INDEPENDENCE GROUP NL

QUARTERLY REPORT FOR THE THREE MONTHS ENDED 31 MARCH 2010

GROUP HIGHLIGHTS

- **Estimated NPAT for the quarter was $9.1 million (Dec $5.3 million, YTD $21.8 million).**
- **Fully franked 2 cent interim dividend paid.**
- **$152.3 million cash and estimated net receivables (Dec $144.9 million).**

OPERATIONS HIGHLIGHTS

- **Production - 49,331t @ 4.1% Ni for 2,026 Ni t (Budget 48,638t @ 4.2% Ni for 2,057 Ni t).**
- **Cash Costs - A$4.71/lb payable nickel (Budget A$4.24). Unit costs were higher than budgeted due mainly to higher priced nickel royalty payments.**
- **Development - Moran decline and raise bore development advanced ahead of budget. First production still expected in the June 2010 quarter.**
- **Exploration - Recent true width intercepts (9m @ 5.0% Ni, 4.4m @ 11.7% Ni and 3.2m @ 11.7% Ni) confirm the southerly continuation of the Moran ore body, which remains open. Extensional drilling continues with the aim of increasing resources and reserves.**
  - **Drilling north of the Long Nickel Mine intersected 3.9m @ 6.0% Ni (true width), 300m north of the Long deposit. Further drilling north of the mine is being planned.**

EXPLORATION HIGHLIGHTS

GOLD

- **Tropicana JV - Bankable Feasibility Study on Tropicana/Havana proposed open-cut is continuing.**
  - **New gold discovery (Boston Shaker) 500m north-east of proposed Tropicana open-cut with true width intercepts including 12m @ 4.9g/t, 17m @ 3.0g/t, 16m @ 3.5g/t and 12m @ 4.1g/t Au. Gold mineralisation has been defined over a 600m strike length and remains open both down dip and along strike.**
  - **Thick intercepts, including 35m @ 5.0g/t Au (true width) intersected down plunge of the current Havana open cut resource, indicate potential for underground gold mining.**
  - **Large geochemical anomalies defined at the Tumble Weed and Black Dragon prospects, 10km and 40km respectively north-east of the Tropicana/Havana gold resources.**
- **Holleton - Infill auger sampling confirmed a 1,500m x 500m (200ppb Au contour) undrilled gold anomaly with a 2.64g/t Au peak value to be drill tested in June quarter.**

BASE METALS

- **Duketon JV - True width intercept of 3.3m @ 9.13% Ni, 1.09% Cu, 0.21% Co and 7.09g/t PGEs (2.20g/t Pt, 1.74g/t Pd, 0.82g/t Rh and 1.79g/t Ru) at the Rosie Prospect within the Bulge lava channel ultramafic complex.**

CORPORATE

DIVIDEND

The Company paid a 2 cent fully franked 2009/10 interim dividend during the quarter.

PROFIT AND LOSS

The estimated and unaudited NPAT for the quarter is $9.1 million (Dec $5.3M). **The profit or loss 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$26,600/t and are subject to subsequent final price adjustments.**

ISSUED CAPITAL - CURRENT

113,691,039 ordinary shares and 1,210,000 unlisted options.

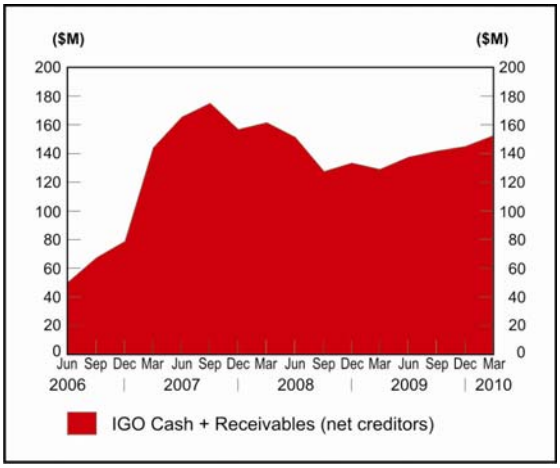
CASH AND RECEIVABLES

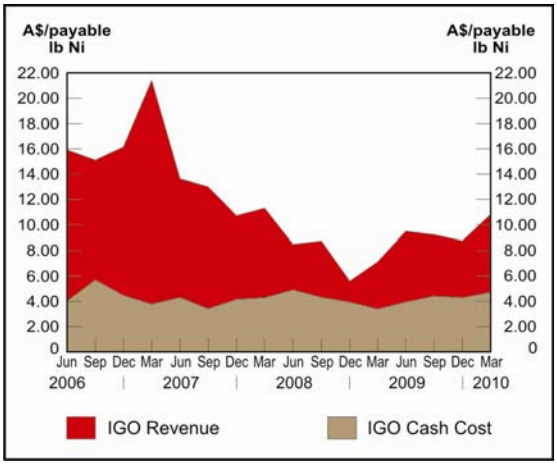
- $135.3 million cash (Dec $137.1M).
- $17.0 million nickel revenue in receivables net of creditors (Dec $7.8M).
- Total cash and net receivables were $152.3 million at the end of the quarter (Dec $144.9M).
- **Unhedged receivables have been valued using AU$26,600/t Ni.**

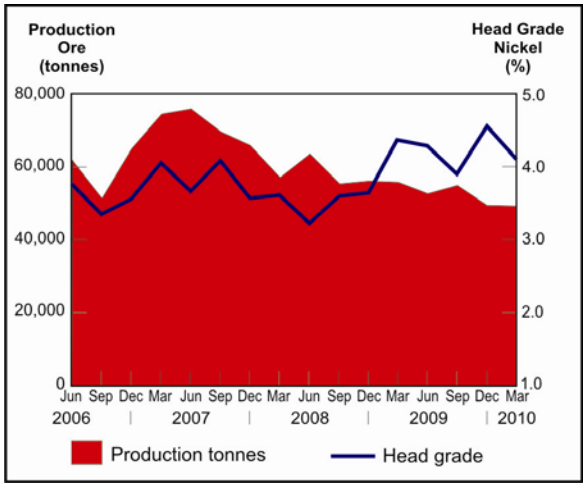
CASH OUTFLOWS

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

- $4.6 million on Long and regional exploration, including contributions to the Tropicana JV.
- $4.7 million capitalised development costs, including Moran development.
- $1.8 million income tax payments.
- $2.3 million dividend payments to shareholders.







DEBT

The Company had no debt at the end of the quarter.

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.

2009/10 EXPLORATION EXPENDITURE

$4.7 million exploration expenditure was incurred during the quarter (YTD $17.6 million) which includes accruals and Tropicana JV expenditure.

HEDGING

During the quarter the Company placed hedge contracts to cover part of anticipated nickel production in 2011/12. Hedge contracts for 110 tonnes of nickel per month at A$22,467/t were placed for a total of 1,320 tonnes.

Since the end of the quarter the Company placed hedge contracts to cover part of anticipated nickel production for the 2012/13 year. Hedge contracts for 100 tonnes of nickel per month at A$28,660/t were placed for a total of 1,200 tonnes.

Total hedged nickel metal at the date of this report is 6,360t at A$21,813/t, which is scheduled to be delivered at 200 tonnes per month from April 2010 to June 2011, 180 tonnes per month from July 2011 to June 2012, and 100 tonnes per month from July 2012 to June 2013.

MINING OPERATION

LONG NICKEL MINE
IGO 100%

SAFETY

Lightning Nickel incurred two Lost Time Injuries (LTIs) during the quarter, bringing the Frequency Rate (LTIFR) to **5.43** for the life of the operation. Both LTIs resulted from fractured lower limbs.

PRODUCTION

Production for the quarter was 49,331t at 4.1% Ni for 2,026 tonnes of contained nickel, which was mined by the following methods:

Jumbo Stoping	17,491	t @	3.3	Ni for	571	Ni t
Long-hole	17,725	t @	4.2	Ni for	737	Ni t
Hand-held	6,981	t @	5.4	Ni for	378	Ni t
Jumbo Development	7,134	t @	4.8	Ni for	340	Ni t
TOTAL	49,331	t @	4.1%	Ni for	2,026	Ni t

Production was from the following areas:

Long	20,759	t @	4.3	Ni for	886	Ni t
McLeay	22,715	t @	3.8	Ni for	854	Ni t
Victor South	5,857	t @	4.9	Ni for	286	Ni t
TOTAL	49,331	t @	4.1%	Ni for	2,026	Ni t

Nickel production was slightly less than anticipated, with the budget for the quarter being 48,638 tonnes of ore at 4.2% Ni for 2,057 tonnes of contained metal.

Metal during the quarter was produced at a cash cost of A$4.71 per payable pound of nickel, versus a budget cost of A$4.21/lb. Cash costs were 11% over budget mainly due to the following:

- Higher nickel prices resulting in higher royalty costs which represents 59% of the increase
- Early expenditure of rehabilitation costs in preparing working areas for next quarter's production stopes
- Higher expenditure on resource drilling due to the infill drilling required for the Moran discovery
- 5 shifts being lost predominantly due to off-site power outages

Operational highlights included:

- Development to the turn out for the 1st ore access in Moran
- Continued development of drilling platforms (525mRL & 570mRL) to enable the continued exploration and resource drilling of the Moran deposit

DEVELOPMENT

CAPITAL DEVELOPMENT

The focus for the quarter was on the development of accesses and infrastructure necessary to enable the commencement of production from the Moran ore body (**Figures 1 and 2**). Progress to date is as planned with first ore anticipated in the next quarter. A total of 463 metres of capital development was undertaken in Moran this quarter. In addition 123 metres of advance occurred in exploration drilling platforms.

OPERATING DEVELOPMENT

A total of 646 metres of normal operating development was also undertaken during the quarter, of which 76% was undertaken in McLeay.

Development occurred in the following work areas:

- McLeay - On the 515mRL, 545mRL, 560mRL and 570mRL production headings
- Long – 11 level Rhondo

FOCUS FOR JUNE QUARTER

The June quarter will see the operation focus on:

- Site wide risk assessment and review of standards
- Supervision and contractual control
- Focusing on employee risk awareness and reinforcement of a safe workplace culture
- Continued capital development to enable exploitation of Moran reserves
- Moran resource extensional drilling

EXPLORATION

Drill Drive Development

Development of the Moran 525 drill drive continued this quarter with a 25m advance. Ten metres remain to be mined to complete this development. The drill platform will allow drill testing of the Moran South channel position beyond the current Moran resource boundaries (**Figure 3**).

Development of the Moran 570 drill drive advanced 105m this quarter, with 75m remaining to be mined. The drill platform will allow drill testing of the down-hole TEM target located immediately south of the Moran ore body (**Figure 3**). Drilling is planned for the June quarter.

Moran

Drilling at the Moran ore body concentrated on upgrading the current Moran resource, extending the ore body limits, and step-out exploration holes to define new ore channel positions. The latest drilling defined nickel with grades and widths similar to those observed in the current Moran resource. The Moran ore body remains open to the south and east.

Extensional Drilling

Fourteen underground diamond drill holes designed to upgrade and extend the Moran Resource were drilled this quarter. Ten drill holes intersected nickel mineralisation and are summarized in Table 1.

Table 1: Long Nickel Mine – Significant March Quarter Moran Drilling Results

Hole_ID	LocalNorth	LocalEast	LocalRL	EOH	Dip	Azimuth	mFrom	mTo	Interval	TrueWidth	Grade
LSU-285	547470	375428	-523	144.5	-72	326	122.07	126.6	4.53	4.3	11.9
LSU-286A	547472	375430	-523	150.3	-77	7	129.3	141.16	11.86	9.0	5.0
LSU-287	547472	375430	-523	183.4	-76	32	148.9	155.78	6.88	4.7	5.5
LSU-288	547471	375430	-523	195.1	-71	56	174.67	176.02	1.35	0.8	9.7
LSU-289	547470	375430	-524	138.3	-85	236	118.58	121.96	3.38	3.0	12.5
LSU-290	547470	375434	-521	188.5	-73	96	159.15	162.0	2.85	2.8	3.2
							164.5	168.62	4.12	4.4	4.5
LSU-295	547468	375429	-523	155.7	-71	152	129.52	132.8	3.28	3.2	11.7
LSU-296	547468	375429	-523	158.7	-65	122	139.37	143.73	4.36	4.4	11.7
LSU-298B	547468	375429	-523	227.6	-65	122	168.0	176.26	8.26	6.1	6.2
LSU-301	547468	375430	-523	233.7	-59	140	161.6	166.1	4.50	3.5	11.5

One of the most significant holes was LSU-301 which intersected 4.5m @ 11.5% Ni from 159.6m. This extends the Moran mineralisation at least 55m south of the current resource envelope limits. Further resource definition drilling in this area is planned for the June quarter.

