



ACN 006 189 331

COMPANY ANNOUNCEMENT

YAMARNA ENTERS INTO AGREEMENT WITH INDEPENDENCE GROUP N.L.

21 November 2005: Yamarna Goldfields Limited (ASX – YAM) announced today that it has entered into an agreement with Independence Group N.L. (ASX – IGO) in respect of its 100% owned Lake Lefroy Project (M26/743 and M15/1348) located in the Kambalda region of Western Australia. IGO has been granted an exclusive right to evaluate the tenements for the purposes of entering into a joint venture with Yamarna. Amongst other exploration techniques IGO intends to test the tenements for nickel sulphides using a geophysical device called a SQUID magnetometer (“SQUID”).

Under the terms of the agreement IGO has been granted an exclusive six month evaluation period during which time it must complete a minimum of 10 line kms of SQUID surveying on the tenements. At any time during the evaluation period IGO may elect to enter into a farm-in and joint venture agreement under the following terms:

- IGO must spend a minimum of \$150,000 within the latter of either 12 months following Tenement grant or 12 months following the election to enter into a Joint Venture.
- IGO may earn an 80% interest in the Tenements by spending \$600,000 within 3 years of the Tenements being granted.
- Once IGO has earned its 80% interest, both parties contribute to further exploration and development on a pro-rata basis.
- If either party elects not to contribute then industry standard dilution formulas will apply down to a 5% interest at which point the interest would convert to a 1% royalty.
- IGO to manage the Tenements on behalf of the Joint Venture, including compliance with Department of Resources & Industry reporting requirements.

As a consequence of entering into the joint venture certain rights and obligations have been assumed which involve Anglo American Exploration (Australia) Limited (“Anglo”).

If IGO utilises the SQUID technology Anglo will be entitled to a 1% royalty in any related discovery to be born pro-rata by Yamarna and IGO. If IGO elects to withdraw from the agreement Anglo has the right to take over IGO’s rights and responsibilities within 30 days of IGO withdrawing.

Yamarna looks forward to mutually beneficial association with IGO and a new technical approach to the evaluation of potential nickel sulphide mineralisation at the Lake Lefroy Project.

Richard Revelins
Director

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