



**INDEPENDENCE GROUP NL**  
ABN 46 092 786 304

19 April 2007

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

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### **QUARTERLY REPORT 31 MARCH 2007**

Independence Group NL is pleased to announce the highlights from the March 2007 quarter as follows:-

- Record production - 75,035t @ 4.06% Ni for 3,048 nickel tonnes
- Cash costs 15% below budget - A\$3.70 per payable pound of nickel
- Record quarterly NPAT of \$41.7 million
- Record cash and net receivables of \$146.0 million
- McLeay intercepts continue to extend mineralisation south of resources and reserves
- Drilling from the Long South exploration target returns intercept of 4m @ 3.2% Ni
- Numerous new high-grade gold intersections at Tropicana

Please see the March 2007 Quarterly Report for details.

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## QUARTERLY REPORT FOR THE THREE MONTHS ENDED 31 MARCH 2007

### GROUP HIGHLIGHTS

- **March quarter NPAT – a record \$41.7 million** (Dec \$24.1 million).
- **\$146.0 million cash and net receivables** (Dec \$78.2 million).
- **2006/7 interim and special dividends of 3 cents each** paid during the quarter (\$6.9 million).

### OPERATIONS HIGHLIGHTS

- **Record Production – 75,035t at 4.06% Ni** (Budget 51,075t @ 3.99%) for **3,048 Ni t**.
- Cash costs – **A\$3.70/lb** payable nickel (Budget A\$4.34), Revenue **A\$21.41/lb** (Budget A\$9.28/lb).
- McLeay Shoots 1 and 2 continue to extend south of June 2006 reserves by new drill intercepts including **6.8m @ 5.5% Ni (6.2m true width), 4.5m @ 10.9% Ni (4.0m true width) and 6.1m @ 4.1% Ni (3.0m true width)**. Mineralisation remains open to the south. Infill and step-out drilling continuing.
- **4m @ 3.2% Ni (3.0m true width) returned from drilling to test the Long South exploration target**. Other new EM conductors remain to be tested.

### EXPLORATION HIGHLIGHTS

#### GOLD

- Tropicana JV - Previously unreleased high-grade results from the **Tropicana Prospect** include:
    - 15m @ 19.8g/t Au from 200m
    - 26m @ 9.4g/t Au from 156m
    - 10m @ 16.7g/t Au from 200m
    - 13m @ 11.8g/t Au from 67m
    - 11m @ 10.5g/t Au from 139m
    - 13m @ 8.6g/t Au from 141m
    - 15m @ 6.9g/t Au from 175m
    - 15m @ 5.3g/t Au from 151m
    - 22m @ 4.9g/t Au from 44m
    - 23m @ 4.3g/t Au from 173m
    - 17m @ 4.6g/t Au from 293m
  - All intercepts approximate true width.
  - **Encouraging drill intercepts including 5m @ 5.3g/t Au and 2m @ 9.3g/t Au** from the **Hat Trick** anomaly, approximately 1.6km north-east of the Tropicana Prospect.
  - Scoping Study on open-cut mining of the Tropicana and Havana Zones in progress.
  - Dalwallinu - New bedrock gold anomalies along-strike from the Pithara Prospect.
  - Coomberdale - New bedrock gold anomalies.
- #### NICKEL
- Duketon JV - New drill intercept of **24m @ 0.56% Ni** indicative of potential for disseminated nickel sulphide mineralisation.
  - Wiluna JV - **1m @ 6.4% Ni and 2.5g/t Pt + Pd** intersected at the Bodkin Prospect.



## CORPORATE

### DIVIDEND

IGO paid fully franked dividends of 6 cents to shareholders on 14 March 2007, which comprised an interim dividend and a special dividend of 3 cents each.

### PROFIT

The estimated NPAT for the quarter is \$41.7 million. **The profit figures quoted in this report are subject to audit and finalisation of estimated nickel prices and USD/AUD exchange rates. Receivables and sales figures in this report are based on a nickel price of AU\$54,691/t.**

### ISSUED CAPITAL

At 24 April 2007: 114,599,557 ordinary shares and 4,118,400 unlisted options.

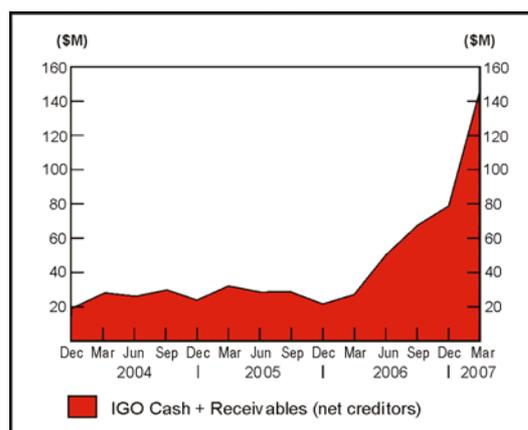
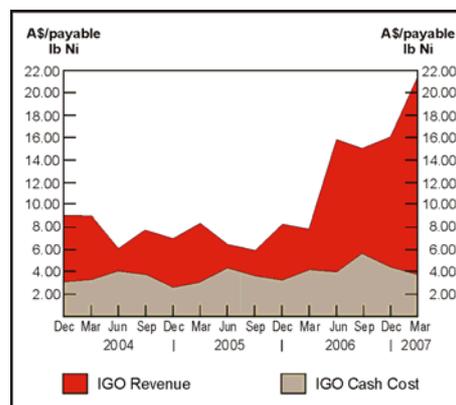
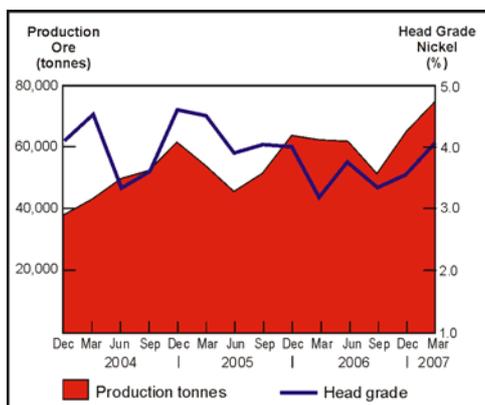
## CASH AND DEBT

### CASH RESERVES

- \$78.7 million cash (Dec \$47.7M).
- \$67.3 million nickel revenue in receivables net of creditors (Dec \$30.5M).
- Total cash and net receivables were \$146.0 million at the end of the quarter.
- **Unhedged receivables have been valued using AU\$54,691/t Ni.**

Major cash expenditure during the quarter was:-

- \$6.9 million shareholders' dividends.
- \$2.6 million spent on Long and regional exploration.
- \$5.4 million income tax payment.





#### DEBT AT END OF THE QUARTER

The Company owed \$2.2 million at the end of the quarter for leased mining equipment (Dec \$2.5m).

#### NICKEL SALES PRICE CALCULATION

Due to the off-take agreement the Company has with WMC Resources 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.

#### 2006/7 EXPLORATION EXPENDITURE & WRITE-OFF

- \$2.5 million exploration expenditure was incurred during the quarter. This includes expenditure on the Long South target exploration decline.
- \$3.6 million exploration expenditure was written off during the quarter.

#### HEDGING

- Hedged nickel metal remaining at the date of this report was 5,250t at AU\$18,058/t, which is scheduled to be delivered as follows:

2006/7	450t	Average AU\$17,835/t
2007/8	2,400t	Average AU\$17,670/t
2008/9	2,400t	Average AU\$18,489/t

## INVESTMENTS

#### SOUTHSTAR DIAMONDS LIMITED (IGO 50%)

Exploration continued on diamond indicator anomalies generated from the De Beers database, including diamond-bearing intrusives.

#### MATRIX METALS LIMITED (IGO 17.7%)

Matrix announced that final statutory approval has been received for the Mt Watson open-cut copper mine and the Leichhardt SXEW copper operations. Pre-production activities are continuing, with mining expected to commence in the June quarter and first production expected to occur in the September 2007 quarter. See Matrix Metals Limited's announcements for further details (ASX Code: MRX).

#### ATLAS IRON LIMITED

IGO and Western Australian Resources Ltd ("WAR") retain a 2% gross royalty on iron ore mined by Atlas, as well as a clawback right if the resource on the Goldsworthy tenure is more than 5 million tonnes of iron ore. IGO also has 1 million Atlas fully paid shares.

Atlas Iron Limited has announced an indicated resource of 2.16M tonnes @ 57.0% Fe at South Limb, which is on the Atlas/IGO/WAR Goldsworthy tenure. See Atlas Iron Limited's announcements for further details (ASX Code: AGO).



## MINING OPERATION

LONG NICKEL MINE  
 IGO 100%

### SAFETY

There were no Lost Time Injuries during the quarter. The Lost Time Injury Frequency Rate (LTIFR) since the mine re-opened in October 2002 is 3.4, which compares favourably to the Industry Average of 6.6.

### PRODUCTION

Production for the quarter was 75,035t at 4.06% Ni for 3,048 tonnes contained nickel, which was mined by the following methods:

Flat-back	7,675	t @	4.5%	Ni for	344	Ni t
Long-hole	32,373	t @	4.6%	Ni for	1,480	Ni t
Hand-held	14,647	t @	3.7%	Ni for	545	Ni t
Jumbo Development	20,340	t @	3.3%	Ni for	679	Ni t
<b>TOTAL</b>	<b>75,035</b>	<b>t @</b>	<b>4.1%</b>	<b>Ni for</b>	<b>3,048</b>	<b>Ni t</b>

Production was from the following areas:

Long	36,327	t @	3.7%	Ni for	1,323	Ni t
McLeay (development)	17,389	t @	4.1%	Ni for	704	Ni t
Victor South	21,319	t @	4.8%	Ni for	1,021	Ni t
<b>TOTAL</b>	<b>75,035</b>	<b>t @</b>	<b>4.1%</b>	<b>Ni for</b>	<b>3,048</b>	<b>Ni t</b>

Cash costs were A\$3.70/lb payable nickel (\$4.33 budgeted), which was 15% below budget.

The budget for the quarter was 51,074t @ 3.99% Ni for 2,037 tonnes of contained nickel, representing a 50% increase over budget in terms of contained metal.

Highlights in the March quarter included:

- Production was over budget in all areas of the mine as follows:

	Budget Ni t	Actual Ni t
Long	1,214	1,323
McLeay	208	704
Victor South	615	1,021
Total	2,037	3,048

- Extension of the McLeay 460mRL exploration drive to facilitate drilling for additional mineral resources.
- Completion of capital development in Victor South area.
- Introduction of a new employee bonus scheme.

### DEVELOPMENT

#### McLeay Decline

During the quarter 168 metres of capital development occurred in McLeay decline. The primary focus remains on extending the decline to facilitate additional accesses into the ore body.

In addition, 123 metres of capital development has been excavated on the 460 exploration drill drive. This heading is being extended to facilitate both infill and extensional drilling of the southern section of the McLeay ore body.

During the quarter production development continued in the 500 #1mRL and 515mRL.



### **Victor South**

29 metres of capital development was undertaken in Victor South during the quarter. A further 305 metres (240m in ore, 45m in waste) was undertaken as normal development. Normal development occurred in the 510, 505, 475 and 462mRLs.

### **Long**

A total of 398 metres of production development occurred in Long. The focus remains on the 16/4, 16/3 and 13/1 ore blocks. Rehabilitation of the northern section of the 14/1 pillars is progressing well and will continue into the next quarter.

### **QUARTERLY FORECAST**

The focus for the June quarter will be:

#### **McLeay**

- Complete accesses into and commence development of ore drives on the lower section of McLeay Shoot 1.
- Stopping to continue in the 500mRL and 515mRL horizons.

#### **Victor South**

- Stopping of ore from the 475, 462 and 456mRL horizons.
- Establishment of the first ore drive on Shoot 4.