Exploration Drilling

Two exploration drill holes are planned to be drilled next quarter to test the Moran ore channel position. One hole collared from the Moran 525 drill drive will test the prospective channel 250m down plunge of Moran. The second hole, collared from the Moran 570 drill drive will target a large TEM target centred 420m south-east of the June 2009 Moran reserve boundary (**Figure 3**).

Underground DHTEM Transmitter Loop

A 390m underground diamond drill hole collared from the Moran 525 drill drive and designed to intersect the Moran 570 drill drive is planned this quarter. The drill hole will allow connection of a 1.6km long underground TEM transmitter loop which will provide improved definition of geophysical targets in the Moran South and McLeay South areas. A similar transmitter loop constructed in the Long South area was used in the program leading to the discovery of the Moran ore body.

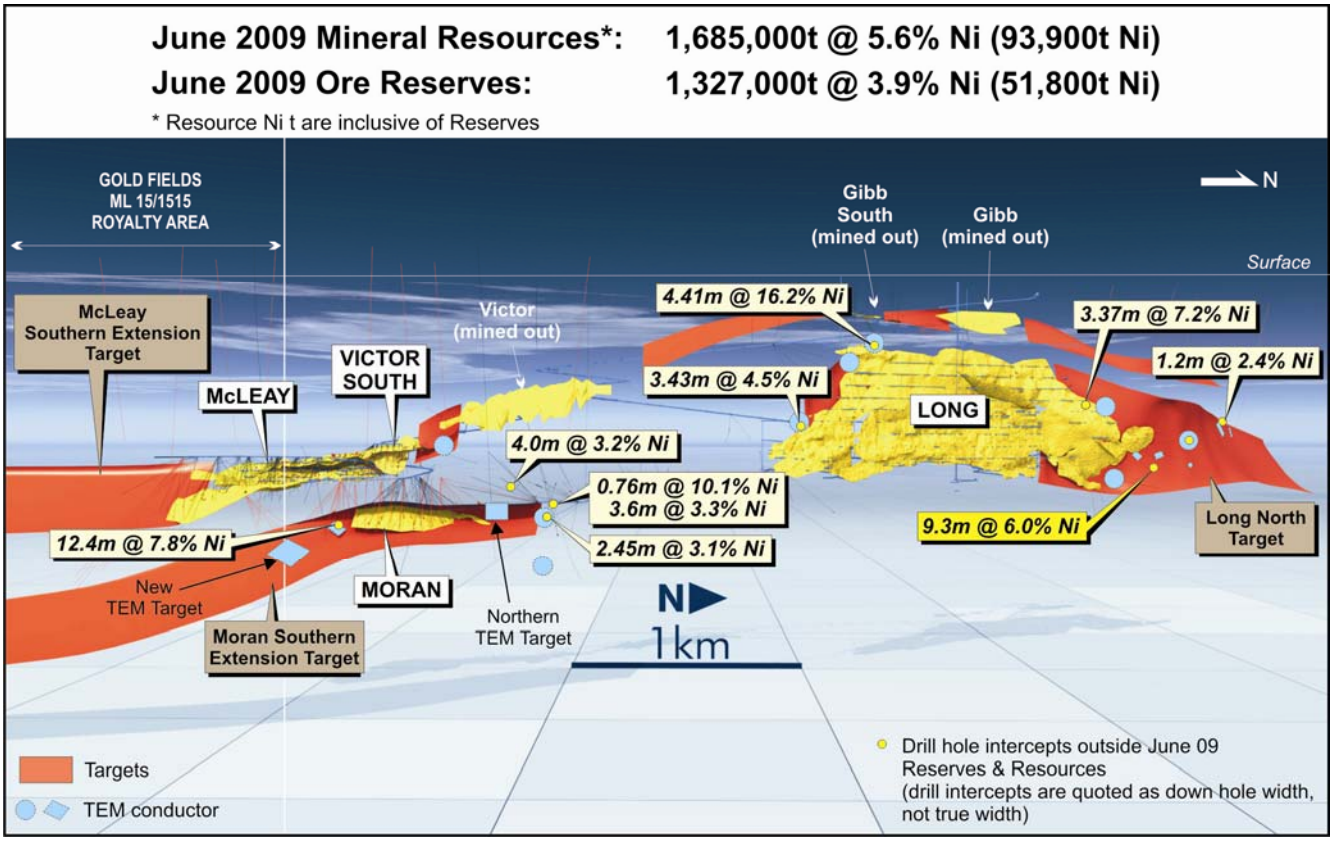


Figure 1: Long Nickel Mine – Longitudinal Projection Showing Target Areas, TEM Conductors and Significant Intercepts Outside Current Resources and Reserves

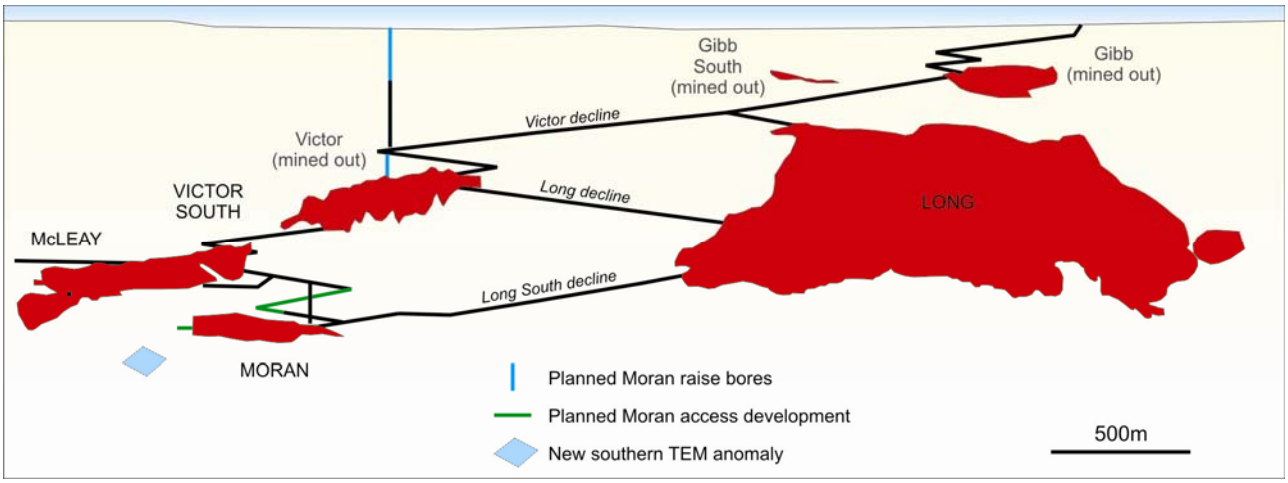


Figure 2: Long Nickel Mine – Longitudinal Projection Showing Progress of Moran Development and TEM Conductor South of Moran

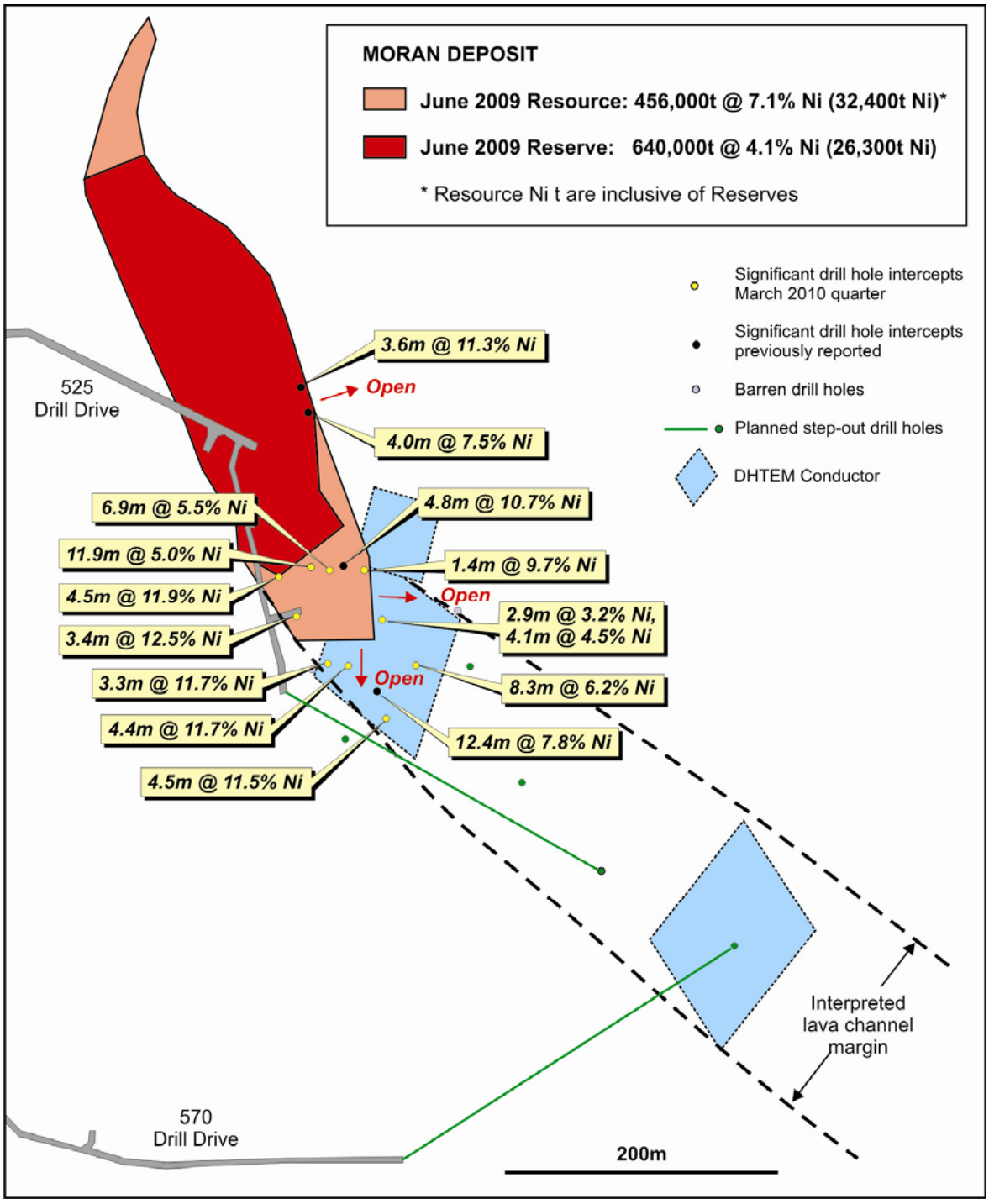


Figure 3: Long Nickel Mine - Moran - Plan Showing Nickel Shoot, Development, Recent Significant Drill Intercepts Outside June 2009 Reserves and Proposed Extension Holes

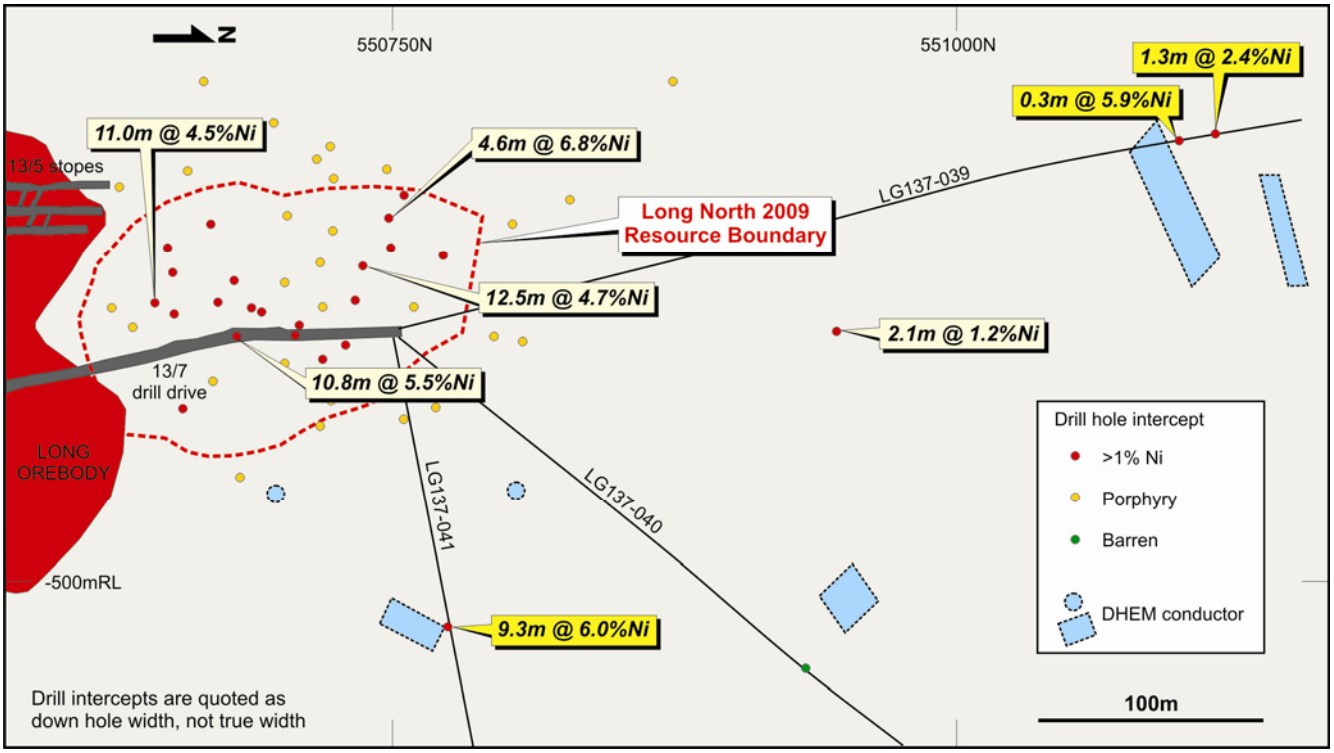


Figure 4: Long Nickel Mine - Long North - Longitudinal Projection Showing Recent Drill Intercepts and TEM Conductors in Relation to the Northern End of the Long Ore Body

Long North Extensional Drilling

Drilling north of the Long nickel ore body intersected **9.3m @ 6.0% Ni (3.9m true width**) in hole LSU137-041 (see ASX announcement dated 23rd March). The intersection lies 300m north of the Long Mine 16 Level development. Down-hole TEM surveys in drill hole LSU137-041 and adjacent drill holes have defined several off-hole conductors (**Figure 4**).

