

INDEPENDENCE GROUP NL COMPANY DETAILS

ASX CODE: IGO

ABN: 46 092 786 304

DIRECTORS

Rod Marston – Non-Exec Chairman
Chris Bonwick – Managing Director
Kelly Ross – Executive Director
John Christie – Non-Exec Director
Oscar Aamodt – Non-Exec Director

KEY MANAGEMENT

Kelly Ross – Company Secretary
Brett Hartmann – Long Mine Manager
Tim Kennedy – Exploration Manager
David Johnson – Chief Geophysicist

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IMAGE: LONG NICKEL MINE, WA

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IGO Acquires the Karlawinda Gold Project

SUMMARY

Independence Group NL (“IGO”) is pleased to announce it has acquired the Karlawinda Gold Project from BHP Billiton as part of its strategy to explore for multi-million ounce gold deposits in newly defined untested geological terrains.

- IGO has acquired the Karlawinda Gold Project, located near Newman in Western Australia. BHP Billiton retains a 70% clawback right on discoveries over 5 million ounces of gold or 120,000t of nickel metal.
- The project is located close to road and gas pipeline infrastructure and a large service centre.
- Limited drilling at the Frankopan Prospect has defined a very large gold system within Archaean metabasalt under Proterozoic Bangemall Basin cover.
- Limited drill testing has returned gold anomalism within wide zones of strong pervasive potassic alteration and quartz veining including:
 - **37m @ 1.9g/t Au**
 - 32m @ 1.0g/t Au
 - 70m @ 0.4g/t Au
 - 76m @ 0.4g/t Au

Within the broad low-grade intercepts, higher grade zones include:

- **7m @ 4.6g/t Au**
- **6m @ 4.5g/t Au**
- Gold mineralisation has been defined over an area of 600m by 400m and is open in all directions.

Details

The Karlawinda Project lies some 65kms southeast of the town of Newman in Western Australia, within the Peak Hill Goldfield (**Figure 1**). The project comprises 4 tenements (E52/1710, E52/1711, E52/1721 and E52/1820) covering an area of 725km².

