

24 September 2008

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

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LONG NICKEL MINE – JUNE 2008 RESOURCES AND RESERVES

Highlights

- **Resources: 1,420,000t @ 5.3% Ni (75,800 Ni t)**
- **Reserves: 1,085,000 @ 3.4% Ni (37,200 Ni t)**
- **Approximately 38,600 resource tonnes of nickel remain in the Long Mine outside current reserves.**
- **Assuming current production rates, mine life has been extended to 2012 based on reserves only.**
- **Independence has budgeted \$12 million in 2008/9 on exploration and capital development to enable construction of exploration drill drives and for exploration drilling at McLeay, Long South and Long North.**
- **Both the recently discovered Long North 07 Shoot and McLeay Shoot 3 remain open along strike.**
- **Large TEM conductors have been defined in the Long South target area between Victor South and McLeay.**

Details

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

To 30 June 2008, the Company had mined 46,718 tonnes of nickel metal at the Long Nickel Mine.

After mining depletion of 9,275 nickel tonnes (2007/8 production), June 2008 resources decreased by 4.6% from 79,300 Ni t to 75,800 Ni t **(Figure 1)**.

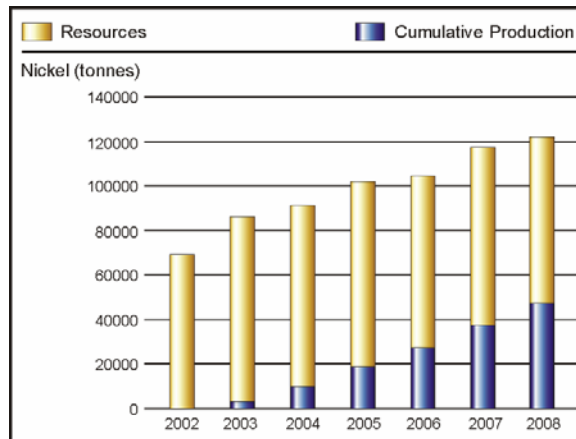


Figure 1: Accumulated Resource and Production Nickel Tonnes

The reserve nickel tonnes decreased by 2,400t Ni t (6%) between the June 2007 and June 2008 reserve estimation predominantly due to 2007/8 production of 9,275 Ni t (Figure 2).