#### **Long**

- Continued focus on rehabilitation of 14/1 northern pillars and stopping of the 14/1 southern pillars.
- Continuation of stopping in the 15/2, 16/4, and 16/3 ore blocks.

### **EXPLORATION**

The McLeay 460 Drill Drive was extended by 98m this quarter with 2 stockpiles developed for a total of 25m. This will allow the continuation of infill and extensional drill-testing of McLeay Shoots 1, 2 and 4 beyond current resource boundaries.

Drilling at McLeay continues to focus on Shoot 1 infill and conversion of existing resources to reserves.

Exploration drilling commenced at Long South, intersecting **4.0m @ 3.2% Ni** south of the current decline face.

The purchase of the Location 48 North lease was finalised this quarter enabling planning for exploration and drill testing of historical nickel mineralisation intersected north of the Long Nickel Mine.

#### **McLeay South Infill Drilling**

McLeay Shoot 1 southern extension 20m by 20m infill drilling continued this quarter with access now available to infill 160m of strike, south of the June 2006 reserve boundary. Drilling in the next quarter will aim to convert a further 100m to reserves by the June quarter and to extend the resource boundary a further 160m to the south.

Results confirm the continuity of the mineralisation of the Shoots (**Figure 1 and Tables 1 and 2**). Both Shoots 1 and 2 remain open to the south.



Significant new Shoot 1 intercepts outside June 2006 resources and reserves included:

<b>MDU-187</b>	<b>3.1m @ 5.3% Ni (2.0m true width)</b>
<b>MDU-216</b>	<b>4.5m @ 10.9% Ni (4.0m true width)</b>
<b>and</b>	<b>6.8m @ 5.5% Ni (6.2m true width)</b>
<b>MDU-217A</b>	<b>1.2m @ 12.7% Ni (1.2m true width)</b>
<b>MDU-244</b>	<b>2.5m @ 7.7% Ni (2.0m true width)</b>

Drill-testing Shoot 2 south of the June 2006 resources and reserves boundaries also intersected significant mineralisation (**Figure 2 and Table 2**) including:

<b>MDU-175</b>	<b>2.9m @ 5.5% Ni (1.5m true width)</b>
<b>MDU-176</b>	<b>3.2m @ 8.7% Ni (1.5m true width)</b>
<b>MDU-177</b>	<b>6.1m @ 4.1% Ni (3.0m true width)</b>
<b>MDU-181</b>	<b>3.1m @ 4.5% Ni (2.5m true width)</b>
<b>MDU-232</b>	<b>3.7m @ 4.8% Ni (2.5m true width)</b>
<b>MDU-259</b>	<b>3.4m @ 9.1% Ni (2.5m true width)</b>

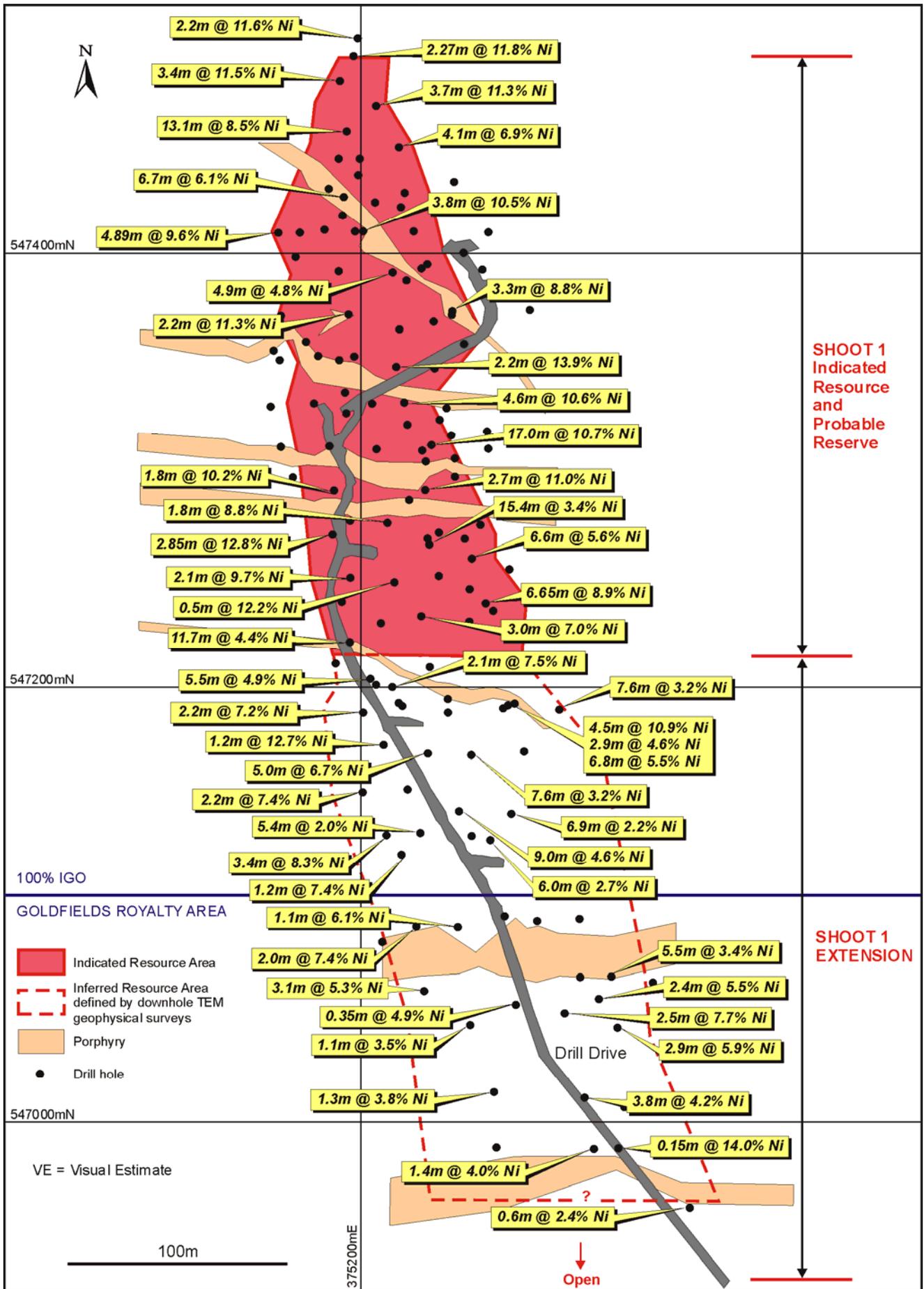


Figure 1: McLeay – Shoot 1 Plan Showing June 06 Reserve Boundary and Significant Intercepts South of the Current Reserve Boundary. Intersection Widths Are Down-Hole Widths.

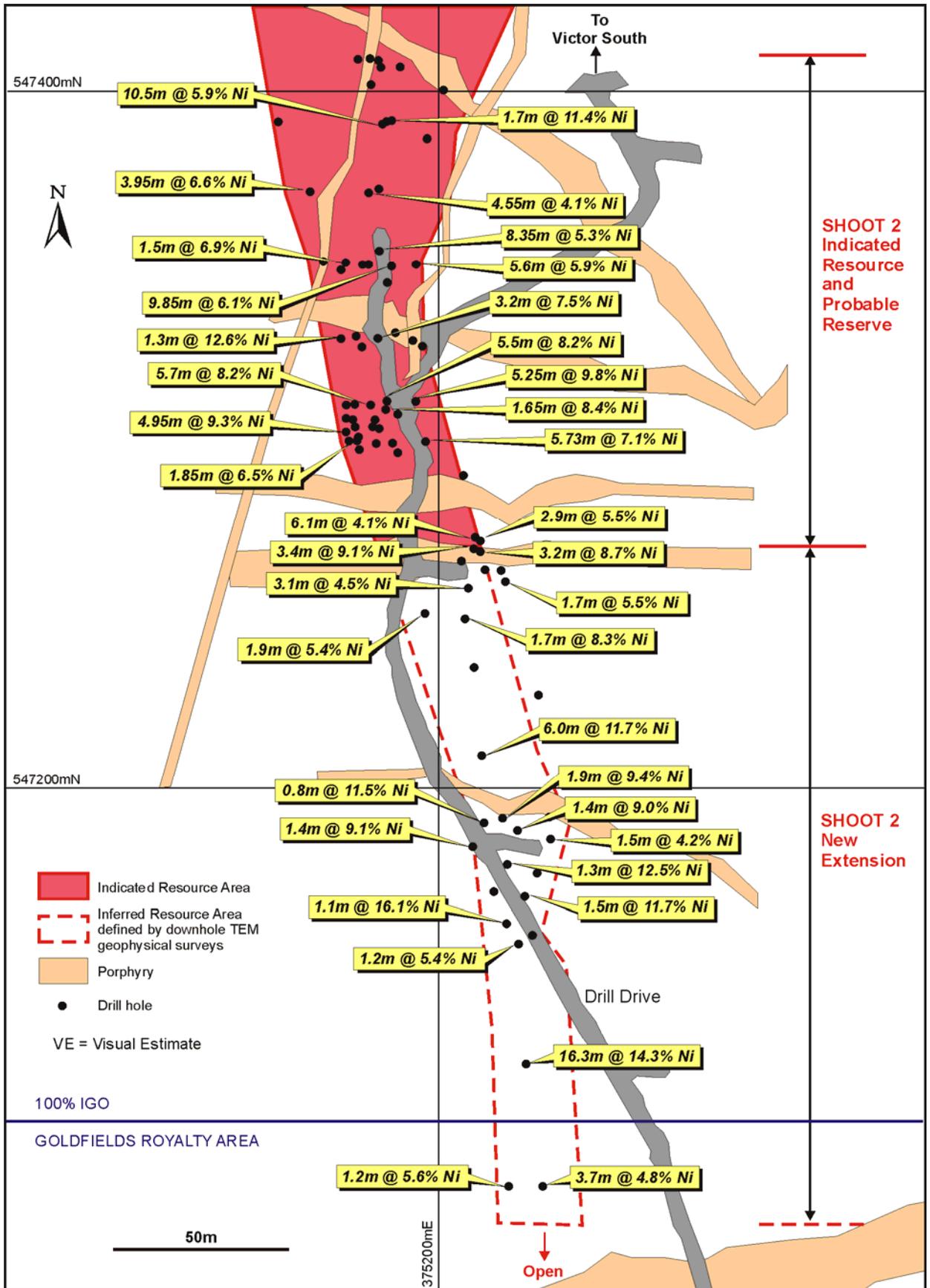


Figure 2: McLeay – Shoot 2 Plan Showing June 06 Reserve Boundary and Significant Intercepts South of the Current Reserve Boundary. Intersection Widths Are Down-Hole Widths.



