



QUARTERLY REPORT FOR THE 3 MONTHS ENDED 31 DECEMBER 2010

GROUP HIGHLIGHTS

- Estimated and unaudited NPAT for the quarter was \$11.0 million (Sep \$10.0 million, YTD \$21.0 million).
- \$303.3 million cash and estimated net receivables (Sep \$144.1 million).
- \$164.3 million placement and rights issue completed.

OPERATIONS HIGHLIGHTS

- **Production** - 49,544t @ 4.9% Ni for 2,409 Ni t (Budget 51,563t @ 3.9% Ni for 1,990 Ni t).
- **Cash Costs** - A\$4.20/lb Ni payable (Budget A\$5.34) for the quarter (including royalties). Cash costs A\$3.65/lb Ni payable excluding royalties.
- **Development** - Moran development on budget and on schedule.
 - Third twin boom jumbo being commissioned in January to increase the rate of exploration drill drive development in Moran South, McLeay South and Long North.
 - Drill drive to test the Moran South TEM conductor expected to be completed early in the March quarter.
- **Long North** - 7m @ 4.6% Ni (true width) and new TEM anomalies north of Long continue to indicate potential for new nickel sulphide shoots.

EXPLORATION HIGHLIGHTS

GOLD

- **Tropicana JV** - Bankable Feasibility Study completed. AngloGold Ashanti and Independence Group Boards approved the development of the Tropicana gold mine.
 - A\$580-600/oz Au cash costs and 470,000-490,000 oz Au average annual production over the first 3 years results in rapid pay back.
 - Boston Shaker true width intercepts of 17m @ 4.6 g/t Au, 16m @ 4.9 g/t Au, 12m @ 4.3 g/t Au and 8m @ 7.1 g/t Au indicate newly identified potential for underground as well as open pit mining at Boston Shaker.
 - Havana Deeps intercepts of 16m @ 9.7 g/t Au, 14m @ 9.0 g/t Au, 15m @ 7.0 g/t Au and 15m @ 5.6 g/t Au continue to confirm potential for underground gold mining.
 - Havana gold mineralisation intersected 2.1 km down plunge of the currently proposed Havana open pit indicating potential for a very large gold system.
 - Follow up drilling at Voodoo Child prospect intersected 22m @ 2.8 g/t Au from 56m.
 - Respective maiden gold resources of 0.48 M oz Au and 0.63 M oz Au for Boston Shaker and Havana Deeps which are likely to increase with planned drilling.
 - Updated reserves of 3.45 M oz Au announced during the quarter. Updated resources of 5.28 M oz Au included in the Tropicana section of this quarterly report.
- **Karlawinda** - Step out drilling intersected 32m @ 2.2 g/t Au from 73m and 29m @ 1.9 g/t Au from 98m, down dip of supergene/oxide mineralisation.
 - Supergene, oxide, transition and primary heap leach metallurgical test work has commenced.

BASE METALS

- **Duketon JV** - Three infill holes completed at the Rosie massive nickel sulphide prospect and down hole TEM surveys continued to provide encouragement.



CORPORATE

CAPITAL RAISING

The Company announced and successfully completed a \$164.3 million capital raising to assist in funding the Tropicana Gold Project development and construction costs. The funds were raised at A\$6.65 per share and resulted in the issuance of 24.7 million IGO shares.

PROFIT AND LOSS

The estimated and unaudited NPAT for the quarter is \$11.0 million (Sep \$10.0M). **The profit figures quoted in this report are subject to finalisation of estimated nickel prices and USD/AUD exchange rates. Unhedged receivables and sales figures in this report are based on a nickel price of AU\$24,817/t and are subject to subsequent final price adjustments.**

ISSUED CAPITAL - CURRENT

138,777,305 ordinary shares and 837,500 unlisted options.

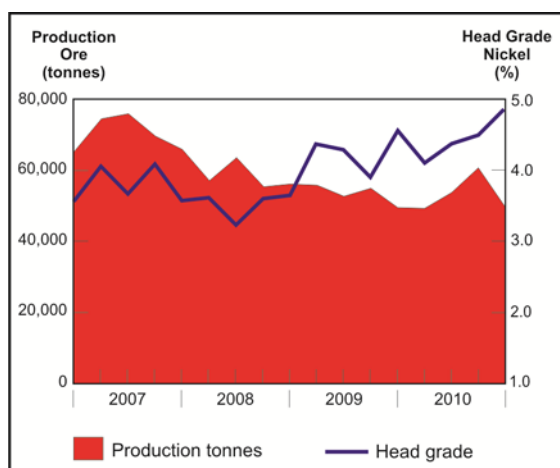
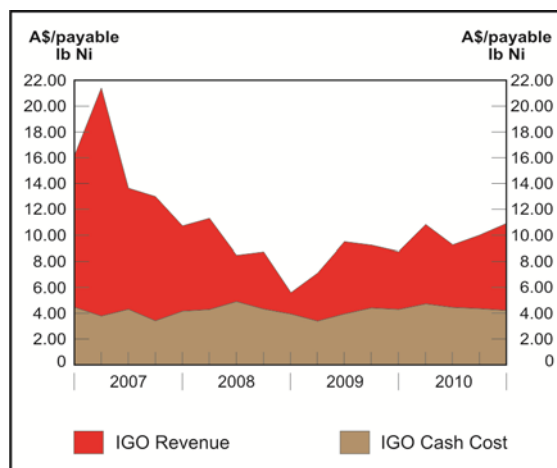
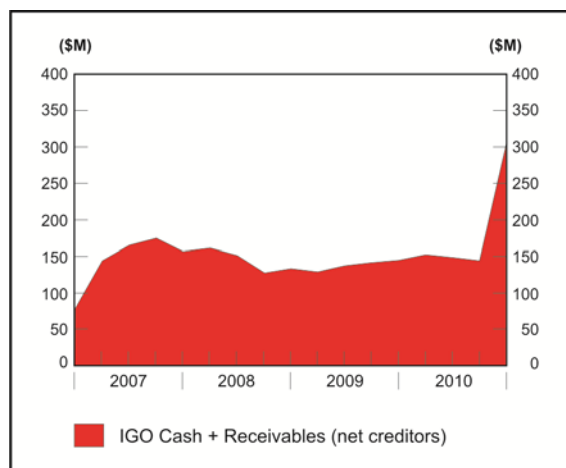
CASH AND RECEIVABLES

- \$300.2 million cash (Sep \$137.3M).
- \$3.1 million nickel revenue in receivables net of creditors (Sep \$6.8M).
- Total cash and estimated net receivables were \$303.3 million at the end of the quarter (Sep \$144.1M).
- **Unhedged receivables have been valued using AU\$24,817/t Ni.**

CASH OUTFLOWS

Excluding operating cash costs, major cash expenditure in the quarter was:-

- \$5.7 million on Long and regional exploration, including contributions to the Tropicana JV.
- \$2.9 million capitalised development costs, including Moran development.
- \$2.8 million income tax payments.
- \$6.9 million costs relating to the capital raising.





DEBT

The Company had no debt at the end of the quarter except for hire purchase repayments of \$1.4 million for mining equipment.

NICKEL SALES PRICE CALCULATION

Due to the off-take agreement the Company has with BHP Billiton Nickel West Pty 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 exchange rate on receivables is reflected in each quarter's cash flow and profit figures.

2010/11 EXPLORATION EXPENDITURE

\$5.6 million exploration expenditure was incurred during the quarter which includes accruals and Tropicana JV expenditure.

HEDGING

During the quarter, nickel hedge contracts were placed for 100t per month for 20012/13 at A\$25,000/t. Total hedged nickel metal at the date of this report is 5,760t at A\$23,352/t, which is scheduled to be delivered at 200 tonnes per month from January to June 2011, 180 tonnes per month from July 2011 to June 2012 and 200 tonnes per month from July 2012 to June 2013.

INVESTMENTS

Subsequent to the end of the quarter, IGO signed an agreement to take up to a 19.9% interest in Argentina Mining Limited, a company with exploration interests in Argentina that is seeking to list on ASX. The agreement is subject to receiving ASX waivers and includes certain joint venture and buy-back rights.

MINING OPERATION

LONG NICKEL MINE IGO 100%

SAFETY

During the quarter 1 Lost Time Injury (LTI) injury was recorded due to issues relating to a previous injury which has now resulted in lost time, bringing the site Frequency Rate (LTIFR) to **6.42** for the life of the operation.

The operation is proactively undergoing a site wide risk review which will be utilised to update risk matrixes, operational procedures and overall site awareness.

PRODUCTION

Production for the quarter was 49,544t at 4.86% Ni for 2,409 tonnes of contained nickel, which was mined by the following methods:

Jumbo Stopping	7,915	t @	6.56	Ni for	519	Ni t
Long-hole	20,698	t @	5.93	Ni for	1,229	Ni t
Hand-held	3,668	t @	4.39	Ni for	161	Ni t
Jumbo Development	17,263	t @	2.90	Ni for	500	Ni t
TOTAL	49,544	t @	4.86	Ni for	2,409	Ni t

Production was from the following areas:

Long	5,282	t @	3.04	Ni for	160	Ni t
McLeay	24,770	t @	4.45	Ni for	1,104	Ni t
Victor South	13,249	t @	6.96	Ni for	922	Ni t
Moran	6,243	t @	3.57	Ni for	223	Ni t
TOTAL	49,544	t @	4.86	Ni for	2,409	Ni t

(See Figure 1 for location of ore bodies)



Contained nickel metal was 21% higher than budget due to better than anticipated run of mine Ni grades (+1% Ni) and minimal mining dilution.

Metal during the quarter was produced at a cash cost of A\$4.20 per payable pound of nickel, 21% below budget (includes A\$0.56 per payable lb for royalty), versus a budget cost of A\$5.34/lb. The main savings arose from less operational mine development due to a focus on increased capital development and less operational infill diamond drilling than budgeted.

Operational highlights for the quarter included:

- Focus on improving health and safety.
- Higher than budgeted run of mine grades.
- Continued low cost metal production.
- Completion of the targeted Moran capital development contract by RUC.

DEVELOPMENT

CAPITAL DEVELOPMENT

During the quarter 446 metres were advanced as capital development, of which 358m occurred in Moran and 88m in the 570 exploration drill drive.

OPERATING DEVELOPMENT

A total of 591 metres of operating development was also undertaken during the quarter, of which 80m occurred in Long (13/7 block), 396m in McLeay and 115m in Moran. Operating development costs are included in cash costs.

After a recent life of mine update and continued exploration success, Lightning Nickel has committed to purchasing another twin boom jumbo. This resource will be dedicated to advancing exploration platforms to enable enhanced short-medium term resource extensions. It is expected that this additional resource will be fully operational next quarter.

FOCUS FOR MARCH QUARTER

The March quarter will see the operation focus on:

- Site risks and employees' safety
- Construction of Moran Paste Plant
- Continued capital development, both vertical and horizontal in Moran
- Moran South and Long North exploration

EXPLORATION

Drill Drive Development

Development of the Moran 570 drill drive advanced 50m east over the Moran South target area, through felsic intrusives and is currently in ultramafic rock units. The drill platform is on schedule to enable drilling in the March quarter (Figure 2).

Aeromagnetic Survey and High Powered TEM Transmitter Mark 111

A detailed aeromagnetic survey to cover all the leases at the Long Victor nickel complex will commence in the March quarter. The additional new information will be used in conjunction with the Three Dimensional Seismic Survey results to target komatite channels outside of mined areas.

IGO is currently commissioning a new High Powered Geophysics Transmitter (HPT-Mark 111) which is designed to improve reliability and signal strength when conducting Electromagnetic surveys. The HPT-Mark 111 will have the



capacity to reliably **increase transmission current to greater than twice the existing transmitter**. Testing is scheduled for the March quarter.

Moran Extensional Drilling

No extensional drilling was carried out this quarter, pending the development of the Moran 570 drill drive. Three holes are planned for the March quarter, designed to test the interpreted southern continuation of the prospective Moran ultramafic lava channel, including a TEM target centred 420m south-east of the June 2010 Moran reserve boundary (**Figures 1 and 2**).

