



GROUP HIGHLIGHTS

- \$8.3 million consolidated after tax profit after \$2.2 million exploration write off (YTD profit \$20.8 million)
- \$32.1 million cash and net receivables (Dec \$23.8m)
- 3 cents per share fully franked interim dividend paid on 4 April 2005
- ASX 300 index entry

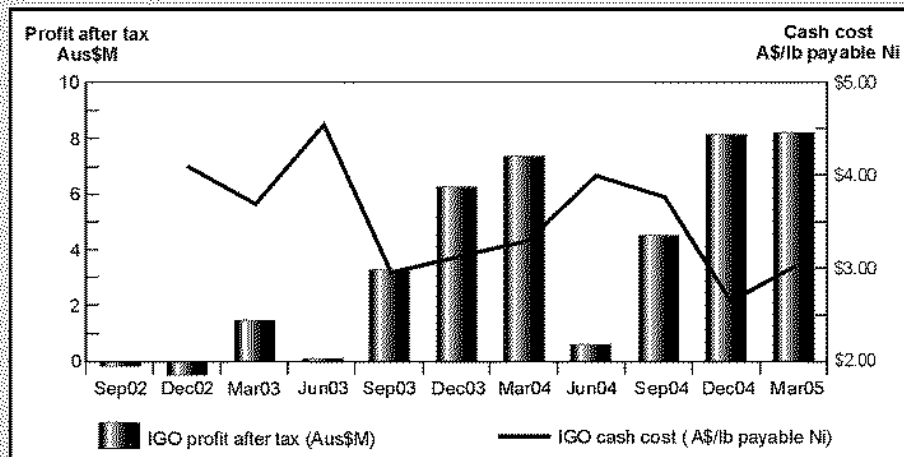
OPERATIONS HIGHLIGHTS

- Production – 52,856t at 4.53% Ni for 2,397 Ni tonnes
- 1,164 Ni tonnes (51%) mined outside or in excess of June 2004 ore reserves
- Significant new nickel drill intersections outside current resources:
 - South of Victor South – 3.35m @ 7.5% Ni including 0.6m @ 20.2% Ni
 - North of Victor South – 2.1m @ 19.0% Ni and 3.2m @ 3.1% Ni
 - South of Long – 3.43m @ 4.5% Ni

EXPLORATION HIGHLIGHTS

GOLD

- Francis Furness – targeting high-grade gold ore close to existing gold mills
- Mertondale (Giant Well) – 19m @ 2.4 g/t Au including 4m @ 10.2 g/t Au
- Tropicana JV and Mt Padbury – strong new surface gold geochemical anomalies delineated. 14m @ 2.1 g/t Au from drilling at Tropicana JV which included 5m @ 3.6 g/t Au





CORPORATE

ASX 300 AND DIVIDEND

Standard & Poor's included the company in the S&P ASX 300 index during the quarter and an interim fully franked dividend of 3 cents was paid on 4 April.

PROFIT

The pre-tax profit for the quarter was \$11.4 million after exploration expenditure of \$2.2 million was written off. Profit after tax for the quarter was \$8.3 million. All figures quoted in this report are unaudited.

ISSUED CAPITAL

During the quarter 1,893,822 million 20 cent options were exercised raising \$0.4 million. There were 7,500 unexercised 20 cent options remaining on the expiry date of 31 January 2005. These options have been cancelled.

During the quarter 1 million contributing shares were fully paid and listed as ordinary shares raising \$0.1 million. At 31 March 2005 there were 3.1 million partly paid contributing shares remaining on issue.

IGO's listed securities as at 31 March 2005 were 106,982,957 ordinary shares.

INVESTMENT IN MATRIX METALS LIMITED (IGO 18.9%)

Matrix Metals Limited (MRX) is an ASX listed company with considerable strategic tenement holdings in the highly endowed Mt Isa/Cloncurry copper province. On 12 January 2005 MRX released the results of an initial bankable feasibility study into the White Range copper project, which forecasts annual production of 15,000 tonnes of 99.9% copper cathode.

During the quarter, Matrix announced the first results of their drilling program to test additional copper oxide deposits, both within trucking distance of the planned White Range operation and to test other new prospects.

White Range Satellite Prospects drilling results have been reported as follows:

Mt McCabe

- **58m @ 1.6% Cu** from 211 metres, including **28m @ 2.9% Cu** from 235 metres.
- the sulphide mineralisation is associated with a fault-controlled breccia system below the Mt McCabe oxide resource. Matrix believes "the potential for discovering a high-grade copper system is high."

Leopard Line

This is a new zone of north-south oxide copper/gold mineralisation 1 km east of the Greenmount deposit. Matrix believes this zone could contain additional copper oxide resources. Significant results are as follows:

- Leopard – 15m @ 0.8% Cu from 78 metres
- Petes – 13m @ 1.5% Cu (Homestake intersection)
- Painted Peak – 6m @ 1.0% Cu (Homestake intersection)
- Brightspark – 8m @ 0.6% Cu from 83 metres

Drilling is continuing at Mt McCabe, the Leopard Line and Vulcan (White Range Satellite Prospects).

INVESTMENT IN SOUTHSTAR DIAMONDS LIMITED (IGO 50%)

A number of anomalies have been generated from the De Beers database, including diamond-bearing intrusives, and these are being followed up by Southstar. Micro-diamond grain size curves indicate the intrusives could contain larger diamonds.



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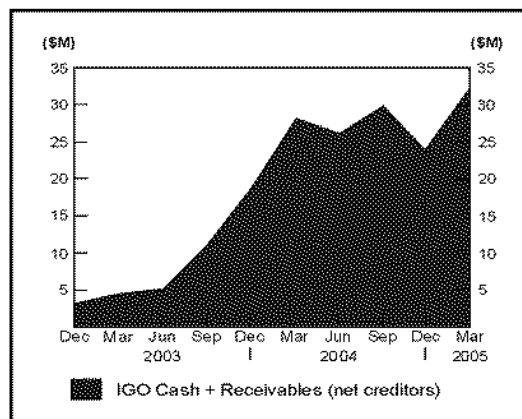
CASH AND DEBT

CASH RESERVES AS AT 31 MARCH 2005

- \$24.5 million cash (Dec \$12.4m).
- \$7.6 million nickel revenue in receivables net of creditors (Dec \$11.4m).
- Total cash and net receivables were \$32.1 million at end of the quarter.
- Unhedged receivables have been valued using \$US15,950/t Ni and 0.77 USD exchange rate.

Major cash movements during the quarter were:-

- \$1.0 million spent on the Long South exploration decline.
- \$1.3 million bank and hire purchase debt repaid.