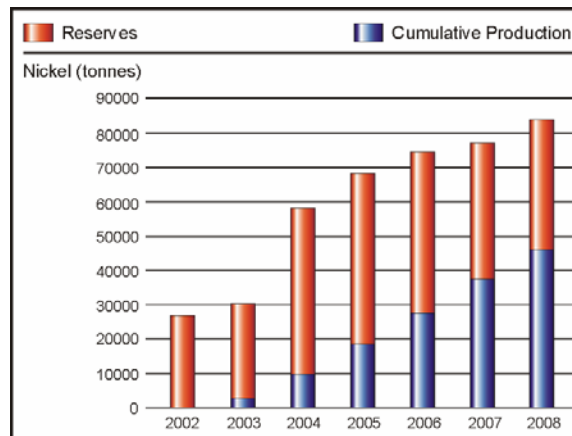


Figure 2: Accumulated Reserve and Production Nickel Tonnes

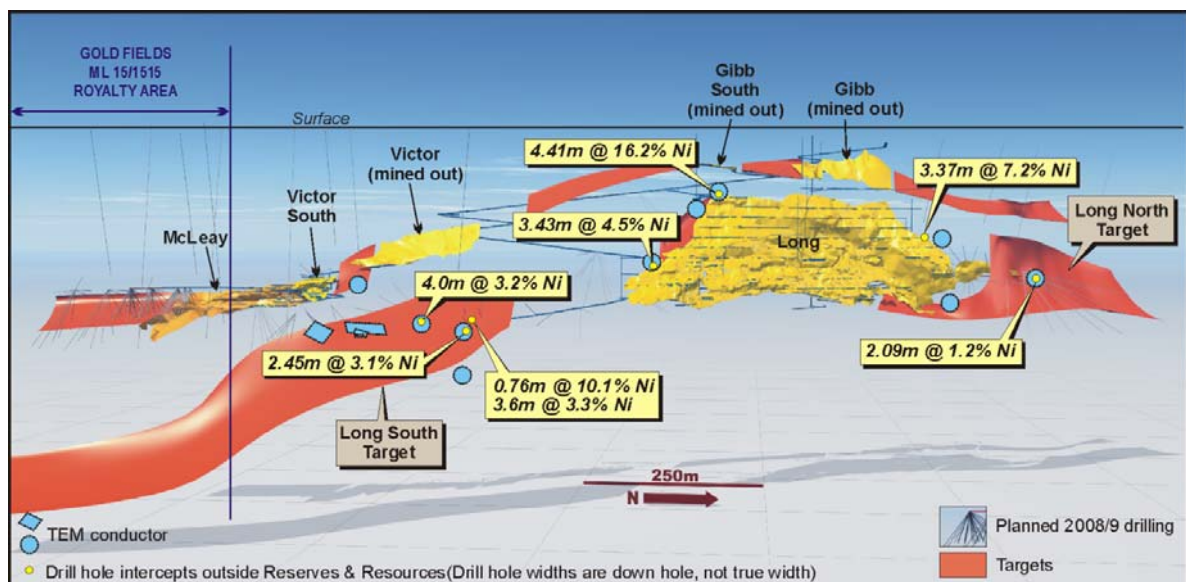


Figure 3: Long Nickel Mine – Longitudinal Projection Showing Ore Deposits (yellow), Targets, TEM Conductors and Significant Intercepts Outside Current Resources and Reserves

The 2008 reserve estimate reflects the extension of the McLeay ore body (Figure 4) and includes the maiden reserve for the new 07 Shoot north of the Long ore body (Figure 5). Taking 2007/8 production into account, the June 2008 reserve increased by 6,800 Ni t.