**Table 1: McLeay Significant Infill Drilling Results – Shoots 1 and 4**

Shoot	Hole No.	Northing	Easting	RL	Azimuth	Dip	E.O.H	From	To	Width	True	Grade
		(m)	(m)	(m)	(degr)	(degr)	(m)	(m)	(m)	(m)	Width	Ni%
											(m)	
1	MDU-175	547264	375206	-452	31	-45	123	68.7	70.4	1.7	1.0	1.5%
1	MDU-176	547264	375206	-452	48	-50	123	67.3	69.2	1.9	1.5	1.1%
1	MDU-177	547264	375206	-452	43	-62	95	72.1	74.8	2.7	2.5	11.0%
1	MDU-178	547264	375206	-452	23	-84	90	71.4	73.2	1.8	1.5	8.8%
1	MDU-179	547261	375208	-452	72	-68	101	57.6	73.0	15.4	10.0	3.4%
1	MDU-181	547259	375207	-452	146	-80	100	69.8	70.3	0.5	0.5	12.2%
1	MDU-183	547259	375207	-451	130	-58	123	95.8	99.3	3.5	3.0	5%VE
1	MDU-261	547261	375208	-451	120	-61	108	89.2	99.2	10.0	5.0	6%VE
4	MDU-158	547185	375227	-451	39	-72	40	22.2	27.4	5.2	3.0	3.4%
4	MDU-170	547181	375226	-451	115	-41	184	50.4	51.4	1.0	1.0	4%VE
4	MDU-181	547259	375207	-452	146	-80	85	27.6	29.3	1.7	1.5	4%VE
4	MDU-182	547261	375208	-452	100	-54	130	16.8	16.8	2.0	2.0	9%VE
4	MDU-226	547181	375226	-451	193	-43	85	51.2	53.3	2.1	2.0	13.1%

**Table 2: McLeay Significant Extensional Drilling Results – Shoots 1, 2 and 4**

Shoot	Hole No.	Northing	Easting	RL	Azimuth	Dip	E.O.H	From	To	Width	True	Grade
		(m)	(m)	(m)	(degr)	(degr)	(m)	(m)	(m)	(m)	Width	Ni%
											(m)	
1	MDU-170	547181	375226	-451	115	-41	184	75.8	77	1.2	1.0	7.4%
1	MDU-174	547181	375226	-451	105	-51	174	69.9	75.3	5.4	3.0	2.0%
1	MDU-187	547130	375242	-449	188	-41	100	93.8	96.9	3.1	2.0	5.3%
1	MDU-202	547098	375258	-448	257	-57	83	61.0	63.0	2.0	2.0	7.4%
1	MDU-203	547098	375258	-448	242	-76	91	67.0	68.1	1.1	1.0	6.1%
1	MDU-206	547096	375263	-448	172	-85	101	72.9	76.5	3.6	3.0	2.9%
1	MDU-207	547096	375263	-448	105	-77	122	79.9	84.1	4.2	4.0	1.9%
1	MDU-208	547096	375263	-448	98	-67	136	103.4	106.0	2.5	2.0	1.1%
1	MDU-216	547182	375229	-451	75	-68	220	94.6	99.1	4.5	4.0	10.9%
1	MDU-216	547182	375229	-451	75	-68	220	103.0	106.0	3.0	2.0	4.6%
1	MDU-216	547182	375229	-451	75	-68	220	110.0	116.8	6.8	6.2	5.5%
1	MDU-217A	547181	375226	-451	235	-71	80	55.2	56.4	1.2	1.2	12.7%
1	MDU-218	547182	375229	-451	120	-72	135	84.9	85.7	0.8	0.8	8.1%
1	MDU-222	547130	375242	-449	156	-30	260	183.5	184.9	1.4	1.0	4.0%
1	MDU-225	547181	375226	-451	217	-49	75	55.0	58.4	2.2	3.0	7.4%
1	MDU-226	547181	375226	-451	193	-43	85	68.3	70.5	3.4	2.2	8.3%
1	MDU-243	547096	375261	-448	105	-56	131	94.6	95.7	1.1	1.0	3.5%
1	MDU-244	547096	375261	-448	1340	-62	146	101.1	103.6	2.5	2.0	7.7%



**Table 2: McLeay Significant Extensional Drilling Results – Shoots 1, 2 and 4 (continued)**

Shoot	Hole No.	Northing (m)	Easting (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H (m)	From (m)	To (m)	Width (m)	True Width (m)	Grade Ni%
2	MDU-175	547264	375206	-452	31	-45	130	9.8	12.8	2.9	1.5	5.5%
2	MDU-176	547264	375206	-452	48	-50	123	10.5	13.7	3.2	1.5	8.7%
2	MDU-177	547264	375206	-452	43	-62	95	10.0	16.1	6.1	3.0	4.1%
2	MDU-181	547259	375207	-452	146	-80	100	9.8	12.8	3.1	2.5	4.5%
2	MDU-182	547261	375208	-452	100	-54	114	17.1	18.9	1.7	1.5	5.5%
2	MDU-215	547184	375226	-451	314	-81	80	21.1	22.5	1.4	1.3	9.0%
2	MDU-217A	547181	375226	-451	235	-71	80	19.5	20.8	1.3	1.3	12.5%
2	MDU-224A	547185	375224	-448	308	-67	80	19.9	21.8	1.9	1.5	9.4%
2	MDU-226	547181	375226	-451	193	-43	85	26.1	27.3	1.1	1.0	16.1%
2	MDU-232	547098	375258	-448	253	-38	72	50.2	53.8	3.7	2.5	4.8%
2	MDU-233	547098	375258	-448	257	-26	71	43.0	44.3	1.2	1.0	5.6%
2	MDU-241	547259	375205	-451	164	-45	21	12.9	14.7	1.7	1.2	8.3%
2	MDU-242	547259	375205	-451	224	-15	25	12.0	13.9	1.9	1.5	5.4%
2	MDU-259	547264	375206	-451	120	-46	113	10.2	13.6	3.4	2.5	9.1%
4	MDU-164	547185	375229	-451	64	-80	88	24.5	26.0	1.5	1.5	4.2%

### Long South

Exploration drilling commenced at the southern end of the decline to test the southern strike continuation of existing sulphide intercepts (**Figure 3**).

The commissioning of the new Long South underground transmitter loop has dramatically improved electromagnetic data for drill targeting purposes. New TEM conductors have been defined at the northern and southern ends of the decline. The central section of the decline is yet to be re-surveyed using this new system.

Importantly a number of conductors, including a large conductor, were defined from holes previously surveyed using a surface loop which did not detect any conductors at the time.

One of the new TEM targets was drill tested and returned **4.0m @ 3.2% Ni from 99.0m (3m true width) in hole LSU-099**. The area appears to be structurally complex and evaluation of the target is currently in progress.

The larger conductor (**Figure 3**) is planned to be drill-tested next quarter.

Drill testing of TEM targets and further extensional drilling will continue next quarter, using a wireline drill rig to test at least 300m beyond the current drill drive face location.

Due to the latest results from Long South and its favourable location, the new underground loop will also be used when conducting future TEM surveys in McLeay and Victor South.

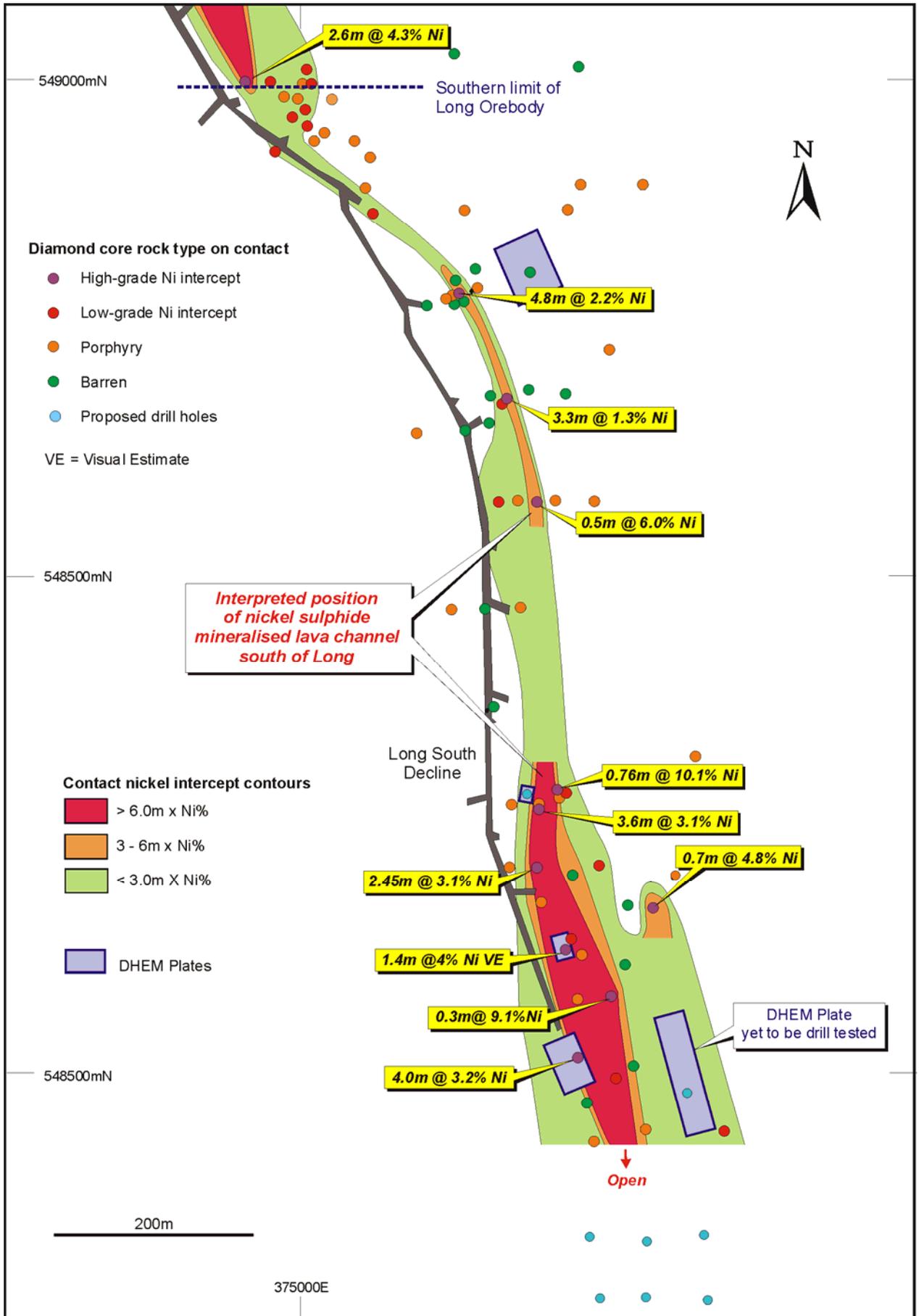


Figure 3: Long South Plan Showing Significant Drill Intercepts



### Long North

Exploration will commence on the recently acquired Location 48 North ground next quarter with EM survey and diamond drilling planned to test for nickel potential along strike of the Gibb-Victor-McLeay and Long-Long South channels to follow-up historical nickel mineralisation (**Figure 4**).