DEBT AS AT 31 MARCH 2005

- A debt repayment of \$0.7 million was made during the quarter to reduce bank debt from \$7.2 million to \$6.5 million.
- \$1.2 million (Dec \$1.7m) remains owing on hire purchase of mining equipment.

NICKEL SALES PRICE CALCULATION

Due to the off-take agreement the company holds with WMC Resources Ltd, nickel sales for any given month are required to be estimated. This is due to the lag-time between delivery of ore and setting of the price to be received, which is based on the average LME price prevailing in the third month after the month of delivery.

The company is also required to estimate the USD/AUD exchange rate when calculating sales for any given month, as payment for nickel delivered is received in US dollars. Therefore, when calculating the quarter's cash flow and profits, revenue which will be received based on future nickel prices is estimated using the most up-to-date price information available prior to the release of the quarterly report. The receivables figure used represents the estimated final USD nickel payment converted to AUD, also at an estimated exchange rate.

The effect of the changing nickel price and its effect on receivables is reflected in each quarter's cash flow and profit figures.



2004/5 EXPLORATION EXPENDITURE & WRITE-OFF

- \$2.0 million exploration expenditure was incurred during the quarter. This includes expenditure on the Long South target exploration decline.
- \$2.2 million exploration expenditure was written off during the quarter (Dec \$1.0m).

HEDGING

- Hedged nickel metal remaining at the end of the quarter was 5,988t at AU\$15,362/t.
- This will be delivered as follows:

2004/5	972t	Average AU\$14,477/t
2005/6	3,366t	Average AU\$14,724/t
2006/7	1,650t	Average AU\$17,183/t

MINING OPERATION

LONG NICKEL MINE

IGO 100%

SAFETY

The Lost Time Injury Frequency Rate (LTIFR) since the mine re-opened in October 2002 is 3.6 against an industry average of 6.6. There were no LTI's during the quarter.

MARCH QUARTER PRODUCTION

Production was 52,856 t @ 4.53% Ni for 2,397 Ni tonnes using the following mining methods:

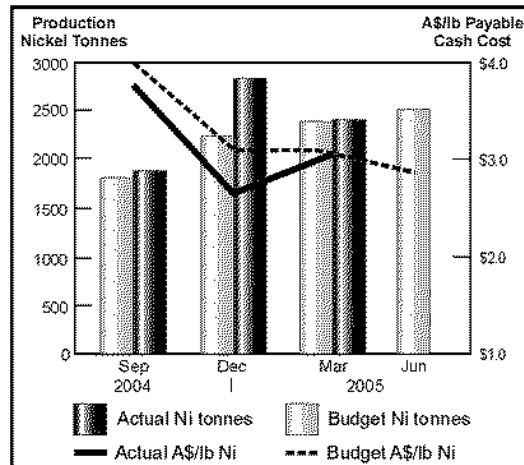
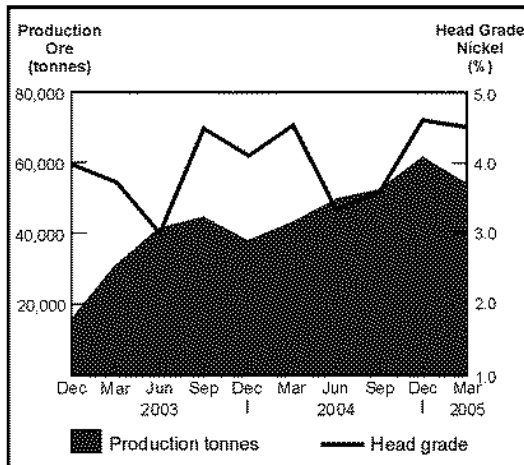
Flat-back	11,717t @	3.3% Ni	387 Ni t
Long-hole	17,592t @	3.1% Ni	553 Ni t
Hand-held	8,773t @	8.0% Ni	706 Ni t
Jumbo Development			
- Long	2,926t @	2.9% Ni	86 Ni t
- Victor South	11,848t @	5.6% Ni	665 Ni t
TOTAL	52,856t @	4.5% Ni	2,397 Ni t

The above budget head grade continues to reflect the high tenor nature of massive nickel sulphides (>20% Ni) in the Gibb-Victor channel when compared to the Long channel.

Production was from the following sources:

Long	34,757t @	3.5% Ni	1,206 Ni t
Victor South	13,485t @	5.4% Ni	740 Ni t
Gibb South	4,614t @	9.8% Ni	451 Ni t
TOTAL	52,856t @	4.5% Ni	2,397 Ni t

The high grade of the nickel ore mined from Gibb South and Victor South confirms that the Victor-Gibb lava channel is one of the highest grade nickeliferous lava channels in Australia. This gives IGO confidence that any discoveries along this channel are likely to be high-grade in nature.



Quarterly nickel production was 1% above budget with payable nickel costs being A\$3.05/lb Ni (1% below budget).

Production time was lost during the quarter due to pole-top fires cutting power supplies to the mine.

The shotcreting system is now fully functional and has been instrumental in maintaining progress through difficult ground conditions in both the Victor South and Long South declines.

The Victor South seismic system became fully operational during the quarter. In conjunction with the Australian Centre for Geomechanics, Long also became the first mine in the State to install a regional seismic monitor.

ORE RESERVE COMPARISON

Nickel tonnes mined outside or in excess of the current ore reserve was 94% higher than reserve estimates for the quarter as follows:

	Tonnes	Grade	% Ni
Outside Reserve	8,152	4.66	380
Inside Reserve	44,704	4.51	2,017
Reserve Estimate *	29,807	4.14	1,233
TOTAL	52,856	4.53	2,397

* expected ore reserve grade and tonnes as defined by the area mined "inside reserves".

Since start-up in October 2002, nickel mined from Long outside or in excess of ore reserves has exceeded ore reserve estimates by 35%.

DEVELOPMENT

• Victor South

Development continued slower than planned due to poor ground conditions being encountered in the decline requiring additional ground support. Ground conditions will improve as the decline develops to the north away from the influence of the basalt/ultramafic contact. Despite these difficulties, Victor South has so far consistently outperformed its budget in both ore tonnes and grade.

• Long

Development in Long itself is progressing to access the 16/1 and 16/3 blocks. Development is scheduled to enable the resources in these blocks to be converted to reserve status.

EXPLORATION

The March quarter produced the most significant drill intercepts at the Long Nickel Mine since IGO purchased the mine from WMC in July 2002.

The following intercepts are situated outside the mine's current resource and reserve envelopes, close to existing development, with the potential to add to mine life.



▪ Victor South

Southerly extension

VS15-125 - 3.35m @ 7.5% Ni (including 0.6m @ 20.2% Ni)

High tenor nickel sulphides occur on a primary basalt-ultramafic channel contact 25m from the Victor South Decline (Table 1). This possibly represents the southerly continuation of the Victor South ore body. The intersection is open in all directions (Figure 1).

