



8 October 2007

Australian Stock Exchange Limited
Company Announcements
Level 10, 20 Bond Street
SYDNEY NSW 2000

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LONG NICKEL MINE – JUNE 2007 RESOURCES AND RESERVES

Highlights

- **Resources: 1,552,000t @ 5.1% Ni (79,300 Ni t)**
- **Reserves: 1,101,000 @ 3.6% Ni (39,600 Ni t)**
- **Approximately 39,700 resource tonnes of nickel remain in the Long Mine outside current reserves.**
- **Despite record 2006/7 production of 9,825 nickel tonnes, resources have increased by 14% to 79,300 Ni t.**
- **Due to access issues and slow drilling rates, a number of resource blocks were not drilled out to a density sufficient to enable their inclusion in reserves (McLeay Shoot 3, Long 7/6 Block and other newly discovered resource blocks at Long).**
- **The mine's underground drilling fleet has recently increased from 3 to 4 rigs to improve resource conversion drilling rates.**
- **Independence has budgeted over \$10 million in 2007/8 to continue mine exploration drilling at McLeay, Long South, Long North and other targets.**

Independence is pleased to announce a new JORC-compliant reserve at the Long Nickel Mine.

To 30 June 2007, the Company had mined 37,443 tonnes of nickel metal at the Long Nickel Mine.

After mining depletion of 9,825 nickel tonnes (2006/7 production), June 2007 resources increased by 14% to 79,300 Ni t (**Figure 1**).