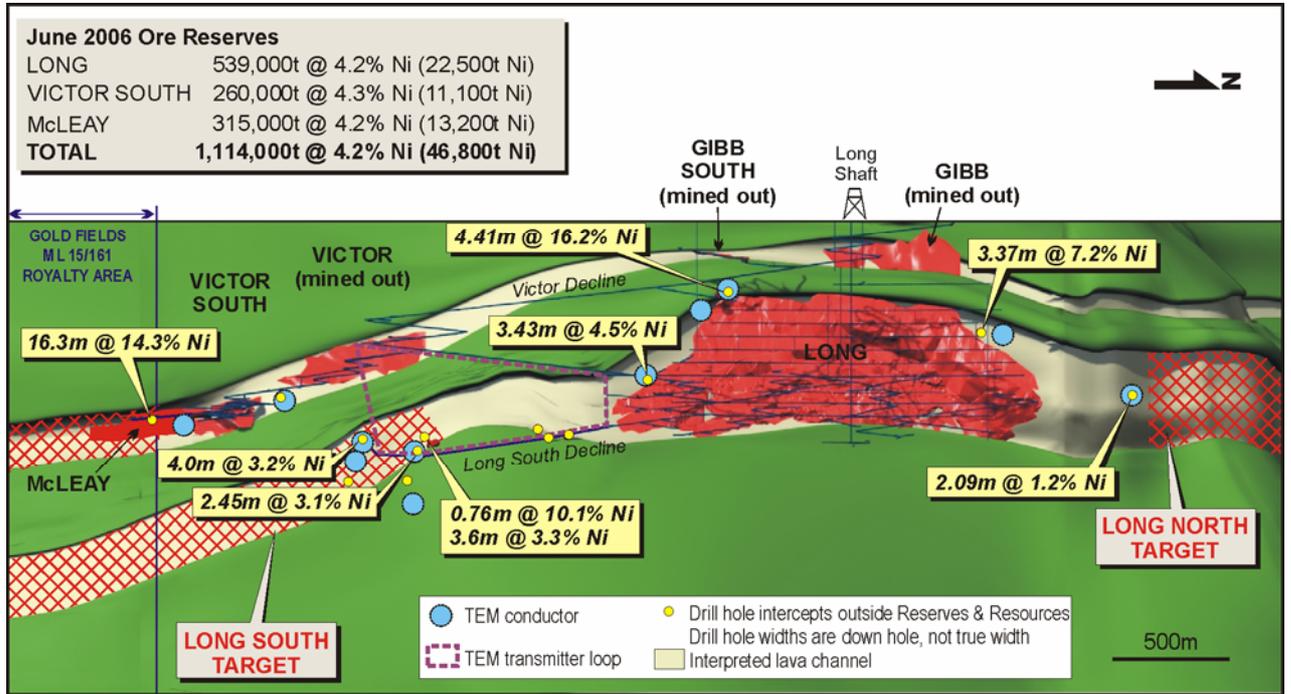


Figure 4: Long Mine Complex – Longitudinal Projection Showing Exploration Targets and June 06 Reserves



**LONG NICKEL MINE PRODUCTION SUMMARY**

	Note	Mar '07 Quarter	2006/7 FY to Date	Prev. Quarter (Mar '06)
<b>Mining Reserve (Dry Tonnes)</b>				
Start of Period		998,579	1,114,000	1,324,361
- ROM Production	1	(75,035)	(190,456)	(62,340)
End of Period		923,544	998,579	1,262,021
<b>Production Details:</b>				
Ore Mined (Dry Tonnes)	1	75,035	190,456	62,340
<b>Ore Milled (Dry Tonnes)</b>				
Nickel Grade (Head %)		75,035	190,456	62,340
Copper Grade (Head %)		4.06	3.69	3.18
		0.29	0.27	0.22
<b>Metal in Ore Production (Tonnes)</b>				
Nickel delivered	2	3,048	7,035	1,984
Copper delivered	2	215	510	140
<b>Metal Payable IGO share (Tonnes)</b>				
Nickel		1,828	4,153	1,150
Copper		69	206	56
<b>Hedging</b>				
Tonnes delivered into Hedge		450	1,350	972
Average Price (AU\$/t)		17,168	17,168	13,584

Note 1. Production is sourced from both reserves/inventory and outside reserves.  
 Note 2. The Recovery Rate is fixed with WMC 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%.

		A\$'000's	A\$'000's	
<b>Revenue/Cost Summary</b>				
Sales Revenue (incl. hedging)		86,436	171,827	19,865
Cash Mining/Development Costs		(8,069)	(23,743)	(6,712)
Other Cash Costs	3	(6,851)	(16,277)	(3,750)
Depreciation/Amortisation/Rehabilitation		(2,987)	(7,011)	(2,038)
<b>Total Unit Cost Summary</b>				
		<b>A\$/lb Total Metal Produced</b>	<b>A\$/lb Total Metal Produced</b>	
Cash Mining/Development Costs		1.20	1.53	1.54
Other Cash Costs	3	1.02	1.05	0.86
Depreciation/Amortisation/Rehabilitation		0.44	0.45	0.47
<b>Revenue/Cost Summary</b>				
		<b>A\$/lb Payable Metal</b>	<b>A\$/lb Payable Metal</b>	
Sales Revenue (incl. hedging)	4	21.41	18.75	7.84
Cash Mining/Development Costs		2.00	2.59	2.65
Other Cash Costs	3	1.70	1.78	1.48
Depreciation/Amortisation/Rehabilitation		0.74	0.77	0.80

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		0	1	0
- Medically Treated IFR		103.5	76.7	53.4
- Nickel Productivity Rate	5	104.6	80.4	67.7

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

**Development/Exploration Drilling**

	Metres	Metres	
Development	1,726	3,857	939
Production	1,871	3,889	1,623
Exploration	1,097	6,626	1,942
	<u>4,694</u>	<u>14,372</u>	<u>4,504</u>



## REGIONAL GOLD EXPLORATION

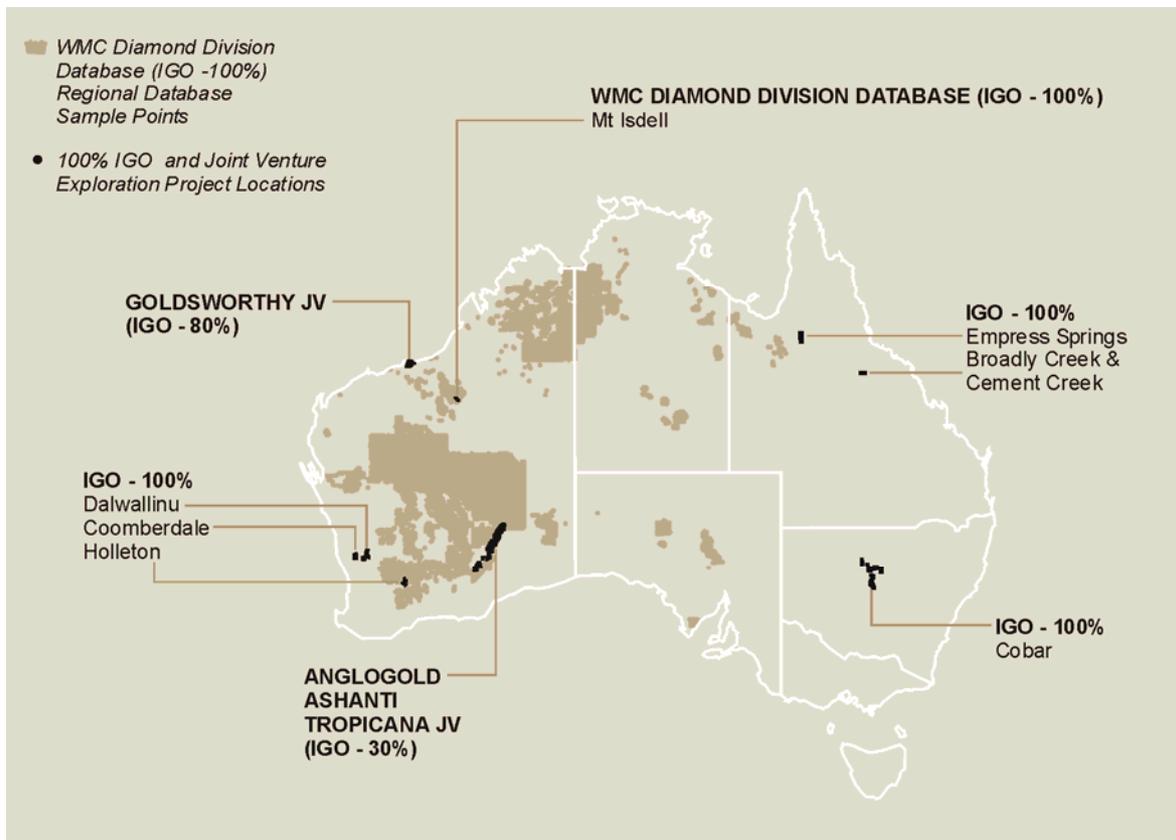


Figure 5: IGO Gold Project Locations

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

The Tropicana Joint Venture comprises approximately 12,260 km<sup>2</sup> of largely unexplored tenure over a strike length of 330km along the Yilgarn Craton – Fraser Range Mobile Belt collision zone.

#### Project Status

- Project manager AngloGold Ashanti Australia Ltd (“AGA”) is currently completing a Scoping Study on the Tropicana Prospect (Tropicana and Havana Zones), based on open cut resources only.
- AGA has advised that the preliminary results of the Scoping Study are encouraging, however drilling is not yet at a density to enable JORC compliant resources to be estimated. Infill drilling is continuing and AGA aims to complete a resource estimate during the second half of 2007.
- AGA has commenced exploration to locate a suitable water resource and has also initiated baseline flora and fauna studies.

#### Highlights during the quarter

AGA completed 60,588m of drilling during the quarter with the focus being the on-going delineation of the extensive Tropicana and Havana mineralised zones and follow-up AC drilling of regional surface geochemical anomalies.

- Diamond and RC drilling continued at the Tropicana Prospect with some exceptional results returned from the Havana Zone.



- Drilling at the Hat Trick Prospect, north-east of the Tropicana Prospect, returned encouraging gold intercepts, while regional geochemical drilling also identified numerous new gold anomalies on the Tropicana Project tenure.

### Details

Infill 50m x 50m drilling continued at the Tropicana and Havana Zones of the Tropicana Prospect. Three metallurgical testwork and four geotechnical diamond holes were also completed during the quarter.

#### *Havana Zone*

Most of the drilling undertaken was infilling existing gold mineralisation and drilling down-dip.

Some exceptional results were returned from the southern high-grade shoot at Havana including the following:

**15m @ 19.8g/t Au from 200m**  
**26m @ 9.4g/t Au from 156m**  
**10m @ 16.7g/t Au from 200m**  
**13m @ 11.8g/t Au from 67m**  
**11m @ 10.5g/t Au from 139m**  
**13m @ 8.6g/t Au from 141m**  
**15m @ 6.9g/t Au from 175m**  
**15m @ 5.3g/t Au from 151m**  
**22m @ 4.9g/t Au from 44m**  
**23m @ 4.3g/t Au from 173m**  
**17m @ 4.6g/t Au from 293m**

All these intercepts are interpreted to be true width. Other new significant results are included in **Table 3**.

Mineralisation at the Havana Zone is still open down plunge and down-dip (**Figures 6-8**), however drilling on a 200m x 100m spacing indicates that economic mineralisation has been closed off to the south.

#### *Tropicana Zone*

Only limited drilling was completed at the Tropicana Zone, however results from drilling in the December quarter were received including:

**38m @ 3.9g/t Au from 116m** (not true width)  
**20m @ 3.3g/t Au from 198m** (not true width)  
**12m @ 4.0g/t Au from 190m** (true width)

Significant new results are listed in **Table 4**.

Mineralisation at the Tropicana Zone is open down-dip and closed off to the north by a post mineralisation fault. The northern off-set position is yet to be located.

#### *Regional - Hat Trick Anomaly*

RC drilling testing the Hat Trick auger anomaly (located 1.6km north-east of the Tropicana Prospect) returned 5m @ 5.3g/t Au and 2m @ 9.4g/t Au (interpreted true width), indicating potential for additional mineralisation along-strike from Tropicana (**Table 5** and **Figure 9**). Follow-up drilling is planned for Hat Trick.



*Regional – Beachcomber 1 Prospect*

Angled drilling is yet to test beneath the 3m @ 65.8g/t Au intercept at Beachcomber 1, located 220km south-west of Tropicana (**Figure 10**).

*Regional – Other*

Auger and AC drilling concentrated on sampling areas proximal to the Tropicana Prospect to identify targets that may require drill-testing.

AC drilling was completed at the Kamikaze, Zombie, Stromboli, Rusty Nail, and Double Vision (previously Hat Trick North) prospects as well as up-dip and down-dip of the current resource areas testing for repetitions of the Tropicana and Havana Zones.