Northerly extension

VS15-122 - 2.1m @ 19.1% Ni

Fault remobilised high tenor nickel sulphide occurs 2m from development. The flat contact to the immediate north and east of the 423N drive is also mineralised with best intercept being 3.2m @ 3.1% Ni (Table 2).

▪ Long

LG12-069 - 3.43m @ 4.5% Ni

Fault-remobilised nickel sulphides occur in basalt 50m from development and the current resource boundary. The surface intersected is interpreted to have dimensions of 40m x 20m.

Two other strong transient electromagnetic (TEM) anomalies remain to be drilled north and south of the upper levels of Long, in addition to those already defined at the Long South target (Figure 1).

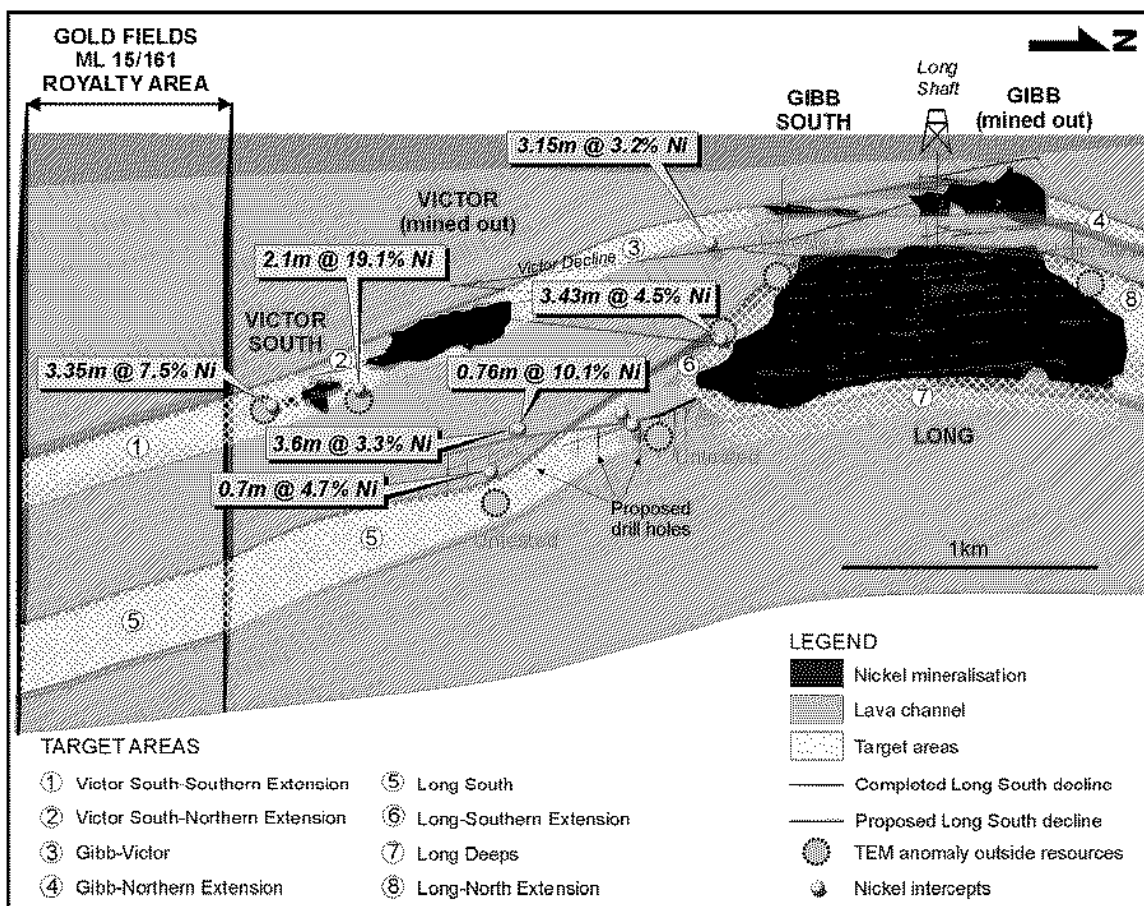


Figure 1: Longitudinal projection showing new intersections, exploration targets and TEM anomalies north and south of Long and Victor South



TABLE 1: SIGNIFICANT VICTOR SOUTH SW EXTENSION DRILLING RESULTS

Shoot	Hole No.	Northing	Easting	RL	Azimuth	Dip	E.O.H	From	To	Width	True Width	Grade
		(m)	(m)	(m)	(degr.)	(degr.)		(m)	(m)	(m)	(m)	(Ni%)
5	VS15-125	547419	375180	-439	183	-38	110	73.45	76.8	3.35	2.8	7.47

(These intercepts have been calculated using the specific gravity weighted method)

TABLE 2: SIGNIFICANT VICTOR SOUTH 423N EXTENSION DRILLING RESULTS

Shoot	Hole No.	Northing	Easting	RL	Azimuth	Dip	E.O.H	From	To	Width	True Width	Grade
		(m)	(m)	(m)	(degr)	(degr)		(m)	(m)	(m)	(m)	(Ni%)
423NF	VS15-122	547670	375113	-422	109	9	80	1.9	4	2.10	1.5	19.05
423NC	VS15-122	547670	375113	-422	109	9	80	30.5	33.7	3.20	2	3.06

Note: 423NC- Contact ore ; 423NF- faulted ore

(These intercepts have been calculated using the specific gravity weighted method)

TABLE 3: SIGNIFICANT LONG EXTENSION DRILLING RESULTS

Shoot	Hole No.	Northing	Easting	RL	Azimuth	Dip	E.O.H	From	To	Width	True Width	Grade
		(m)	(m)	(m)	(degr.)	(degr.)		(m)	(m)	(m)	(m)	(Ni%)
R02C	LG12-069	549025	374806	-309	30	-35.5	135	81.27	84.7	3.43	2.5	4.48

(These intercepts have been calculated using the specific gravity weighted method)

- Long South Target Exploration Decline

Progress since commencement in October 2004 is 280 metres. The decline was halted during the quarter to allow advance diamond drilling to be conducted. The results of the drilling provided stratigraphic data to enable a prediction of ground conditions expected to be encountered. As a result, the decline has been redesigned to move to the east away from the basalt/ultramafic contact.

Diamond drilling is currently underway from the first stockpile area to test for the formation of suitable host structures as the decline advances south. One hole was completed testing the southerly extension of the Long orebody (as opposed to the Long South Target). The hole which is yet to be probed intersected a sheared contact containing sub-grade nickel sulphide mineralization. A second hole is in progress.