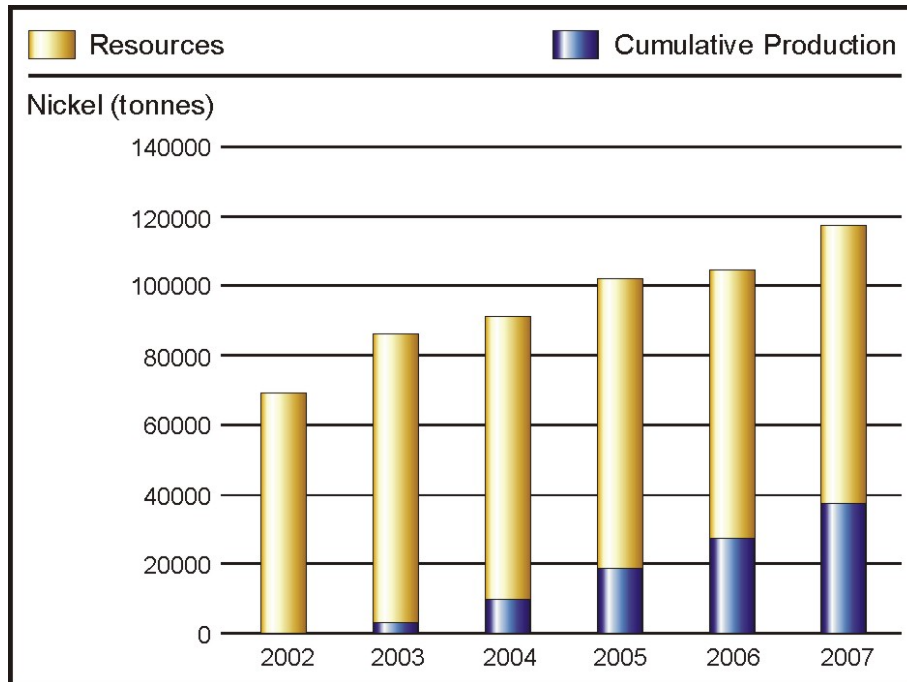


Figure 1: Accumulated Resource and Production Nickel Tonnes

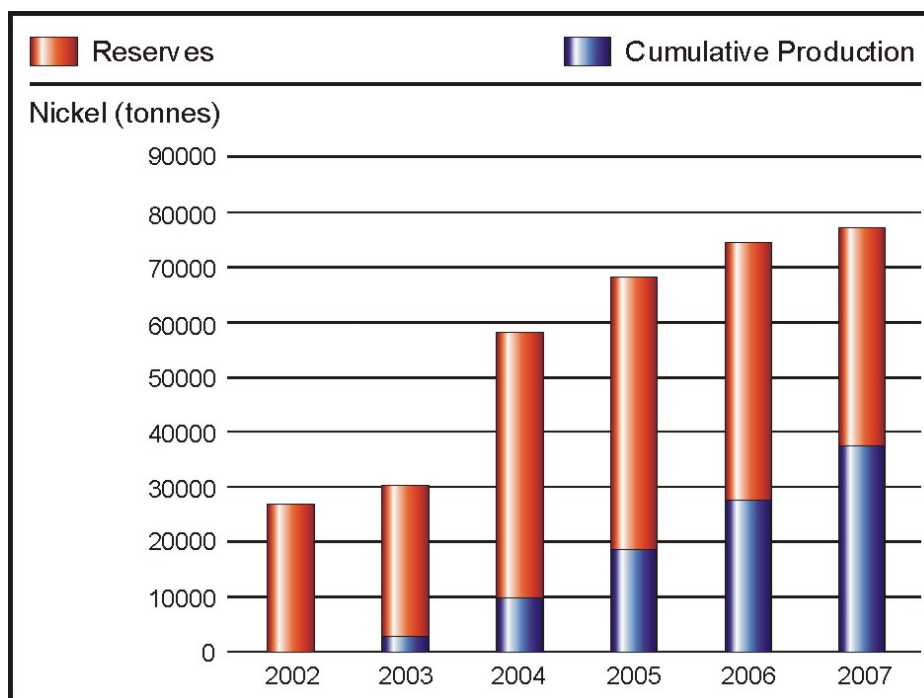


Figure 2: Accumulated Reserve and Production Nickel Tonnes

The average reserve grade has decreased from 4.2% Ni in June 2006 to 3.6% Ni which reflects an increase in long-hole stope dilution and the inclusion of lower grade Victor South disseminated hanging wall sulphides into the reserve.

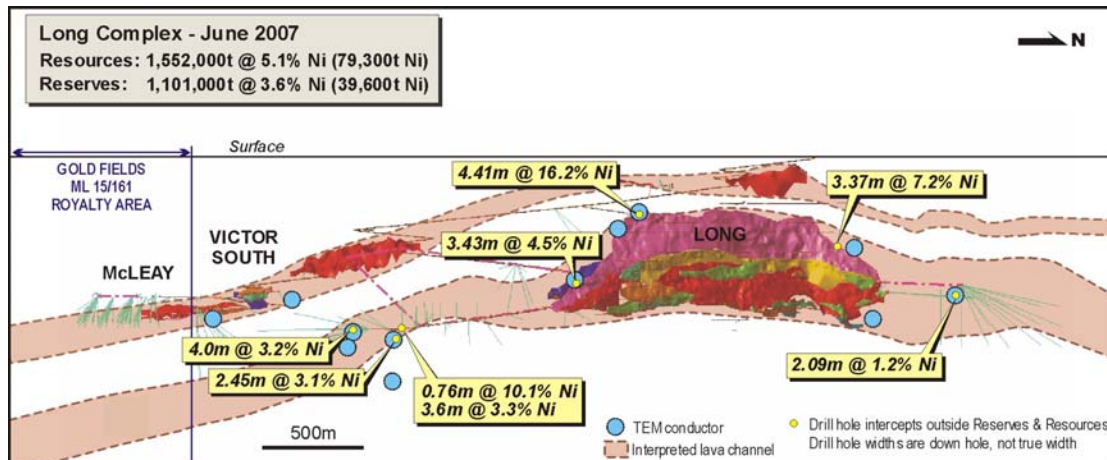


Figure 3: Long Nickel Mine – Longitudinal Projection Showing Significant Intercepts Outside Current Resources and Reserves

The reserve nickel tonnes have decreased by 7,200t Ni (15%) between the June 2006 and June 2007 reserve estimation (**Figure 2**) due to:

- 2006/7 production of 9,825t Ni with 6,588t Ni depleted from the reserve and the remaining 3,237t Ni being mined outside or in excess of 2006 reserves.
- Additional geological information from mining reducing last year's McLeay probable reserve. This was primarily due to a better understanding of the structure and more barren porphyries stopping out the ore than previously modelled.
- A number of resource blocks were not drilled out to a sufficient density to enable their inclusion in reserves due to access issues and slow drilling rates. Underground drilling has now increased from 3 to 4 diamond drill rigs.

