,000,000 Tusker shares.

On 20 April 2010 the Offer was declared unconditional. The Offer closed on 27 April 2010, with Barrick holding a relevant interest in approximately 99.51% of the issued shares of Tusker. On 27 May 2010, Barrick completed the process of compulsory acquisition in relation to the outstanding Tusker shares for which acceptances had not been received upon which Tusker was removed from the Official List of ASX.

As a result of accepting the Offer, Indago received $54,000,000 in cash (before tax).

West Georgetown Base Metals Project (Queensland)

The West Georgetown Project is located 280 kms west of Townsville in North Queensland, prospective for base metals, namely silver-lead-zinc deposits and Mt Isa style copper mineralisation.

No field work was been completed on this project during 2010. As a result of a review of the West Georgetown Project, Indago provided BHP Billiton with written notice of the Company's intention to withdraw from a Memorandum of Agreement in relation to the project. BHP Billiton has acknowledged the receipt of Indago's intention to withdraw from the Memorandum of Agreement and Indago has lodged a notice of relinquishment with the Queensland Mines Department.

The projects disposed of during the year (as noted above) have been reported in these financial statements as discontinued operations.

Entities over which control has been lost in the current year

The above asset sales and restructure have been effected by means of the disposal of various of the Company's subsidiaries, as follows:

	Country of Incorporation
Tusker Gold Ltd	Australia
Western Metals Tanzania Limited	Tanzania
WML Exploration BC Ltd	Canada
Western Metals MN LLC	USA
WML Exploration Pty Ltd	Australia
Indago Autan Pty Ltd	Australia
Sub-Sahara Resources (Tz) Limited	Tanzania
Aptian Resources (Tanzania) Limited	Tanzania
Vulcan Resources (Tanzania) Limited	Tanzania
IDG Aurum Holdings Limited	Tanzania
IDG Aurum Tanzania Limited	Tanzania

Financial information relating to the discontinued operations for the period to the date of disposal is set out below.

Consolidated Loss for the year from discontinued operations:

	2010 $'000	2009 $'000
Income (foreign exchange gain)	**553**	2,705
Expenses	**(3,476)**	(9,368)
Loss from discontinued operations before income tax	**(2,923)**	(6,663)
Income tax benefit	**-**	145
Loss after income tax of discontinued operations	**-**	(6,518)
Accounting gain on sale of discontinued operations before income tax	**47,441**	-
Income tax (expense) / benefit	**(4,825)**	-
Accounting gain on sale of discontinued operations after income tax	**42,616**	-
Profit / (loss) from discontinued operations	**39,693**	(6,518)
Profit attributable to owners of the parent entity relates to:		
Loss from continuing operations	**(14,758)**	(5,090)
Profit from discontinued operations	**39,693**	(6,518)
	24,935	(11,608)

Consolidated Cash Flows for the year from discontinued operations:

	2010 $'000	2009 $'000
Net cash from / (applied to) operating activities	**(718)**	95
Net cash generated (applied to) by investing activities *(2010 includes inflows of $56,700,000 from the sale of discontinued operations and cash disposed with subsidiaries of $8,731,000)*	**45,671**	(5,367)
Net cash from financing activities	**6,204**	-
Net cash inflow / (outflow) from discontinued operations	**51,157**	(5,396)

Details of the project sales:

	2010 $'000	2009 $'000
Consideration received or receivable		
Cash	**56,700**	-
Securities	**471**	-
Present value of deferred consideration	**300**	-
Total disposal consideration	**57,471**	-
Outside Equity Interest extinguished on disposal	**4,474**	-
Reserves realised on disposal	**2,733**	-
Carrying amount of net assets disposed	**(10,031)**	-
Gain on disposals before income tax	**47,440**	-
Income tax expense	**(4,825)**	-
Gain on disposals after income tax	**42,615**	-

The carrying amounts of assets and liabilities as the date of sale were:

Cash	8,731
Receivables	348
Fixed assets	124
Deferred exploration and evaluation	9,076
Total assets	**18,279**
Trade and other creditors	(1,041)
Total liabilities	**(1,041)**
Net assets	**17,238**

Note 6: Earnings / (Loss) per share

	Consolidated (cents per share)	
	2010	2009
(a) Basic earnings per share		
From continuing operations attributable to the ordinary equity holders of the Company	**(17.08)**	(10.49)
From discontinued operations	**45.93**	(8.19)
Total basic earnings/(loss) per share attributable to the ordinary equity holders of the company	**28.85**	(18.68)
(b) Diluted earnings per share		
From continuing operations attributable to the ordinary equity holders of the Company	**(17.06)**	(10.49)
From discontinued operations	**45.87**	(8.19)
Total basic earnings/(loss) per share attributable to the ordinary equity holders of the company	**28.82**	(18.68)