During the December 2009 quarter, hole LSU-039 intersected a zone containing primary matrix-textured sulphide (1.26m @ 2.4% Ni) and remobilized massive sulphide (0.32m @ 5.9% Ni). This intersection lies 480m to the north of the Long ore body. Down-hole TEM surveys read in LSU-039 during the March quarter detected two conductors in the close proximity to this mineralisation that represent high-priority targets (**Figure 4**).

Further drilling and drill drive development is being planned to determine the scale of mineralisation at Long North. The Long North target represents a large zone with untested potential for nickel mineralisation. New ore reserves defined in this area could lead to additional mine headings and the potential to increase production.

LONG NICKEL MINE PRODUCTION SUMMARY

	Note	Mar '10 Quarter	2009/10 FY to Date	*Prev. Corresp. Quarter (Mar '09)*
Mining Reserve (Dry Tonnes)				
Start of Period		1,227,272	1,327,000	*972,748*
- ROM Production	1	(49,331)	(149,059)	*(55,961)*
End of Period		1,177,941	1,177,941	*916,787*
Production Details:				
Ore Mined (Dry Tonnes)	1	49,331	149,059	*55,961*
Ore Milled (Dry Tonnes)		49,331	149,059	*55,961*
Nickel Grade (Head %)		4.11	4.21	*4.42*
Copper Grade (Head %)		0.28	0.30	*0.32*
Metal in Ore Production (Tonnes)				
Nickel delivered	2	2,026	6,268	*2,476*
Copper delivered	2	140	444	*179*
Metal Payable IGO share (Tonnes)				
Nickel		1,224	3,785	*1,497*
Copper		57	179	*73*
Hedging				
Tonnes delivered into Hedge		600	1,800	*600*
Average Price (AU$/t)		19,013	19,013	*18,489*

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$'000's***
Sales Revenue (incl. hedging)		29,190	81,217	*23,148*
Cash Mining/Development Costs		(7,508)	(22,887)	*(7,006)*
Other Cash Costs	3	(5,200)	(14,189)	*(4,172)*
Depreciation/Amortisation/Rehabilitation		(2,334)	(7,711)	*(2,858)*
Total Unit Cost Summary		***A$/lb Total Metal Produced***	***A$/lb Total Metal Produced***	***A$/lb Total Metal Produced***
Cash Mining/Development Costs		1.68	1.66	*1.28*
Other Cash Costs	3	1.16	1.03	*0.76*
Depreciation/Amortisation/Rehabilitation		0.52	0.56	*0.52*
Revenue/Cost Summary		***A$/lb Payable Metal***	***A$/lb Payable Metal***	***A$/lb Payable Metal***
Sales Revenue (incl. hedging)	4	10.82	9.74	*7.02*
Cash Mining/Development Costs		2.78	2.74	*2.12*
Other Cash Costs	3	1.93	1.70	*1.27*
Depreciation/Amortisation/Rehabilitation		0.87	0.92	*0.87*

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		2	4	*0*
- Medically Treated IFR		78.19	54.64	*81.9*
- Nickel Productivity Rate	5	16.33	65.32	*83.9*

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

Development/Exploration Drilling	**Metres**	**Metres**	***Metres***
Development	-	-	-
Production	2,701	8,123	*2,336*
Exploration	1,210	5,353	*2,124*
	3,911	13,476	*4,460*

REGIONAL GOLD EXPLORATION

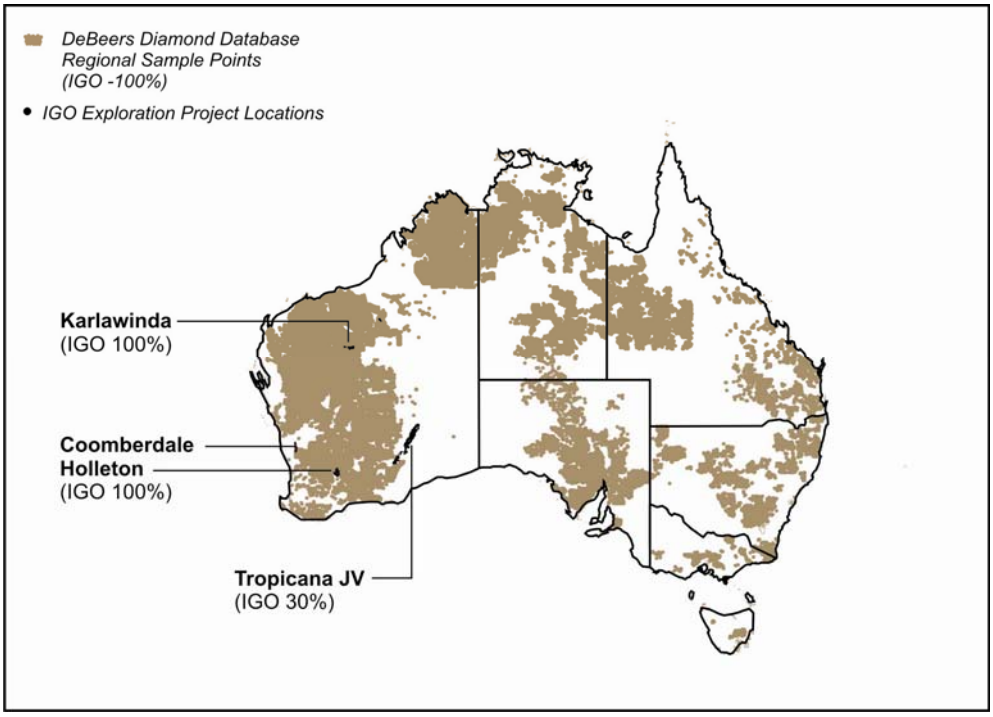


Figure 5: IGO Gold Project Locations

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

The Tropicana Joint Venture comprises approximately 13,000km^2 of highly prospective tenure covering a strike length of 330km (**Figures 5 and 6**) along an emerging new gold province.

The Tropicana project was generated and pegged by IGO and subsequently joint ventured to AngloGold Ashanti Australia Limited on 30 January 2002. The first discovery within this extensive tenement package is the Tropicana deposit, comprising the Tropicana and Havana Zones on which a Bankable Feasibility Study ("BFS") is in progress.

In addition to the Feasibility work at the Tropicana deposit, exploration is continuing at priority regional locations throughout the joint venture area, with a focus on those within trucking distance of the potential operation at Tropicana-Havana.

Feasibility Study

The Feasibility Study is advancing, with pit designs complete and mine scheduling in progress. The plant flowsheet and layout has been finalised. The design of infrastructure items including administration and plant facility buildings, tailings storage, access roads, village, water supply and airstrip are nearing completion. The estimation of Feasibility level capital and operating costs is in progress.

The Tropicana Joint Venture has responded to public submissions received during the public review period for the Tropicana Gold Project environmental impact assessment. The Environmental Protection Authority ("EPA") is currently considering the project. It is anticipated the EPA will provide a recommendation on the project approval and approval conditions to the WA Minister for the Environment. The approval and conditions are subject to potential public appeals.

Tropicana-Havana Proximal Exploration

Exploration during the quarter focused on two key areas proximal to the Tropicana Resource; firstly, continued delineation of the mineralisation at Boston Shaker 500m north of the Tropicana resource and secondly, the Havana Deeps RC and diamond drilling program aimed at defining the down-dip continuity and extent of the high grade shoots at Havana.

At Boston Shaker strong mineralisation has now been defined over a strike length of 600m with mineralisation remaining open both along strike to the north and down dip (**Figures 7 and 8**). An interim announcement on these results was provided to the ASX on 17th March and included the following true width intersections:

- TFRC3293 - **5m** @ **3.9g/t** from 48m, **17m** @ **3.0g/t Au** from 58m
- TFRC3294 - **12m** @ **4.9g/t** from 93m, **16m** @ **3.5g/t Au** from 119m
- TFRC3290 - **14m** @ **3.5g/t Au** from 81m
- TFRC064D - **12m** @ **4.1g/t Au** from 138m

Further significant results received subsequent to this announcement and the end of the quarter have increased the strike extent by 100m and include:

- TFRC3324 - **9m** @ **7.44g/t Au** from 151m
- TFRC3322D - **5m** @ **3.5g/t Au** from 61m

Mineralisation is similar in style to Tropicana and is thought to represent the faulted offset of the Tropicana Deposit (**Figure 9**). Ongoing step-out drilling aims to scope out the northern strike extents of this mineralisation while infill drilling will be undertaken to determine the resource potential.

Initial success at Havana Deeps has resulted in the Joint Venture approving a two stage $8.7M budget to accelerate drilling with the aim of evaluating the underground resource potential of the high grade shoots at Havana and increased drilling at Boston Shaker. Details of this drilling program are provided in the ASX announcement of 16th April 2010.

Results received during the quarter from drilling at Havana Deeps (**Figures 10 and 11**) have extended the down plunge extents of the high grade shoots in excess of 600m beneath the proposed Havana Open Cut and include intercepts of:

- TPD404 **35m** @ **5.0g/t Au** from 514m
- TPD405 **23m** @ **3.4g/t Au** from 327m
- TPD400 **19m** @ **3.5g/t Au** from 536m

Drilling at Havana Deeps is continuing with up to three rigs testing the high grade shoots on 100m x 100m and 50m x 50m drill spacings.

All significant intercepts from the Boston Shaker and Havana Deeps drilling during the quarter are provided in Table 2.

Regional Exploration

A total of 24,426m of aircore drilling tested targets at a number of regional prospect areas during the quarter including Tumbleweed and Sidecar.

Results at Tumbleweed, located 10km due north of Tropicana, included an intercept of 12m @ 0.72g/t Au which together with previous intersections define a 4km long zone that is to be tested with RC and diamond drilling in Q2.

Table 2: Tropicana JV Significant new Diamond and Reverse Circulation Drilling Results

Hole No.	Northing (m)	Easting (m)	RL (mAHD)	Azi (degr)	Dip (degr)	Total Depth	Depth From (m)	Depth To (m)	Intercepts
Swizzler									
TFD178	6762790	650321	350	332	-69	320.5	289	291	2 m @ 26.2 g/t Au
Crouching Tiger									
TFRC3285	6759415	649103	372	322	-57	200	190	195	5 m @ 2.9 g/t Au
						includes	191	193	2 m @ 6.0 g/t Au
Boston Shaker									
TFRC3290	6763921	651810	341	317	-63	150	81	95	14 m @ 3.5 g/t Au
TFRC3293	6763885	651562	339	324	-61	150	48	53	5 m @ 3.9 g/t Au
							58	75	17 m @ 3.0 g/t Au
TFRC3294	6763815	651633	339	326	-61	140	93	105	12 m @ 4.9 g/t Au
							119	135	16 m @ 3.5 g/t Au
TFRC3295D	6763744	651704	340	317	-63	219.2	168	178	10 m @ 2.5 g/t Au
							183	202	19m @ 1.9 g/t Au
						includes	191	200	9 m @ 2.6 g/t Au
TFRC3314	6764100	652055	344	319	-62	209	91	101	10 m @ 2.0 g/t Au
TFRC3322D	6764274	652022	334	318	-61	150	61	66	5m @ 3.5 g/t Au
TFRC3324	6764133	652163	336	319	-61	170	151	160	9m @ 7.4 g/t Au
Tropicana Deeps									
TPD399	6763138	651285	343	324	-62	494.3	388	401	13 m @ 2.3 g/t Au
						includes	389	401	12 m @ 2.4 g/t Au
TPRC413D	6762889	651702	347	325	-63	637	587	602	15 m @ 2.2 g/t Au
Havana Deeps									
TPD400	6761566	650348	366	334	-59	592	536	555	19 m @ 3.5 g/t Au
TPD402	6761706	650216	361	324	-62	474.11	431	444	13 m @ 2.8 g/t Au
						includes	434	443	9 m @ 3.7 g/t Au
TPD403	6761630	650282	362	321	-61	537.3	476	484	8 m @ 3.2 g/t Au
TPD404	6761526	650314	367	322	-64	585.2	514	549	35 m @ 5.0 g/t Au
						includes	514	517	3 m @ 9.9 g/t Au
						includes	527	549	22 m @ 6.4 g/t Au
TPD405	6761220	650028	365	321	-63	408.3	327	350	23 m @ 3.4 g/t Au
TPD407	6761108	650096	365	323	-57	474.3	370.55	383	12.45 m @ 2.2 g/t Au
TPRC064D	6764029	652127	345	321	-55	284.9	138	150	12 m @ 4.1 g/t Au

RC = Reverse Circulation **D = Diamond**

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

Proposed June 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:

- Diamond drilling to test the down dip continuity and underground potential of the high grade shoots of the Tropicana-Havana gold system.
- RC and diamond drilling to delineate the extent of mineralisation intersected north of the Boston Shaker shear zone which marks the current northern limit of Tropicana.
- Aircore and RC follow-up at regional prospects including Tumbleweed.