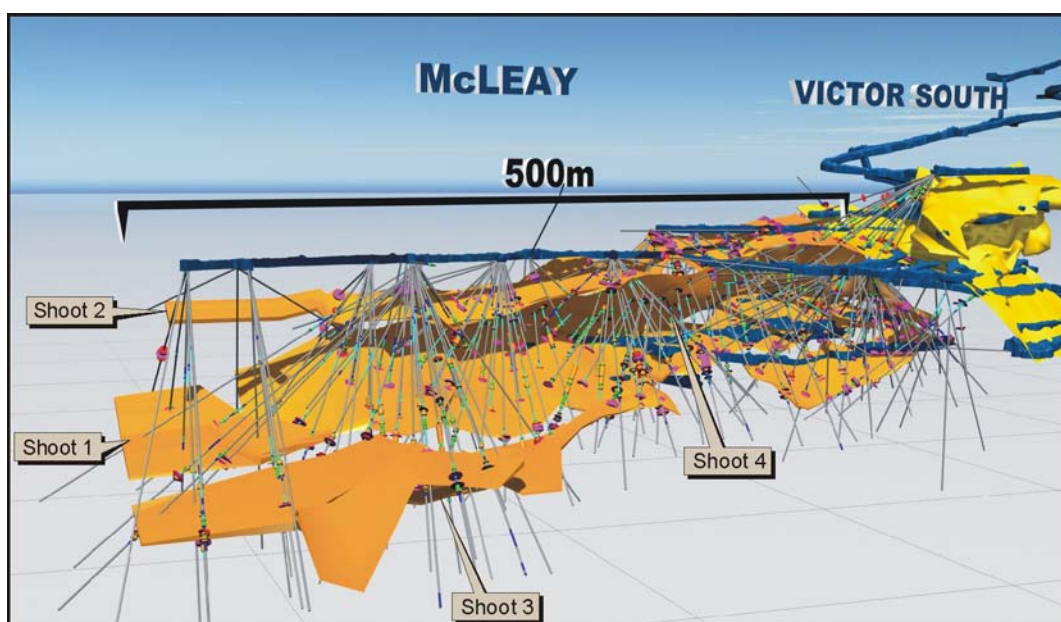


Figure 4: McLeay 3D Isometric Model Showing Nickel Shoots 1 to 4

Table 1: Long Nickel Mine – Resources

		<i>Undiluted Resources at 1% Ni Cut-off as at 30 June 2006^{2,3}</i>			<i>Undiluted Resources at 1% Ni Cut-off as at 30 June 2007²</i>		
		<i>Tonnes</i>	<i>Ni %</i>	<i>Ni Tonnes</i>	<i>Tonnes</i>	<i>Ni %</i>	<i>Ni Tonnes</i>
Long Shaft	Measured	268,000	7.1	19,100	206,000	6.5	13,300
	Indicated	335,000	5.8	19,500	362,000	5.3	19,300
	Inferred	29,000	4.1	1,200	53,000	5.8	3,100
	Sub-Total	632,000	6.3	39,800	621,000	5.8	35,700
Victor South	Measured	-	-	-	-	-	-
	Indicated	422,000	3.8	16,100	396,000	3.7	14,700
	Inferred	-	-	-	-	-	-
	Sub-Total	422,000	3.8	16,100	396,000	3.7	14,700
McLeay	Measured	-	-	-	-	-	-
	Indicated	212,000	7.4	15,600	347,000	6.1	21,100
	Inferred	101,000	5.1	5,200	181,000	4.2	7,500
	Sub-Total	313,000	6.6	20,800	528,000	5.4	28,600
Broken Stocks	Measured	-	-	-	7,000	4.2	300
	Sub-Total	-	-	-	7,000	4.2	300
TOTAL		1,367,000	5.6	76,700	1,552,000	5.1	79,300

Table 2: Long Nickel Mine – Reserves

		<i>Mining Reserve at 2.5% Ni Cut-off as at 30 June 2006²</i>			<i>Mining Reserve at Economic Ni Cut-off as at 30 June 2007²</i>		
		<i>Tonnes</i>	<i>Ni %</i>	<i>Ni Tonnes</i>	<i>Tonnes</i>	<i>Ni %</i>	<i>Ni Tonnes</i>
Long 12-16L	Proven	208,000	4.7	9,800	165,000	3.9	6,500
	Probable	170,000	3.6	6,100	150,000	3.1	4,700
	Sub-Total	378,000	4.2	15,900	315,000	3.5	11,200
Long 7-11L	Proven	32,000	3.4	1,100	30,000	3.1	900
	Probable	129,000	4.3	5,500	124,000	3.2	3,900
	Sub-Total	161,000	4.1	6,600	154,000	3.2	4,800
Victor South	Proven	-	-	-	-	-	-
	Probable	260,000	4.3	11,100	289,000	3.5	10,200
	Sub-Total	260,000	4.3	11,100	289,000	3.5	10,200
McLeay	Proven	-	-	-	-	-	-
	Probable	315,000	4.2	13,200	336,000	3.9	13,100
	Sub-Total	315,000	4.2	13,200	336,000	3.9	13,100
Broken Stocks	Proven	-	-	-	7,000	4.2	300
	Sub-Total	-	-	-	7,000	4.2	300
TOTAL		1,114,000	4.2	46,800	1,101,000	3.6	39,600

Notes:

¹ The Competent Persons and Members of the AusIMM or AIG with the appropriate experience in reporting the above are Brett Hartmann of Lightning Nickel Pty Ltd and Mark Zammit of Cube Consulting Pty Ltd. Phil Bremner of Mining One Pty Ltd has verified the resource and reserve figures.