	2010 $'000	2009 $'000
Earnings / (loss) attributable to the ordinary equity holders of the Company used in calculating basic / diluted earnings/(loss) per share		
From continuing operations	**(14,758)**	(5,090)
From discontinued operations	**39,693**	(6,518)
	24,102	**(11,608)**
Weighted average number of shares		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings/(loss) per share	**86,427,064**	62,155,721
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings/(loss) per share	**86,528,371**	62,155,721

Additional information

Options on issue (see note 14) have been included in the calculation of diluted earnings per share to the extent to which they are dilutive. The options have not been included in the determination of basic earnings per share.

Note 7: Cash and Cash Equivalents

	Consolidated	
	2010 $'000	2009 $'000
Cash at bank and on hand	**42,936**	1,878
Short term deposits	**-**	13,399
	42,936	15,278

Cash at bank and short term deposits earn interest at floating rates based on daily bank deposit rates (weighted average rate at year end: 5.9%).

(i) Reconciliation to Cash Flow Statement:

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and at bank and investments in money market instruments, net of outstanding bank overdrafts.

Cash and cash equivalents as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash and cash equivalents	**42,936**	15,278
	42,936	15,278

Profit / (loss after income tax reconciles to net cash inflow /(outflow) from operating activites as follows:

	Consolidated	
	2010	2009
	$'000	$'000
Profit / (loss) after income tax	**24,935**	(11,608)
Add (less) non-cash items:		
Depreciation and amortisation	**68**	184
Share based payments	**9,595**	633
Foreign exchange	**503**	(1,204)
Non-cash net proceeds from sale of tenements	**-**	(28)
Non-cash administration charges	**-**	(375)
Impairment of exploration expenditure	**408**	8,314
Profit on disposal of shares in subsidiary	**(47,440)**	-
Unrealised gain on investments	**(104)**	-
Loss on disposal of available for sale financial assets	**-**	598
Loss on sale of fixed assets	**-**	25
Impairment of fixed assets	**638**	216
Discount of acquisition	**-**	(1,378)
	(11,398)	(4,622)
Changes in assets and liabilities		
(Increase)/decrease in trade and other debtors	**629**	(11)
Increase/(decrease) in trade and other creditors	**7,365**	(222)
Net cash (outflow) inflow from operating activities	**(3,404)**	(4,855)

Note 8: Other financial assets (current)

	2010	2009
	$'000	$'000
Deposits maturing within 3 and 12 months of balance date	**15,020**	-
Other financial assets	**19**	-
	15,038	-

The above deposits bear interest at a weighted average interest rate of 5.9%.

Note 9: Listed investments

	2010 $'000	2009 $'000
Shares in Australian publicly-listed companies (at fair value)	**5,171**	-
	5,171	-

Note 10: Other financial assets (non-current)

	2010 $'000	2009 $'000
Term Deposits maturing within 12 and 24 months of balance date	**10,000**	-
	10,000	-

The above deposits bear interest at a weighted average interest rate of 6.1%.

Note 11: Property, plant and equipment

	2010 $'000	2009 $'000
At cost	**75**	1,441
Accumulated depreciation	**(34)**	(540)
Total property, plant and equipment	**41**	901

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and prior financial years for the consolidated entity are set out below.

	$'000
Plant and Equipment	
Carrying amount at 1 July 2008	922
Additions	325
Additions through business combinations	94
Disposals	(33)
Depreciation / amortisation	(184)
Impairment	(216)
Foreign exchange differences	(6)
Carrying amount at 30 June 2009	901
Additions	105
Disposed with subsidiaries	(124)
Other disposals	(135)
Depreciation	(68)
Impairment provision	(638)
Carrying value at 30 June 2010	41

The majority of the carrying value of fixed assets related to the fitout of the Company's previous offices at Railway Road, Subiaco, which were vacated during the year. An impairment provision was recognised to write those assets down to nil prior to their subsequent disposal during the year.