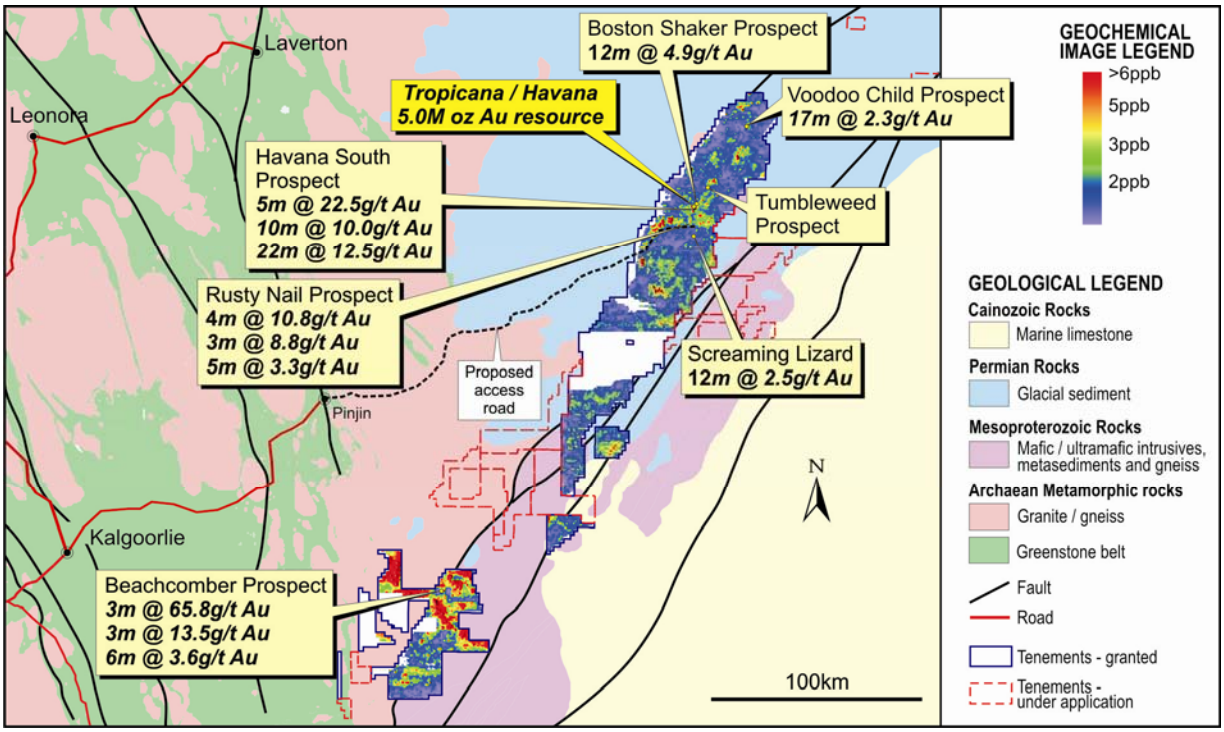


Figure 6: Tropicana JV – Tropicana and Havana Resource Locations, Tenure, Gold Anomalies, Significant Drill Intercepts Outside Tropicana-Havana Resources and Selected Prospect Locations

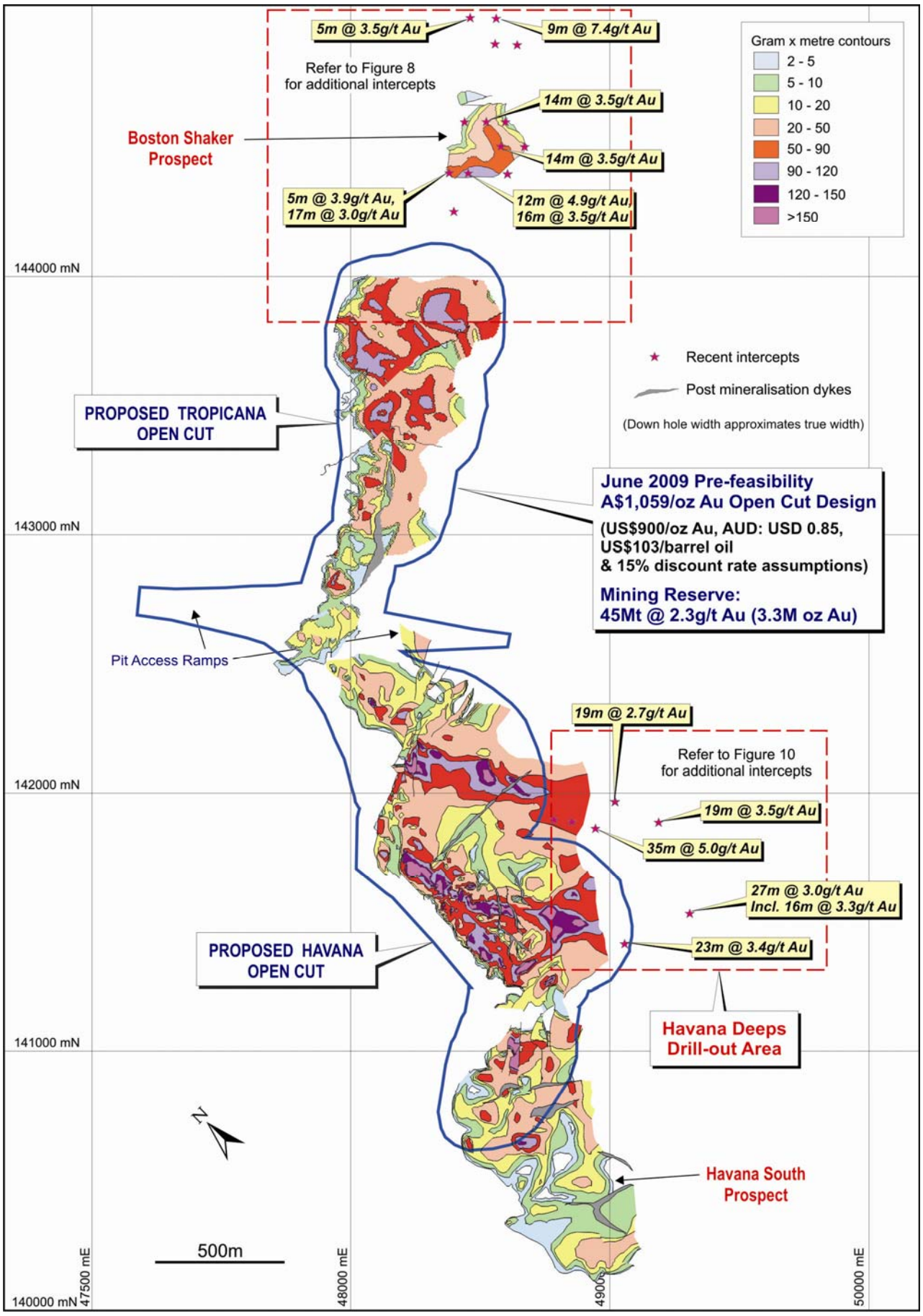


Figure 7: Tropicana JV – Proposed Tropicana and Havana Open Pit Outlines, g/t Au x Thickness (m) Contours and Significant Boston Shaker and Havana Deeps Intercepts Drilled Subsequent to June 2009 Tropicana and Havana Resource Estimations

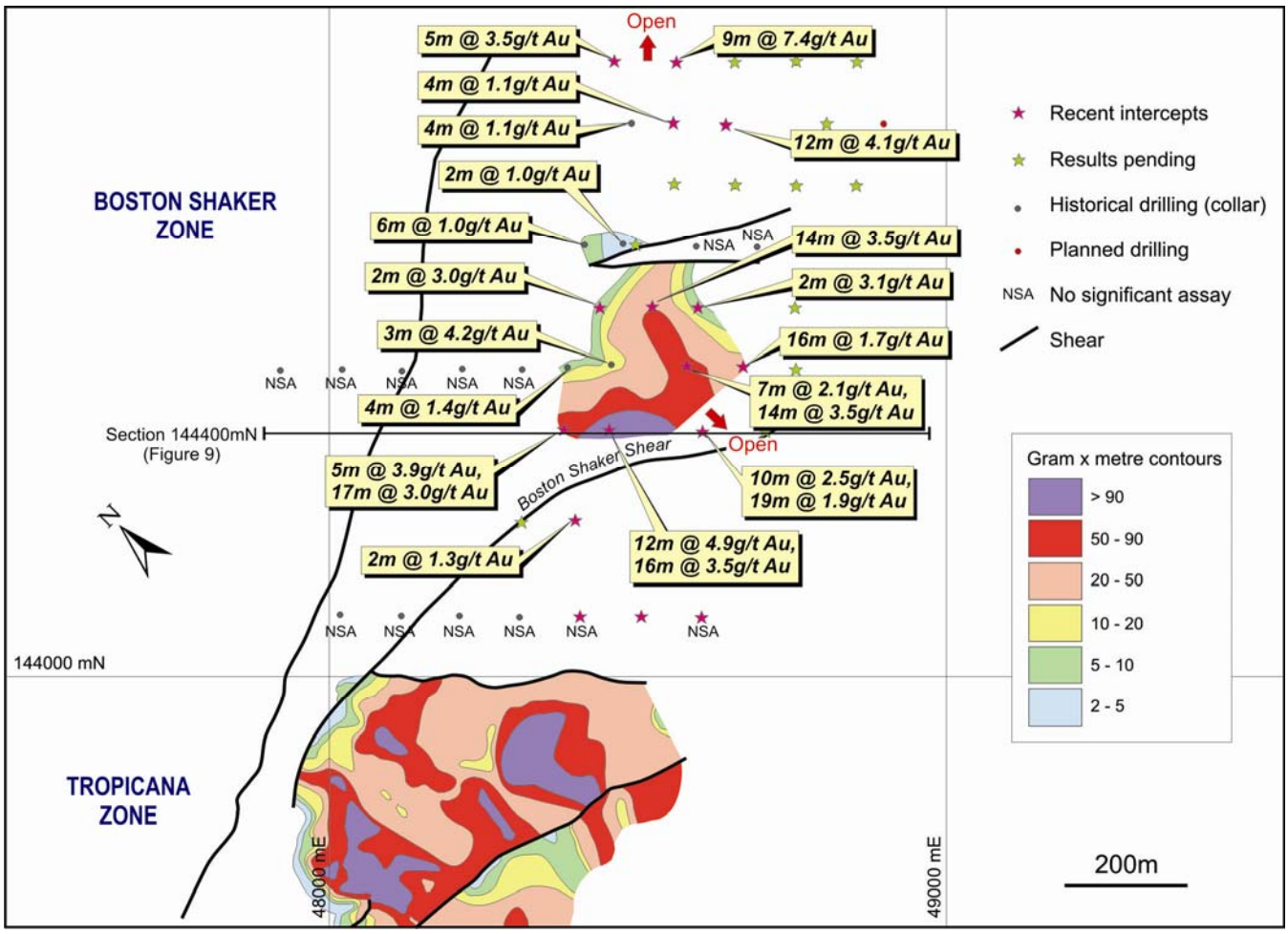


Figure 8: Tropicana JV – Boston Shaker Plan Showing Significant Intersections, Drill Hole Status, Faults, g/t Au x Thickness (m) Contours and Figure 9 Cross-Section Location in Relation to the Northern End of the Proposed Tropicana Open-Cut