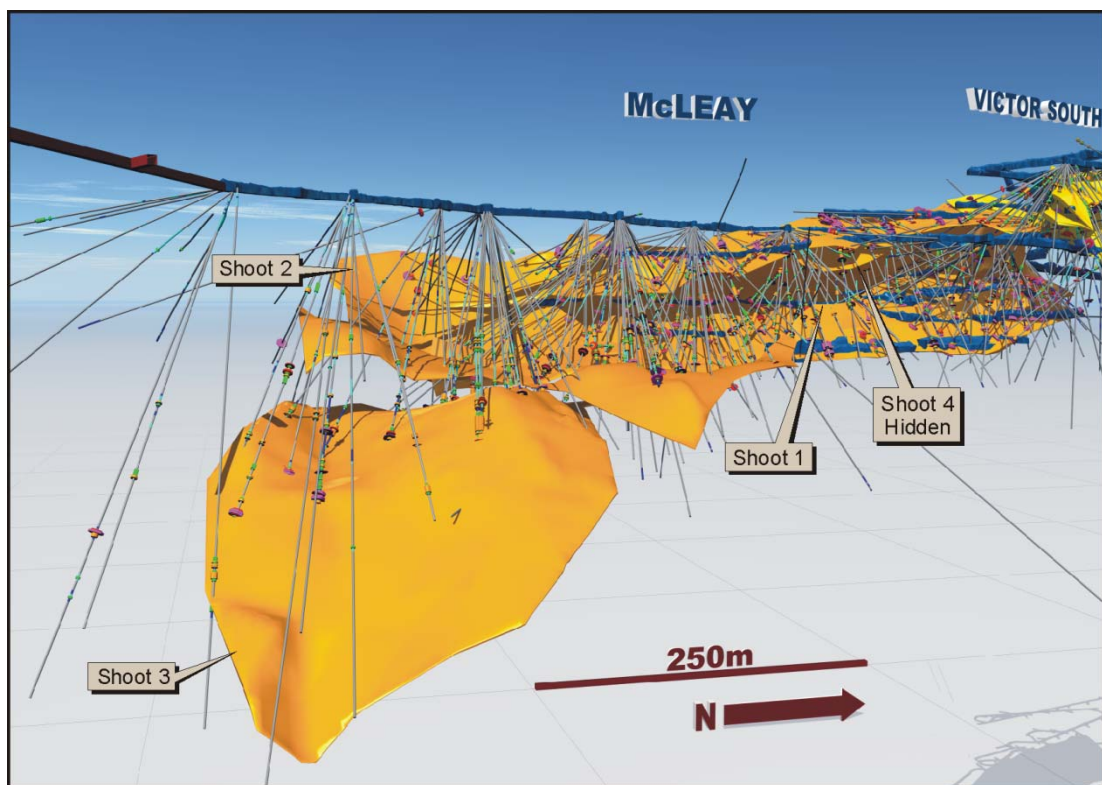


Figure 4: McLeay - 3D Isometric Model Showing Nickel Shoots, Drill-Holes and Development

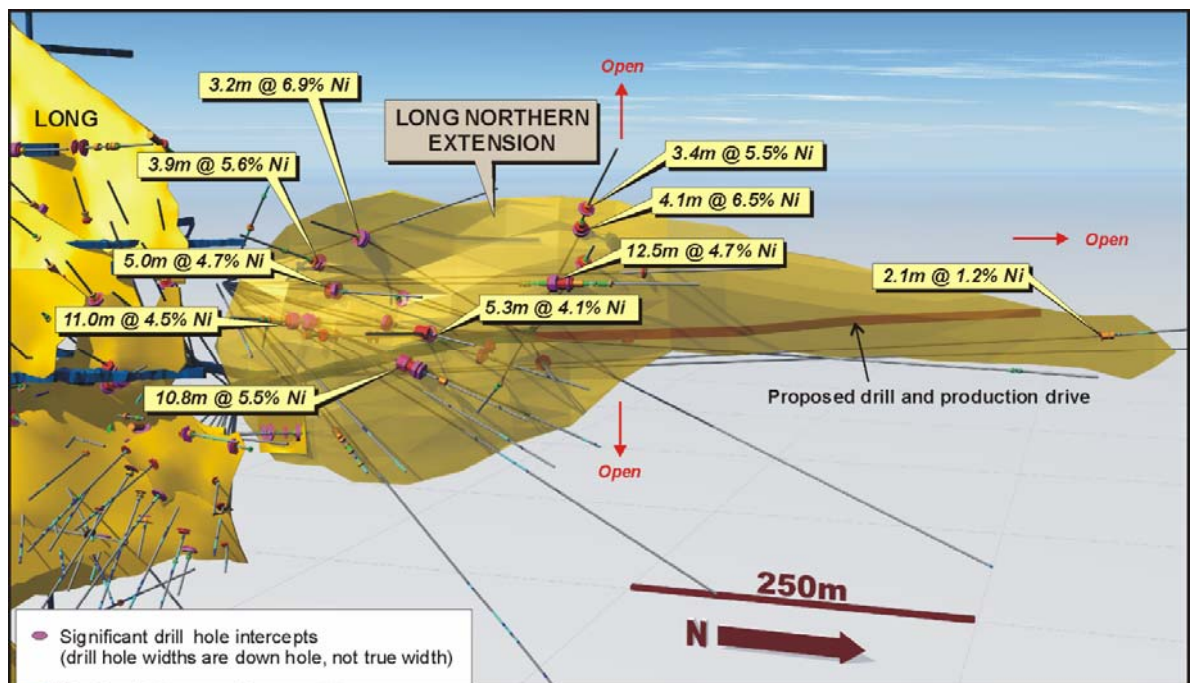


Figure 5: Long North 07 Shoot – Longitudinal Projection Showing Workings, Significant Intersections and Resource Boundary