Note 12: Exploration Assets

	2010 $'000	2009 $'000
Opening balance	**6,835**	8,265
Current year's additions	**2,649**	5,745
Additions through business combinations	**-**	1,139
Impairments recognised	**(408)**	(8,314)
Disposed with subsidiaries	**(9,076)**	-
Closing balance	**-**	6,835

Exploration and evaluation assets represents the accumulated cost of acquisition and subsequent cost of exploration and evaluation of the properties. Where, in the opinion of the Directors the value of the properties is less than that at which they are carried in the financial report an impairment provision is recognised.

Note 13: Trade and other payables

	2010 $'000	2009 $'000
Trade creditors	**718**	584
Employee Leave provisions	**93**	229
Employee Bonus Accrual	**1,798**	-
Other creditors	**148**	445
	2,757	1,258

Note 14 Contributed Equity

The Company had 99,449,536 fully paid ordinary shares on issue as at 30 June 2010 (2009: 62,155,721).

a. Share Capital

Movements in share capital during the current and prior periods were as follows:

Share Capital

Ordinary Shares		**Number**	**$'000**
As at 1 July 2008		621,550,796	39,701
Consolidation of capital	(i)	(559,395,075)	-
As at 30 June 2009		**62,155,721**	**39,701**
Entitlements & shortfall issues	(ii)	37,293,432	9,323
Options converted		383	-
Transaction costs		-	(172)
As at 30 June 2010		99,449,536	48,852

i. During the year to 30 June 2009, pursuant to a resolution passed by shareholders, Indago's share capital was consolidated on a 1 for 10 basis.

ii. During the current year Indago completed a partially-underwritten entitlements issue, on the basis of 3 new fully paid ordinary shares for every 5 shares held at record date at an issue price of $0.25 per Share. Shareholders were also entitled to subscribe for 3 new options (exercisable at $0.35 per share on or before 31 October 2014) for every 10 shares held at the record date. The entitlement issue shortfall was partially underwritten up to a maximum of $2,040,000 by Desertfox Pty Ltd, an entity controlled by Mr Tim Kestell, a director of the Company. Shortfall in excess of the amount underwritten was then placed at the discretion of the directors of the Company.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of and amounts paid on the shares held.

On a show of hands, 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 is entitled to one vote.

b. Options

The Company has the following classes of options on issue as at balance date:

	Type	2010 No.	2009 No.	Exercise Price	Expiry Date
LISTED	**IDGOA**	18,646,333	-	$0.40	31/10/2014
	IDGO	-	8,583,334	$3.50	30/4/2010
UNLISTED	**1**	19,500,000	-	$0.40	31/10/2014
	2	22,500,000	-	$0.60	25/6/2015
	3	1,800,000	1,800,000	$0.50	30/4/2011
	4	535,000	1,450,000	$0.70	28/2/2013
	5	377,500	427,500	$2.00	30/6/2012
	6	125,000	1,350,000	$1.50	28/2/2013
	7	50,000	50,000	$0.25	30/4/2011
	8	-	600,000	$2.00	30/6/2010
	9	-	600,000	$2.60	30/6/2011
	10	-	300,000	$1.50	30/6/2011
	11	-	50,000	$2.60	30/6/2012
Total		**63,533,833**	**15,210,834**		

Options carry no dividend or voting rights. Upon exercise, each option is convertible into one ordinary share to rank pari passu in all respects with the Company's existing fully paid ordinary shares.

For information relating to share options issued to key management personnel during the financial year, refer to Note 15: Share-Based Payments, below.

383 Shares were issued during the year 30 June 2010 as a result of the exercise of options.

Note 15: Share-Based Payments

During the year to 30 June 2010, the Consolidated Entity has recognised an expense of $11,660,000 (2009: $633,000) in relation to the calculated fair value of options over ordinary shares in Group companies granted and vesting in the period as adjusted for vesting conditions and periods. This amount includes an amount of $1,234,000 in relation to Tusker options which were granted during the year and which have been classified within expenses from discontinued operations.

Employee Share Option Plan and Company Incentive Option Scheme
The establishment of the Indago Resources Limited Employee Share Option Plan ("Plan") was approved by shareholders at the 2008 Annual General Meeting. The Company Incentive Option Scheme was approved by shareholders at the 2009 Annual General Meeting ("Scheme") . Both the Plan and the Scheme are designed to provide sufficient incentives to reward performance and encourage retention of key employees by giving employees, Directors and executive officers of the Group an opportunity, in the form of options to subscribe for shares in the Company.

The Board, may, at its absolute discretion invite persons who are full-time or part-time employees (including executive Directors) and non executive Directors of the Company or any subsidiary to apply for a specified number of options. Upon receipt of such an invite a participant may apply for all or part of the number of options specified in the invitation. Unless the Board determines otherwise, no payment is required for the grant of options.