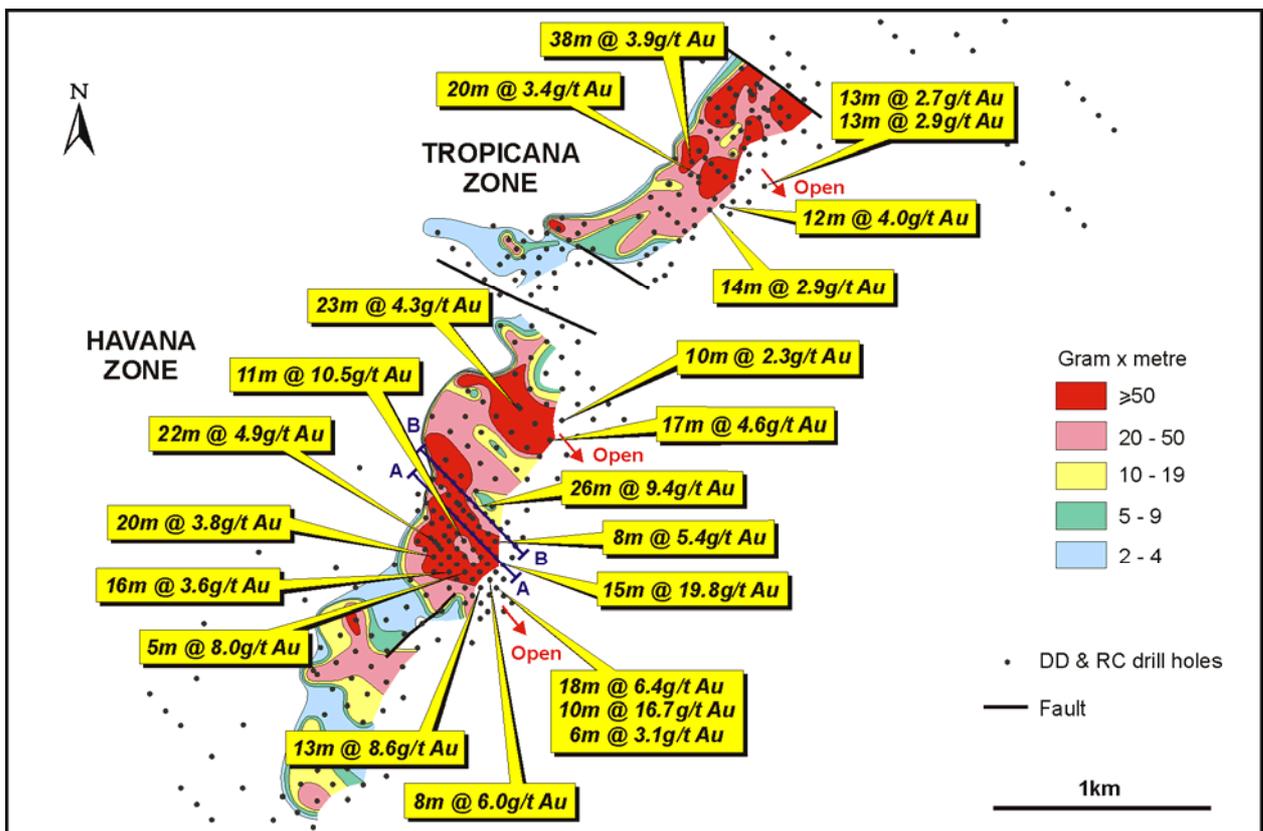
Encouraging first pass AC results have been returned from an area north of Hat Trick (called Double Vision) with several 4m composite results >0.3g/t Au.

At Zombie, a number of intersections, including 12m @ 0.16 g/t Au, better define an anomalous zone running southwest of Havana. At Double Vision, numerous intersections have defined a new target for several kilometres north along-strike from Tropicana.

In addition, at Stromboli and Rusty Nail, significant zones of sericite/biotite/pyrite alteration have been intersected. Analysis of the samples from these areas is being prioritised and should be returned during May.

During the next quarter, AC drilling will concentrate on in-filling those areas of anomalous results to better define targets for RC drilling.

Anomalous results are shown in **Table 6** and **Figure 11**.



**Figure 6: Tropicana JV – Tropicana Prospect Plan Showing Significant New Intersection Locations and g/t Au x thickness (m) Contours Projected Vertically to the Surface and Interpreted Faults**

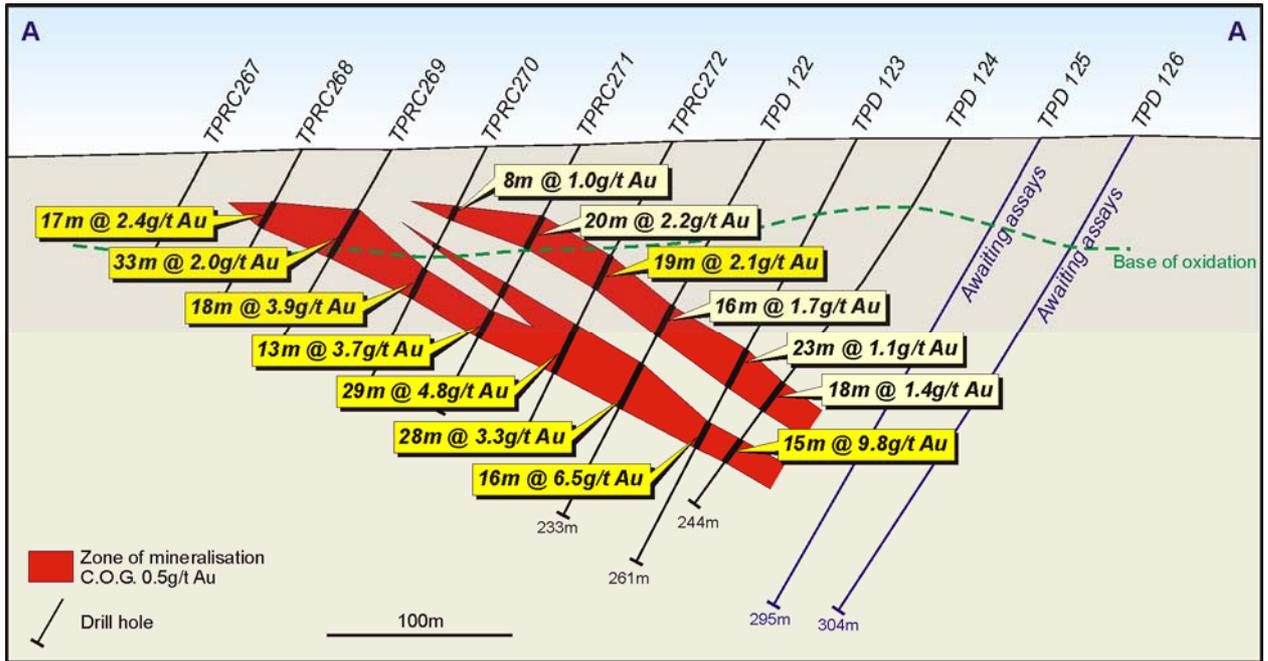


Figure 7: Tropicana JV – Havana A-A 141,550mN Cross Section Showing Significant Drill Hole Results (Refer to Figure 6 for Location)

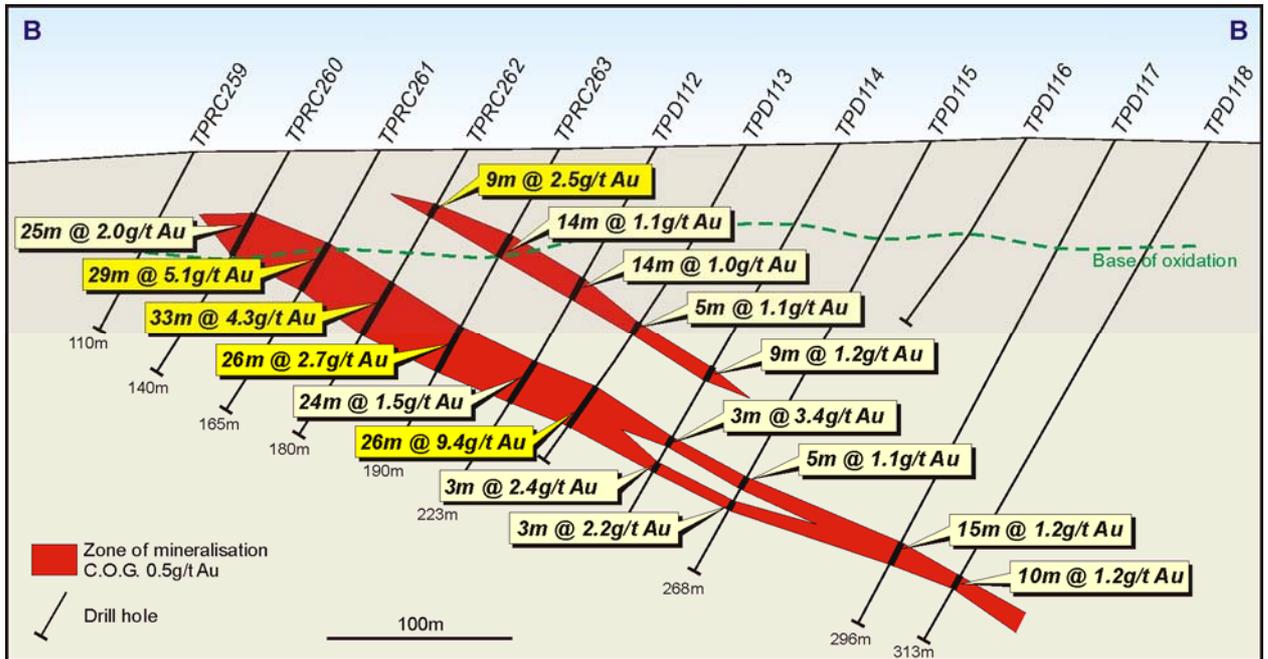


Figure 8: Tropicana JV – Havana B-B 141,650mN Cross Section Showing Significant Drill Hole Results (Refer to Figure 6 for Location)

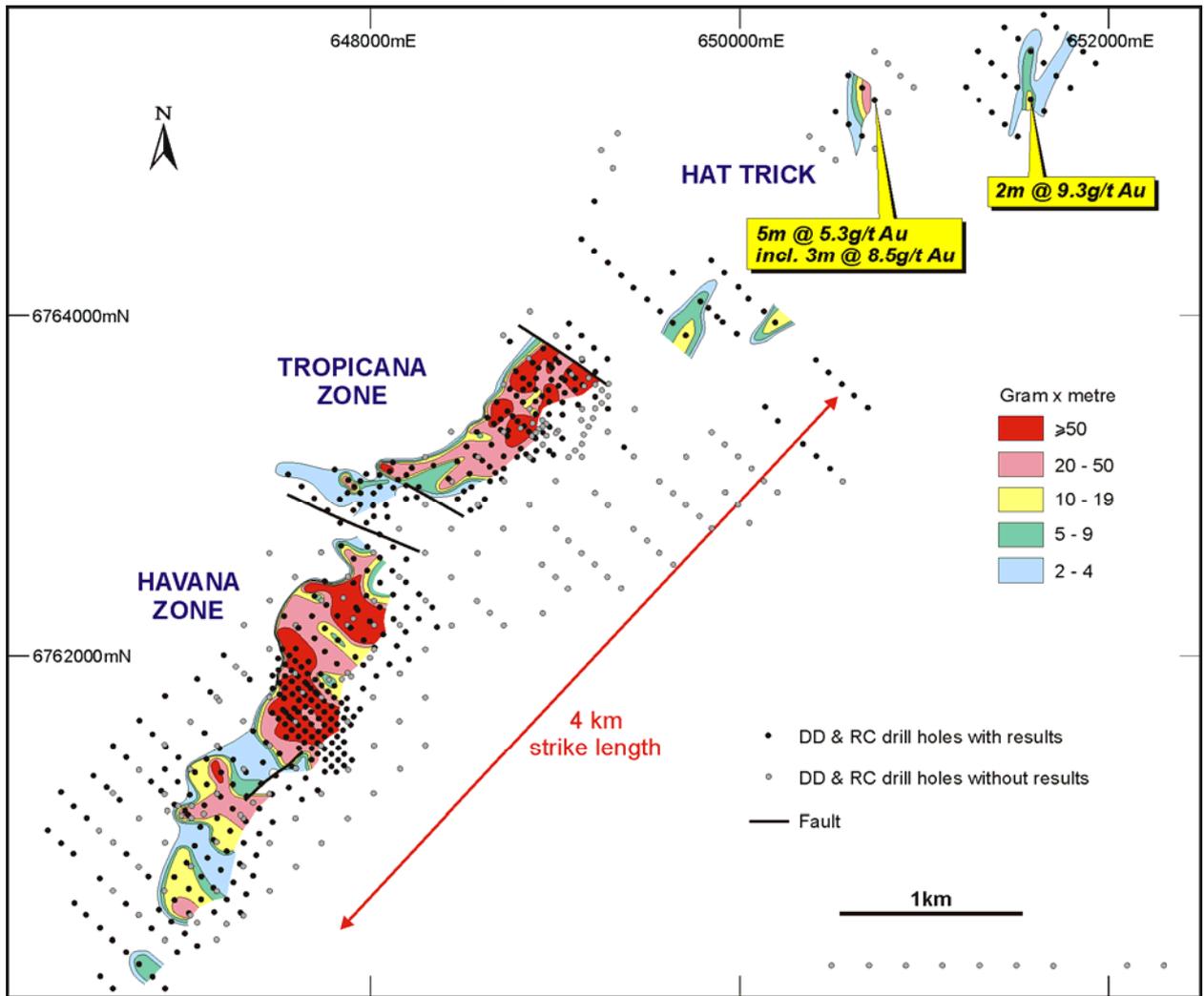


Figure 9: Tropicana JV – g/t Au x Thickness (m) Contours Showing Location of Hat Trick Prospect in Relation to Tropicana and Havana Zones