LONG NICKEL MINE PRODUCTION SUMMARY

		Mar '05	2004/5	Mar '04
	Note	Quarter	FY to Date	Prev. Quarter
Mining Inventory/Reserve (Dry Tonnes)				
Start of Period		1,070,988	1,185,000	632,998
- ROM Production	1	(52,856)	(166,868)	(16,303)
End of Period		1,018,132	1,018,132	616,695
Production Details:				
Ore Mined (Dry Tonnes)	1	52,856	166,868	41,071
Ore Milled (Dry Tonnes)				
Nickel Grade (Head %)		52,856	166,868	41,071
Copper Grade (Head %)		4.53	4.26	4.50
		0.32	0.30	0.33
Metal in Ore Production (Tonnes)				
Nickel delivered	2	2,397	7,101	1,848
Copper delivered	2	169	499	134
Metal Payable IGO share (Tonnes)				
Nickel		1,422	4,220	1,100
Copper		68	202	54
Hedging				
Tonnes delivered into Hedge		772	1,848	486
Average Price (AU\$/t)		13,759	13,010	12,398

Note 1. Production is sourced from both reserves/inventory and outside reserves.
 Note 2. The Recovery Rate is fixed with WMC depending on head grade. For grades from 3.0% to 3.5% recovery is 92%, for grades in excess of 3.5% recovery is 93%.

Revenue/Cost Summary		A\$'000's	A\$'000's	
Sales Revenue (incl. hedging)		26,053	70,958	21,698
Cash Mining/Development Costs		(6,067)	(18,137)	(5,765)
Other Cash Costs	3	(3,502)	(10,539)	(2,238)
Depreciation/Amortisation/Rehabilitation		(2,169)	(6,688)	(2,208)
		A\$/lb Total Metal Produced	A\$/lb Total Metal Produced	
Cash Mining/Development Costs		1.15	1.16	1.42
Other Cash Costs	3	0.66	0.67	0.55
Depreciation/Amortisation/Rehabilitation		0.41	0.43	0.54
		A\$/lb Payable Metal	A\$/lb Payable Metal	
Sales Revenue (incl. hedging)		8.31	7.63	8.95
Cash Mining/Development Costs		1.94	1.95	2.38
Other Cash Costs	3	1.12	1.13	0.92
Depreciation/Amortisation/Rehabilitation		0.69	0.72	0.91

Note 3. Other Cash Costs include milling, royalties and site administration.

Safety and Productivity

- Lost Time IFR		0	4.9	-
- Medically Treated IFR		28.6	39.4	53.5
- Nickel Productivity Rate	4	81.9	83.1	82.1

Note 4. Nickel Productivity Rate = Productivity measured as annualised nickel tonnes per full-time-equivalent-employee.

Development/Exploration Drilling		Metres	Metres	
Development		650	1,446	711
Production		369	6,600	580
Exploration		606	2,403	452
		1,625	10,449	1,743