All options granted are for ordinary shares in Indago Resources Limited, which confer a right of one ordinary share for every option held. All options issued are expensed as share based payments.

No options granted under the Plan or Scheme (or otherwise granted as share-based payments) were exercised during the year ended 30 June 2010 (2009: Nil).

The options outstanding at 30 June 2009 had a weighted average exercise price of $0.52 (2009: $1.23) and exercise prices range from $0.25 to $2.60 (2009: $0.25 to $1.23).

The weighted average fair value of the options granted during the year was $0.26 (2008: $1.08).

These prices were calculated by using a Black Scholes option pricing model.

The weighted average remaining contractual life of share options outstanding at the end of the period was 4.5 years (2008: 2.6 years)

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Options issued under the Plan / Scheme during the financial year had no vesting conditions attached. All shares allotted on exercise of options will rank equally with other ordinary shares of the Company.

Share-based Payments to Directors
Following approval by shareholders at a general meeting held on 27 November 2009, 19,500,000 options over ordinary shares of the Company (exercise price $0.40, expiry 31 October 2014) and 10,000,000 options over ordinary shares in Tusker (exercise price $0.30, expiry 31 December 2011) were issued to directors of the Group.

At a general meeting held on 25 June 2010, shareholders approved the grant of a further 22,500,000 options over ordinary shares of the Company (exercise price $0.60, expiry 25 June 2015).

Black-Scholes Pricing Inputs for Options Granted

Details of the options granted in the year and associated inputs into the valuation model are as follows:

INDAGO RESOURCES OPTIONS (ISSUED UNDER COMPANY INCENTIVE OPTION SCHEME)

Number of Options	*Exercise Price*	*Vesting Date*	*Expiry Date*	*Underlying Share Price*	*Expected Volatility*	*Risk-Free Rate*
19,500,000	*$0.40*	*27 November 2009*	*31 October 2014*	*$0.26*	*85%*	*5.46%*
22,500,000	*$0.60*	*25 June 2010*	*25 June 2015*	*$0.45*	*87%*	*6.03%*

**as at the date of granting these options trading in the Company's shares was suspended. The underlying share price above is based on trading immediately before and after the suspension.*

TUSKER OPTIONS

Number of Options	*Exercise Price*	*Vesting Date*	*Expiry Date*	*Underlying Share Price*	*Expected Volatility*	*Risk-Free Rate*
10,000,000	*$0.30*	*27 November 2009*	*31 December 2012*	*$0.20*	*85%*	*5.07%*

Movements in Options granted under the Scheme or Plan during the Current and Prior financial are as follows:

	2010		2009	
	No. of Options	**Weighted Average Exercise Price**	**No. of Options**	**Weighted Average Exercise Price**
Outstanding at the beginning of the year	6,627,500		8,127,500	2.51
Granted	42,000,000	0.51	2,800,000	1.08
Forfeited	-	-	(2,300,000)	3.08
Cancelled	(3,140,000)	1.39	(2,000,000)	3.85
Lapsed	(600,000)	2.00		
Exercised			-	-
Outstanding at year-end	44,887,500		6,627,500	1.23
Vested and exercisable at year-end	44,887,500		3,282,500	1.14

Note 16: Reserves & retained earnings / (accumulated losses)

	Consolidated	
	2010 $'000	2009 $'000
Share based payment reserve	**14,871**	5,277
Option premium reserve	**186**	
Available-for-sale investments revaluation reserve	-	-
Foreign currency translation reserve	-	159
	15,890	5,436
Retained earnings /(accumulated losses)	**2,022**	(22,913)
	2,022	(22,913
Share-based payment reserve		
Balance at 1 July	**5,276**	4,645
Option expense		
Option expense	**10,427**	633
As at 30 June	**15,704**	5,277
Option premium reserve		
Balance at 1 July	**-**	-
Entitlements Issue	**186**	-
As at 30 June	**186**	-
Foreign currency translation reserve		
Balance at 01 July	**159**	47
Currency translation differences arising during the year	**-**	112
Derecognition on sale of subsidiaries	**159**	-
As at 30 June	**-**	159
Retained earnings / (Accumulated losses)		
Balance at 01 July	**(22,913)**	(11,304)
Profit / (loss) for the year	**24,102**	(11,608)
As at 30 June	**1,189**	(22,913)

a) Share-based payments reserve

The Share Based Payments Reserve records items recognised as expenses on valuation of Directors and employee share options. Any proceeds from the exercise of options are recorded as contributed equity at the time the options are exercised.