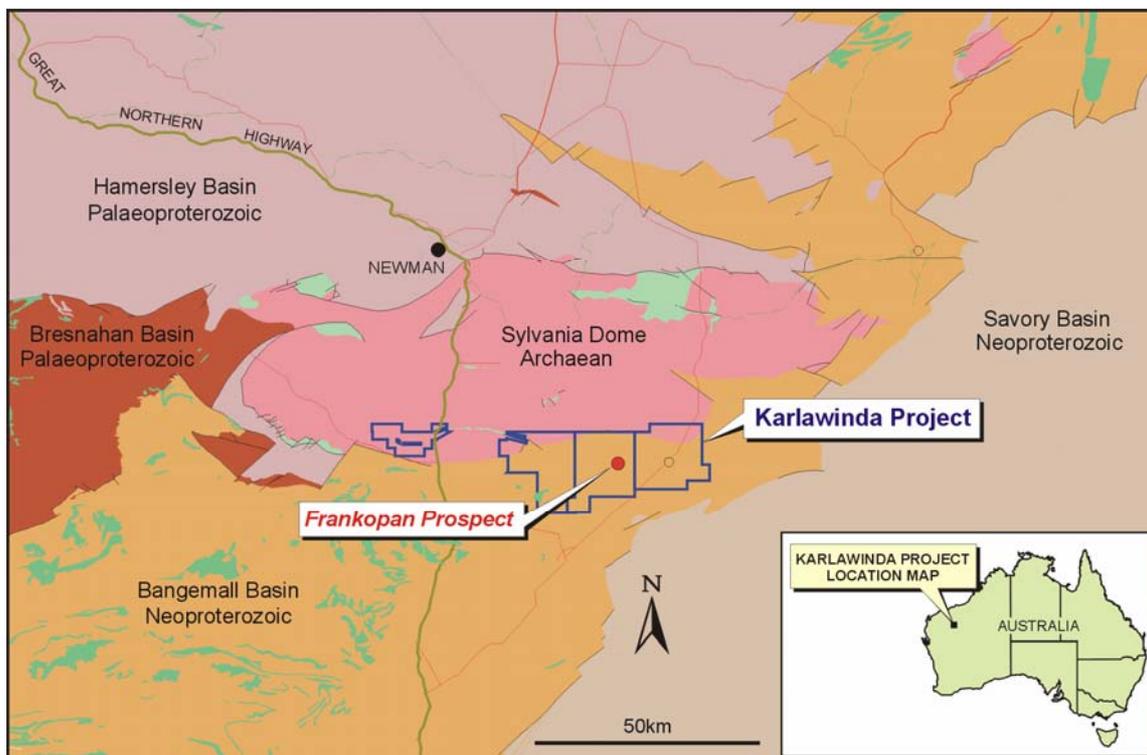


Figure 1: Karlawinda Project Location

Overview

During March 2005 while drill testing the nickel potential of TEM anomalies under Proterozoic Bangemall Basin cover, WMC (now BHP Billiton) observed visible gold in drill-core associated with laminated quartz veins and strong potassic alteration in Archaean mafic rocks immediately below the flat-lying Bangemall basal contact at a vertical depth of 182m (**Figures 2-4**).

A further nine diamond drill-holes tested an area of approximately 600m by 400m with eight holes returning anomalous gold (the "Frankopan Prospect").

Geology and Mineralisation Style

A sequence of mineralised foliated and veined garnetiferous meta-andesite/basalt with minor volcanoclastics (amphibolite facies metamorphism) was defined beneath flat-lying gabbro sills, carbonaceous shales and arenites of the Bangemall Basin. The sequence has been inferred as Early Archaean age, lying on the southern margin of the underlying Pilbara Craton. The depth to the Bangemall basal contact is between 150m and 200m.



Gold is primarily associated with a biotite-albite-pyrite-Kspar-calcite alteration assemblage known as the Biotite Zone. Marginal to the Biotite Zone, chlorite-calcite-biotite assemblages with trace pyrite grade into chlorite-biotite-garnet. The Biotite Zone is over 70m wide and is pervasive.

The gold mineralised zones are texturally distinctive with a laminated appearance defined by strongly foliated biotite, pyrite and sub-parallel laminated quartz veins. Visible gold is common in both the quartz veins and biotite/pyrite zoning. Narrow foliated felsic porphyry units are associated with the zone of gold mineralisation.

Potential

Wide zones (over 70m in true width) of alteration and gold mineralisation associated with multiple low-angle shear sets in competent mafic host rocks that are open in all directions suggest the 600m x 500m area defined at the Frankopan Prospect is part of a major gold mineralised system.

Although it is at a very early stage, the area tested by drilling to date has been interpreted to be potentially part of a new major gold province in favourable Archaean host rocks under cover.