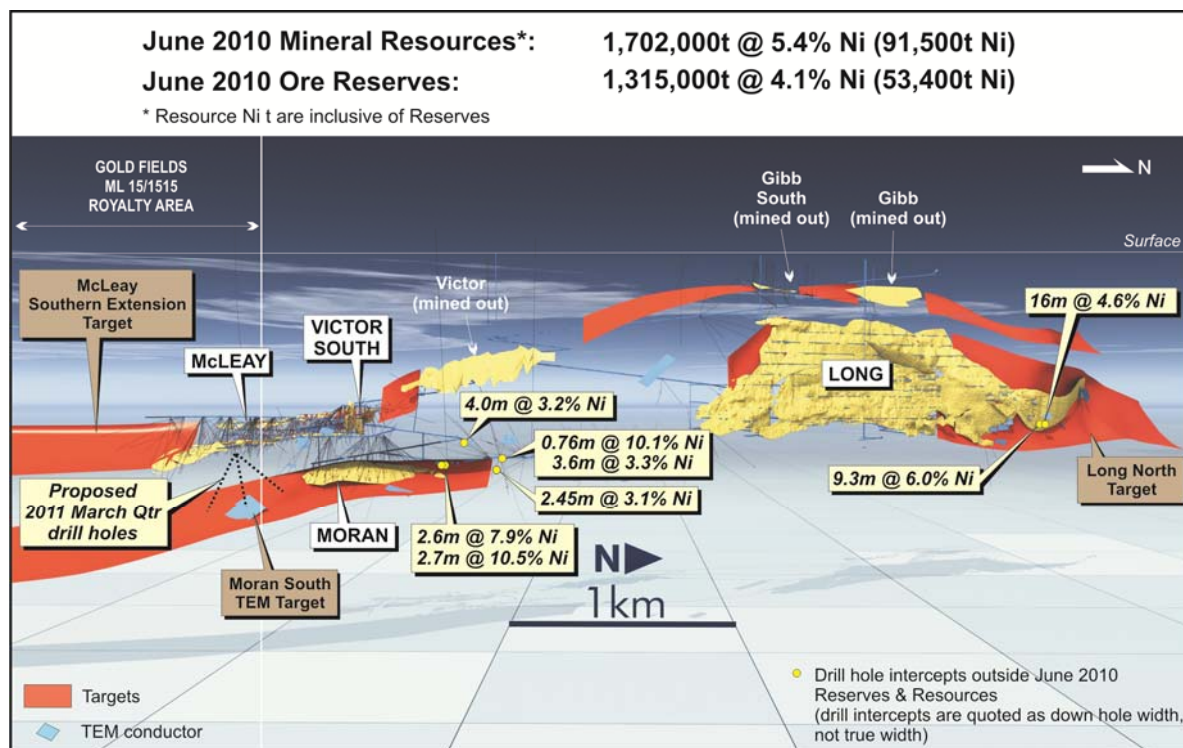


Figure 1: Long Nickel Mine – Longitudinal Projection Showing Target Areas, TEM Conductors and Significant Intercepts Outside June 2010 Ore Reserves

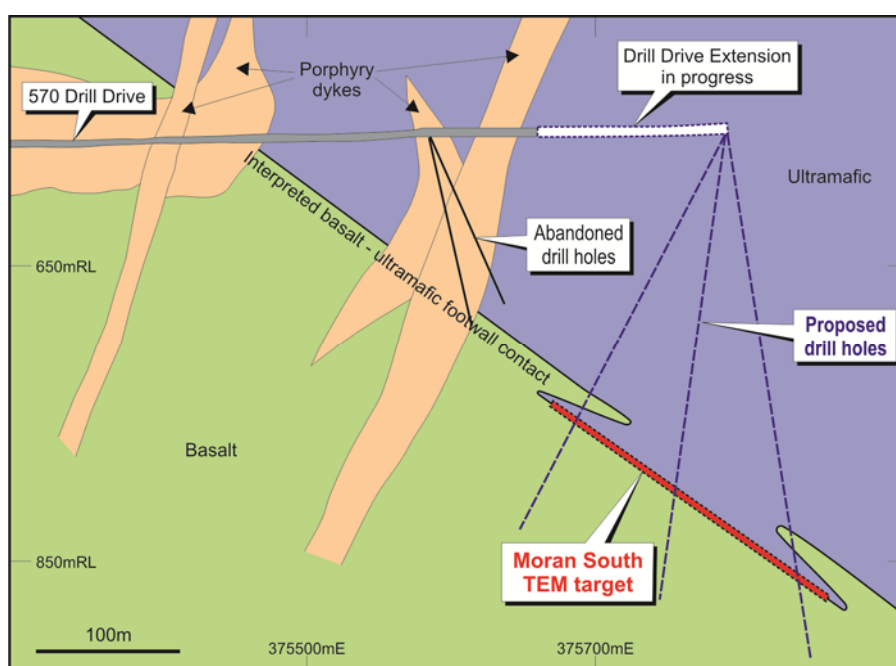


Figure 2: Long Nickel Mine - Moran South Schematic Cross-Section Showing Abandoned Drill-Holes, Proposed 570 Drill Drive Extension and Proposed Drill Holes to Test the Moran South TEM Target

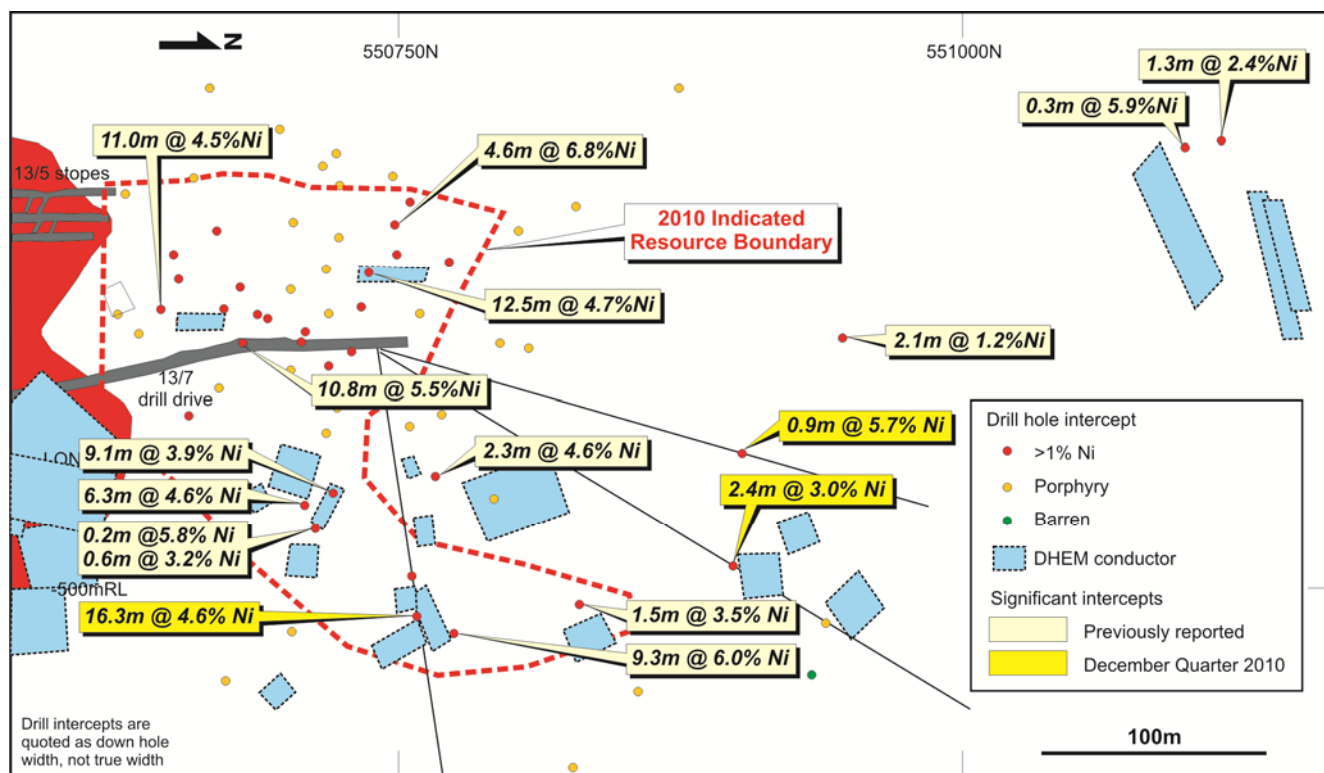


Figure 3: Long Nickel Mine - Long North - Longitudinal Projection Showing Recent Drill Intercepts and TEM Conductors in Relation to the Northern End of the Long Ore Body

Long North Extensional Drilling

Seven diamond drill holes for 1,722m were completed during the quarter (Figure 3) with the best intercepts reported in:

LG137-057 with 16.3m @ 4.6% Ni (7m True width)

LG137-059 with 2.4m @ 3.0% Ni

LG137-055 with 0.9m @ 5.7% Ni

The remaining drill-holes intersected porphyry-obscured ore contacts. Thin nickel mineralisation in LG137-055 is 100m north of the Long North 2010 resource boundary limits. Four step-out drill holes are planned to test down plunge of Long North in the March quarter.

Table 3: Long Nickel Mine – Significant December Quarter Long North Results

Hole_ID	LocalNorth	LocalEast	LocalRL	EOH	Dip	Azimuth	mFrom	mTo	Interval	TRUE Width	Grade % Ni
LG137-048	550758	374036	-392	203.1	-59	349					porphyry
LG137-052	550759	374034	-394	299.9	-63	321					porphyry
LG137-055	550760	374036	-394	206.8	-20	346	172.66	173.57	0.91	0.8	5.7
LG137-056	550735	374060	-395	263.8	-57	140					porphyry
LG137-057	550737	374059	-395	191.8	-77	54	126.16	142.43	16.27	7	4.6
LG137-058	550735	374060	-395	302	-67	138					porphyry
LG137-059	550760	374035	-394	254.5	-29	337	184.1	186.46	2.36		2.97



LONG NICKEL MINE PRODUCTION SUMMARY

	Note	Dec '10 Quarter	2010/11 FY to Date	Prev. Corresp. Quarter (Dec '09)
Mining Reserve (Dry Tonnes)				
Start of Period		1,254,765	1,315,000	1,276,270
- ROM Production	1	(49,545)	(109,779)	(49,448)
End of Period		1,205,221	1,205,221	1,227,272
Production Details:				
Ore Mined (Dry Tonnes)	1	49,544	109,779	49,448
Ore Milled (Dry Tonnes)				
Nickel Grade (Head %)		4.86	4.66	4.55
Copper Grade (Head %)		0.34	0.32	0.33
Metal in Ore Production (Tonnes)				
Nickel delivered	2	2,409	5,111	2,255
Copper delivered	2	167	351	164
Metal Payable IGO share (Tonnes)				
Nickel		1,456	3,090	1,364
Copper		67	142	66
Hedging				
Tonnes delivered into Hedge		600	1,200	600
Average Price (AU\$/t)		19,013	19,013	19,013

Note 1. Production is sourced from both reserves/inventory and outside reserves.

Note 2. The Recovery Rate is fixed with BHP 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	A\$'000's
Sales Revenue (incl. hedging)		34,905	70,093	26,340
Cash Mining/Development Costs		(7,969)	(17,546)	(8,349)
Other Cash Costs	3	(5,520)	(11,622)	(4,419)
Depreciation/Amortisation/Rehabilitation		(4,799)	(9,607)	(2,726)
Total Unit Cost Summary		A\$/lb Total Metal Produced	A\$/lb Total Metal Produced	A\$/lb Total Metal Produced
Cash Mining/Development Costs		1.50	1.56	1.68
Other Cash Costs	3	1.04	1.03	0.89
Depreciation/Amortisation/Rehabilitation		0.90	0.85	0.55
Revenue/Cost Summary		A\$/lb Payable Metal	A\$/lb Payable Metal	A\$/lb Payable Metal
Sales Revenue (incl. hedging)	4	10.88	10.42	8.76
Cash Mining/Development Costs		2.48	2.57	2.78
Other Cash Costs	3	1.72	1.71	1.47
Depreciation/Amortisation/Rehabilitation		1.50	1.41	0.91

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

Note 4. Sales Revenue per pound includes nickel price adjustments for prior periods.