Table 1: Long Nickel Mine – Resources

		<i>Undiluted Resources at 1% Ni Cut-off as at 30 June 2007²</i>			<i>Undiluted Resources at 1% Ni Cut-off as at 30 June 2008²</i>		
		<i>Tonnes</i>	<i>Ni %</i>	<i>Ni Tonnes</i>	<i>Tonnes</i>	<i>Ni %</i>	<i>Ni Tonnes</i>
Long Shaft	Measured	206,000	6.5	13,300	167,000	6.5	10,800
	Indicated	362,000	5.3	19,300	346,000	5.3	18,500
	Inferred	53,000	5.8	3,100	59,000	5.1	3,000
	Sub-Total	621,000	5.8	35,700	572,000	5.6	32,300
Long North	Measured	-	-	-	-	-	-
	Indicated	-	-	-	55,000	4.4	2,400
	Inferred	-	-	-	18,000	4.6	800
	Sub-Total	-	-	-	73,000	4.4	3,200
Victor South	Measured	-	-	-	-	-	-
	Indicated	396,000	3.7	14,700	303,000	3.9	11,700
	Inferred	-	-	-	-	-	-
	Sub-Total	396,000	3.7	14,700	303,000	3.9	11,700
McLeay	Measured	-	-	-	-	-	-
	Indicated	347,000	6.1	21,100	267,000	7.0	18,800
	Inferred	181,000	4.2	7,500	205,000	4.8	9,800
	Sub-Total	528,000	5.4	28,600	472,000	6.0	28,600
Broken Stocks	Measured	7,000	4.2	300	-	-	-
	Sub-Total	7,000	4.2	300	-	-	-
TOTAL		1,552,000	5.1	79,300	1,420,000	5.3	75,800

Table 2: Long Nickel Mine – Reserves

		<i>Mining Reserve at Economic Ni Cut-off as at 30 June 2007²</i>			<i>Mining Reserve at Economic Ni Cut-off as at 30 June 2008²</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	165,000	3.9	6,500	107,000	4.0	4,300
	Probable	150,000	3.1	4,700	140,000	3.0	4,100
	Sub-Total	315,000	3.5	11,200	247,000	3.4	8,400
Long 7-11L	Proven	30,000	3.1	900	17,000	3.0	500
	Probable	124,000	3.2	3,900	93,000	3.1	2,900
	Sub-Total	154,000	3.2	4,800	110,000	3.1	3,400
Victor South	Probable	289,000	3.5	10,200	286,000	3.1	9,000
	Sub-Total	289,000	3.5	10,200	286,000	3.1	9,000
McLeay	Probable	336,000	3.9	13,100	387,000	3.9	15,000
	Sub-Total	336,000	3.9	13,100	387,000	3.9	15,000
Broken Stocks	Proven	7,000	4.2	300	-	-	-
	Sub-Total	7,000	4.2	300	-	-	-
Long North	Probable	-	-	-	55,000	2.6	1,400
	Sub-Total	-	-	-	55,000	2.6	1,400
TOTAL		1,101,000	3.6	39,600	1,085,000	3.4	37,200

Notes:

¹ The Competent Persons and Members of the AusIMM or AIG with the appropriate experience in reporting the above are Brett Hartmann (reserves) and Somealy Sheppard (resources) of Lightning Nickel Pty Ltd. and Mark Zammit of Cube Consulting Pty Ltd (resources). Phil Bremner of Mining One Pty Ltd has verified the reserve figures for Victor South and McLeay.

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

Reserves Broken Down by Mining Method

Reserves broken down by mining method are as follows:

Mining Method	Ni Tonnes
Mechanised jumbo stoping	11,800
Mechanised long-hole	17,700
Mechanised development	2,400
Air-leg	5,300
TOTAL	<u>37,200</u>

Resource and Reserve Estimation

Resource and reserve estimation methodology is detailed in Appendix 1.

The Company has budgeted \$12 million in 2008/9 to continue Long, Long South and McLeay exploration drilling and capital drill drive development 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	113,613,539
Contact		Unlisted Options	
Address:	PO Box 893	Various Expiry Dates	1,712,500
	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		JP Morgan Chase & Co	9.83%
770 Canning Highway		Barclays Global Investors Australia	9.56%
Applecross, WA 6153		Orion Asset Management	6.42%
Telephone:	(08) 9315-0933	MLC Investments	6.06%
Facsimile:	(08) 9315-2233		

Appendix 1

June 2008 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 2008 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 | - AU \$20,000/ Ni (in-house estimate) |
| Grade cut-off | - 2.0% 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. |