b) Available-for-sale investments revaluation reserve

Changes in the fair value and exchange differences arising on translation of investments, such as equities classified as available-for-sale financial assets, are taken to the available-for-sale revaluation reserve Amounts are recognised in profit or loss when the associated assets are sold or impaired.

c) Option premium reserve

The option premium reserve is used to record proceeds from the grant of options.

d) Foreign currency translation reserve

Exchange differences arising on translation of the foreign controlled entity are taken to the foreign currency translation reserve as. The reserve is recognised in profit or loss when the net investment is disposed of.

Note 17: Commitments and Contingencies

The Directors are not aware of any material commitments or contingencies as at 30 June 2010.

Note 18: Segment Reporting

(i) Description

Indago has adopted AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accountings Standards arising from AASB 8 with effect from 1 January 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the Standard replaced by AASB 8 (AASB 114 Segment Reporting) required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's "system of internal financial reporting to key management personnel" serving only as the starting point for the identification of such segments. As a result, following the adoption of AASB 8, the identification of Indago's reportable segments has changed.

In prior years, reported segment information was analysed on the basis of the differing geographical locations of Indago's operating business. The function of chief operating decision maker is performed by the Group's executive directors. Information reported to the executive directors for the purposes of resource allocation and assessment of performance during the period has focussed on both the geographical location and type of mineralisation.

The Group's reportable segments under AASB 8 are therefore as follows:

- Continuing Alternative Investment Activities ("AIA");
- Discontinued operations relating to the Tanzanian Gold Assets ("TGA");
- Discontinued operations relating to the Tanzanian Uranium Assets ("TUA"); and
- Other Mineral Assets ("OMA"), including the discontinued West Georgetown project based in Australia and also the discontinued Snowbird and Mid-Continent projects based in Canada and the USA.

Information regarding the activities of these segments during the year is set out in the following tables:

(i) Segment revenues and profit / (loss) for the half-year

	Revenue		**Segment Profit / (loss)**	
	2010	2009	**2010**	2009
Continuing Operations	**$'000**	$'000	**$'000**	$'000
AIA	**105**	-	**1,442**	-
Unallocated	**1,039**	2,206	**(13,316)**	(5,090)
Total reported	**1,144**	1,036	**(14,758)**	(5,090)
Discontinued Operations				
TGA	**47,636**	22	**45,855**	(3,606)
TUA	**-**	1422	**(531)**	(2,451)
OMA	**4**	107	**1**	(1,541)
Intersegment eliminations	**(196)**	-	**-**	-
Unallocated	**-**	1,154	**(5,632)**	(4,010)
Total	**47,440**	2,505	**39,693**	(11,608)

(ii) Segment assets	**2010**	2009
	$'000	$'000
Continuing Operations		
AIA	**5,189**	-
Unallocated	**68,324**	15,746
	73,513	15,746
Discontinued Operations		
TGA	**-**	8,548
TUA	**-**	2,947
OMA	**-**	314
Eliminations	**-**	(4,073)
TOTAL	**-**	7,736
Total reported	**75,513**	**23,482**

Note 19: Events After the Balance Sheet Date

Crescent Gold Limited Loan Facility

On 1 July 2010 Indago announced the completion of a $15,000,000 Secured Loan Facility Agreement with Crescent Gold Limited ("Crescent").

The funds will be used by Crescent for the development of the Laverton Gold Project in Western Australia as well as for general working capital requirements. The Final Repayment Date of the loan is 30 June 2011.

Indago will receive interest at the rate of 10% payable quarterly in advance as well as gold payments totalling 75,000 ounces at a fixed payment of $24 per ounce. In addition Crescent will pay a Commitment Fee and there is a Make Whole Payment obligation on the Final Repayment Date.

Reinstatement to quotation

Following the release of an updated Information Memorandum by the Company on 8 July 2010 and Indago's recompliance with Listing Rule 11.1.3 and chapters 1 and 2 of the Listing Rules, Indago's securities were reinstated to official quotation on ASX with effect from 16 July 2010

On-market share buy-back

Following approval by shareholders at a general meeting held on 25 June 2010 of a proposal for an on-market buy-back of up to 29,834,860 ordinary fully paid shares, Indago announced the implementation of a buy-back. As at the date of this report, Indago had bought-back 11.3 million shares at an average price of approximately 45 cents.