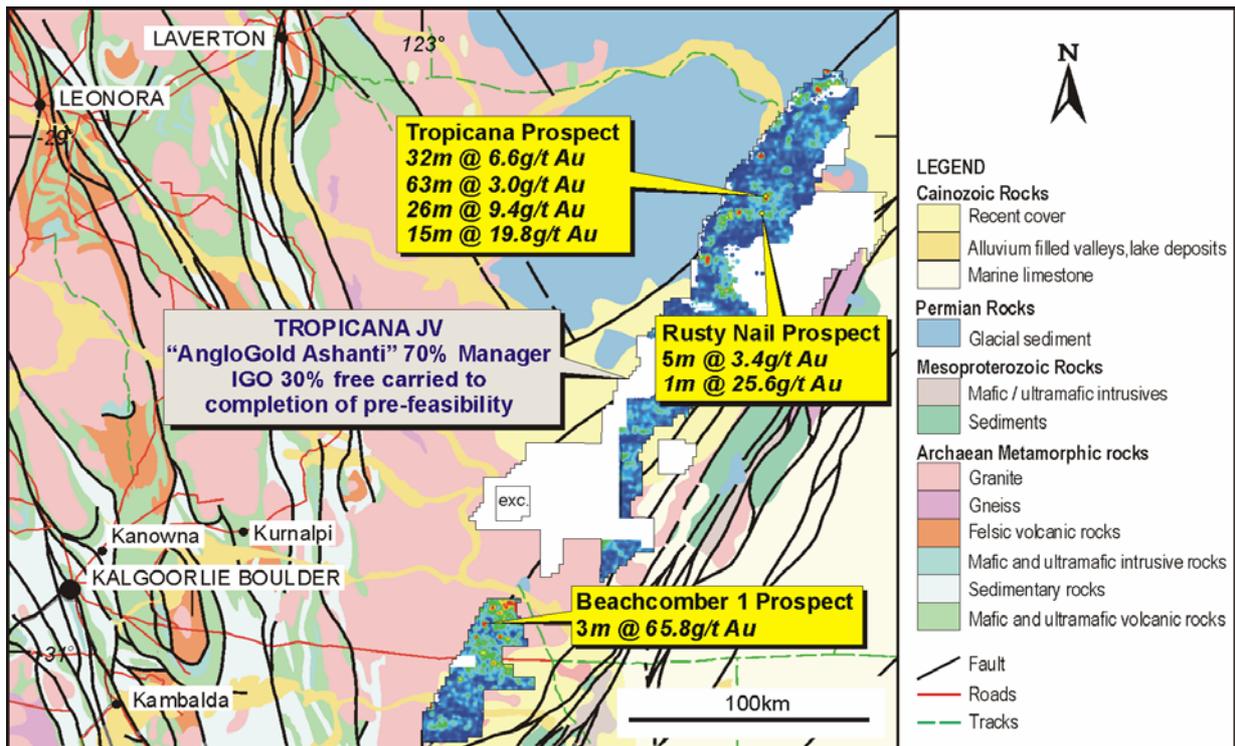


Figure 10: Tropicana JV – Regional Geochemical Gold Anomalies and Location of the Beachcomber 1 Drill Intercept

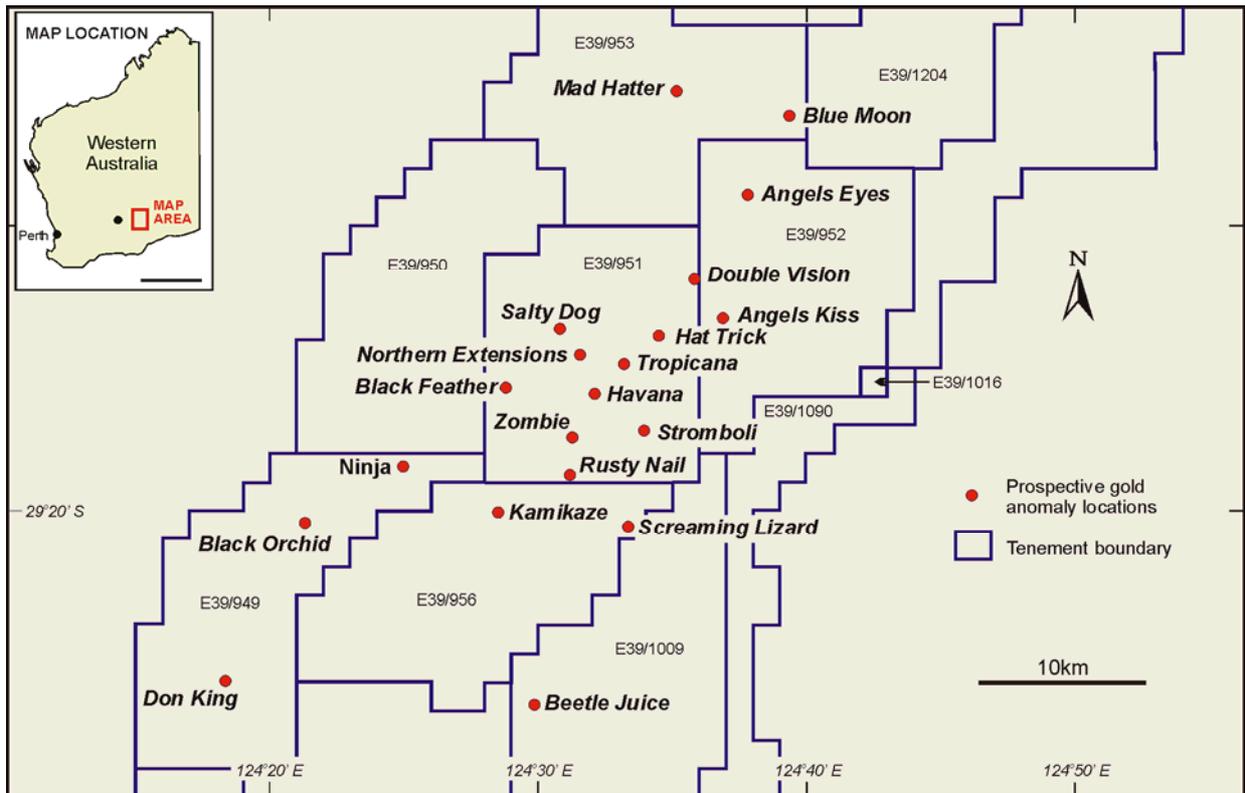


Figure 11: Tropicana JV – Plan Showing Location of Other Gold Prospects in the Vicinity of Tropicana Prospect

### Joint Venture Background

The Tropicana project was generated by Independence Group NL and was one of the projects contained in the Company’s 2002 IPO prospectus. The project was joint ventured to AngloGold Ashanti Australia Limited on 30 January 2002.

The Tropicana Prospect, comprising the Tropicana and Havana Zones is the first discovery within this extensive tenement package and the Joint Venture partners are targeting a multi-million ounce gold deposit. Extensive extension and infill drilling is currently underway to bring the target to a JORC-compliant resource level.

In addition to the high level of activity at the Tropicana Prospect, regional surface sampling and follow-up drilling are continuing at a number of regional locations throughout the project area.



**Table 3: Tropicana Prospect – Havana Zone – Significant Drill Intercepts**

Hole No.	Northing (m)	Easting (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H (m)	From (m)	To (m)	Intercepts
<b>Havana Diamond Drill Holes</b>									
TPD083	6762135	650060	357	319	-61	364	276 <i>Incl.</i> 278 288 <i>Incl.</i> 293	285 284 310 310	9 m @ 2.1 g/t Au 6 m @ 2.9 g/t Au 22 m @ 3.7 g/t Au 17 m @ 4.6 g/t Au
TPD085	6761991	650199	360	319	-58	484	369 379 <i>Incl.</i> 379 <i>Incl.</i> 389 <i>Incl.</i> 394	371 402 382 391 402	2 m @ 7.7 g/t Au 23 m @ 1.6 g/t Au 3 m @ 3.1 g/t Au 2 m @ 2.8 g/t Au 8 m @ 2.2 g/t Au
TPD098	6761110	649388	357	315	-57	274	144 158 <i>Incl.</i> 161	154 166 163	10 m @ 1.2 g/t Au 8 m @ 2.9 g/t Au 2 m @ 9.1 g/t Au
TPD099	6761039	649459	358	310	-55		245 <i>Incl.</i> 247	250 250	5 m @ 3.7 g/t Au 3 m @ 5.6 g/t Au
TPD113	6761835	649724	365	316	-57	205	50 115 156	52 120 182	2 m @ 1.6 g/t Au 5 m @ 1.1 g/t Au 26 m @ 9.4 g/t Au
TPD114	6761801	649761	366	314	-60	241	186 <i>Incl.</i> 191 197	188 194 200	2 m @ 2.1 g/t Au 3 m @ 3.5 g/t Au 3 m @ 2.4 g/t Au
TPD120	6761674	649811	368	319	54	414	218 <i>Incl.</i> 221	229 229	11 m @ 4.1 g/t Au 8 m @ 5.4 g/t Au
TPD121	6761604	649885	367	319	-55	354	219 <i>Incl.</i> 220 273	238 225 281	19 m @ 1.8 g/t Au 5 m @ 4.0 g/t Au 8 m @ 3.4 g/t Au
TPD122	6761711	649705	367	321	-62	233	107 139 <i>Incl.</i> 151	123 167 166	16 m @ 1.7 g/t Au 28 m @ 3.3 g/t Au 15 m @ 5.3 g/t Au
TPD123	6761677	649741	368	318	-63	261	174 <i>Incl.</i> 175	190 190	16 m @ 6.5 g/t Au 15 m @ 6.9 g/t Au
TPD124	6761641	649776	368	318	-56	244	200	215	15 m @ 19.8 g/t Au
TPD127	6761679	649667	366	320	-63	214	82 <i>Incl.</i> 82 136 <i>Incl.</i> 139	101 98 151 150	19 m @ 1.9 g/t Au 16 m @ 2.0 g/t Au 15 m @ 7.9 g/t Au 11 m @ 10.5 g/t Au
TPD128	6761604	649742	367	321	59	232	182 <i>Incl.</i> 182	187 186	5 m @ 3.7 g/t Au 4 m @ 4.4 g/t Au
TPD130	6761463	649813	368	325	-62	271	155 200 <i>Incl.</i> 200 220 <i>Incl.</i> 225	173 216 210 232 231	18 m @ 6.4 g/t Au 16 m @ 10.8 g/t Au 10 m @ 16.7 g/t Au 12 m @ 1.9 g/t Au 6 m @ 3.1 g/t Au
TPD143	6762288	649912	355	317	-61	314	162 <i>Incl.</i> 173	196 196	34 m @ 3.2 g/t Au 23 m @ 4.3 g/t Au