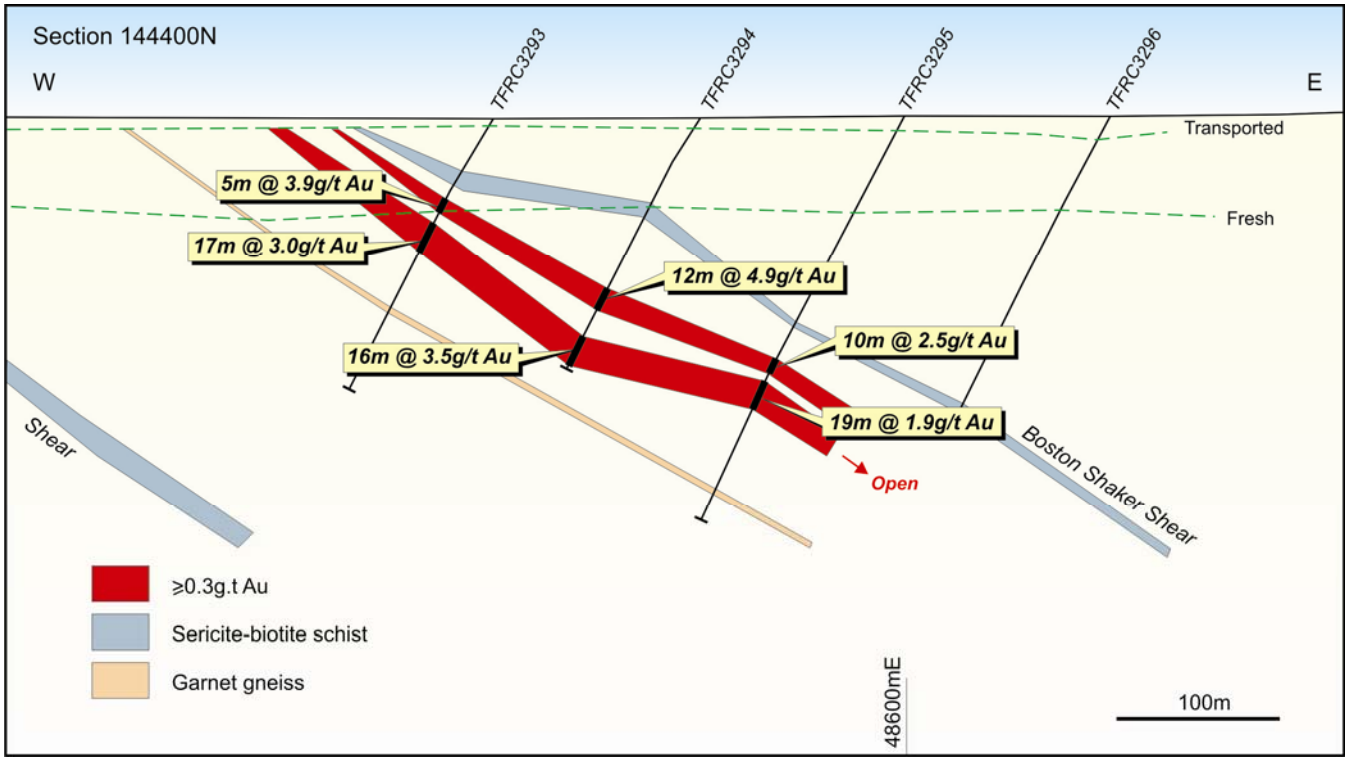


Figure 9: Tropicana JV – Boston Shaker 144,400mN Cross-Section

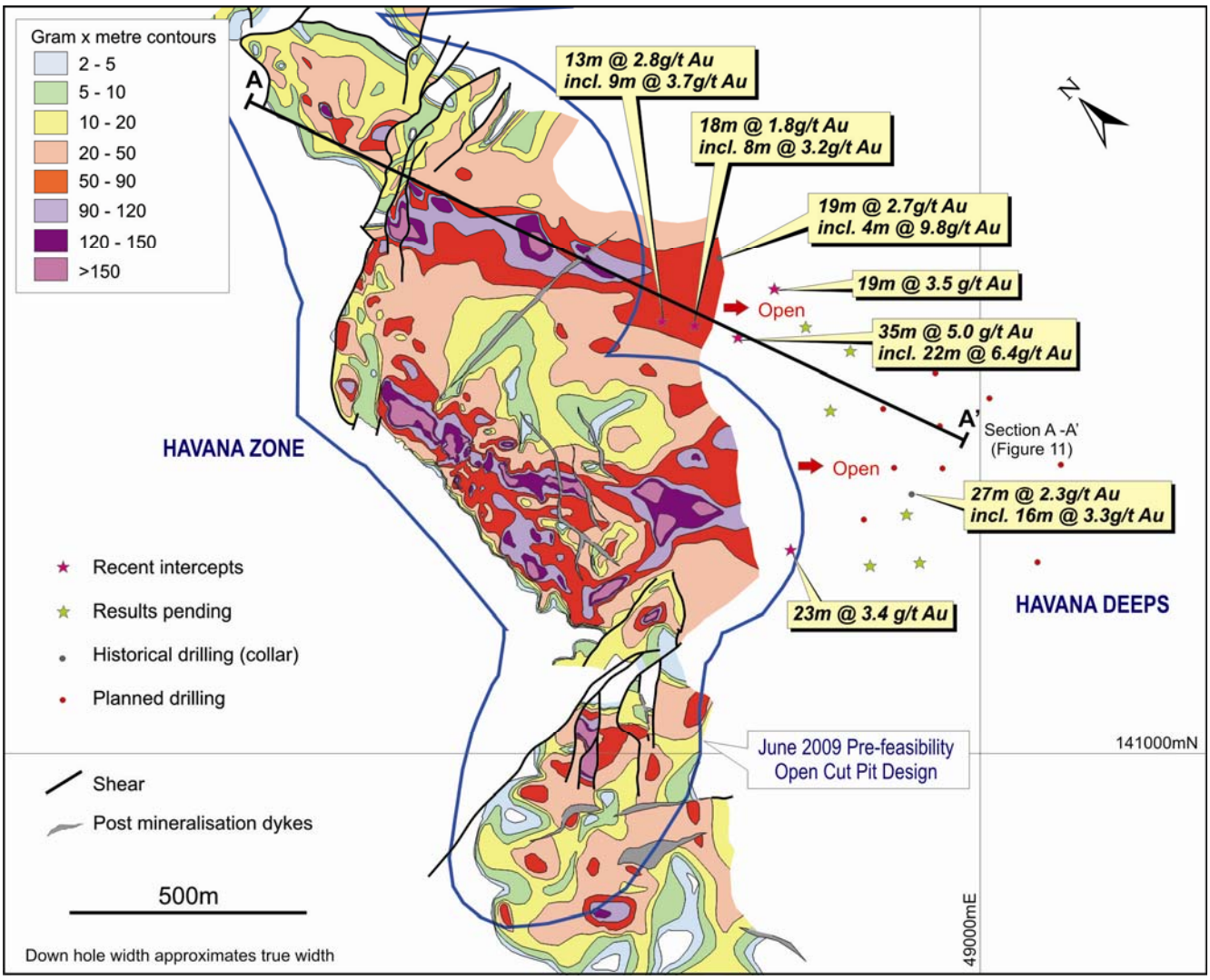


Figure 10: Tropicana JV – Havana Plan Showing Significant Havana Deeps Intercepts (Approximate True Width), Proposed Havana Open-Pit g/t Au x Thickness (m) Contours, High Grade Havana Shoots and Figure 11 Location

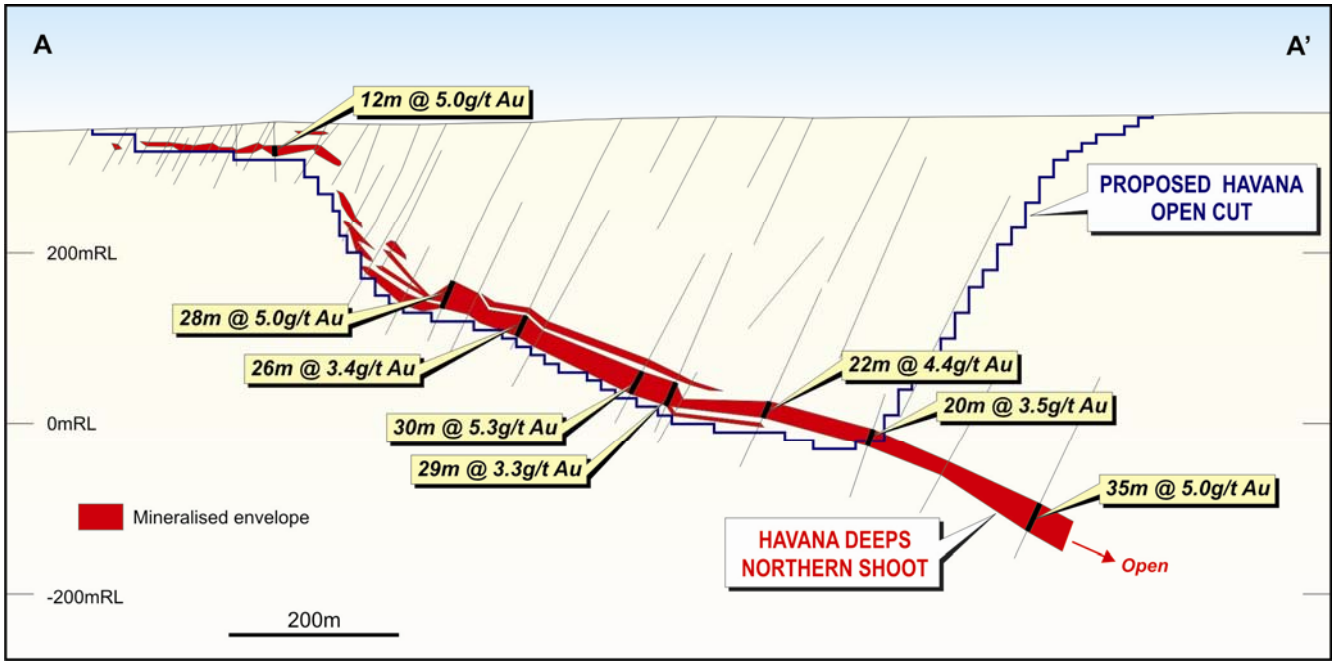


Figure 11: Tropicana JV – Havana Northern High Grade Shoot and Cross-Section, Havana Open-Cut Outline and Significant Intercepts (Approximate True Width)

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 5**).

Drilling by IGO and previous explorers has defined a gold mineralised system extending over a strike length of 1.1km and 0.5km down dip at the Francopan prospect beneath approximately 190m of Bangemall Basin cover sediments. Previously announced intercepts include 7m @ 4.6g/t, 6m @ 4.5g/t and 15m @ 3.0g/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.

Recent work has focused on the Bibra Prospect approximately 4km to the north of Francopan, where Archaean bedrock is not obscured by thick Bangemall cover.

Bibra Prospect

Previous work by IGO at Bibra defined gold mineralisation extending over 1km both along strike and down dip. Mineralisation is shallowly dipping to the west with good down dip continuity while along strike it is complicated by post-mineralisation structures.

Supergene gold is generally well developed in the oxide zone at Bibra**. An aircore drilling program commencing in late April to test the potential of supergene gold mineralisation over a 1,600m strike length to a vertical depth of 60m.** If this program indicates a viable target size it will be followed up by aircore and/or RC resource drilling.

In addition to testing the oxide potential at Bibra, IGO has commissioned a pole-dipole IP survey across the prospect to assist in identifying higher grade shoots beneath the oxide zone within the currently delineated main zone of mineralisation, as well as to identify new shoots at depth that may not have a surface geochemical expression. The IP survey commenced in late March and is expected to be completed by late April.

HOLLETON (IGO 90-100%)

The Holleton Project covers an area of 1,257 km^2 over the largely unexplored Holleton greenstone belt in the Southern Cross Province of the Archaean Yilgarn Craton (**Figure 5**).

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 shallowly buried north-south trending greenstone belts in the northern half of the project area. As announced previously, auger and soil geochemical programs have defined 8 high priority targets. Infill geochemistry and field checking during the quarter have highlighted three of these anomalies, Syme's Find, Della Bosca and Moses (**Figure 12**), as warranting drill testing.

The strongest anomaly is at Syme's Find (2.64g/t Au peak value) on the southern end of the eastern belt where a north east trending gold anomaly measuring 1.5km long by 0.5km wide at the plus 200ppb level has been defined.

An aircore drilling program of up to 230 holes for 6,500m to test all three prospects is planned to commence in May once all approvals have been received.

