



INDEPENDENCE GOLD NL

ABN 46 092 786 304

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**Australian Stock Exchange Limited
Company Announcements
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SYDNEY NSW 2000**

NO. OF PAGES : (1)

STRATEGIC ALLIANCE WITH DE BEERS AUSTRALIA EXPLORATION LIMITED

Independence Gold NL is pleased to announce that terms have been agreed with De Beers Australia Exploration Limited ("DBAE") for Independence to access DBAE's Australian chromite database to explore for nickel sulphides and associated metals. The database contains approximately one million chromite analyses covering a large proportion of the Australian continent.

Independence has devised a means which can:

- discriminate chromite grains that formed with nickel sulphides; and
- discriminate chromite grains from ultramafic rocks (eg. komatiitic flows) which carried nickel sulphides.

Independence believes that the way this technology is being applied is a significant scientific breakthrough.

Processing of the WMC Diamond Division Chromite Database (60,000 samples) has resulted in the "re-discovery" of a number of nickel sulphide camps including Kambalda, Widgiemooltha and Cosmos and identified over 40 new significant nickel targets in the Yilgarn Block and elsewhere.

In accordance with the agreement, Independence will utilise its proprietary chromite analysis techniques to analyse the DBAE available data within defined areas, to explore for, and if successful, exploit nickel sulphide deposits.

The agreement expressly excludes chromite data where DBAE have classified grains as kimberlitic, and excludes any data within a defined area that is already subject to other third party agreements. The agreement also excludes any tenements in which Independence has an existing interest, or any future tenements Independence acquires where the acquisition was not as a result of the use of the DBAE data.

Independence will retain exclusive rights to any defined area so long as its annual expenditure in that defined area exceeds \$250,000 in the first year, \$500,000 in the second year, and an amount increasing by 20% compounded each year thereafter.

Each defined area may not exceed 50,000 square kilometres.

Independence will have sole discretion to apply for tenements as a result of the use of the DBAE data. If tenements are acquired under the alliance, DBAE will be entitled to a 70% joint venture interest (free-carrying Independence to commencement of ore treatment), based on a pre-feasibility study valuation of each project as follows:-

Diamond Projects - Value greater than AU\$50 million per annum

Nickel or other minerals - Value greater than AU\$1 billion in situ resource

Where a project does not meet this criteria, DBAE will not have a joint venture interest but will be paid a 2% cash net smelter royalty on nickel metal produced or a 2% gross proceeds royalty from the sale of diamonds.

CHRISTOPHER BONWICK
Managing Director

PO Box 893, South Perth,
Western Australia, 6951
Phone: (08) 9367 2755
Facsimile: (08) 9367 3288
Email: contact@independencegold.com.au
Website: www.independencegold.com.au