Hole No.	Northing (m)	Easting (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H (m)	From (m)	To (m)	Intercepts
<b>Havana Diamond Drill Holes (continued)</b>									
TPRC209D	6762224	650113	356	315	-59	341	286 <i>Incl. 287</i>	297 297	11 m @ 2.1 g/t Au 10 m @ 2.3 g/t Au
TPRC242D	6761638	649710	367	314	-57	259	103 111 <i>Incl. 113</i> <i>Incl. 127</i> 152 169 <i>Incl. 169</i>	108 133 123 131 154 173 172	5 m @ 1.2 g/t Au 22 m @ 2.1 g/t Au 10 m @ 3.4 g/t Au 4 m @ 1.8 g/t Au 2 m @ 1.7 g/t Au 4 m @ 7.8 g/t Au 3 m @ 10.1 g/t Au
<b>Havana RC Drill Holes</b>									
TPRC285	6761533	649741	367	320	-56	180	88 <i>Incl. 88</i>	91 90	3 m @ 4.8 g/t Au 2 m @ 6.8 g/t Au
TPRC286	6761499	649782	368	314	-64	198	188 <i>Incl. 188</i>	198 196	10 m @ 5.0 g/t Au 8 m @ 6.0 g/t Au
TPRC287	6761673	649533	362	328	-60	110	44 70 <i>Incl. 75</i>	67 78 77	23 m @ 4.7 g/t Au 8 m @ 2.4 g/t Au 2 m @ 4.8 g/t Au
TPRC288	6761605	649598	364	317	-63	150	62 <i>Incl. 66</i> 81 <i>Incl. 86</i> <i>Incl. 100</i>	77 71 114 96 108	15 m @ 1.2 g/t Au 5 m @ 2.2 g/t Au 33 m @ 1.4 g/t Au 10 m @ 1.5 g/t Au 8 m @ 2.3 g/t Au
TPRC289	6761534	649671	358	312	-54	160	34 <i>Incl. 34</i> 54 88 <i>Incl. 98</i> 121 <i>Incl. 122</i>	41 40 58 107 106 129 127	7 m @ 1.7 g/t Au 6 m @ 1.9 g/t Au 4 m @ 2.2 g/t Au 19 m @ 1.0 g/t Au 8 m @ 1.4 g/t Au 8 m @ 5.3 g/t Au 5 m @ 8.0 g/t Au
TPRC290	6761462	649741	367	318	-62	180	141 <i>Incl. 141</i>	158 154	17 m @ 6.7 g/t Au 13 m @ 8.6 g/t Au
TPRC292	6761640	649490	362	316	-59	100	9 <i>Incl. 10</i>	15 15	6 m @ 2.5 g/t Au 5 m @ 2.8 g/t Au
TPRC293	6761604	649528	362	313	-58	140	31	51	20 m @ 3.8 g/t Au
TPRC294	6761571	649562	363	316	-60	150	34 45 <i>Incl. 46</i>	37 73 64	3 m @ 3.1 g/t Au 28 m @ 2.0 g/t Au 18 m @ 2.3 g/t Au
TPRC295	6761533	649599	364	316	-62	150	52 <i>Incl. 57</i>	85 73	33 m @ 2.1 g/t Au 16 m @ 3.6 g/t Au
TPRC296	6761501	649634	365	316	-59	180	54 <i>Incl. 67</i>	82 80	28 m @ 5.9 g/t Au 13 m @ 11.8 g/t Au

*All intercepts approximate true width.*



**Table 4: Tropicana Prospect – Tropicana Zone – Significant Drill Intercepts**

Hole No.	Northing (m)	Easting (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H (m)	From (m)	To (m)	Intercepts
<b>Tropicana Diamond Drill Holes</b>									
TPD044	6763213	650961	338	316	-58	292	252 <i>Incl. 256</i>	276 269	24 m @ 1.9 g/t Au 13 m @ 2.9 g/t Au
TPD046	6763192	650841	339	325	-64	225	186 <i>Incl. 190</i>	202 202	16 m @ 3.2 g/t Au 12 m @ 4.0 g/t Au
TPD047	6763567	651103	341	316	-58	265	179 <i>Incl. 181</i>	190 188	11 m @ 1.7 g/t Au 7 m @ 2.3 g/t Au
TPD060	6763393	650700	341	48	-59	219	96 112 <i>Incl. 116</i>	106 154 154	10 m @ 1.0 g/t Au 42 m @ 3.6 g/t Au 38 m @ 3.9 g/t Au
TPD061	6763328	650734	341	49	-57	270	154 <i>Incl. 157</i> <i>Incl. 184</i> 191 <i>Incl. 198</i>	188 160 188 220 218	34 m @ 1.5 g/t Au 3 m @ 3.7 g/t Au 4 m @ 3.2 g/t Au 29 m @ 2.6 g/t Au 20 m @ 3.3 g/t Au
TPD062	6763185	650986	338	316	-58	320	268 <i>Incl. 276</i>	289 289	21 m @ 2.0 g/t Au 13 m @ 2.7 g/t Au
TPRC111D	6763078	650531	340	326	-59	180	116	140	24 m @ 1.2 g/t Au
TPRC187D	6763178	650785	343	318	-57	208	159 <i>Incl. 163</i>	177 177	18 m @ 2.4 g/t Au 14 m @ 2.9 g/t Au

*All intercepts approximate true width except holes TPD060 and TPD061.*

**Table 5: Hat Trick Anomaly – Significant Drill Intercepts**

Hole No.	Northing (m)	Easting (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H (m)	From (m)	To (m)	Intercepts
<b>Hat Trick Diamond Drill Holes</b>									
TPRC446D	6765264	652729	337	310	-57	171	97 <i>Incl. 99</i> 123 <i>Incl. 123</i>	102 102 126 125	5 m @ 5.3 g/t Au 3 m @ 8.5 g/t Au 3 m @ 1.8 g/t Au 2 m @ 2.4 g/t Au
<b>Hat Trick RC Drill Holes</b>									
TPRC427	6765264	653578	341	313	-58	150	33	35	2 m @ 9.3 g/t Au
TPRC433	6765406	653719	343	313	-56	200	81	83	2 m @ 1.3 g/t Au
TPRC439	6765547	653861	344	315	-59	177	157	159	2 m @ 1.4 g/t Au
TPRC445	6765335	652658	337	312	-57	150	93	97	4 m @ 2.2 g/t Au

*All intercepts are interpreted to approximate true width.*



**Table 6: Gold Anomalous Regional Geochemical Drill Holes in the Vicinity of Tropicana Prospect**

Hole No.	Northing (m)	Easting (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H (m)	From (m)	To (m)	Intercepts
HTA127	6770100	656100	319	0	-90	36	28	32	4 m @ 0.3 g/t Au
HTA144	6770100	657800	319	0	-90	51	40	44	4 m @ 1.8 g/t Au
HTA158	6769500	654500	325	0	-90	39	28	32	4 m @ 0.3 g/t Au
HTA188	6769500	657500	319	0	-90	18	8	12	4 m @ 0.1 g/t Au
HTA200	6768700	654300	328	0	-90	57	40	44	4 m @ 0.2 g/t Au
HTA237	6768300	654200	329	0	-90	33	24	28	4 m @ 0.3 g/t Au
HTA252	6768300	655700	331	0	-90	29	20	24	4 m @ 0.2 g/t Au
HTA254	6768300	655900	331	0	-90	41	28	32	4 m @ 0.1 g/t Au
HTA312	6767500	654900	336	0	-90	30	16	20	4 m @ 0.1 g/t Au
HTA322	6767100	653100	331	0	-90	30	24	28	4 m @ 0.2 g/t Au
HTA342	6766700	652300	330	0	-90	51	40	44	4 m @ 0.3 g/t Au
HTA361	6766700	654200	340	0	-90	40	24	28	4 m @ 0.1 g/t Au
TPA1403	6760200	647500	351	0	-90	58	28	32	4 m @ 0.1 g/t Au
TPA1404	6760200	647700	352	0	-90	54	28	32	4 m @ 0.3 g/t Au
TPA1406	6760000	647100	349	0	-90	50	44	48	4 m @ 0.2 g/t Au
TPA1408	6760000	647500	352	0	-90	40	28	40	12 m @ 0.2 g/t Au
TPA1412	6759800	647400	353	0	-90	49	40	44	4 m @ 0.3 g/t Au
TPA1426	6759400	647400	358	0	-90	43	32	36	4 m @ 0.1 g/t Au
TPST044	6763619	648606	341	0	-90	51	16	20	4 m @ 0.1 g/t Au
TTA197	6710160	634510	329	360	-90	51	44	48	4 m @ 0.1 g/t Au

## DALWALLINU (IGO 100%)

The Dalwallinu Project is situated at the southern margin of the Murchison Province of the Yilgarn Block in Western Australia between the Boddington Gold Mine (+20M oz resource) and the Mt Gibson Gold Mine (+1M oz). The project, which covers a strike length of 70km, was generated from in-house structural analysis. Initial road-side sampling delineated several surface gold anomalies, all of which lie within freehold farming ground and are not subject to native title.

At Pithara, the first target tested, previously announced drilling returned high-grade intercepts including **7m @ 21.8g/t Au from 20m and 7m @ 30.1g/t Au from 46m.**

Reconnaissance RAB/AC drilling that commenced at Dalwallinu in December 2006 is now complete, along with first pass infill drilling on selected anomalies from this drilling. A total of 683 holes were drilled for 18,308m.

Results from the program have confirmed the potential for extensions / repetitions of the Pithara mineralisation to the NW with lower order anomalism extending SSW along approximately 3.5km of strike. Peak results include 750 ppb Au, 494 ppb Au and 416 ppb Au, most of these with associated elevated Cu (consistent with Pithara mineralisation).

A second AC drilling program totalling approximately 5700m (~91 holes) is planned for late April to infill along the ~3.5km corridor of anomalous Au identified from the first round of drilling.

Two AC traverses were completed to the south of Pithara at the Wongan Nth prospect area following-up auger and maglag Au-As anomalies. This drilling also produced encouraging results with up to 224ppb Au and 175ppb Au with associated highly anomalous As.

Three RC holes to a depth of approximately 100m are planned for completion during April.



**COOMBERDALE  
(IGO 100%)**

Coomberdale is located approximately 60km west-north-west of the Dalwallinu Project and covers a shallowly covered and largely unexplored greenstone belt with an interpreted strike length of up to approximately 60km.

Auger, maglag and rock chip sampling has delineated a north-north-west trending gold anomalous corridor over a strike length of 3 km.

Infill auger (to 100m x 50m) and extensions (to 400m x 100m) to the current auger coverage was completed during the quarter. Peak values from this included 2200ppb Au supported by values of 275ppb, 250ppb and 128ppb Au. An opportunity to RC test some of the anomalies presented and 972m was completed on 4 lines. To date results with a maximum Au value of 554ppb have been returned.

RAB hammer drilling to test along the corridor of identified Au anomalism is planned for the next quarter. Further auger testing of southern extensions to the anomalism will also be completed in April.