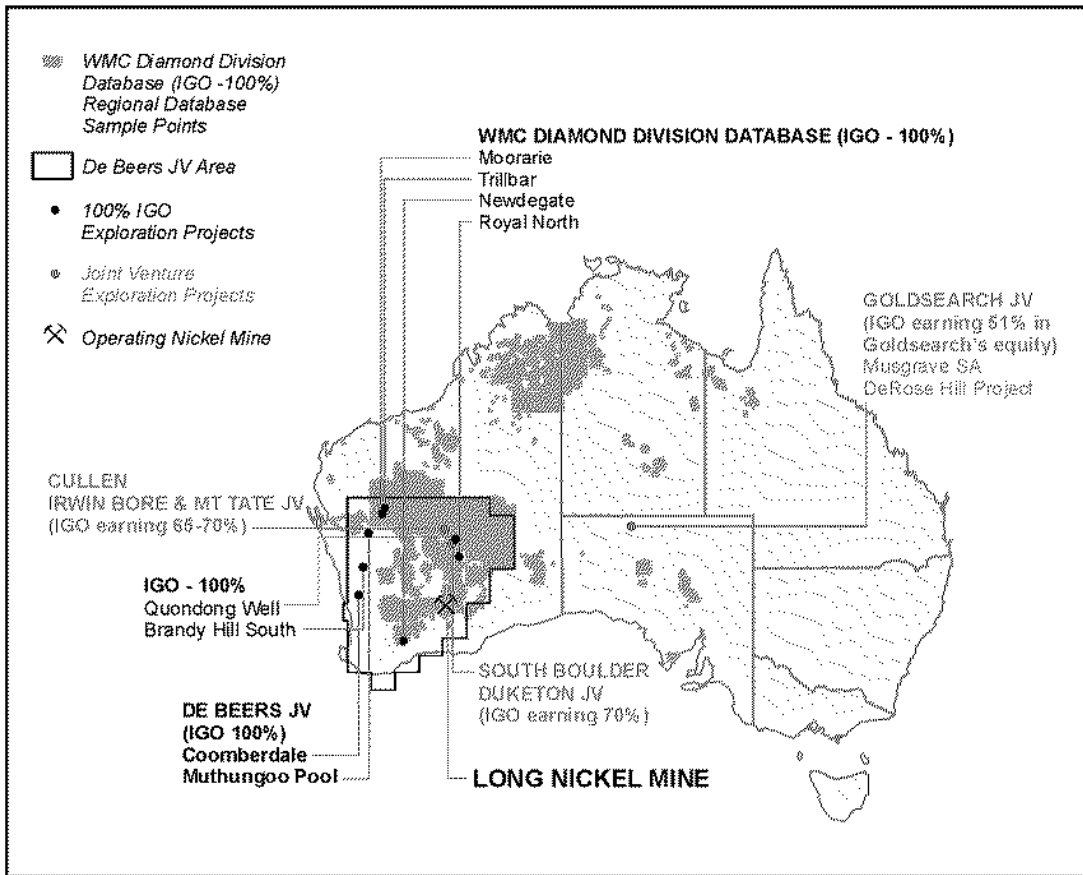


Figure 2(a): Independence Group Nickel Project Locations

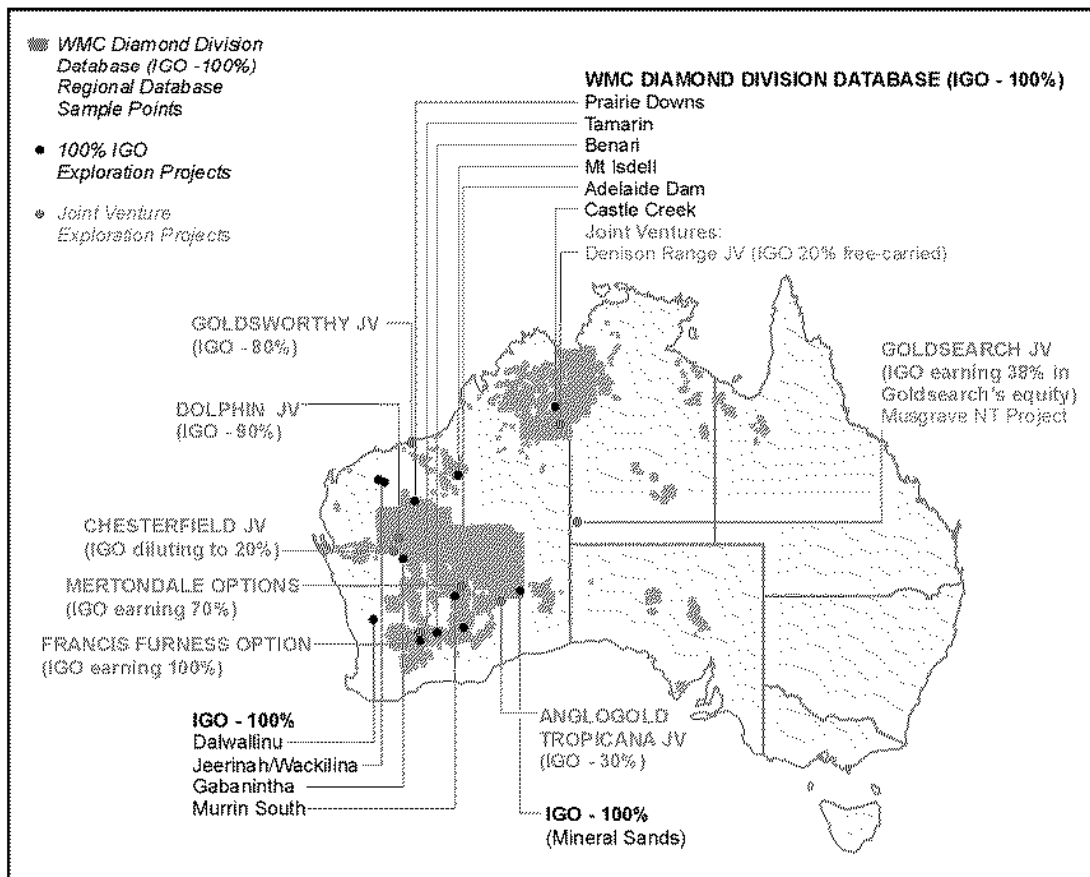


Figure 2(b): Independence Group Gold Project Locations



REGIONAL NICKEL EXPLORATION

CULLEN JOINT VENTURE (IGO MANAGER EARNING 70% NICKEL RIGHTS)

The Cullen Joint Venture is situated immediately south of WMC's AK47 massive nickel-copper sulphide discovery. The company is systematically testing the strike extension of the AK47 ultramafic stratigraphy for nickel sulphides using a combination of soil geochemistry and surface TEM surveys. Interpreted bedrock conductors and coincident soil geochemical anomalies have previously been reported.

Work during the quarter consisted of continuing the systematic surface TEM program over the main target zones in the JV. This is scheduled to be completed in late April. Follow-up surveys will be completed and drill testing will be undertaken once all priority target areas have been identified.

DUKETON NICKEL JOINT VENTURE (IGO MANAGER EARNING 70% NICKEL RIGHTS)

TEM induced polarisation and ground magnetic geophysical surveys continued during the quarter. A number of bedrock anomalies have been defined and drilling is planned for the June quarter.

REGIONAL GOLD EXPLORATION

TROPICANA JV (IGO 30%, ANGLGOLD ASHANTI AUSTRALIA LIMITED MANAGER 70%)

During the quarter AngloGold Ashanti Australia Limited earned its 70% equity in the Tropicana East JV. As part of a strategic review of all projects, IGO decided to amalgamate its Tropicana West project into the JV with AngloGold Ashanti Australia Limited. Consequently AngloGold Ashanti Australia Limited manages and has a 70% equity in the combined Tropicana Project.

The Project remains a key exploration focus for AngloGold Ashanti Australia Limited and amalgamation of the project will assist in the systematic exploration of this extensive exploration package.

The Tropicana Joint Venture comprises approximately 8,200 km² of tenure over a strike length of 350km along the Yilgarn Craton – Fraser Range Mobile Belt collision zone. Geochemical sampling has identified a number of large surface gold anomalies along the zone of which only one has been drilled to date. Encouraging gold intercepts have previously been returned from the Tropicana Prospect, associated with broad intense pyrite and sericite alteration zones crosscutting Proterozoic rocks. Induced polarisation surveys suggest the sulphide zone is in excess of 2 km in strike length. Prior to this exploration, no known gold deposits have been identified in this potentially new Proterozoic Gold Province.

Tropicana Prospect

A total of 5 diamond drill holes were completed for 1338.2m. The program was designed to provide orientated core in fresh rock from the mineralized intervals at the Tropicana Prospect.

The drill holes intersected variably altered and sulphidic intermediate gneiss and granitoid lithologies. Gold mineralisation dips shallowly to the south east and is associated with very fine-grained 5 – 10% pyrite, potentially the source of the IP anomaly. Best results including **14m @ 2.2 g/t Au** (including **5m @ 3.6 g/t Au**) are detailed in Table 4 and depicted on Figure 4.



Table 4: Tropicana JV Significant Diamond Drill Hole Gold Intercepts at 0.5g/t Au Cut Off

Hole	Easting (m)	Northing (m)	Depth (m)	Azimuth (degr)	Dip (degr)	Int(m)	Width (m)	Grade (g/t)
TPD001	650339	6763128	358	315	-60	67-73	6	2.1
TPD002	650417	6763050	248	315	-60	111-115	4	1.8
TPD004	650596	6763154	196	315	-60	53-55	2	2.2
						105-119	14	2.1
					including	105-110	5	3.6
TPD007	650496	6762972	285	315	-60	184-197	13	1.7