Safety and Productivity

- Lost Time Injuries	1	2	1
- Medically Treated IFR	34.8	31.9	30.5
- Nickel Productivity Rate	5	77.7	83.8

Note 5. Nickel Productivity Rate = Annualised nickel tonnes per full-time-equivalent-employee.

Production/Exploration Drilling		Metres	Metres	Metres
Production		-	-	2,847
Exploration		2,478	7,756	1,559
		2,478	7,756	4,406



REGIONAL GOLD EXPLORATION

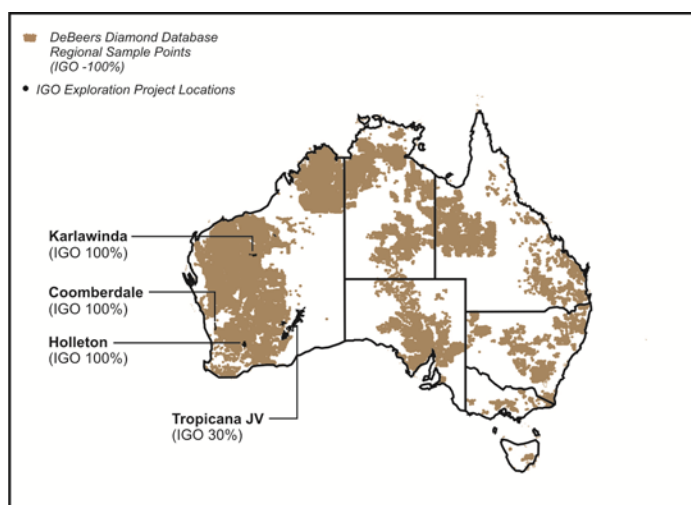


Figure 4: IGO Gold Project Locations

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

The Tropicana Joint Venture comprises approximately 16,000km² of highly prospective tenure covering a strike length of 396km (**Figure 5**) along an emerging new gold province.

The Tropicana project was generated and pegged by IGO and subsequently joint ventured to AngloGold Ashanti Australia Limited in January 2002. The first discovery within this extensive tenement package is the Tropicana deposit, comprising the Tropicana and Havana Zones for which a Bankable Feasibility Study ("BFS") was completed in Q4 2010. **The boards of both companies have subsequently approved development of the project.**

In addition to the recently completed Feasibility work at the Tropicana deposit, scoping studies were completed on the potential Boston Shaker open pit and Havana Deeps underground deposits.

Exploration is also continuing at priority regional locations throughout the joint venture area, with a focus on those within trucking distance of the planned operation at Tropicana-Havana.

Bankable Feasibility Study

During the quarter IGO announced to the ASX that the boards of both Independence Group NL and AngloGold Ashanti Limited had approved project development (refer to ASX announcement of 11th November for further details). The proposed plant layout is depicted on **Figure 6**.

The approved project is expected to produce 3.45Moz (1.04Moz – IGO share) over a 10 year life at A\$710-A\$730/oz cash cost (real), including royalties. Apart from the starter pits all future cut-backs have been included in cash costs.

Subsequent to the completion of the BFS, Macmahon Holdings Ltd was selected as the Preferred Tenderer for final negotiations of the open pit mining contract, which is scheduled to be awarded in the March 2011 quarter.



BFS Highlights (excludes Boston Shaker and Havana Deeps):

Open Pit Proven and Probable Reserves:	48Mt @ 2.2 g/t Au – 3.4 Moz gold (refer ASX announcement 11 November 2010)
Open Pit Mining Inventory (including Inferred category):	59Mt @ 2.0 g/t Au for 3.8 Moz gold
Expected production first 3 years:	470,000–490,000 oz pa (IGO share 141,000–147,000 oz pa) at A\$580-A\$600/oz cash cost including royalties
Estimated capital and working capital:	A\$690-A\$740M (real); A\$725-A\$775 (nominal – including escalation)
Estimated maximum cash draw down:	A\$195-A\$200M (IGO 30% share at gold price of A\$1,300/oz)
Estimated payback:	2.2 years (at gold price of \$A1,300/oz, USD:AUD parity and US\$85/barrel oil)
Fresh ore milling rate:	5.8Mt pa
Road construction commencement:	Early June 2011 Quarter
Anticipated first gold production:	December 2013 Quarter
Additional Upside:	Boston Shaker open pit, potential underground mine and numerous regional exploration targets

Key project parameters are tabulated below:

	BFS NOVEMBER 2010
Initial Mine Life	10 years
Potential Further Mine Life	Boston Shaker Havana Deeps Regional Targets
Reserves	48Mt @ 2.2 g/t Au for 3.4Moz
Mining Inventory	59Mt @ 2.0 g/t Au for 3.8Moz
Expected Recovered Gold Production	3.45Moz
Capital Cost – Plant & Infrastructure:	A\$590 – 620M
- Real	A\$615 – 650M
- Nominal	
Capitalised Pre-Commissioning Operating Costs	A\$100 – 120M
- Real	A\$110 – 125M
- Nominal	
Cash Costs, including royalties (Real)	A\$710 – 730/oz Au
Escalation Rates Applied to Capital Costs (Nominal)	Nominal capital costs include a generous allowance for the potential mining boom in Western Australia during the construction period
Gold Recovery Rate	90.4%
Annual Average Gold Production Over 10 Year Life	330,000 – 350,000 oz
Maximum Draw Down (IGO 30% Share)	A\$195M – 200M (Real)
Strip Ratio	5.5:1
Expected First Production	Second Half 2013
Estimated Average Annual Production Years 1 – 3	470,000 – 490,000 oz
Cash cost including royalties Years 1 – 3	A\$580 – 600/oz
Payback Period (based on A\$1,300/oz gold price, US\$85/bbl oil, AUD:USD 1.00)	2.2 years
Power Generation	Diesel Gas being assessed



Scoping Studies

During the quarter scoping studies were completed on the near surface Boston Shaker deposit immediately north of the Tropicana deposit and Havana Deeps, which lies immediately below the proposed Havana Pit. The outcomes of the scoping studies were positive and approval has been given to advance Boston Shaker to the feasibility stage. A decision to advance Havana Deeps to pre-feasibility is imminent. These studies will assess how the deposits may enhance the currently approved project economics and mine life.

Updated Resource Statement

As part of the scoping study process resource estimations were completed on Boston Shaker (open pit) and Havana Deeps (underground).

An updated Mineral Resource for the project is provided in **Table 3** below:

MINERAL RESOURCE	CLASSIFICATION	TONNES (M)	GOLD (T)	GRADE (g/t Au)	OUNCES (M)
Open Pit	Measured	25.8	56.1	2.2	1.80
	Indicated	28.8	58.7	2.0	1.89
	Inferred	10.5	15.0	1.4	0.48
Open Pit – Tropicana & Havana		65.1	129.8	2.0	4.17
Boston Shaker	Measured	0.0	0.0	0.0	0.00
	Indicated	0.0	0.0	0.0	0.00
	Inferred	6.1	14.9	2.5	0.48
Open Pit - Boston Shaker		6.1	14.9	2.5	0.48
Underground	Measured	0.0	0.0	0.0	0.00
	Indicated	0.0	0.0	0.0	0.00
	Inferred	5.3	19.5	3.7	0.63
Underground – Havana Deeps		5.3	19.5	3.7	0.63
Total Tropicana	Measured	25.8	56.1	2.2	1.80
	Indicated	28.8	58.7	2.0	1.89
	Inferred	21.9	49.4	2.3	1.59
Total Project Resource		76.5	164.2	2.2	5.28

Notes to Mineral Resource statement:

- 1. The Tropicana, Havana and Boston Shaker Open Pit Mineral Resources have been estimated using the geostatistical technique of Uniform Conditioning.*
- 2. Tropicana and Havana South Mineral Resources have been reported above a cut-off grade of 0.5 g/t for Oxide and Transitional material and 0.6 g/t for Fresh Material, within a US\$1,025/oz optimisation shell at a A\$/US\$ exchange rate of 0.80 (A\$1,281/oz). The resource estimate is based on contract mining costs whereas the previous resource estimate used estimated owner-operator costs. The Havana portion of the Open Pit Mineral Resource has been reported within the BFS Pit Design, with the Havana Deeps Underground Mineral Resource reported externally to the Pit Design.*
- 3. Boston Shaker Mineral Resources have been reported above a break-even cut-off grade of 0.5g/t for Oxide and Transitional material and 0.6 g/t for Fresh material, within a US\$1,100/oz optimisation shell at a A\$/US\$ exchange rate of 0.84 (A\$1,309/oz).*
- 4. The Havana Deeps Underground Resource has been estimated using the geostatistical technique of Direct-Block Conditional Simulation. The Havana Deeps Underground Mineral Resource is reported externally to the Havana BFS Pit Design, at a cut-off grade of 2.8 g/t Au.*



Tropicana-Havana Proximal Exploration

Exploration during the quarter focussed on two key areas proximal to the Tropicana Resource:

- o continued delineation of the mineralisation at Boston Shaker 360m north-east of the Tropicana resource.
- o the Havana Deeps RC and diamond drilling program testing the extents and continuity of high grade shoots down plunge beyond the currently planned open cut.

Boston Shaker

Mineralisation at Boston Shaker has been defined over a 700m strike length. Infill drilling of the prospect to 50m x 50m spacing and selected areas of 50m x 25m within the area selected for initial resource calculations and pit optimisations is now complete. A number of very strong true width intersections were returned including (Figure 7 and Table 4):

- **17m @ 4.6 g/t Au from 75m in BSRC189 ***
- **16m @ 4.9 g/t Au from 379m in TPRC068D ***
- **12m @ 4.3g/t Au from 95m in BSRC243 ***
- **8m @ 7.1 g/t Au from 211m in BSRC146D**
- **11m @ 3.3 g/t Au from 48m in BSRC285**

** previously reported in ASX announcement on 17 December 2010.*

Havana Deeps

Drilling at Havana Deeps is being completed on a 100m x 50m spacing focussing on an area extending from the base of the feasibility pit to a maximum vertical depth of 650m. Drilling to date has confirmed that significant mineralisation continues for at least 650m down plunge beneath the proposed pit. Infill drilling completed during the quarter continued to support the potential for underground exploitation and included the following high grade true width intercepts (Figure 7 and Table 5):

- **16m @ 9.7 g/t Au from 369m in HDD033 ***
- **14m @ 9.0 g/t Au from 416m in HDD032 ***
- **15m @ 7.0 g/t Au from 813m in HDD049**
- **15m @ 5.6 g/t Au from 494m in HDD044**

** previously reported in ASX announcement on 17 December 2010.*

IGO's Board has approved the Havana Deeps Pre-feasibility Study which will take approximately 2 years to complete.

A "super-deep" step-out hole (TFD204) to investigate the down dip potential a substantial distance from the high grade shoot was completed. The hole confirmed that the Havana mineralised system continues at least 2.1km down-plunge from the planned pit floor (1,000m vertically) returning **2m @ 1.9 g/t Au*** within a 10m zone of pyrite-biotite alteration typical of the Tropicana/Havana gold mineralisation alteration (Figure 8). See ASX announcement dated 17 December 2010 for further details.

Further drilling will be needed to determine if the discrete thicker higher grade shoots immediately beneath the planned Havana open cut also continue to these depths and beyond.



Swizzler

Results have been received from three holes testing the Swizzler target, comprising a previous single diamond drill-hole intercept of **2m @ 26.2 g/t Au from 289m** between Tropicana and Havana (**Figure 7**). Two holes returned plus 1 g/t intercepts including 6m @ 2.0 g/t Au in hole TFD419. Further work is required to determine if this is part of a potentially significant gold mineralised zone.

Regional Exploration

A total of 1 diamond hole for 142m, 52 RC holes for 7,737m and 364 aircore holes for 14,907m tested targets at a number of regional prospect areas during the quarter.

RC drilling at the *Crouching Tiger* prospect 250m south of the Havana South BFS pit outline returned 11m @ 5.3 g/t Au from 102m (**Figure 7**). This result was reported in ASX release of 11 November 2010.