² Ore tonnes have been rounded to the nearest thousand tonnes and nickel tonnes have been rounded to the nearest hundred tonnes.

³ The cut-off grade used for the Victor South resource in 2006 was 0.6%.

Reserves Broken Down by Mining Method

Reserves broken down by mining method are as follows:

Mining Method	Ni Tonnes
Mechanised flat back	12,300
Mechanised long-hole	15,400
Mechanised room and pillar	600
Air-leg	11,000
Broken ore stocks	300
TOTAL	<u>39,600</u>

Resource and Reserve Estimation

Resource and reserve estimation methodology is detailed in Appendix 1.

The Company has budgeted over \$10 million in 2007/8 to continue Long, Long South and McLeay exploration decline development and drilling with the aim of bringing forward the conversion of resources to reserves.



Christopher Bonwick
Managing Director

Note: The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Christopher M Bonwick who is a full-time employee of the Company and is a member of the Australasian Institute of Mining and Metallurgy. Christopher Bonwick has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Christopher Bonwick consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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.

Board of Directors		Stock Exchange Listing	
Rod Marston	Non-Executive Chairman	Australian Stock Exchange	
Chris Bonwick	Managing Director	ASX Code: IGO	
Kelly Ross	Executive Director		
John Christie	Non-Executive Director	Capital Structure	
Oscar Aamodt	Non-Executive Director	Ordinary Shares	114,966,667
Contact		Unlisted Options	
Address:	PO Box 893	Various Expiry Dates	3,793,100
	South Perth, WA, 6951		
Telephone:	(08) 9367-2755		
Facsimile:	(08) 9367-3288		
Email:	contact@igo.com.au		
Website:	www.igo.com.au		
Share Registry		Substantial Shareholders	
Security Transfer Registrars Pty Ltd		Orion Asset Management	7.45%
770 Canning Highway		Barclays Global Investors Australia	6.37%
Applecross, WA 6153			
Telephone:	(08) 9315-0933		
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Appendix 1

June 2007 Resource Estimation Parameters

The resource was estimated using 2D and 3D metal accumulation of grade, thickness and density interpolated by kriging.

Data

The following geological information and data were incorporated into the estimation process:

- Drill-hole data
- Ore and porphyry intrusive (barren) locations defined by underground mapping and drilling
- Survey pick up of mining depletion boundaries
- X-Pillar outlines (non-recoverable)

Cut-offs, Modelling Technique and Cell Size

	Long	Victor South	McLeay
Lower cut offs	1.0% Ni	0.6% Ni	1.0% Ni
Modelling technique	2D longitudinal kriging	01, 04 Surfaces – 3D ordinary block kriging 02 Surface – horizontal 2D planar kriging.	Horizontal 2D planar kriging,
Parent cells	10mN x 8m RL	10mN x 4mE x 4mRL	10mN x 4mE x 4mRL
Block discretisation points (metres)	2D interpolation - 5 x 5 x 1 (XYZ)	3D interpolation - 4 x 5 x 2 (XYZ) 2D interpolation - 5 x 5 x 1 (XYZ)	2D interpolation - 5 x 5 x 1 (XYZ)

Mining Depletion, Pillars and Porphyry Intrusives

- | | | |
|----------------------------|---|--|
| Mining depletion | - | Depletion areas were stamped into each mineralised surface of Long using 2D string outlines. Depletions areas in Victor South and McLeay were constrained by 3D survey pickups of the mined areas. |
| X-Pillar (non-recoverable) | - | X-Pillars were stamped into each mineralised surface using 2D string outlines. |
| Porphyry Intrusives | - | Porphyry intrusion wire frames (0.01% Ni, 2.7t/m ³) were used to constrain the porphyry interpretation within the ore models. |

June 2007 Reserve Estimation Parameters

The reserve was estimated using stoping wire frames overlaid on resource block models.

Reserve estimation parameters are as follows:

- | | | |
|--------------------|---|--|
| Nickel metal price | - | AUS \$15,700t Ni (in-house estimate) |
| Grade cut-off | - | 2.5% Ni lower cut |
| | - | This cut-off has been used as an average for a combination of stoping methods and includes all operating costs and expected nickel recoveries. |

Extractions and dilution factors:	Extraction	Dilution
Long-hole stopes	95%	25 - 35%
Flat-back stope	100%	5%
Room and pillar stopes	80%	5%
Air-Leg slotting	90%	5%

- | | | |
|-------------------|---|---|
| Geotechnical loss | - | 1.3% subtracted from reserves in the Long deposit to represent the remnant nature of the reserves in this area. |
| Method | - | Stopes were designed in 3 dimensions using the above inputs and resource block models. Final reserves were estimated after the subtraction of porphyry, unextractable X-Pillars and mining depletion. |