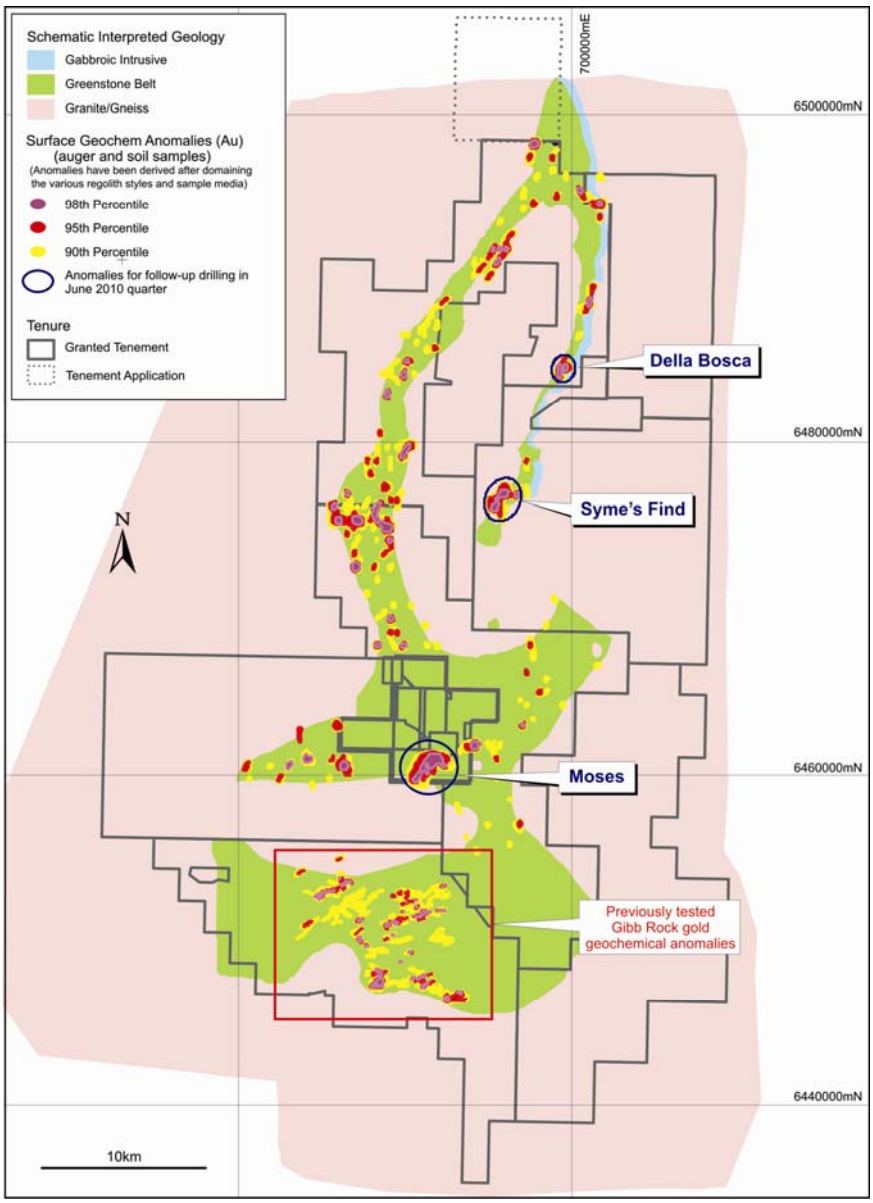


Figure 12: Holleton Project – Regional Geology, Tenure, Soil and Auger Gold Geochemical Anomalies and Drill Targets

DE BEERS DATABASE (IGO 100%)

In February 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 (**Figure 5**). 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, prospective for polymetallic base metals and gold mineralisation.

At the end of the quarter results had been received for approximately 26,000 samples covering fourteen 1:250,000 maps sheets plus one targeted area.

This work has generated a number of anomalies in gold, base metals and other commodities. Systematic prioritisation and field appraisal of these anomalies are progressing.

REGIONAL BASE METALS EXPLORATION

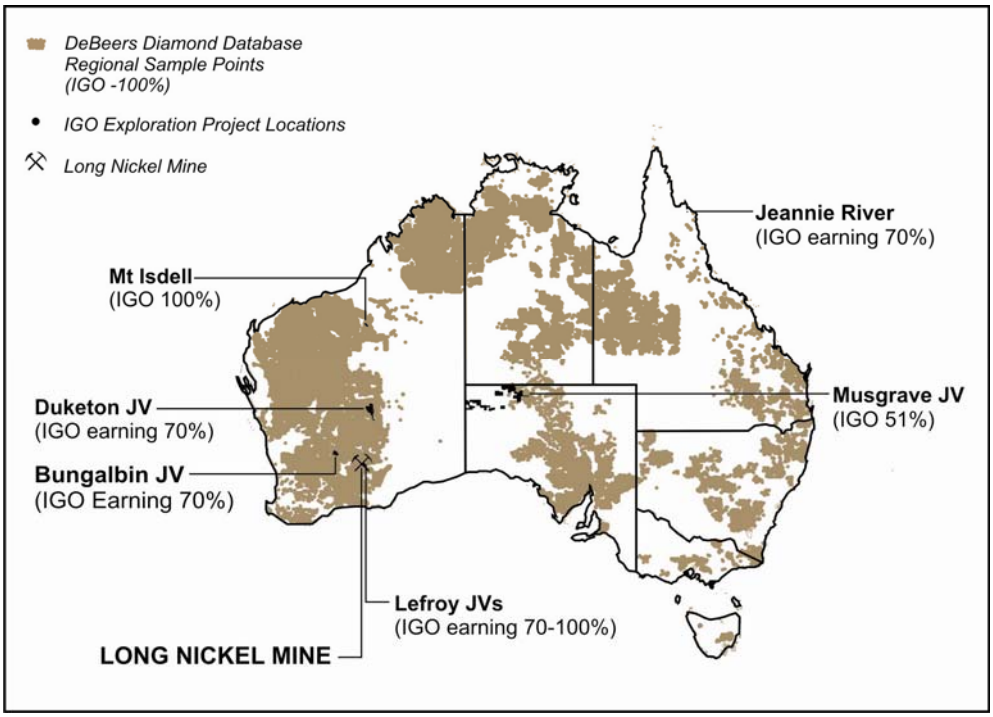


Figure 13: IGO Base Metal Project Locations

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 (**Figures 13 and 14**).

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: Rosie and C2. Other than these prospects much of the Bulge is yet to be effectively tested for nickel sulphide mineralisation at depth.

During the quarter IGO completed a combined RC and diamond drilling program at Rosie and C2 to further delineate the extent of mineralisation. Hole locations are listed in Table 3, drilling results are listed in Tables 4 and 5 and intersections are depicted on **Figure 16**.

The results of this drilling, announced in ASX releases by IGO on 8th March and 7th April 2010 and described below, are highly encouraging and the partners will apply for a mining lease that will cover known mineralisation from C2 through to Rosie.

Rosie Prospect

The Rosie Prospect is located centrally along the northern contact of the Bulge ultramafic (**Figure 15**).

The recent drilling program was designed to test selected parts of the target zone on 50-200m centres and also to test the strike extent of the mineralisation. A total of 15 holes were drilled, of which 13 holes effectively tested the target position (**Figure 16**).

As a result of this drilling mineralisation has now been intersected over a strike length of about 750m and a dip extent of over 400m. The program returned a number of high grade massive Ni-Cu-PGE sulphide intercepts including:

- **TBDD098: 3.3m @ 9.13% Ni, 1.09% Cu, 0.21% Co and 7.09g/t PGEs (2.20g/t Pt, 1.74g/t Pd, 0.82g/t Rh, 1.79g/t Ru)**
- **TBDD093: 1.8m @ 3.20% Ni, 0.41% Cu and 2.37g/t Pt+Pd**
- **TBDD086: 3.9m @ 2.23% Ni, 0.63% Cu and 2.51g/t Pt+Pd**
- **TBDD087: 2.41m @ 4.05% Ni, 0.74% Cu and 2.71g/t PGEs**

Massive nickel sulphide mineralisation intersected in hole TBDD098 has an ultramafic hanging-wall and sediment-free basaltic footwall, and is interpreted to represent a classic komatitic lava channel (**Figure 17**). However, the high copper, cobalt and platinoid assays are atypical of known lava channel nickel sulphides in Western Australia.

These true width intersections all occur at vertical depths greater than 450m and were not detectable using conventional surface TEM techniques. The application of IGO's proprietary high-powered transmitter to down-hole transient-electromagnetic (DHTEM) surveying of the shallower drill holes was instrumental in the discovery of high grade mineralisation.

The potential for further mineralisation is supported by DHTEM survey results from holes TBDD093 and TBDD098 which suggest that the strongest mineralisation is situated between these holes and continues steeply down plunge to the north-west. The locations of DHTEM conductive plates, indicative of massive sulphide mineralisation, are illustrated on **Figure 16**.

All samples listed in Table 4 have been analysed for Pt and Pd by a routine method. Samples from hole **TBDD098** were submitted for a higher precision analytical method covering all of the Platinum Group Elements (PGEs). Results from this are listed in Table 5. Results show that:

- the mineralisation in this hole also contains Rhodium (0.82g/t) and Ruthenium (1.79g/t) at elevated levels
- The grade of the Pt and Pd assays were 10% and 9% higher respectively by the higher precision method than the standard method
- **Total PGE content (for the 6 PGEs combined) for the 3.3m interval was 7.09g/t**.

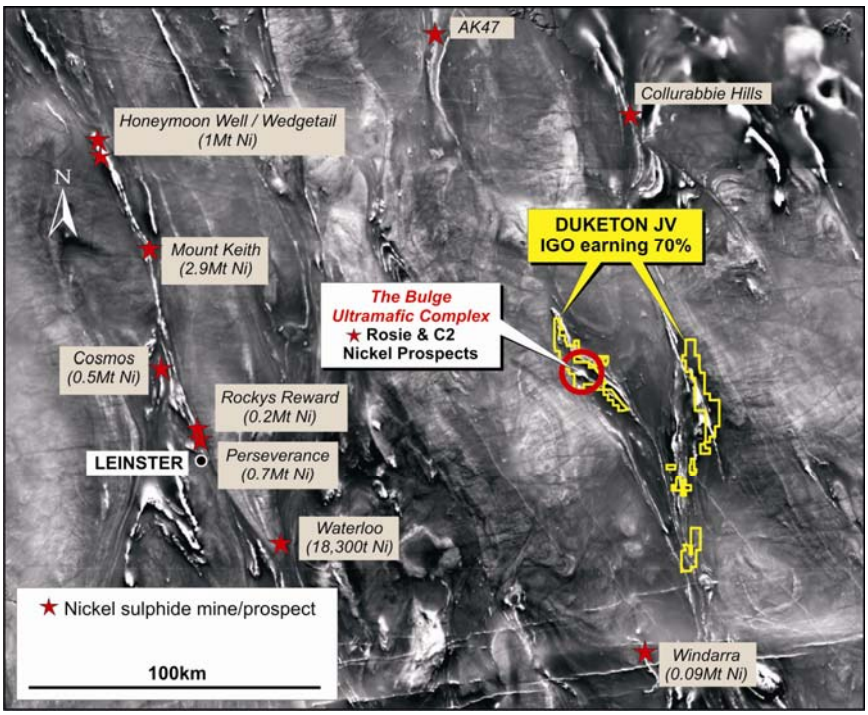


Figure 14: Duketon JV – Location Plan Over Magnetics Showing Locations of the Bulge Ultramafic Complex and Rosie and C2 Nickel Sulphide Prospects

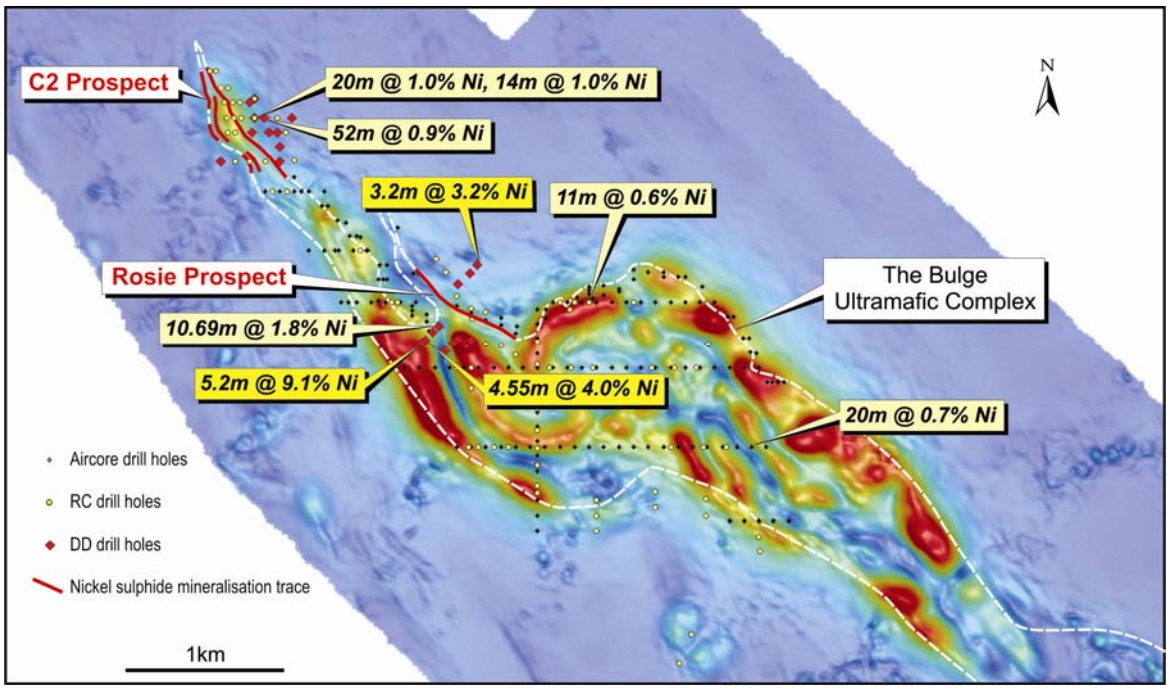


Figure 15: Duketon JV – Rosie and C2 Nickel Sulphide Prospects Drill Hole Locations and Significant Intercepts Over Aeromagnetic Image