At *Hat Trick*, located 1.5km directly north east along strike from Boston Shaker, RC drilling returned a number of significant intercepts including:

- 2m @ 6.8 g/t Au from 34m in HTRC007
- 2m @ 3.3 g/t Au from 168m in HTRC011
- 2m @ 2.6 g/t Au from 85m in HTRC008

Given the location of Hat Trick these results are particularly encouraging as they may represent a further faulted eastern extension of Tropicana similar to the Boston Shaker faulted offset.

Encouraging results were received from *Voodoo Child* 42km north east of Tropicana where RC drilling returned the following intersections:

- **22m @ 2.8 g/t Au from 56m and 3m @ 14.9 g/t Au from 96m in VCRC023**
- **2m @ 2.0 g/t Au from 63m in VCRC026**
- **2m @ 1.6 g/t Au from 39m in VCRC017**

Previous Voodoo Child intercepts include 17m @ 2.3 g/t Au from aircore drilling and further drilling is planned once a geological model to assist drill hole targeting has been finalised.

Elsewhere in the project a significant aircore intercept of 3m @ 1.4 g/t Au was returned from the Iceberg Prospect 32km south west of Tropicana. a 20km x 10km high geochemical gold anomaly has been defined approximately 80km south/south-west of Tropicana – Havana (**Figure 5**) and infill sampling is planned.

A combined magnetic and radiometric over Tropicana *Group Two and Three* tenements (50 – 100km south of Tropicana) was completed during the quarter. Very little exploration has been completed in these tenements to date due to access constraints and this survey will be used to assist in prioritising areas for geochemical follow-up.



Table 4: Significant Boston Shaker Drilling Results

HOLE NO.	NORTHING (M)	EASTING (M)	RL (MAHD)	AZI (DEGR)	DIP (DEGR)	TOTAL DEPTH	DEPTH FROM	DEPTH TO	WIDTH (M)	AU (G/T)
BOSTON SHAKER RC										
BSRC146D	6763886	652198	346	324	-62	322.1	211	219	8	7.1
BSRC147D	6763816	652269	346	332	-63	312.3	276	287	11	2.9
							295	305	10	2.0
BSRC180	6763870	651507	339	321	-58	100	59	64	5	3.2
BSRC189	6763868	651572	340	325	-59	124	65	68	3	4.3
							75	92	17	4.6
BSRC195	6763940	651578	339	318	-60	90	38	43	5	4.7
BSRC196	6763906	651612	340	320	-58	110	50	69	19	1.2
BSRC198	6763871	651648	340	321	-58	142	46	56	10	2.0
							94	107	13	1.8
BSRC227	6763959	651983	344	322	-59	175	82	88	6	6.5
BSRC234	6764134	651951	345	316	-60	70	21	33	12	1.5
						includes	24	33	9	2.0
BSRC236	6763991	652094	345	316	-60	160	130	139	9	5.2
BSRC237A	6763921	652163	345	317	-60	214	179	182	3	3.5
BSRC243	6764083	652071	345	317	-60	136	95	107	12	4.3
BSRC244	6764062	652093	344	321	-58	140	109	126	17	7.1
BSRC245	6764274	651951	348	317	-59	70	33	46	13	3.7
BSRC246	6764257	651968	349	318	-60	70	47	56	9	2.2
BSRC247	6764221	652003	347	317	-59	88	68	75	7	3.4
BSRC248	6764203	652022	346	318	-59	112	78	83	5	4.1
BSRC249	6764187	652038	346	319	-59	115	88	94	6	2.9
BSRC252	6764062	652163	344	320	-61	196	154	165	11	2.8
BSRC255	6764293	652003	356	317	-60	94	55	57	2	3.4
BSRC259	6764189	652108	352	317	-60	148	110	115	5	3.2
BSRC276	6764163	652135	345	319	-62	172	129	138	9	3.3
BSRC285	6764113	651970	345	320	-61	150	48	59	11	3.3
BSRC286	6764082	652002	345	316	-62	160	62	78	16	2.3
BSRC295	6763890	652051	344	325	-63	168	142	145	3	3.4
						includes	142	144	2	4.6
BSRC305	6763977	651470	339	322	-61	60	34	52	18	2.2
BOSTON SHAKER DIAMOND										
BSD006	6763709	651809	342	321	-63	277	204	220	16	1.1
							224	236	12	3.7
BSD008	6763744	651915	343	277	-61	326	242	250	8	8.1
BSD010	6763744	652340	347	321	-63	361	327	336	9	3.0
BSD015	6764134	652234	343	322	-63	282	193	201	8	2.1
BSD016	6764027	652338	345	326	-64	366	262	264	2	3.5
BSD018	6763707	651739	341	316	-64	252	206	221	15	1.5
						includes	208	213	5	3.0
BSD021	6763921	652233	346	325	-63	259	224	230	6	3.4
BSD025	6763888	652337	352	321	-61	320	292	297	5	3.5
TPRC068D	6763743	652409	347	330	-60	462	379	395	16	4.9



Table 5: Significant Havana Deeps Diamond Drilling Results

HOLE NO.	NORTHING (M)	EASTING (M)	RL (MAHD)	AZI (DEGR)	DIP (DEGR)	TOTAL DEPTH	DEPTH FROM	DEPTH TO	WIDTH (M)	AU (G/T)
HAVANA DEEPS DIAMOND										
HDD024	6761690	650295	361	320	-62	568	462	472	10	10.6
HDD028	6761621	650241	362	325	-64	535	462	485	23	2.4
HDD031	6761382	649969	368	325	-71	382	238	266	28	1.9
						<i>includes</i>	245	260	15	2.9
							330	346	16	2.8
HDD032	6761267	650115	366	323	-60	453	416	430	14	9.0
HDD033	6761396	650021	367	324	-72	421	282	299	17	2.3
							300	308	8	2.5
							369	385	16	9.7
HDD034	6761252	650163	366	331	-56	529	469	475	6	4.8
							478	491	13	2.3
HDD036	6761492	650230	365	322	-64	582	481	498	17	2.8
HDD037	6761551	650200	364	326	-64	523	460	491	31	2.8
						<i>includes</i>	466	490	24	3.5
HDD041	6760862	650590	362	321	-56	871	723	738	15	2.0
HDD044	6761394	650201	365	324	-61	548	494	509	15	5.6
HDD048	6760968	650696	360	320	-57	859	804	816	12	2.0
HDD049	6761022	650713	360	318	-60	897	813	828	15	7.0

RC = Reverse Circulation

D = Diamond

(Down-hole widths approximate true widths except where Calculated True Widths are shown)

Proposed March Quarter Exploration Program

Exploration will focus on locating and testing additional open-cut and underground mineralisation within economic trucking distance of the proposed Tropicana plant site. Programs will include:

- Feasibility drilling on Boston Shaker and Havana Deeps.
- Auger drilling at Tropicana Group 2 and 3 tenements should access approvals be received.
- Aircore drilling various regional prospects.

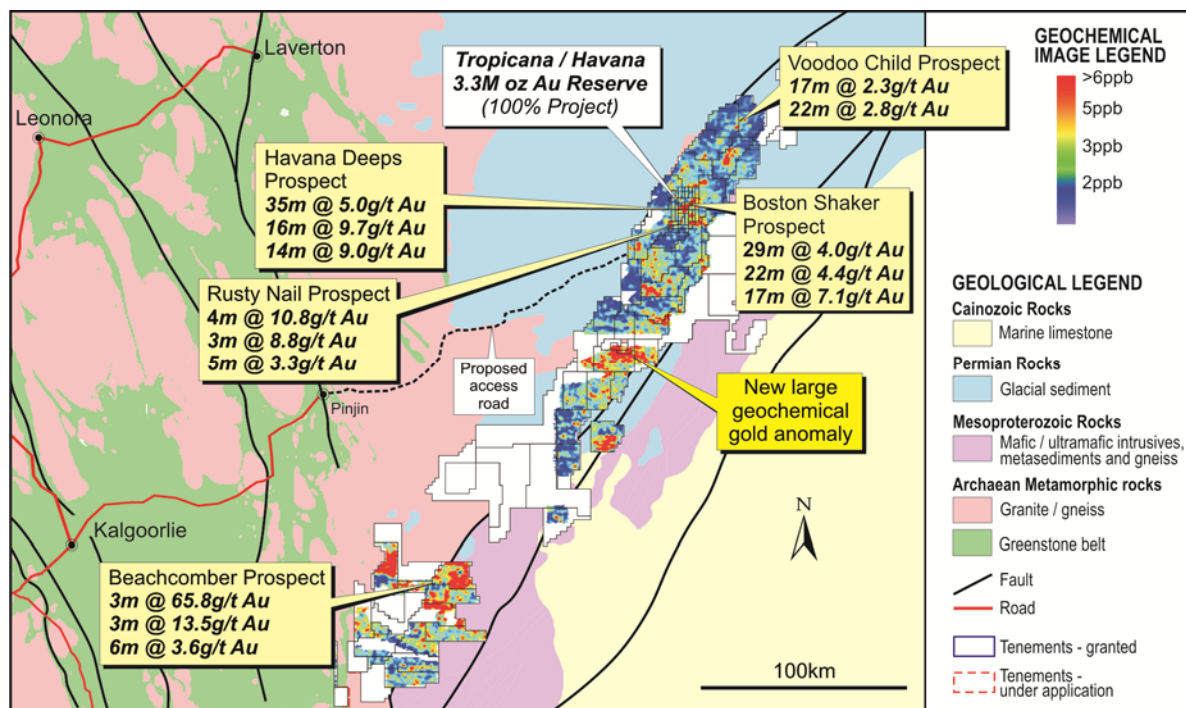


Figure 5: Tropicana JV – Tenure, Tropicana and Havana Reserve Locations, Gold Geochemical Anomalies, Significant Drill Intercepts Outside Tropicana-Havana Resources and Selected Prospect Locations

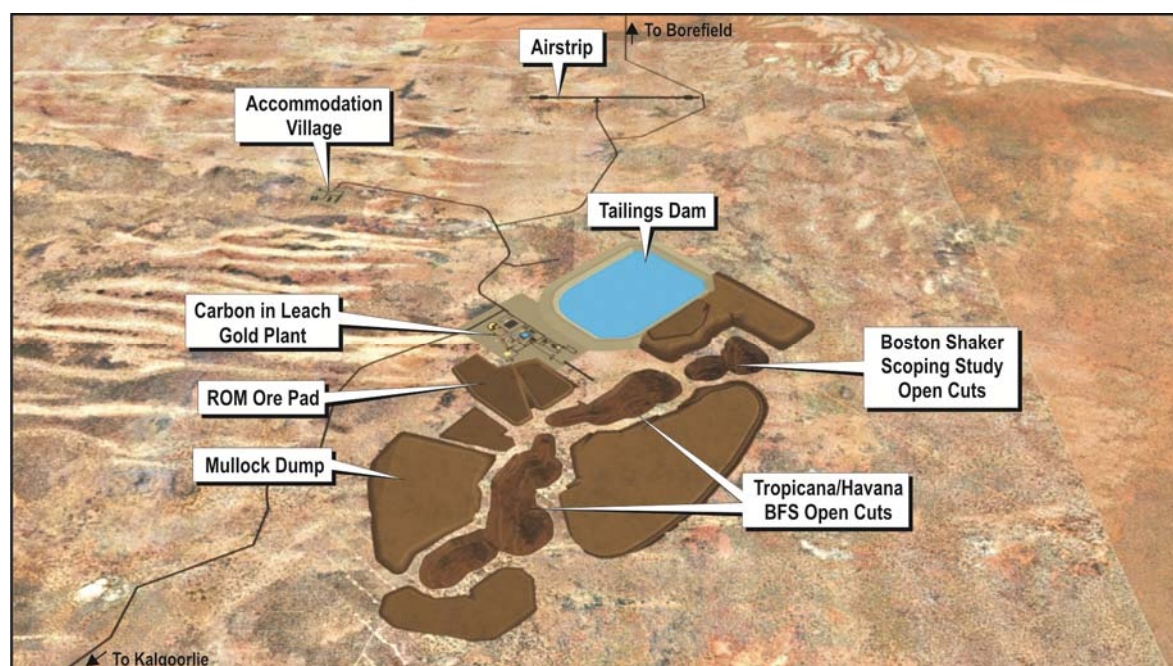


Figure 6: Tropicana JV – Aerial View of BFS Tropicana Open Pits and Mine Infrastructure