Note: slight variation to previous intercepts relate to averaging repeat assays

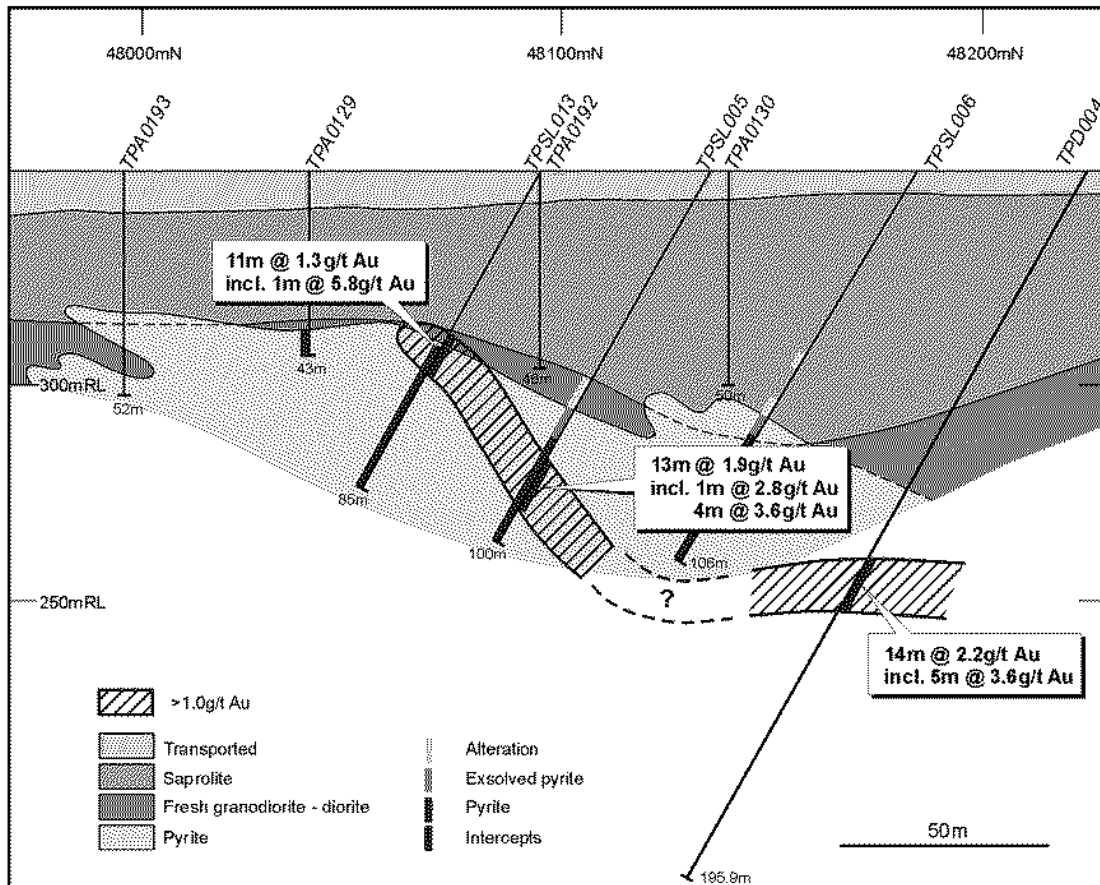


Figure 4: Tropicana JV - 14,320m N Cross Section showing significant drill results

A deep penetrating IP survey is planned to further delineate the mineralisation, prior to a further round of drill testing. Further details can be found in IGO's ASX announcement dated 22 February 2005.

Other Prospects

Auger sampling along strike to the south of wide moderate-grade gold mineralisation previously reported from the Tropicana Prospect has defined new gold geochemical anomalies as follows:

- Rusty Nail – 3km x 1km at 5ppb Au contour – peak value 12.5ppb Au.
- Kamikaze – 3km x 1km at 5ppb Au – peak value 69ppb Au.
- Black Feather – 2km x 400m at 5ppb Au – peak value 85ppb Au.

The new anomalies will be tested by aircore drilling early in the June quarter.



**FRANCIS FURNESS OPTION
 (IGO EARNING 100%)**

On 9th March the company announced an option over the historically high-grade Francis Furness Gold Mine and satellite deposits (Figure 5).

The project is located 4km southeast of Sons of Gwalia Ltd's Marvel Loch Gold Mine which is 35km southeast of Southern Cross. Independence is targeting a 15 g/t underground gold mine utilising the underground skills developed at the company's Long Nickel Mine.

The project area contains three historic gold mines, Francis Furness, Salvation and Bohemia, which have historically produced at an average grade of 15 g/t gold to a maximum depth of 150m (Francis Furness).

The Francis Furness Project lies within the same interpreted structural corridor as the Marvel Loch Gold Mine. Like Marvel Loch, the host rocks to the gold mineralisation include mafic amphibolites, ultramafics and lesser pelitic metasediments. Sons of Gwalia have reported drill intersections of 16m @ 31 g/t 500m below surface, indicating the Francis Furness gold system could have significant depth potential.