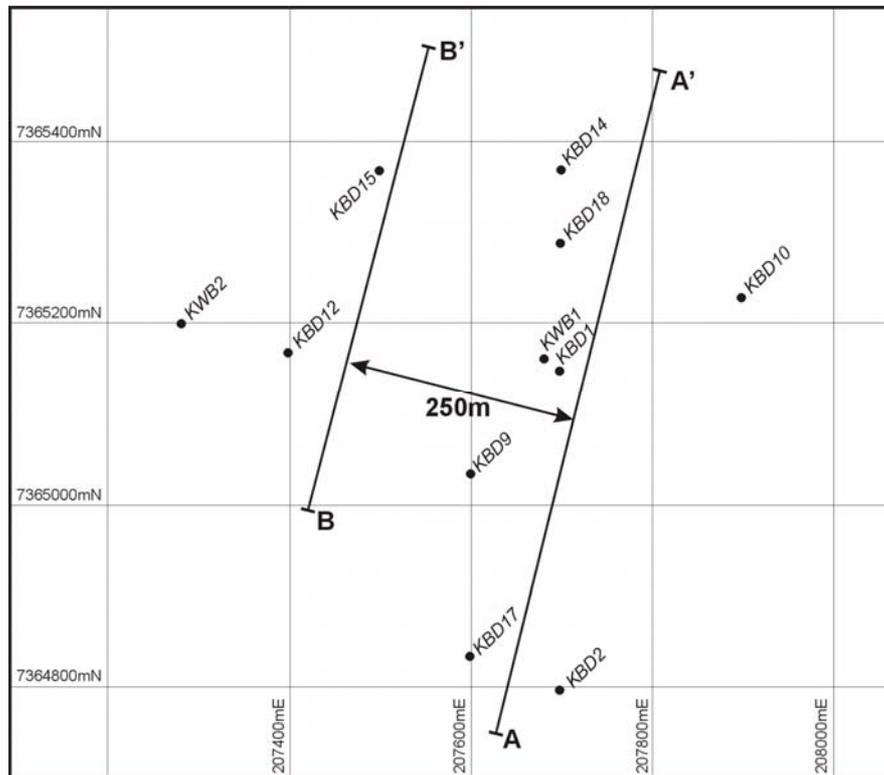


Figure 2: Karlawinda Project – Drill-Hole Plan Showing Figures 3 and 4 Cross-Section Locations