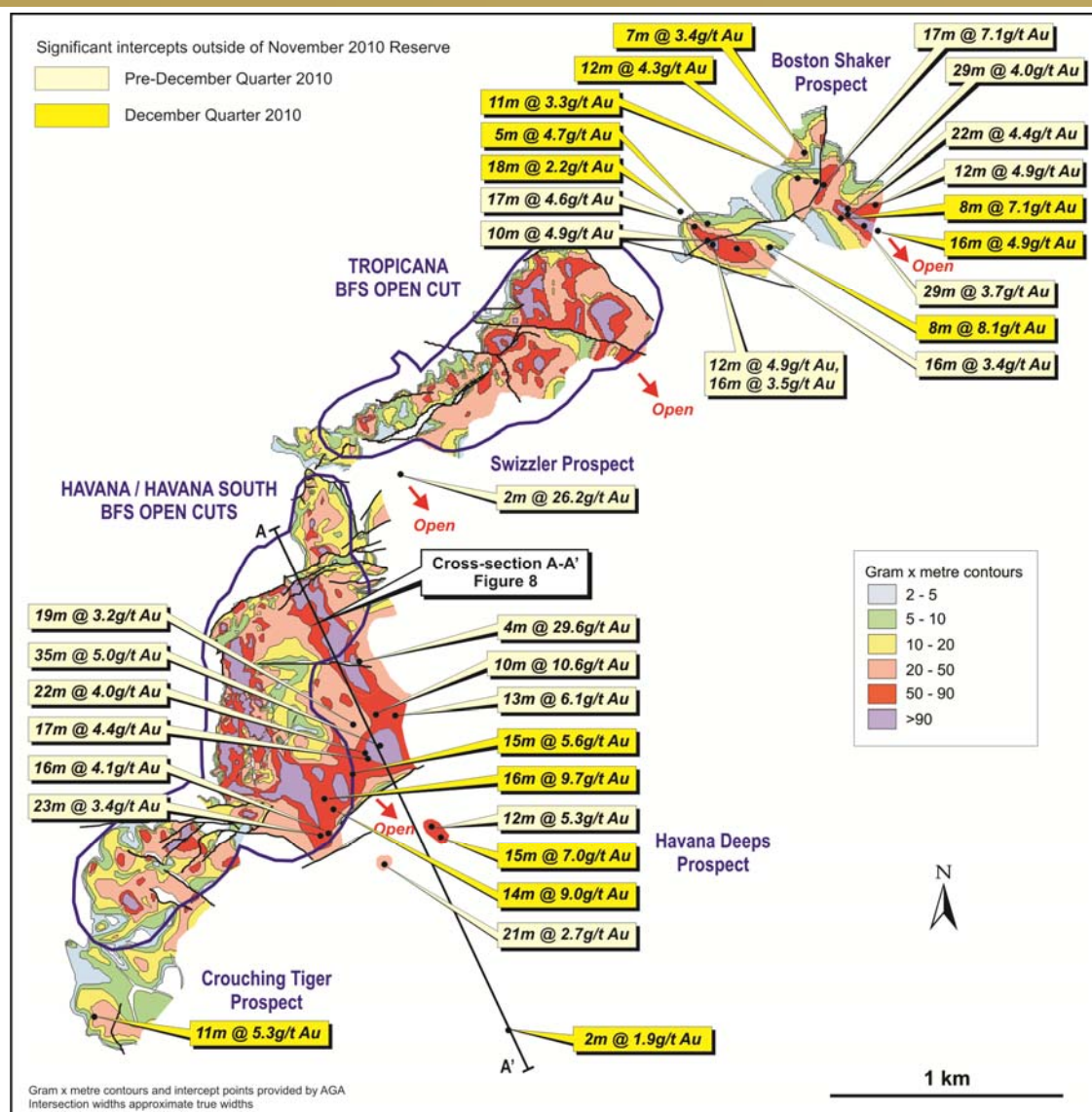


Figure 7: Tropicana JV – Proposed Tropicana and Havana BFS Open Pit Outlines, Prospect Locations, g/t Au x Thickness (m) Contours and Significant Intercepts Outside November 2010 Reserves

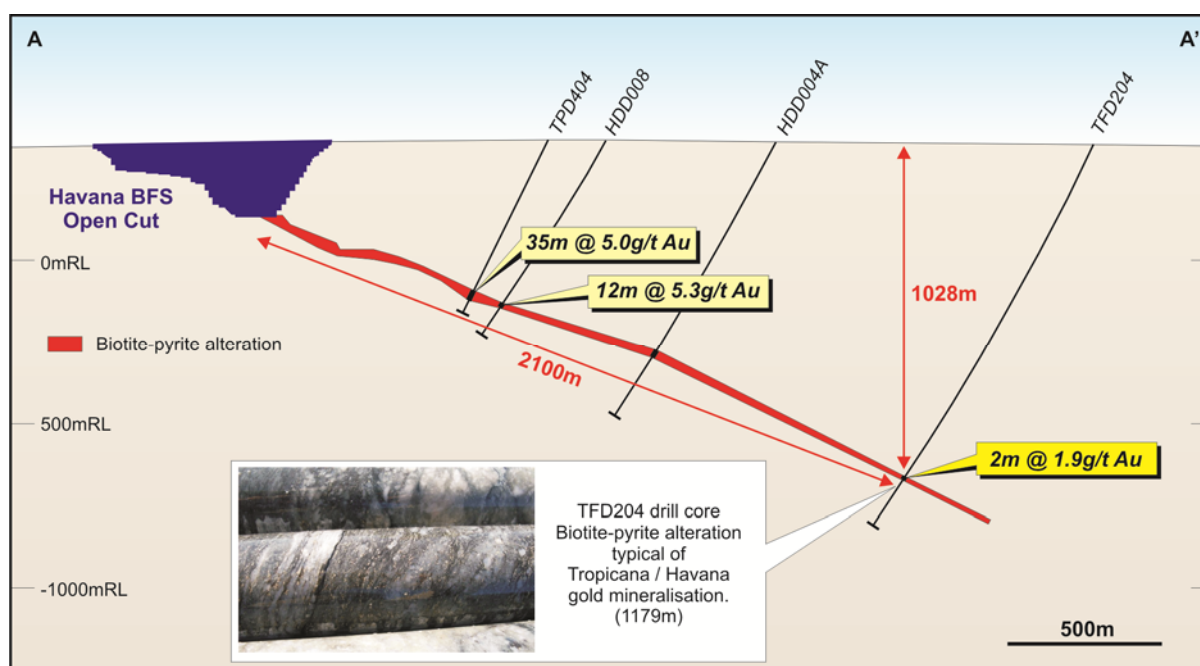


Figure 8: Tropicana JV – Havana Deeps TFD204 Cross-Section Showing Continuation of Gold Mineralised Zone Down Plunge from the Base of Proposed Havana Open Pit and Photograph of Mineralised Drill Core



KARLAWINDA
(IGO 100%
BHPB – CLAWBACK RIGHTS)

The Karlawinda Project is located on the southern margin of the Archaean Sylvania Inlier, some 65km south-east of Newman, close to the Great Northern Highway and gas pipeline infrastructure (**Figure 9**).

The discovery prospect, Francopan, comprises a gold mineralised system extending over a strike length of 1.1km and 0.5km down dip beneath approximately 190m of Bangemall Basin cover sediments. Previously announced intercepts include 7m @ 4.6 g/t Au, 6m @ 4.5 g/t Au and 15m @ 3.0 g/t Au. Based on the extent and style of mineralisation this project is considered to have good potential for the delineation of a significant Archaean mesothermal lode gold system.

The current focus of exploration is on the Bibra Prospect, located approximately 5km north-east of Francopan, and other regional targets north of Francopan, where Archaean bedrock is not obscured by thick Bangemall cover.

Bibra Prospect

Previous work by IGO at Bibra has defined a large gold mineralised zone extending over 1km both along strike and down dip (**Figures 10 and 11**). Mineralisation strikes NNE and is developed in a series of shallowly WNW plunging rod-like shoots within a more continuous lower grade halo.

Supergene gold is generally well developed above the up-dip oxidised portion of the main mineralised zone.

During the quarter exploration focused on scoping the oxide potential at Bibra.

Metallurgical test work commenced, including bottle rolls, agglomeration and column leaching on samples from two dedicated PQ core holes drilled last quarter and agitated batch leaching on RC chips. Final results from this work are expected in February 2011.

A total of 45 RC holes for 4,034m were completed primarily to:

- infill the main oxide zone to 100m x 50m RC drill spacing
- test several magnetic features proximal to the oxide mineralisation including the two interpreted “high-grade” shoots plunging to the west

Infill drilling returned a number of significant intercepts including:

- **7m @ 2.4 g/t Au from 8m in KBRC109**
- **5m @ 3.5 g/t Au from 8m in KBRC110**
- **5m @ 2.4 g/t Au from 7m in KBRC111**
- **19m @ 1.4 g/t Au from 45m in KBRC113**
- **26m @ 1.3 g/t Au from 9m in KBRC122**

The results are consistent with previous modelling indicating the southern portion of the oxide zone is dominated by broader laterite hosted supergene mineralisation with a more complex geometry evident in the oxidised primary mineralisation. A 3D wireframe is currently being modelled as the first step toward producing an oxide resource estimate.

Drill testing of the two interpreted higher grade shoots returned positive results. KBRC092 targeting the northern shoot intersected two zones of mineralisation – 9m @ 1.0 g/t Au from 57m and **32m @ 2.2 g/t Au from 73m including 9m @ 3.8g/t Au**. KBRC093 testing the southern shoot returned **29m @ 1.9 g/t Au from 98m, including 5m @ 8.6 g/t Au**. The results are significant as the shoots comprise transitional to primary material immediately down dip of the oxide zone. Preliminary leach test work on primary to transitional material has returned very good recoveries suggesting that material could potentially be used to supplement an oxide heap leach operation.

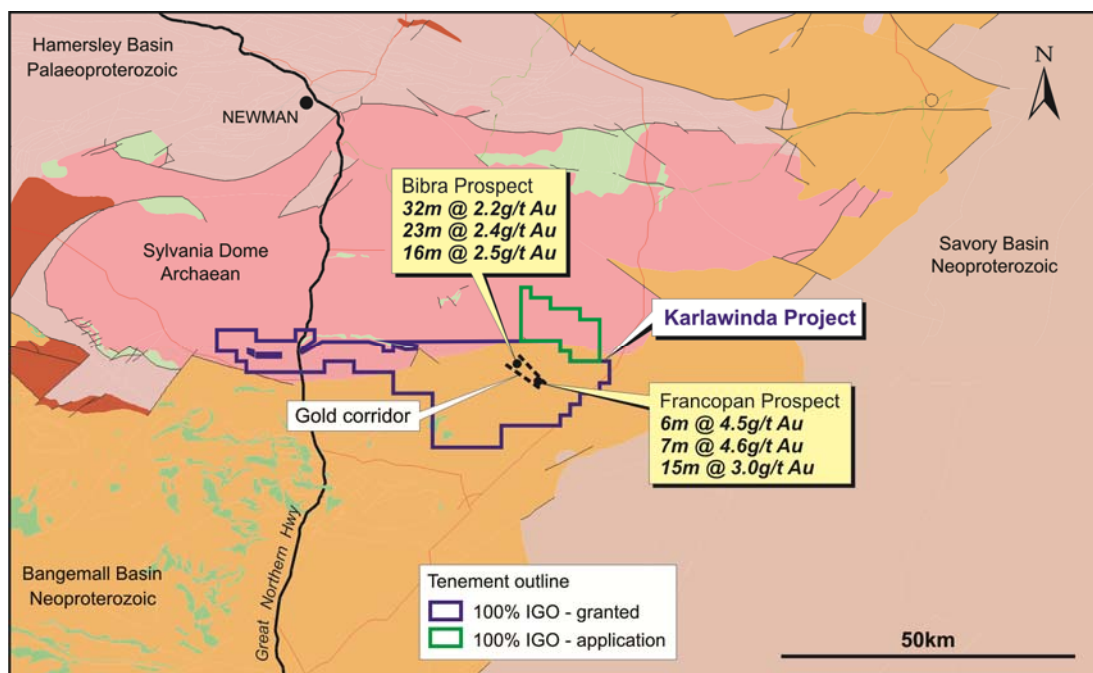


Figure 9: Karlawinda – Location Plan Showing Tenure, Prospects and Significant Drill Intercepts