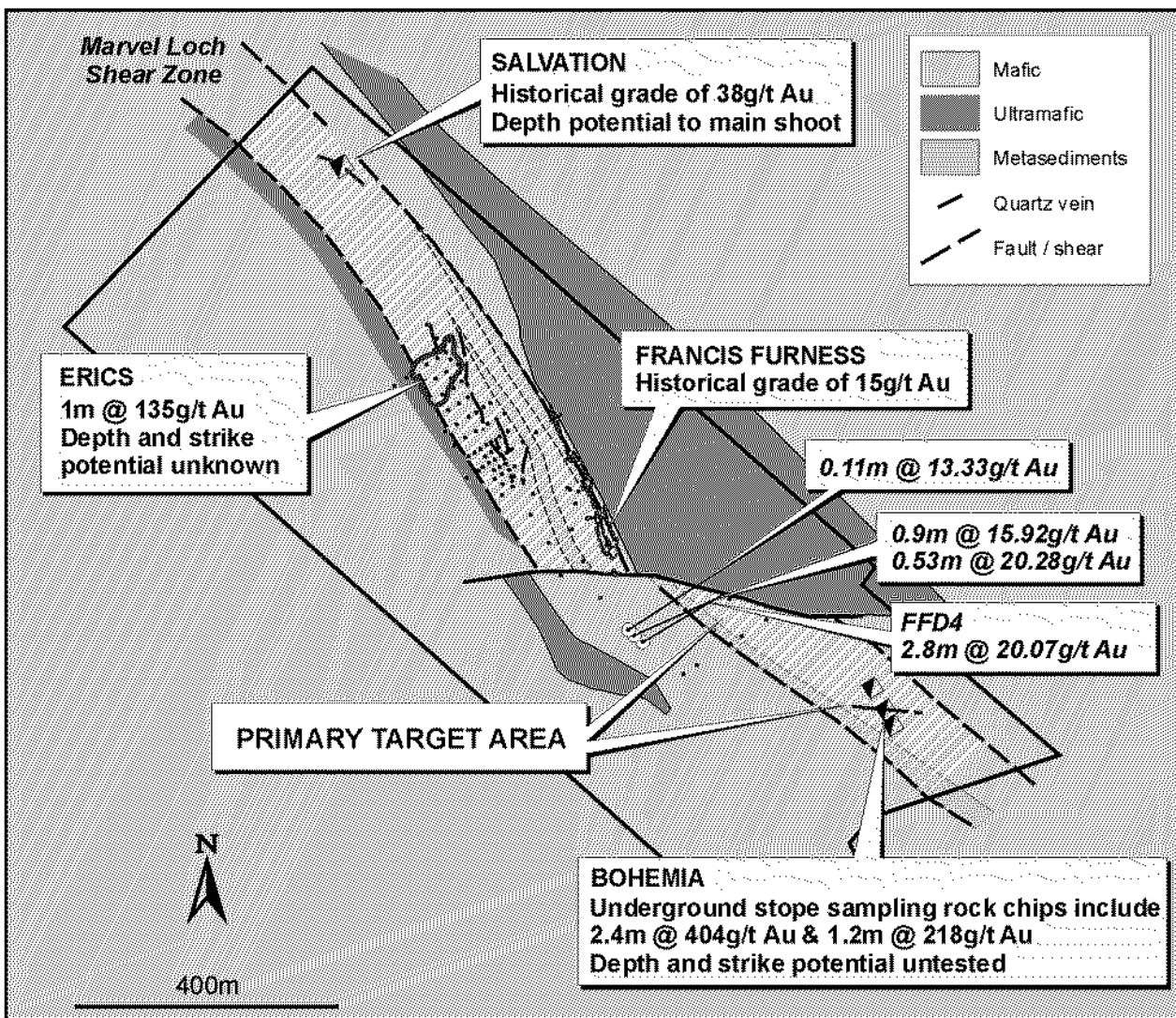


Figure 5: Francis Furness Option Area showing Historic Mines, High Grade Samples and Primary Target Area

The largest historical gold mine Francis Furness exploited two sub-parallel lodes (East and West lodes) over a strike of 200m to a depth of 150m. Existing infrastructure includes a two compartment shaft to 150m in good condition, ideal for exploratory work and ventilation.



The gold mineralisation is associated with quartz veining. Until recent drilling by the current leaseholders confirmed the potential extension down plunge for the Francis Furness lodes, a cross cutting fault was thought to have terminated the mineralisation to the southeast. Recent diamond drilling has intercepted high-grade gold within two sub-parallel lodes from a vertical depth of 150m to 210m. Three diamond drill holes returned narrow high grade intercepts (best intercept of **2.8m @ 20.07 g/t Au** uncut, Figure 5).

The Salvation Gold Mine lies at the north end of the project area. Gold mineralisation is associated with a steeply plunging shoot in amphibolite. The historically mined grade was **38 g/t Au**. The Bohemia Gold Mine lies to the southeast of Francis Furness. The mine was exceptionally high-grade with underground channel sampling of **218 g/t Au over 1.2m** and **404 g/t Au over 2.4m**. The Bohemia workings have not been drill tested. To the northwest of the main Francis Furness workings (the Eric Prospect), narrow high grade zones in oxide have been defined over a strike of 200m. Drill intercepts include **1m @ 115 g/t Au** from 34m and **1m @ 135 g/t Au** from 58m.

Planned exploration includes a ground magnetic survey, structural studies and reverse circulation and diamond drilling. Further details can be found in IGO's ASX announcement dated 9 March 2005.

**MERTONDALE OPTION – GIANT WELL
 (IGO EARNING 70%)**

At the Giant Well Option, some 40 kilometres northeast of Leonora, RAB drilling has outlined significant gold mineralisation within sheared and altered north-trending Archaean mafic rocks associated with the Mertondale Fault system.

Previous reconnaissance RAB drilling outlined significant gold mineralisation at the Cowbell Dig Prospect, within a north-south shear zone approximately 10 kilometres north of the Mertondale 4 gold mine. Two RAB traverses 50 metres apart returned shallow downhole uncut RAB intercepts including **7m @ 4 g/t** and **3m @ 86 g/t Au**.

The known gold mineralisation has been further tested over a strike of 400 metres. Significant widths of strong gold anomalism have been encountered (**19m @ 2.4 g/t Au** including **4m @ 10.2g/t Au**) (Figure 6 and Table 5). Further details are in IGO's ASX announcement dated 5 April 2005.

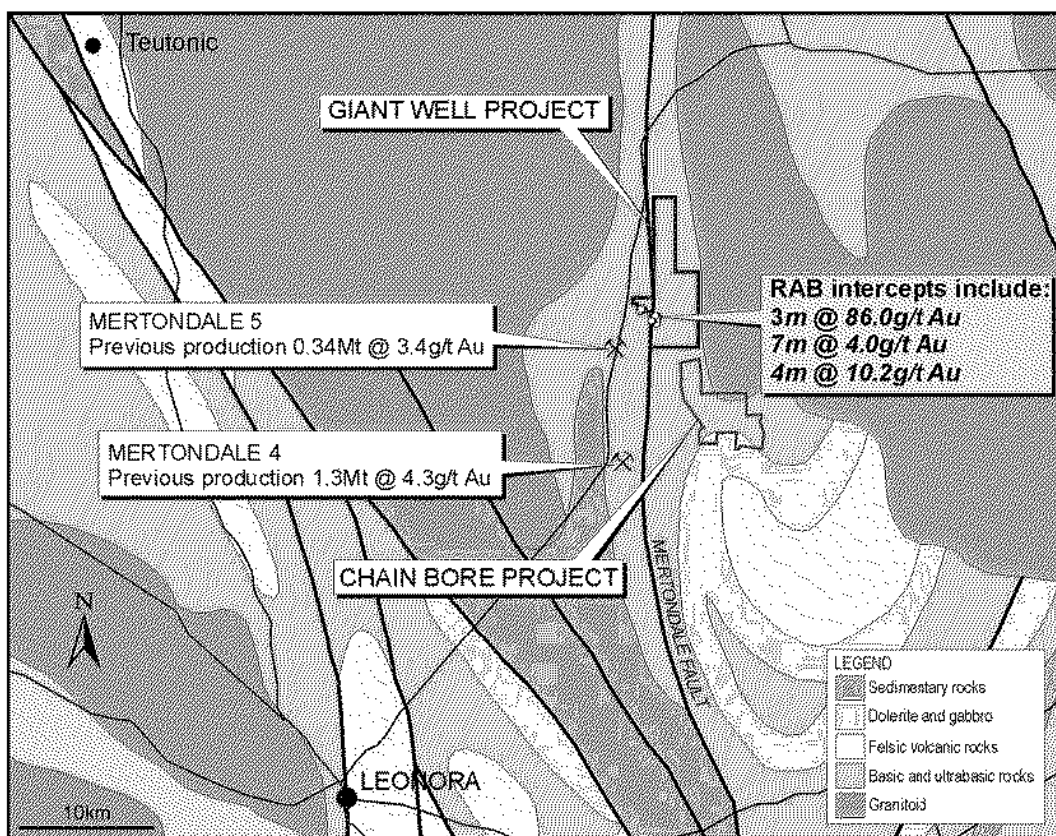


Figure 6: Mertondale - Geological Setting and Significant Giant Well RAB Drilling Intercepts