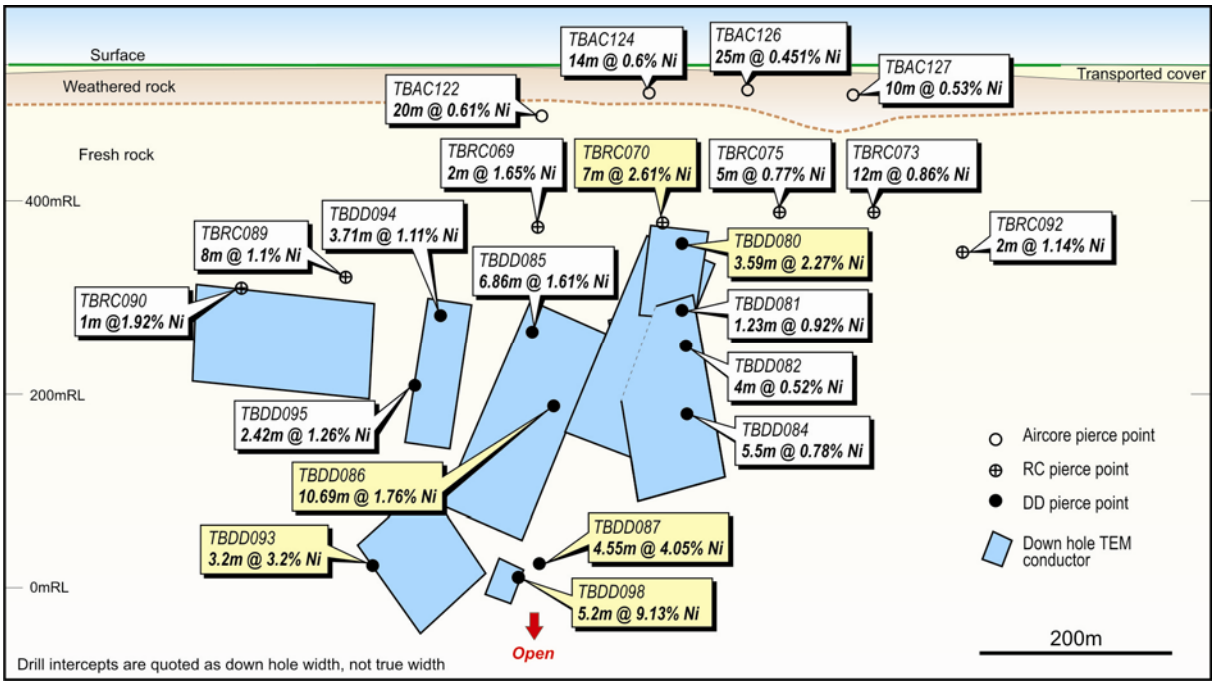


Figure 16: Duketon JV – Rosie Prospect Longitudinal Projection Showing Significant Drill Intercepts and Down-Hole TEM Conductors

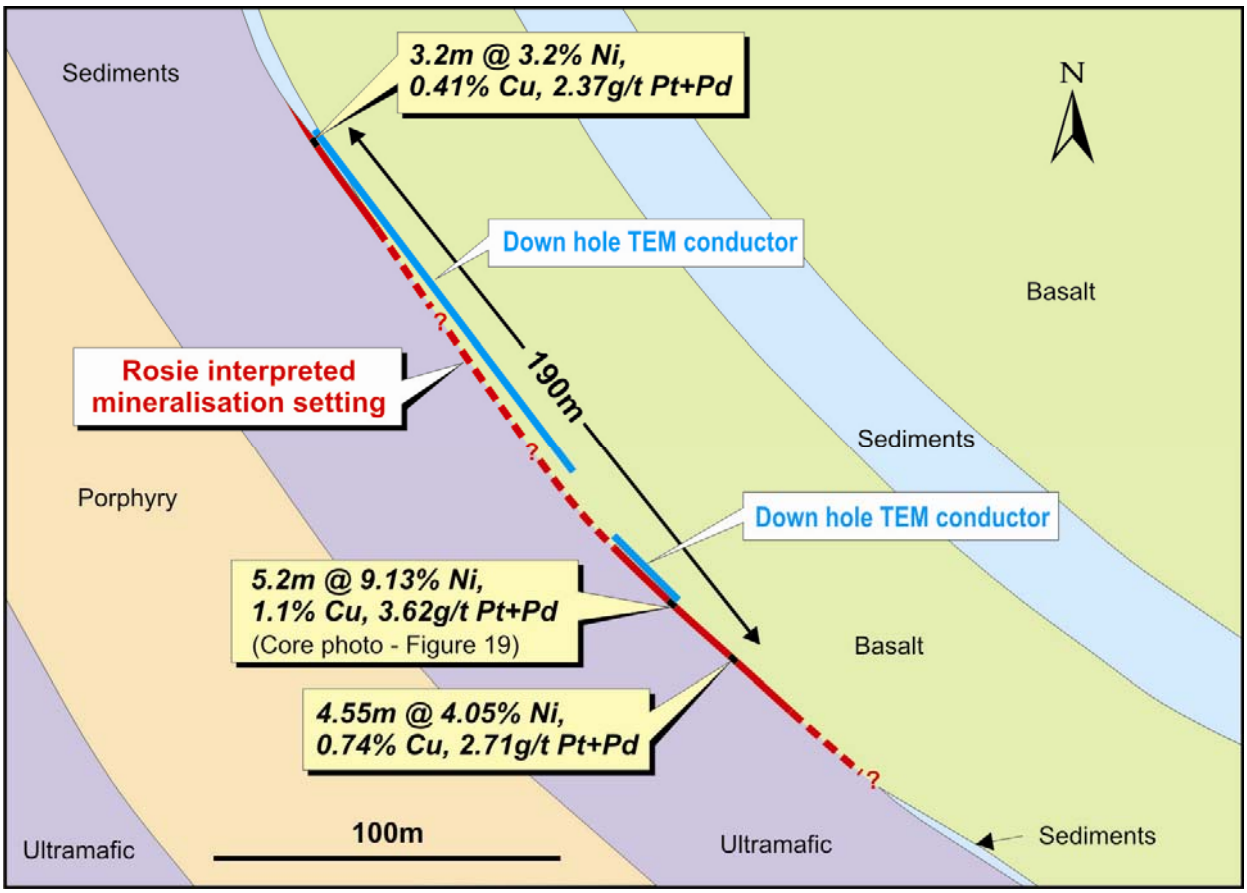


Figure 17: Duketon JV – Rosie Prospect Plan Approximately 500m Beneath the Surface Showing Significant Intercepts Down Hole TEM Conductors and Interpreted Nickel Sulphide Mineralisation Location

C2 Prospect

C2 is located towards the north-western end of the Bulge (**Figure 15**) where previous drilling has identified three zones (Eastern, Central and Western) of disseminated nickel sulphide mineralisation (best intersection 52m @ 0.92% Ni including 37m @ 1.05% Ni) and discrete blebby and stringer zones of higher grade mineralisation grading up to 3.34% Ni.

During the quarter a single diamond hole TBDD096 tested the continuity of C2 mineralisation, approximately 150m down contact from the previous intersection of 37m @ 1.05% Ni.

TBDD096 successfully intersected the mineralised zone returning a result of 9.7m @ 1.11% Ni within a broader zone of 25.5m @ 0.7% Ni. Mineralisation comprised disseminated, stringer and breccia sulphides. This is considered highly encouraging as it confirms the broad nature of disseminated mineralisation and the potential for more discrete higher grade massive sulphide zones similar to Rosie.

Table 3: Duketon JV –March 2010 Quarter Rosie & C2 Drill-Hole Details

Prospect	Hole Number	Easting (m)	Northing (m)	Azimuth (degrees)	Dip (degrees)	Precollar Depth (m)	Total Depth (m)
Rosie	TBDD081	402456	6943896	45	-60	251.1	330.9
Rosie	TBDD082	402430	6943870	45	-60	263.2	367
Rosie	TBDD084	402373	6943813	45	-60	298.9	452.2
Rosie	TBDD085	402331	6943984	38	-60	260	339.9
Rosie	TBDD086	402287	6943940	38	-60	299.1	441
Rosie	TBDD087	402235	6943889	35	-60	287	621.9
Rosie	TBRC089	402379	6944350	225	-60	292	292
Rosie	TBRC090	402313	6944439	225	-60	298	298
Rosie	TBRC092	402850	6943786	360	-60	249	249
Rosie	TBDD093	402593	6944400	225	-60	-	657
Rosie	TBDD094	402458	6994270	225	-60	220	337.1
Rosie	TBDD095	402937	6944347	225	-60	256.6	452
C2	TBDD096	401330	6945400	280	-60	293.1	610
Rosie	TBDD098	402214	6943867	35	-60	83.1	645.9

Table 4: Duketon JV – Rosie and C2 Prospects Significant RC and Diamond Drilling Results

Hole No.	Depth From (m)	Depth To (m)	Intercept Width (m)	Approx True Width (m)	Ni (%)	Cu (%)	Pt+Pd (g/t)
TBDD081	279.77	281.00	1.23	0.85	0.92	0.40	1.57
TBDD082	323.00	327.00	4.00	2.93	0.52	0.11	0.56
TBDD084	414.00	419.50	5.50	4.15	0.78	0.16	0.76
	418.52	419.50	0.98	0.74	1.69	0.25	1.88
TBDD085	301.00	307.86	6.86	3.43	1.61	0.35	0.97
	301.41	307.86	6.45	3.23	1.67	0.37	1.00
	305.31	307.86	2.55	1.28	2.27	0.53	0.96
TBDD086	399.31	410.00	10.69	6.0	1.76	0.72	1.81
	402.50	**409.54**	**7.04**	**3.94**	**2.23**	**0.63**	**2.51**
	402.50	405.51	3.01	1.69	2.92	0.59	3.53
	407.43	409.54	2.11	1.18	2.75	1.08	1.99
TBDD087	**575.31**	**579.86**	**4.55**	**2.41**	**4.05**	**0.74**	**2.71**
TBDD093	607.00	607.44	0.44	0.25	0.97	0.48	0.76
	608.71	610.50	1.79	1.0	1.34	0.12	0.38
	613.11	**616.31**	**3.20**	**1.79**	**3.20**	**0.41**	**2.37**
TBDD095	419.74	422.16	2.42	1.56	1.26	0.20	1.12
TBDD098	**599.71**	**604.91**	**5.20**	**3.3**	**9.13**	**1.09**	**3.94**

Table 5: Duketon JV - Rosie Prospect Platinoid Fire Assay Results for TBDD098 Massive Sulphide Zone

Hole ID	From (m)	To (m)	Pt g/t	Pd g/t	Rh g/t	Ru g/t	Os g/t	Ir(g/t)	6PGEs s /t
TBDD098	599.71	604.91	2.22	1.74	0.82	1.79	0.26	0.25	7.09

LAKE LEFROY JV'S (IGO EARNING 70% -100% NICKEL SULPHIDE RIGHTS)

At Lake Lefroy, approximately 20kms east of IGO's Long Nickel Mine, IGO is exploring for massive nickel sulphide mineralisation associated with untested or poorly tested ultramafic horizons interpreted from aeromagnetic data or known from previous drilling (**Figure 13**).

Gladiator JV

First pass SQUID TEM testing of ultramafic stratigraphy obscured by conductive lake sediments has defined a number of very large conductors over the Lisa's Dune target area. During the quarter, infill TEM confirmed that one of the conductors "Anomaly F" had a geometry and conductance consistent with massive sulphide mineralisation (**Figure 18**). Drill testing of this conductor will commence in late April.