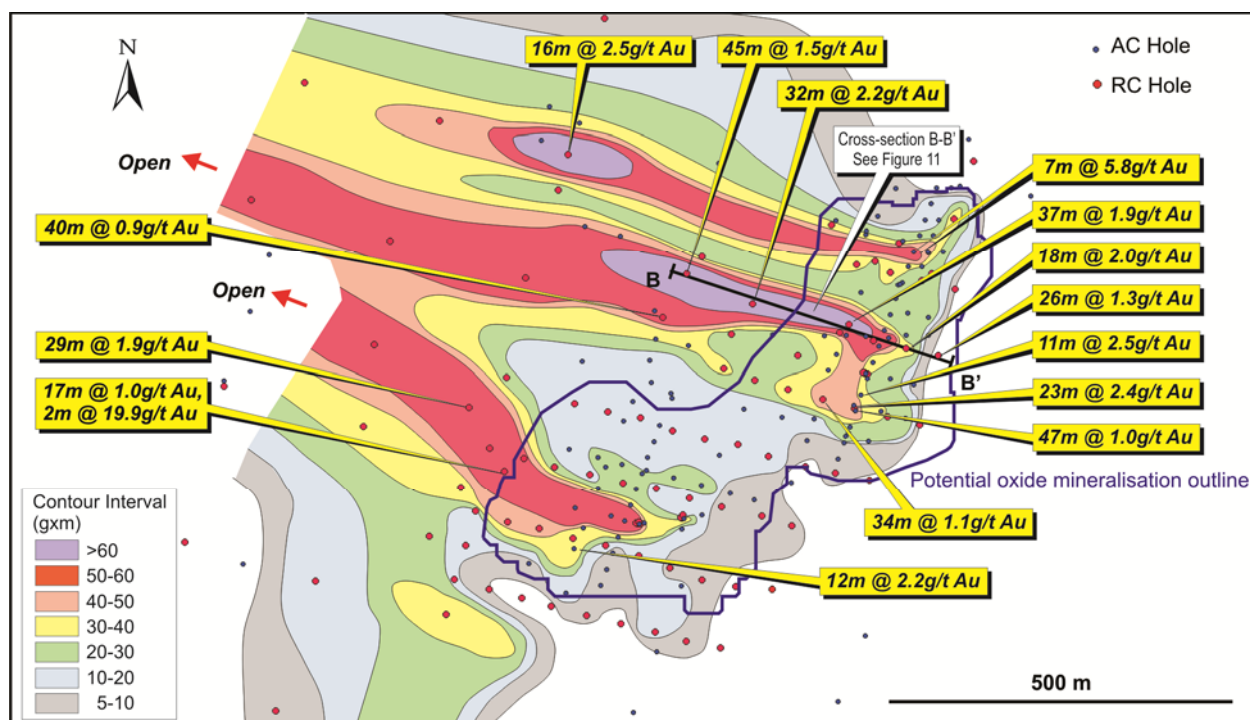


Figure 10: Karlawinda – Bibra Prospect – Drill-Defined Gold Anomalies, Significant Drill Intercepts Over g/t Au x Metre Contours

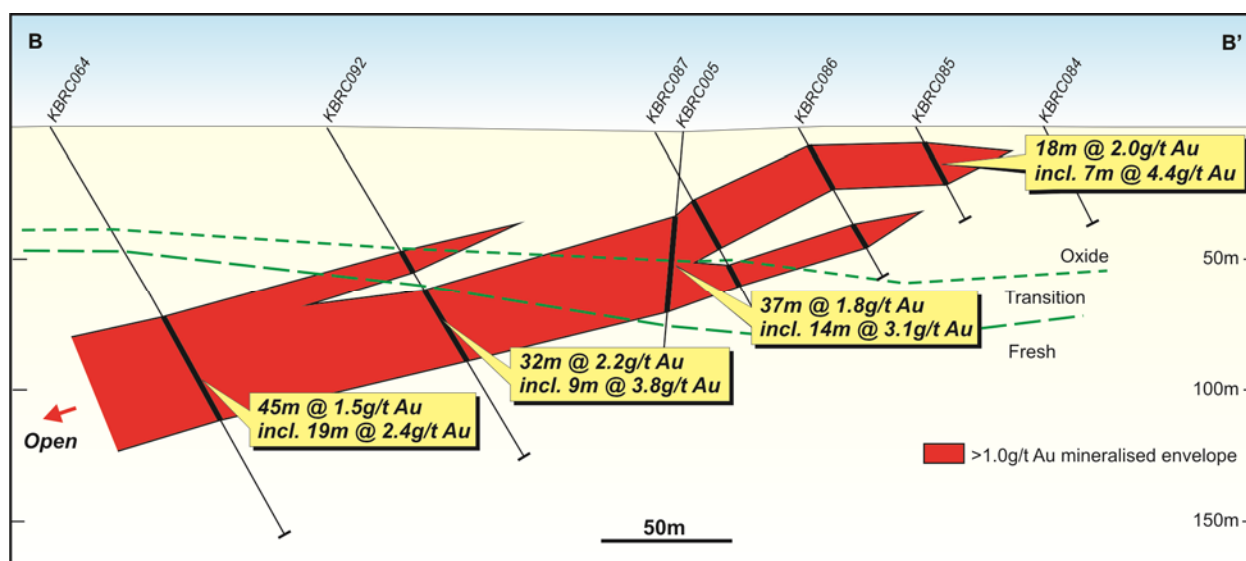


Figure 11: Karlawinda – Bibra Prospect – Cross-Section Showing Mineralised Zones

HOLLETON (IGO 90-100%)

The Holleton Project covers an area of 1,257 km² over the largely concealed and unexplored Holleton greenstone belt in the Southern Cross Province of the Archaean Yilgarn Craton (**Figure 12**).

IGO is exploring the project area for Yilgarn Star, Marvel Loch and Westonia style gold deposits.

The current focus of exploration is on two narrow thinly sand-covered north-south trending greenstone belts in the northern half of the project area.

The most significant prospect is "Syme's Find" where surface geochemistry has defined a north-east trending gold anomaly measuring 1.5km long by 0.5km wide (**Figures 13 and 14**) in a complex structural position on the eastern most greenstone belt. Aircore testing of the anomaly last quarter returned a number of robust oxide intercepts including:

- 10m @ 8.3 g/t Au from 10m (including 4m @ 19.1 g/t Au from 11m)
- 10m @ 5.5 g/t Au from 10m
- 8m @ 5.4 g/t Au from 12m

Deeper RC drill testing of the prospect during the December quarter (15 holes for 1,656m) returned best results of **4m @ 2.9 g/t Au from 84m and 4m @ 4.5 g/t Au from 94m in SFRC002** (2m composite results) as well as numerous other narrow intercepts between 1 and 2 g/t Au throughout the prospect area. Results are currently being interpreted prior to planning the next phase of exploration.

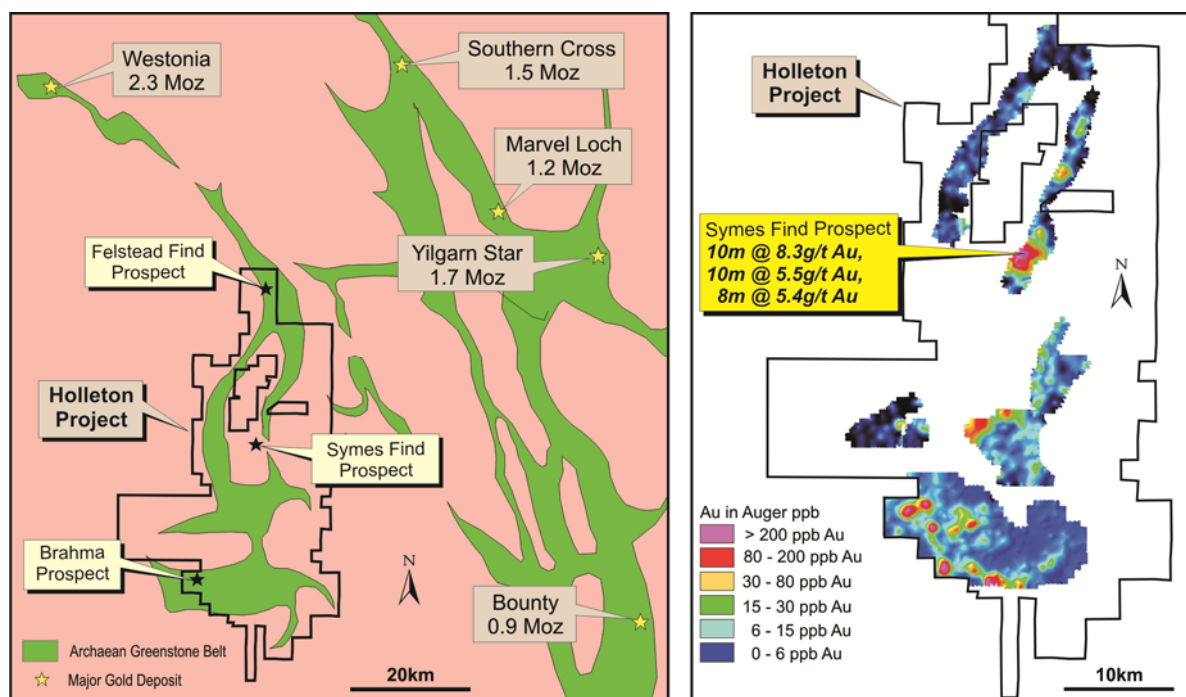


Figure 12: Holleaton – Project Tenure Over Regional Geology Showing Major Gold Mines Proximal to the Project; and, Figure 13: Holleaton – Geochemical Gold Anomalies and Significant Syme’s Find Prospect Drilling Results

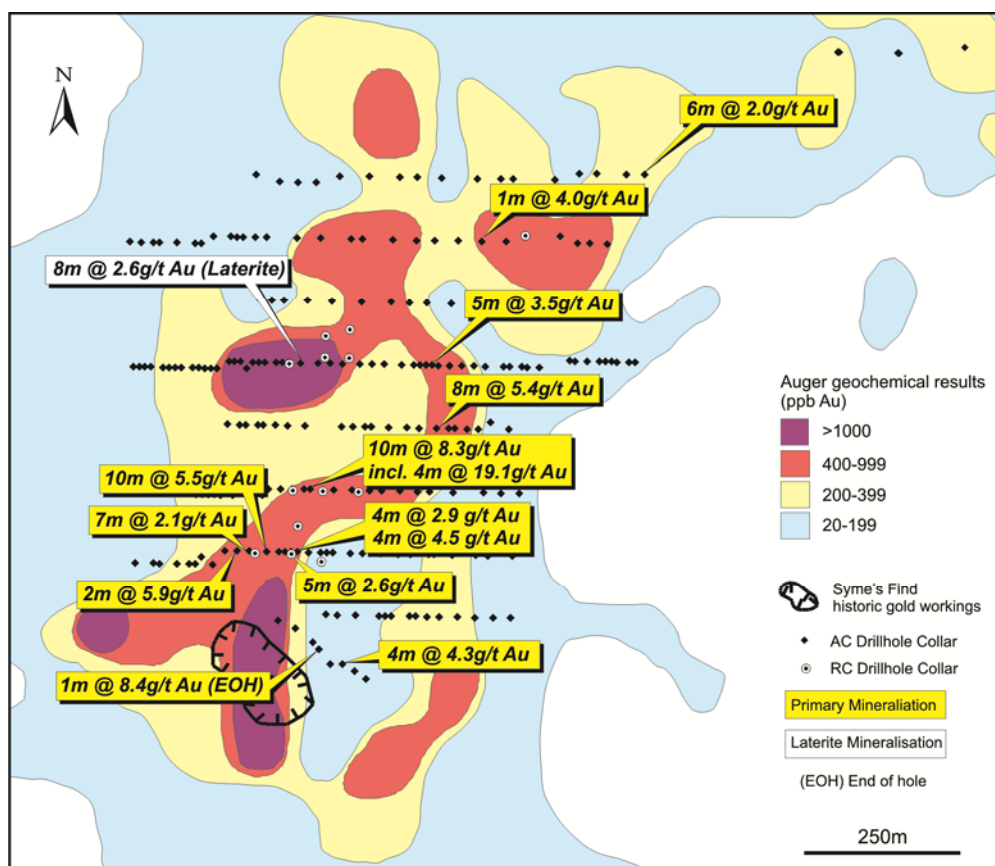


Figure 14: Holleaton – Syme’s Find Prospect Map Showing Significant Drill Intercepts Over Auger Geochemical Results



DE BEERS DATABASE (IGO 100%)

In 2009 IGO acquired the non-diamond specific exploration database of De Beers Australia Exploration Limited ("DBAE"). This database represents the culmination of more than 30 years of exploration and the key assets of the database are the 292,000 surface geochemical samples and associated analytical results covering many mineral prospective regions throughout Australia (**Figures 4 and 15**). As DBAE was solely focused on diamond exploration, less than half of the samples were appraised for commodities other than diamonds.