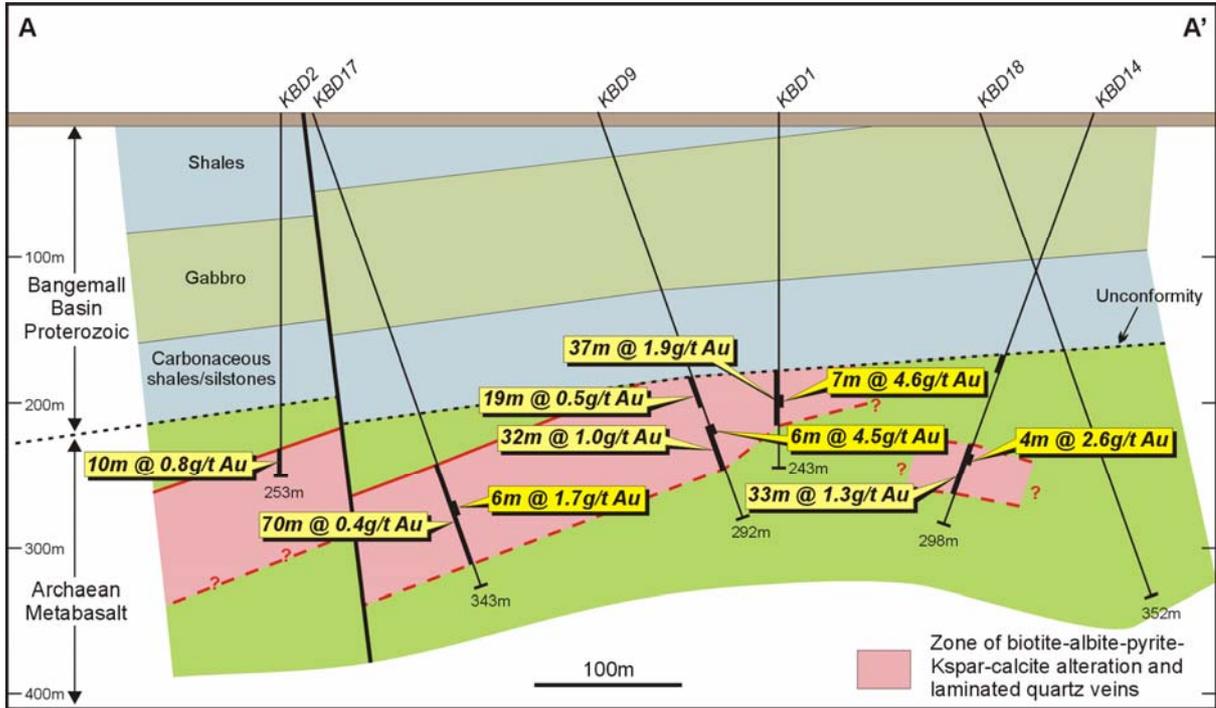


Figure 3: Karlawinda Project – Cross-Section A-A' Frankopan Prospect

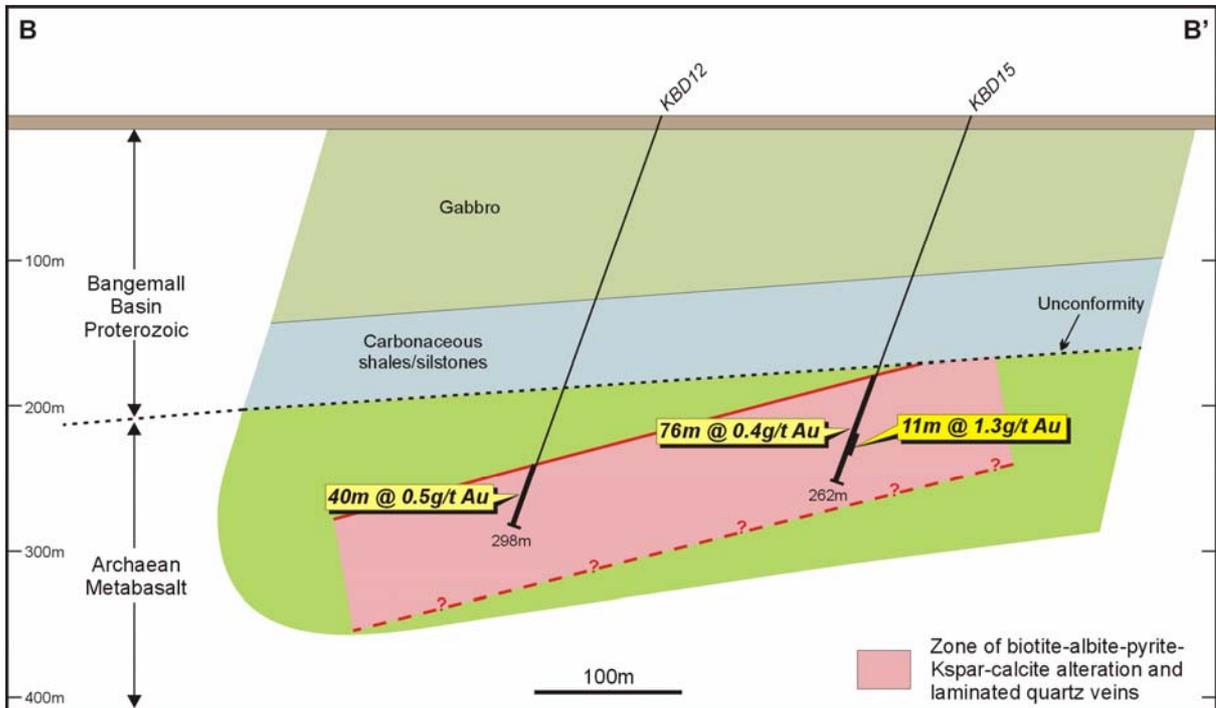


Figure 4: Karlawinda Project – Cross-Section B-B' Frankopan Prospect

Table 1: Gold Intercepts

Hole ID	Easting	Northing	Depth (m)	Azimuth	Dip	Intercept (m)	Width (m)	Au (g/t)
KBD01	207700	7365150	242.6	360	-90	179 - 216	37	1.9
						inc 182 - 183	1	14.2
						inc 195 - 202	7	4.6
KBD02	207700	7364800	252.5	360	-90	237 - 247	10	0.8
KBD09	207600	7365035	291.5	360	-70	196 - 215	19	0.5
						226 - 258	32	1.0
						inc 231 - 237	6	4.5
KBD12	207400	7365170	297.5	180	-70	256 - 296	40	0.5
KBD14	207700	7365370	297.5	180	-70	178 - 189	11	0.2
						236 - 269	33	1.3
						inc 254 - 258	4	2.6
KBD15	207500	7365370	261.5	180	-70	184 - 260	76	0.4
						inc 234 - 245	11	1.3
KBD17	207600	7364835	342.5	360	-70	262 - 332	70	0.4
						inc 289 - 295	6	1.7
KBD18	207700	7365290	351.5	360	-70	176 - 182	6	0.3

IGO has planned an aggressive RC and diamond drilling campaign designed to further delineate known mineralisation and to test for extensions, particularly in interpreted favourable structural positions.



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.