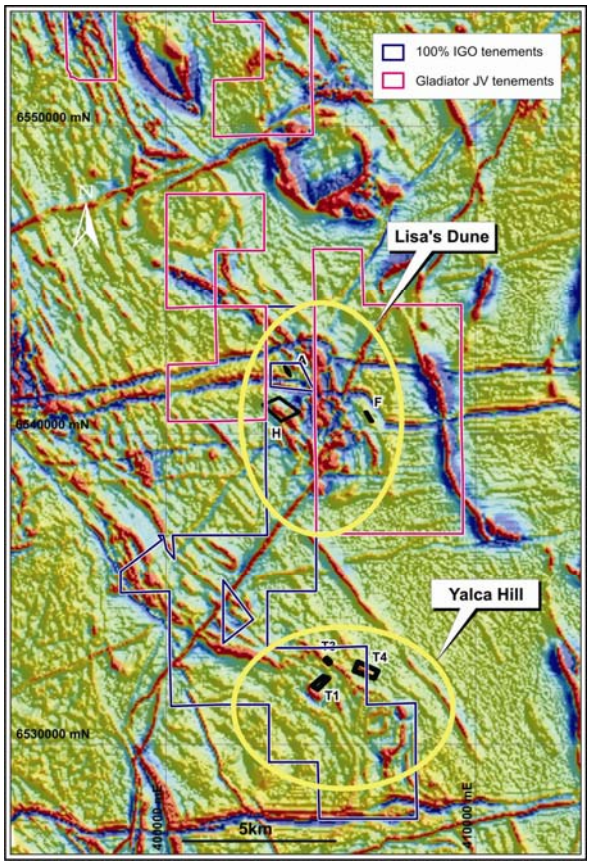


Figure 18: Lake Lefroy JV and 100% IGO Projects Plan Showing Prospects and TEM Conductors for Drill Follow-up

IGO 100%

Within the 100% owned portion of Lisa's Dune two TEM anomalies ("Anomaly A" and "Anomaly H") consistent with a massive sulphide signature, have been located adjacent to the western margin of the interpreted ultramafic stratigraphy and require drill testing (**Figure 18).** Anomaly H will be tested in late April, however Anomaly A is within a salt lake that is currently inundated with water and will be drill tested later in the year when the lake has dried out.

At the Yalca Prospect, limited historic AC drilling has outlined an area of nickel and copper anomalism in weathered ultramafic rock on the margin of a granite batholith. Maximum results intercepted in drilling were 3600ppm Ni and 1150ppm Cu. A TEM program has identified four strong bedrock conductors, **three of which are considered to have potential for massive nickel sulphide mineralisation**. Access clearance was completed during the quarter and a drill test is scheduled to commence in April.

Yamarna JV

The Yamarna JV tenements are located marginal to and within Lake Lefroy which is commonly prone to water inundation, making access only possible for limited periods. Interpreted ultramafic stratigraphy in the JV area has been tested in limited areas where access has been possible using Anglo American's proprietary SQUID TEM system. The survey, including any necessary detailed infill readings, will be completed once surface conditions are suitable and the SQUID system becomes available. This is expected to occur in H1 2010.

MUSGRAVE JV (IGO 51%/GOLDSEARCH 49%)

The Musgrave Joint Venture comprises tenements and applications covering approximately 18,000km^2 of the South Australian portion of the Musgrave block. Most of the project area is held under Aboriginal Freehold tenure and as a result has only been subject to cursory exploration in the past.

The principal target is Ni-Cu-PGE mineralisation associated with the feeder conduits and dykes forming part of the extensive mafic-ultramafic Giles Complex. Further to the west, Giles Complex intrusives host BHP Billiton's Nebo and Babel nickel sulphide discoveries. Other target types include Broken Hill type Zn-Ag-Pb, mineralisation, Iron Oxide Copper Gold mineralisation (Olympic Dam and Ernest Henry) and Mt Isa style epigenetic copper mineralisation.

During the quarter the Joint Venture partners reached an agreement with Mithril Resources Ltd (MTH) to vend the parties' respective exploration interests in the Musgrave into a new company, Musgrave Minerals, dedicated to exploring the combined exploration package. MTH's interests include 5 granted tenements and 25 exploration licence applications totalling some 32,000km2 which when combined with IGO/GSE tenure will result in Musgrave Minerals controlling some 50,000km2 of tenure in this poorly explored and highly prospective region (**Figure 19**).

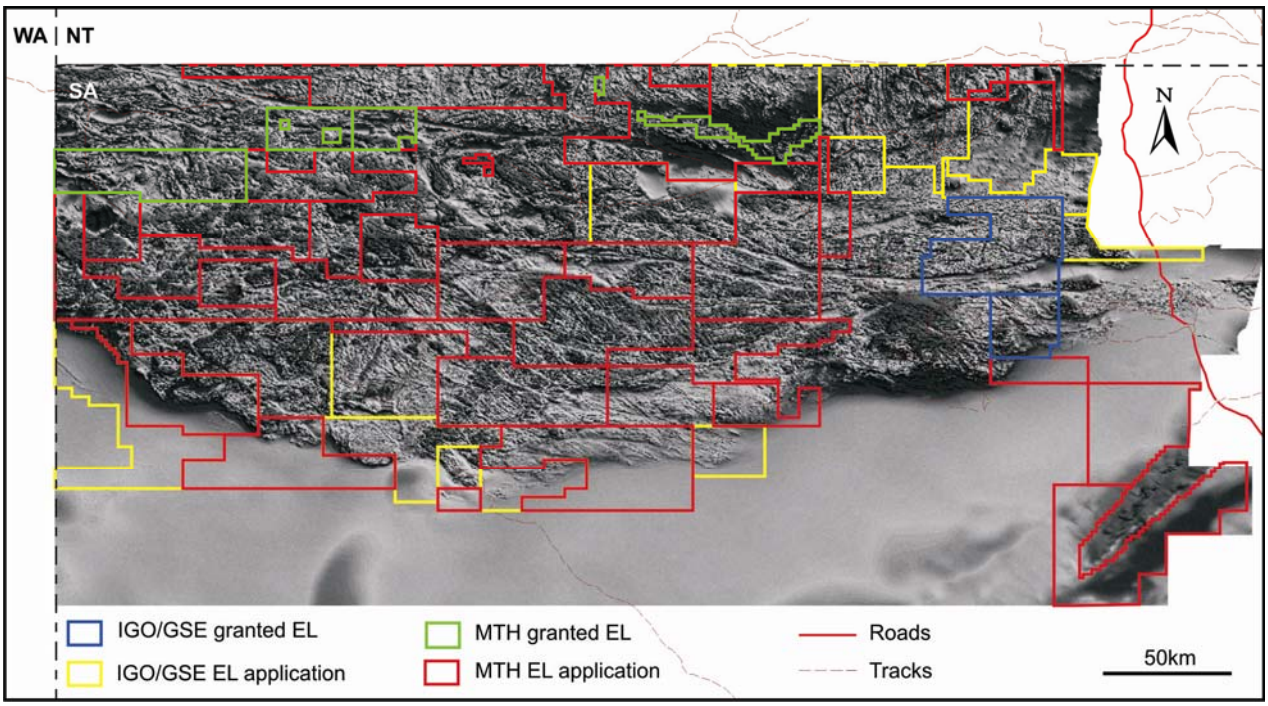


Figure 19: Proposed Musgrave Minerals Float - Musgraves Exploration Tenure Over Aeromagnetic Image

Under the terms of the Heads of Agreement, each company will transfer their respective exploration interests in the Musgrave region and provide initial seed capital to Musgrave Minerals.

IGO and GSE will be entitled to 30.6% and 29.4% respectively of the issued capital in the new entity. MTH which has the largest exploration interest in the Musgrave Province through a number of joint ventures and wholly owned tenements, will be entitled to 40%.

Each company will be represented on the Musgrave Minerals Board of Directors. The transfer of exploration interests is subject to the consent of respective joint venture parties, the Government of South Australia and the Anangu Pitjantjatjara Yankunytjatjara.

Musgrave Minerals will conduct an initial public offering of shares and will seek admission to the official list of the Australian Securities Exchange (ASX) and quotation of its shares prior to 30 April 2011.

In the period leading up to the IPO, the focus of Musgrave Minerals will be to advance current base metal and precious metal targets on granted tenure to a drill ready or near drill ready status.

This initiative is being undertaken by the parties to ensure that the unique prospectivity of this largely unexplored highly prospective region will have the focus and resourcing necessary to lead to potential new mineral discoveries in the most efficient and effective manner to the benefit of all shareholders.

BUNGALBIN JV (IGO EARNING 70% NON-IRON ORE RIGHTS)

IGO has entered into a JV with Cauldron Energy Limited whereby IGO may earn a 70% interest in the non-iron ore rights by expenditure of $2m within 5 years. IGO must complete a minimum of 100 line km of TEM before it may withdraw from the JV. Cauldron Energy has transferred its interest in the project to Fe Limited (formerly Buka Gold Limited).

The Bungalbin Project is located over the Marda-Diemals greenstone belt approx 108kms NE of Southern Cross (**Figure 13**). IGO considers the Bungalbin Project to have potential for the discovery of massive nickel sulphide deposits, as the project stratigraphy has similarities to the Lake Johnson Greenstone Belt to the south, which is host to the Maggie Hays and Emily Anne deposits. The project contains approximately 20km of strike of favourable cumulate ultramafic unit untested by modern exploration methods and only partly tested for nickel sulphides in the 1970's.

IGO has commenced TEM testing of the key ultramafic units and is expected to complete first pass coverage by the end of May.

MT ISDELL (IGO 100%)

The Mt Isdell Project covers an area of over 400 square kilometres and is located 35km south of the 26M ounce Telfer gold resource and 80km south-east of the Nifty Copper Mine (**Figure 13)**. The project straddles the same major NW 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 AC testing last quarter confirmed geochemical anomalism, however a more robust test using heavier drilling equipment is required to fully test the targets.

A review of TEMPEST airborne electromagnetic data flown by the Geological Survey in 2009 has highlighted a number of interesting conductive responses within the project tenure. One response is associated with the fold closure of a south east plunging synform, similar in characteristic to Nifty. A second more discrete response is coincident with surface Cu lag geochemical anomalism. It is planned to test both target areas for Nifty-style copper mineralisation via a program of detailed ground EM when access allows later in 2010.

ORRBÄCKEN JV (IGO EARNING UP TO 73%)

During the quarter IGO entered into a Joint Venture agreement with Mawson Resources Limited ("MAW") to earn up to a 73% interest in the Orrbäcken Ni-Cu-Co project The project is comprised of 3 exploration permits totalling 461 Ha held by MAW via an Option Agreement with local prospectors, and 1 exploration application of 5,160 Ha held directly by MAW located 10km from the regional centre of Skellefteå in north eastern Sweden.

Under the terms of the agreement IGO may earn up to 63% via exploration expenditure (A$2m) and staged option payments (total approximately A$260K) over 5 years. IGO may then earn a further 10% upon decision to mine and payment of a further A$850K (approximate Australian dollar equivalent).

Orrbäcken is a new nickel discovery which shows promising chemistry, scale and position in relation to gravity and magnetic datasets. The discovery consists of approximately 80 gabbroic boulders that form a 1.5km long glacial boulder train, 25 of which are mineralised and interpreted to be close to source. Four boulder samples were taken by the Swedish Geological Survey from the Orrbäcken discovery. Nickel 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 that have eventually been found to host economic deposits.

IGO plans to fly airborne magnetics in Q2 2010 with field work to follow. Should results be sufficiently encouraging, airborne and ground electromagnetic surveys are planned with follow-up diamond drilling during the northern winter of 2010/11.

JUNE QUARTER EXPLORATION PROGRAM

REGIONAL NICKEL/BASE METALS	Duketon:	Follow-up RC/DDH drilling at Rosie and C2.
	Lefroy:	DDH testing Yalca Hill and Lisa's Dune TEM targets for massive nickel sulphide mineralisation.
	Musgrave:	Review of muliti-element geochemical data. Continued Traditional Owner liaison.
	Bungalbin:	Completion of first-pass TEM testing of prospective ultramafics
	Orrbäcken:	Detailed aeromagnetics to delineate extents of potential host gabbro.
REGIONAL GOLD PROJECTS	Tropicana:	RC/DDH testing underground potential down-dip of Tropicana-Havana and along strike potential of Tropicana north of the Boston Shaker shear. RC/AC testing of priority regional prospects.
	Karlawinda:	Drill testing the oxide gold potential of the Bibra prospect. AC testing of regional gold targets.
	Holleton:	AC drill testing of 3 priority auger targets including Syme's Find.
	DeBeers:	Continued analysis of priority geochemical samples and field follow-up of anomalies.

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INDEPENDENCE GROUP NL
CHRISTOPHER M. BONWICK
MANAGING DIRECTOR

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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