The initial focus is on analysis of samples covering under-explored Proterozoic basin margins in Western Australia and Northern Territory, prospective for polymetallic base metals and gold mineralisation.

A total of 30,306 samples have been submitted for geochemical analysis with 29,732 results having been received to date.

This work continues to generate a number of anomalies in gold, base metals and other commodities. Systematic prioritisation and field appraisal of these anomalies is progressing.

REGIONAL BASE METALS EXPLORATION

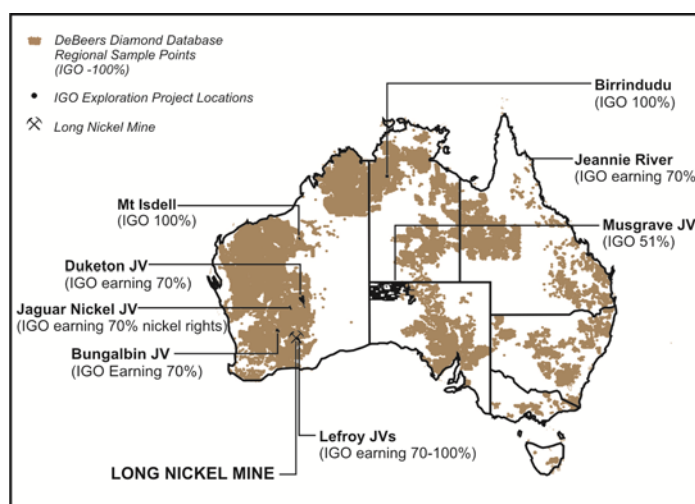


Figure 15: IGO Base Metal Project Locations

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

The Duketon Nickel JV with South Boulder Mines Ltd covers ultramafic-rich stratigraphy prospective for massive and disseminated nickel sulphide mineralisation in the Duketon Greenstone Belt approximately 80km north of the Windarra nickel deposit (**Figure 16**).

IGO is focusing on the Bulge ultramafic, a prominent thickened portion of ultramafic with a strike length of 8km situated along a more extensive ultramafic package located on the western flank of the project tenure.

Two prospects have been defined to date;

- the high-grade Rosie Prospect, defined over a strike length of 750m and down dip extent of 400m, which includes intercepts up to 3.3m (true width) @ 9.1% Ni, 1.1% Cu, 0.2% Co and 7.1 g/t PGEs (2.2 g/t Pt, 1.7 g/t Pd, 0.8 g/t Rh, 1.8 g/t Ru) in TBDD098, and
- the C2 Prospect which comprises three zones defined over a strike length of up to 700m and down dip extent of up to 300m which is dominated by



disseminated mineralisation and includes past intercepts up to 52m @ 0.9% Ni including 37m @ 1.0% Ni.

Both prospects remain open along strike and down dip.

IGO has completed an initial three hole drilling program testing up and down dip to the north west and along strike from the high grade massive sulphide mineralisation intersected in TBDD098. All three holes intersected nickel sulphide mineralisation (**Figure 16**). Intercepts included:

- TBDD099: 5.6m (3.3m true width) @ 1.5% Ni, 0.4% Cu and 2.5g/t PGE from 470m
- TBDD099W1: 6m (2.4m true width) @ 1.8% Ni, 0.5% Cu and 1.1g/t PGE from 550m
- TBDD099W2: 4.0m (1.4m true width) @ 1.2% Ni, 0.5% Cu and 3.6g/t PGE from 610m

Mineralisation was predominantly disseminated and breccia style with minor massive sulphide encountered in TBDD099W1. This style of mineralisation is suggestive of remobilised sulphides possibly flanking a mineralised channel position. Down hole TEM using IGO's proprietary high powered transmitter has been completed on all three holes. Modelled conductors from this work indicate that the strongest mineralisation is between TBDD099W1 and TBDD098 and plunges to the south-east (**Figure 17**).

A four hole program testing up and down dip to the south-east of TBDD098 commenced in January 2011.

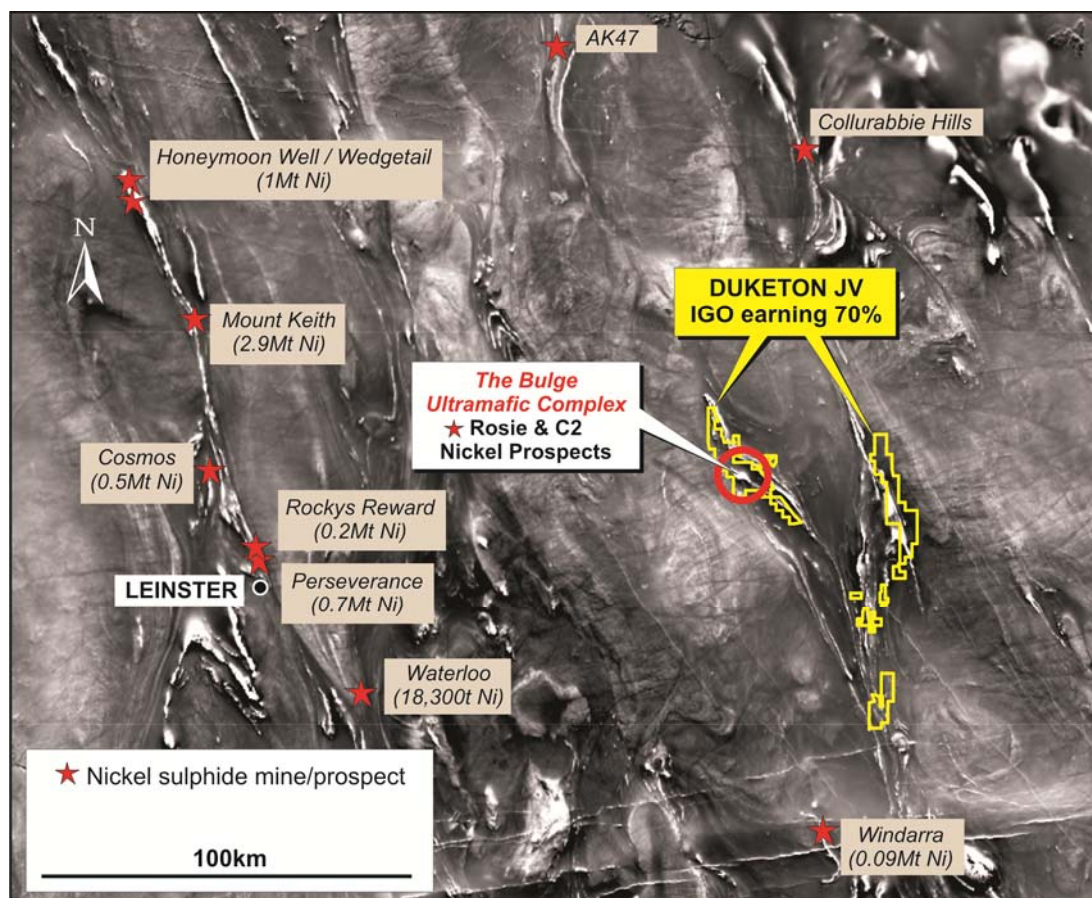


Figure 16: Duketon JV – Project Location in Relation to Selected Nickel Mines and Prospects Over Aeromagnetic Image

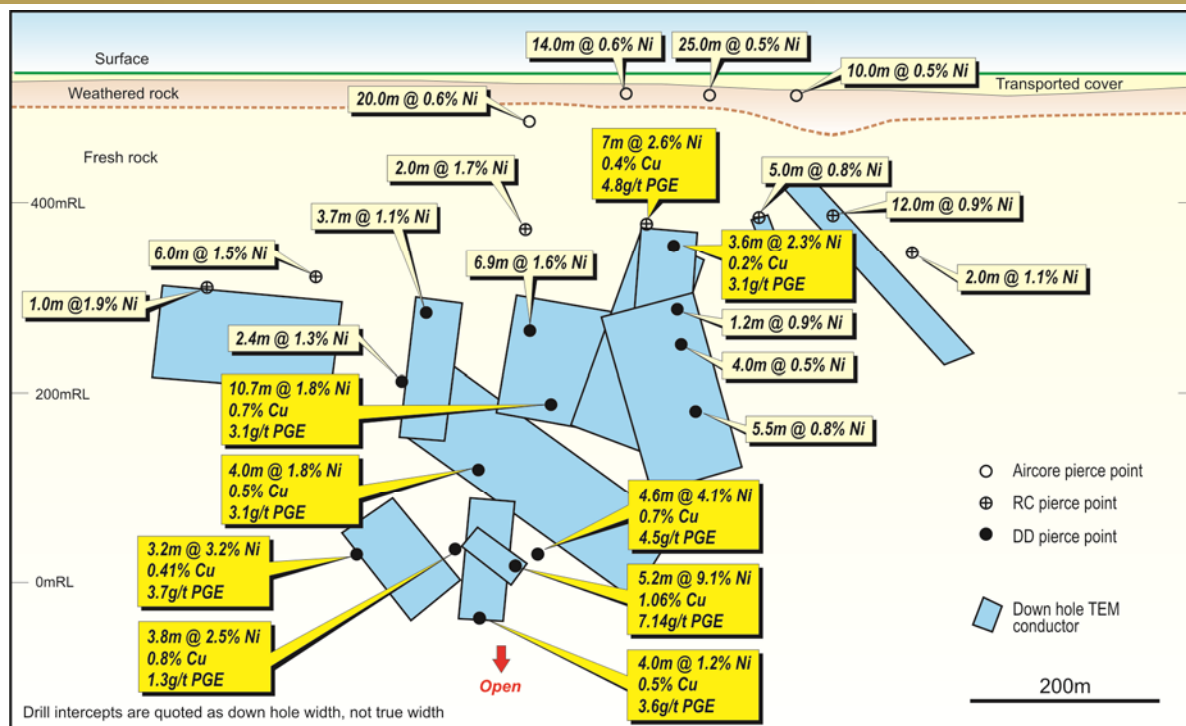


Figure 17: Duketon JV – Rosie Prospect Longitudinal Projection Showing Significant Drill Intercepts and Down-Hole TEM Conductors

JAGUAR NICKEL SULPHIDE JV (IGO EARNING 70% NICKEL RIGHTS)

IGO has entered into a JV with Jabiru Metals Limited (JML) whereby IGO may earn a 70% interest in the Jaguar Nickel Sulphide JV.

IGO has commenced a substantial Moving loop EM ("MLEM") survey targeting 3 main areas. To date 336 stations for 31 line km have been completed (22% of the planned program). No significant conductors have been located so to date.

The TEM survey is scheduled to recommence in late Q1-early Q2 2011.

ORRBÄCKEN JV (IGO EARNING UP TO 73%)

The Orrbäcken Ni-Cu-Co Joint Venture with Mawson Resources is located 10km from the regional centre of Skellefteå in north eastern Sweden.