Table 5: Giant Well - Significant RAB Drill Hole Gold Intercepts (1m sampling) 0.5 g/t Au Cut Off

Hole	Easting (m)	Northing (m)	Depth (m)	Azimuth (degr)	Dip (degr)	Int (m)	Width (m)	Grade (g/t)
GWRB004	360003	6839395	47	090	-60	24-30	6	1.6
GWRB049	360006	6839441	42	090	-60	4-10	6	1.8
GWRB050	359992	6839440	45	090	-60	8-27	19	2.4
					incl	19-23	4	10.2

**MT PADBURY
 (IGO MANAGER 90%)**

Regional 400m by 400m lag sampling with 100m infill has delineated four high order gold anomalies over mafic and ultramafic rocks of the Narracoota Volcanics within the Bryah basin (Palaeoproterozoic), south of the Fortnum Gold Mine.

The main anomaly returned up to 540ppb Au in lag sampling and was complimented by rock chip sampling of quartz veins to 2.4 g/t Au. The area of anomalism occurs over an area of 1000m by 600m and is open to the south under drainage (Figure 7).

The northernmost anomaly returned up to 50ppb Au from lag sampling over an area of 250m by 250m. The anomaly is located 2km southeast of Meteoric Resources Wilthorpe Project (Harrods Prospect) where recent RC drilling has returned moderate widths of significant gold mineralisation including **9m @ 8.3 g/t Au, 5m @14.1 g/t Au and 6m @ 7.2 g/t Au.**

RAB drilling is planned to test the surface anomalies during the next quarter.

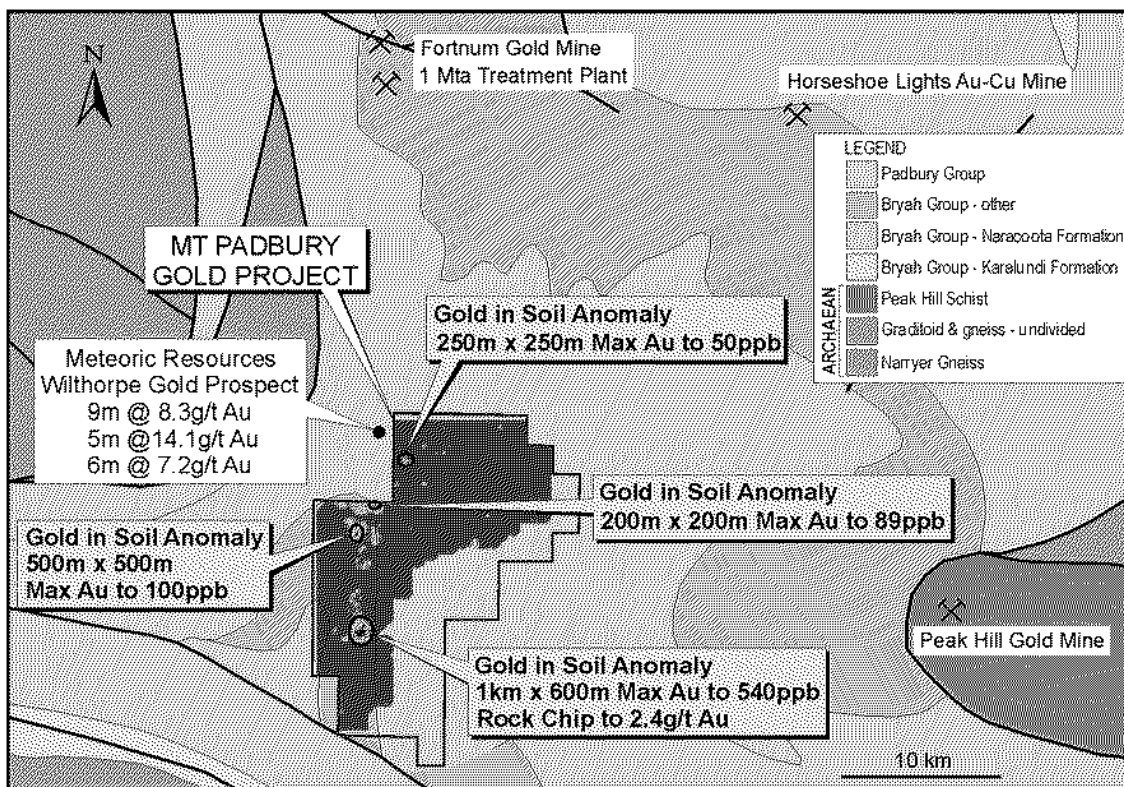


Figure 7: Mt Padbury – Location and significant gold geochemical anomaly



PROJECTS RELINQUISHED OR AVAILABLE FOR JOINT VENTURE

Results from the following projects do not meet the company's project investment criteria and exploration has ceased accordingly.

GOLD PROJECTS

- Chesterfield No large high grade deposit located.
- Castle Creek Source of gold anomalous streams believed to be related to small quartz veins.
- Tamarin Surface gold anomaly overlies thick transported cover limiting potential for an open cut operation.
- Jeerinah Surface gold anomaly believed to be related to small quartz veins.
- Wackilina No high grade intercepts returned in auriferous chert horizon from limited exploration.

The above projects are available for Joint Venture.

NICKEL PROJECTS

- Poison Hills Geochemical and geological surveys downgraded the target areas.

JUNE QUARTER PROGRAM

LONG EXPLORATION

- *Long South* - continue exploration decline.
- *Long, Victor South & Gibb South* - extensional drilling.

REGIONAL NICKEL EXPLORATION

- *Cullen Joint Venture* - follow-up surveys and drill testing.

REGIONAL GOLD EXPLORATION

- *Tropicana Joint Venture* - IP survey to delineate mineralisation and aircore drilling to test new anomalies.
- *Francis Furness* - ground magnetic survey, RC and diamond drilling.
- *Chain Bore* - further RAB drilling.
- *Mt Padbury* - RAB drilling.

INDEPENDENCE GROUP NL

CHRISTOPHER M. BONWICK
MANAGING DIRECTOR

Information in this report relating to geological data has been compiled or reviewed by Mr Christopher M. Bonwick who is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient relevant experience in the reported fields of activity.

Forward-Looking Statements: This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Independence Group NL's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are forward-looking statements. Although Independence Group NL believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

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