The project was generated by local prospectors who identified approximately 80 gabbroic boulders that form a 1.5km long glacial boulder train, 25 of which contain nickel sulphides and interpreted to be close to source (**Figure 18**). Four boulder samples were taken by the Swedish Geological Survey from the Orrbäcken discovery. **Nickel content ranged from 1.9% to 0.6% and averaged 1.0%, cobalt ranged from 0.21% to 0.05% and averaged 0.1% and copper ranged from 0.7% to 0.1% and averaged 0.3%.** The boulder train is associated with a magnetic feature that is of a similar scale to other mafic intrusives containing economic nickel-copper deposits.

Last quarter IGO flew a combined heliborne magnetics and TEM survey which identified 13 conductors of interest including three ranked priority 1, six ranked priority 2 and four ranked priority 3 according to TEM response and spatial association with other magnetic features (**Figures 19 and 20**).

The most significant target is a broad 1km long TEM response proximal to both the mineralised boulders and a complex magnetic feature possibly representing a prospective mafic-ultramafic intrusive body (**Figures 21**).

Ground TEM follow-up of the three priority one targets and preparatory ground access preparation for drilling commenced in mid-January.

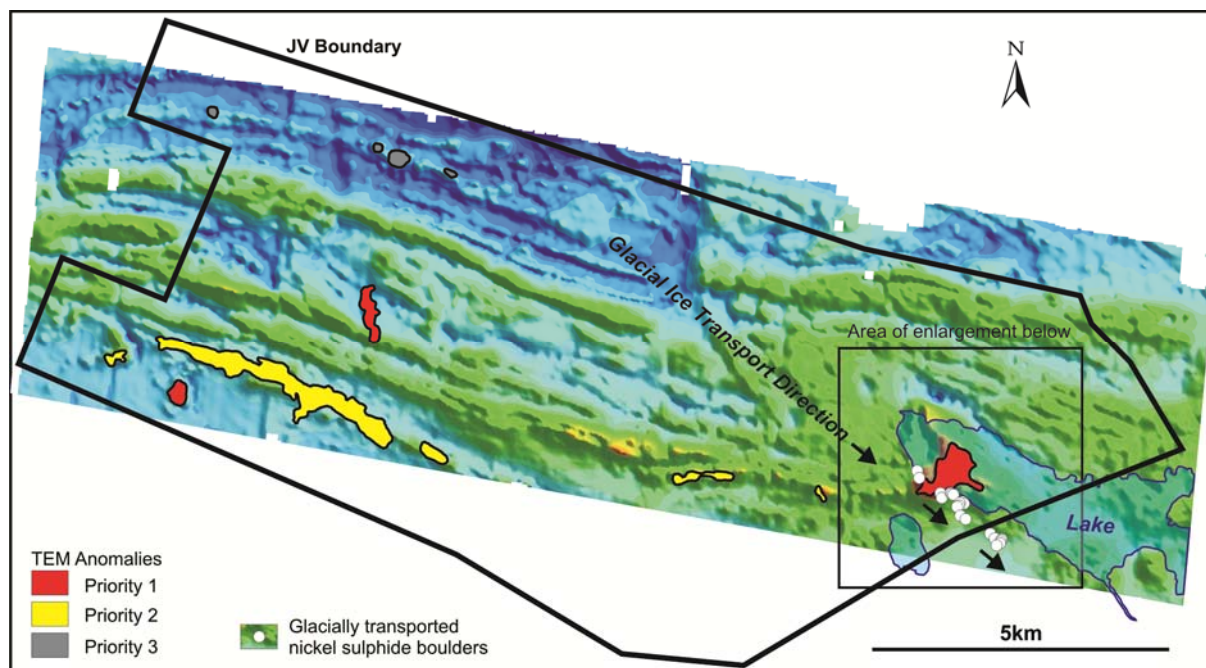


Figure 18: Orrbacken JV – 1.5km Long Nickel Sulphide Glacial Boulder Trail, JV Boundary, Lakes and Prioritised TEM Anomalies Over Aeromagnetic Image

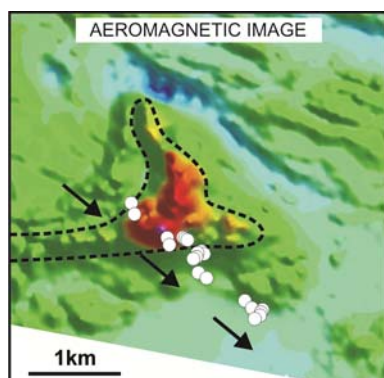


Figure 19:
Orrbacken JV – Priority 1
Target, Nickel Sulphide
Boulder Location Over
Aeromagnetic Image

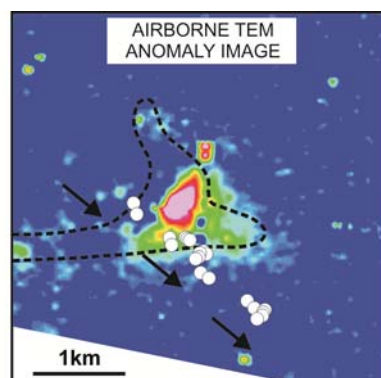


Figure 20:
Orrbacken JV – Priority 1
Target, Nickel Sulphide
Boulder Location, Figure 19
Magnetic Anomaly Outline
Over TEM Anomaly



Figure 21:
Orrbacken JV – Gabbro
Boulder containing Nickel
Sulphides



**MT ISDELL
(IGO 100%)**

The Mt Isdell Project covers an area of over 400km² and is located 35km south of the 26M ounce Telfer gold resource and 80km south-east of the Nifty Copper Mine. The project straddles the same major north-west trending structure that is adjacent to both the Nifty and Maroochydore deposits.

Previous reconnaissance and infill lag sampling by IGO has delineated a 5km x 5km area of high order zinc, lead, copper, cobalt and gold anomalism. Preliminary aircore drill testing has confirmed geochemical anomalism, however, a more robust test using larger drilling equipment is required to fully test the targets at depth.

Last quarter a VTEM survey was flown over a portion of the project area to confirm and better define conductors identified in a 2009 Government funded TEMPEST survey. A number of conductive responses potentially representing mineralisation and/or alteration warrant follow-up.

An RC drilling program to test VTEM and geochemical targets is planned for Q2 2011 pending final access approvals.

**BIRRINDUDU TIN PROJECT
(IGO 100%)**

The Birrindudu project is located 290km southeast of Kununurra in the Tanami Region of the Northern Territory. The project was initially identified during a review of results from the WMC Diamond division database, being used for target generation by IGO under agreement with WMC, (now BHP Billiton) which highlighted an area of strongly anomalous tin.

Analysis of samples in the IGO owned DeBeers database over the area and subsequent reconnaissance and follow-up systematic stream sediment and soil sampling by IGO has confirmed the presence of tin and tungsten spatially associated with the Palaeoproterozoic Winnecke Granophyre. The strongest results are from samples in streams draining an area containing a large aeromagnetic feature possibly representing alteration associated with the roof zone of a shallowly buried granitic pluton (**Figures 22 and 23**).

Based on the extent of anomalism and geological setting it is believed that the project has potential to host a substantial tin, tungsten and tantalum ore body.

Preparations are being made to undertake an initial drill test of the magnetic feature to confirm that it is the source of tin and tungsten anomalism. Due to access constraints associated with the northern wet season it is anticipated that drill testing will commence in Q2 2011.

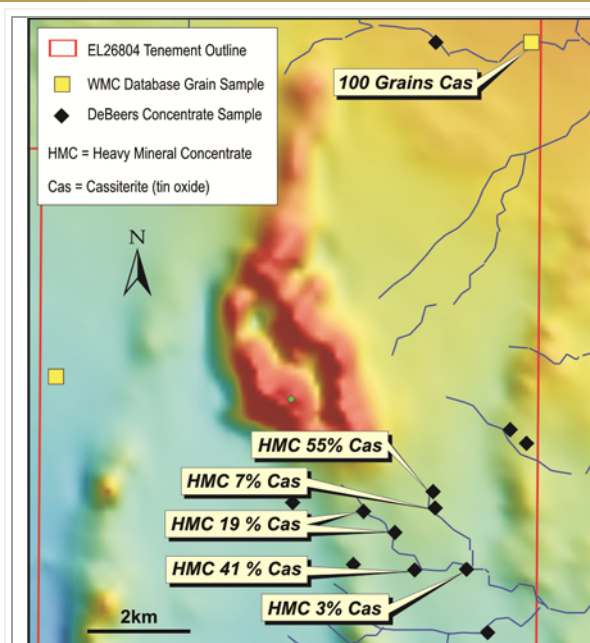


Figure 22:
Birrindudu – Tin-Rich Heavy Mineral Concentrate Locations Over Aerial Magnetic Image



Figure 23:
Birrindudu – Photograph of Cassiterite-Rich Heavy Mineral Concentrates

MUSGRAVE MINERALS IPO

Musgrave Minerals Ltd is on schedule to conduct an initial public offering ('IPO') of shares and seek admission to the official list of the Australian Securities Exchange (ASX) and quotation of its shares prior to April 30, 2011.

IGO, Mithril Resources Limited, and Goldsearch Limited have created Musgrave Minerals Ltd as a dedicated vehicle to explore the highly prospective and under-explored Musgrave Province in South Australia.

During the Quarter under review, Argonaut Resources Ltd and Integra Mining Ltd agreed to vend their respective interests in the South Australian Musgrave Province to become cornerstone investors in the new entity. This follows the decision last quarter by Barrick (PD) Australia Ltd to also vend its Musgrave exploration interests into Musgrave Minerals Ltd.

There is now participation by six mining companies as cornerstone investors in the newly formed Musgrave Minerals Ltd.

IGO, Mithril, Goldsearch and Integra have provided seed capital to the new entity and an initial phase of exploration focused on delineating new drill targets and advancing conceptual targets to a drill test decision ahead of the April 2011 IPO has been successfully completed.

The recent work included a VTEM airborne geophysical program on portions of EL's 3942 and 3955. The VTEM survey identified more than 60 priority targets and demonstrated the effectiveness of airborne geophysics in the Musgrave environment. Further VTEM surveys are planned post IPO.

Ground EM surveys completed on seven targets on EL3942 generated from the VTEM survey, confirmed the presence of high conductance basement targets that could represent accumulations of nickel-copper sulphide mineralisation. In addition, ground EM surveys also identified two strong basement conductors over two previously identified targets outside of the VTEM coverage. All nine targets are associated with, or proximal to, outcropping and interpreted Giles Complex rock types which are considered prospective for nickel sulphide mineralisation. The Lyta target is particularly compelling as it is proximal to a gabbro dyke containing blebs of nickel-copper sulphides. These priority targets will be drill tested immediately after the completion of the IPO.



Surface geochemical sampling continues to identify new areas of copper-gold mineralisation at surface on EL3955. To date six of these targets have been highlighted for drill testing following IPO.

Musgrave Minerals is an exciting initiative that will ensure the unique prospectivity of the largely unexplored and highly prospective Musgrave region will have the focus and resourcing necessary to lead to explore in the most efficient and effective manner to the benefit of all stakeholders.

MARCH QUARTER EXPLORATION PROGRAM

REGIONAL NICKEL/BASE METALS

Duketon:	Ongoing DDH drilling testing the Rosie high grade NiS discovery
Bungalbin:	Surface geochemical sampling of ultramafic units.
Jaguar:	TEM testing main target areas.
Orrbäcken:	GTEM follow-up of VTEM anomalies and follow-up drill testing if warranted.
Mt Isdell:	Preparation for RC drill testing.
Birrindudu:	Preparation for RAB drill testing of magnetic feature.

REGIONAL GOLD PROJECTS

Tropicana:	RC/DDH test underground potential down-dip of Tropicana-Havana and infill drilling at Boston Shaker. Regional auger sampling and RC/aircore drill testing regional prospects.
Karlawinda:	Resource modelling and metallurgical test work on the Bibra oxide gold mineralisation.
Holleton:	Interpretation of RC drilling results.
De Beers:	Continued analysis of priority geochemical samples and field follow-up of anomalies.

INDEPENDENCE GROUP NL
CHRISTOPHER M. BONWICK
MANAGING DIRECTOR

Competent Person Sign Off: 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.

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