**COBAR  
(IGO 100%)**

Approximately 1500m of RC drilling was planned for completion at 4 targets (Earl of Sussex, King George, Baroness, Prince William) in the Cobar region during the quarter.

The first, at the Earl of Sussex prospect was to follow-up encouraging Pb-Ag anomalism (24m @ 1.49 g/t Ag and 16m @ 760 ppm Pb) from shallow RAB drilling in strongly weathered meta-sediments that occurred in an ideal structural position consistent with Cobar style poly-metallic deposits. Two holes were completed at this prospect for a total of 235m. The program was postponed at this point due to bad weather and technical issues with the drill rig. The program will recommence as soon as a suitable rig becomes available. Assays from these holes are pending.

The second target occurs at the confluence of two major structural trends that intersect Au anomalism at the King George prospect on EL6438.

The Baroness prospect results from soil and rock-chip sampling from the Bobadah tenement (EL6528). This focuses on an area surrounding a small digging where numerous anomalous rock samples were collected with a peak result of 5.7% Pb, 0.23g/t Au, 0.4% Cu and elevated Zn and Ag returned from gossanous meta-sediments.

**HOLLETON  
(IGO 90-100%)**

The purchase of Perilya Limited's interest in the Holleton Gold Project was finalised late in the quarter. Initial groundwork comprising orientation surface geochemistry and reconnaissance drilling is expected to commence in the June quarter.



## REGIONAL NICKEL EXPLORATION

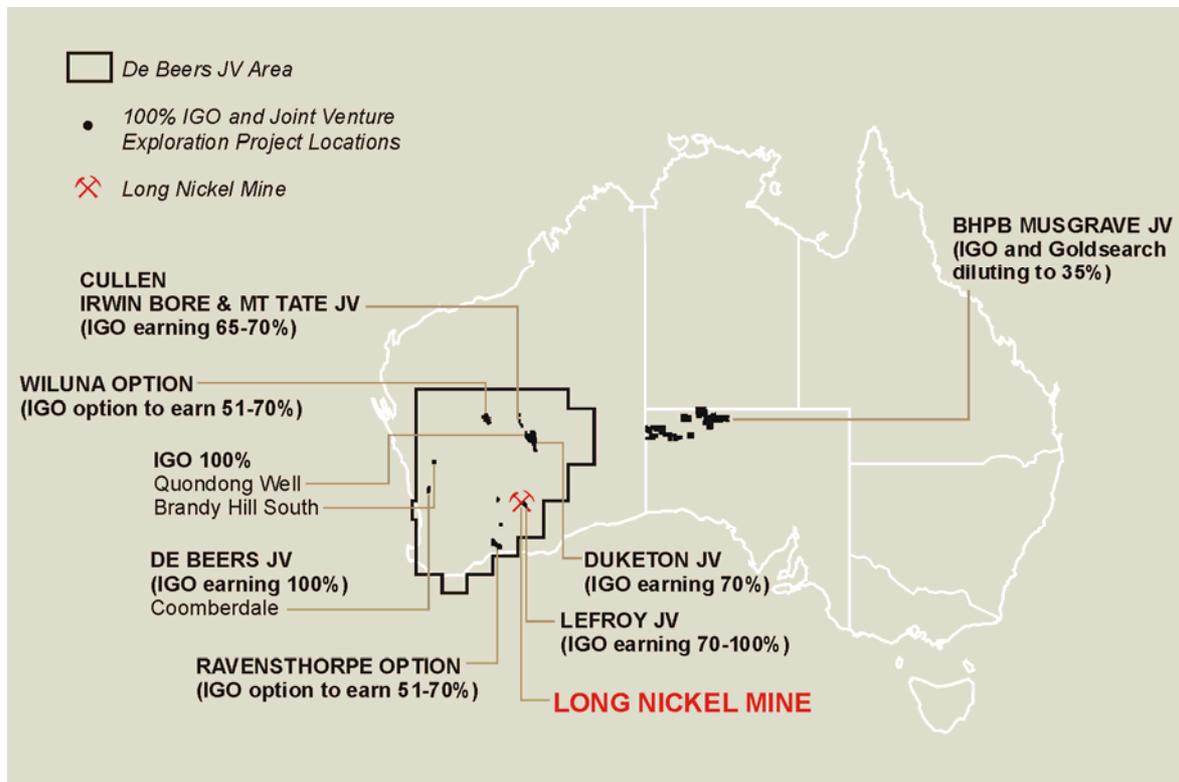


Figure 12: IGO Nickel Project Locations

### RAVENSTHORPE OPTION (IGO EARNING 51% - EXCLUDING NICKEL LATERITE AND IRON)

IGO is earning a 51% interest in Traka Resources Limited's ("Traka") Ravensthorpe Nickel Project by spending \$5 million on exploration and/or development (excluding nickel laterite and iron ore rights).

The project covers about 60 kilometres of prospective ultramafic stratigraphy along strike from the RAV8 nickel sulphide deposit, which produced 443,000t at 3.46% Ni for 15,350t Ni (*Tectonic Quarterly Report 30 June 2005*).

- Diamond Drilling at Mt Short.

Drilling intersected a series of cumulate facies ultramafic units and sulphide zones. The sulphides intersected are unrelated to the ultramafic units and are not Ni enriched, but do explain the EM anomalies. EM surveying will continue to cover ultramafic stratigraphy in the search for any significant sulphide bodies. Ongoing work has already defined targets of interest.

- Regional EM Surveying

Recent EM surveying has defined a significant anomaly associated with an area of prospective ultramafic rocks. Historical RAB drilling returned up to 0.63% Ni and 0.83% Cu in a broad area of surface geochemical anomalism. Further detailed EM surveying will be completed in order to prioritise this target for drill testing.

- Scoping study

Whilst the focus of exploration on the project is to discover a new stand-alone deposit, a scoping study to give a preliminary appraisal of the viability of mining the shallow low-grade nickel mineralisation located at the RAV1,



RAV 4, RAV 4 West and RAV 5 Prospects in the Jerdacuttup area is in progress. Exploration and wide spaced drilling on these prospects by former exploration companies and more recently by Traka and IGO has confirmed the presence of nickel gossans at surface and nickel sulphide mineralisation extending to depth.

The Prospects being evaluated have been drilled to varying degrees of confidence (none to Indicated Resource JORC standard) but in each case sulphide mineralisation in disseminated and massive sulphide form occurs as broad sheet-like bodies on a gently south to south-east dipping basal contact of ultramafic rocks on quartzites.

The sustained increase in the nickel price being experienced may now make these prospects viable as shallow open pit resources.

**STORBODSUND JV - SWEDEN  
(IGO EARNING 70%)**

IGO has an agreement with Mawson Resources Ltd, a TSXv listed company, to earn a 70% interest in their Storbodsund Project in Sweden. Government reports indicate that five historic holes intersected mineralisation averaging 2.3% Ni and 0.6% Cu over thicknesses of 0.6 to 2.7m. Mineralisation is located at the contact between a gabbro and a granitoid footwall.

Drilling scheduled for the March quarter was deferred due to unsuitable weather conditions.

**LAKE LEFROY PROJECT  
(EXCALIBUR & YAMARNA JV'S- IGO  
EARNING 80%, ANGLOGOLD ASHANTI-IGO EARNING UP TO 100%,  
GLADIATOR JV – IGO EARNING  
70%)**

IGO has a licence agreement with Anglo American to use its proprietary Low Temperature SQUID Sensor (SQUID) in parts of the Yilgarn Block. The SQUID sensor is able to detect conductors, possibly representing massive nickel sulphide mineralisation, beneath areas of conductive overburden far more effectively than competing systems.

Four Joint Ventures covering interpreted prospective stratigraphy east of Kambalda, beneath Lake Lefroy which cannot be explored with conventional EM systems, are being explored using the SQUID.

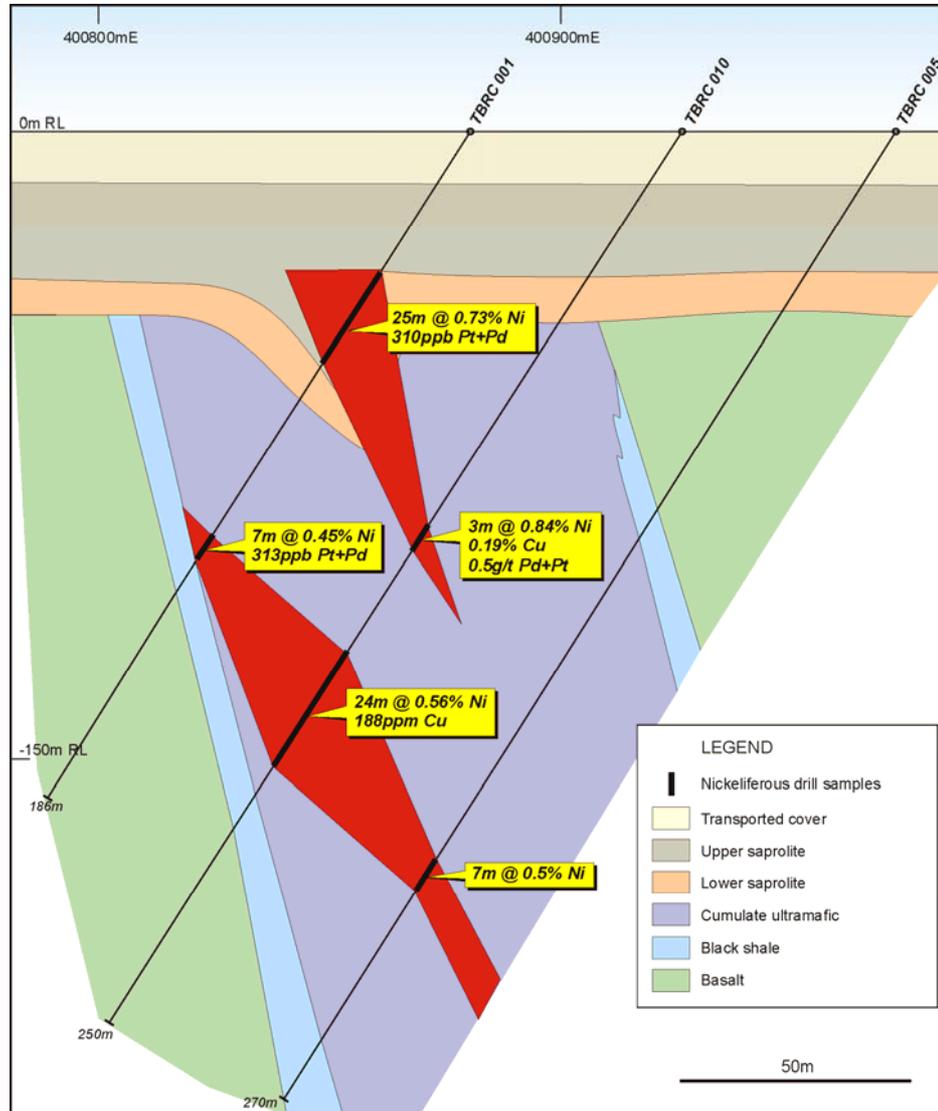
A significant proportion of the targeted magnetic features within the joint ventures have not yet been covered with the SQUID.

Water on the salt lake surface from rain events following cyclones prevented access to exploration crews during the quarter. The next round of SQUID surveying is tentatively planned for May pending satisfactory conditions on the lake.



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

The Duketon Nickel JV covers approximately 60kms of strike of ultramafic rich stratigraphy in the Duketon Greenstone Belt. The belt is considered prospective for Ni-Cu-PGE mineralisation and has not been subjected to modern nickel sulphide exploration techniques.



**Figure 13: Duketon JV – Bulge Prospect 6,945,500mN Cross Section Showing Anomalous Nickel Intercept**

RC drilling completed at the Bulge prospect during the quarter was designed to test previously reported mineralisation in TBRC001 (25m @ 0.73% Ni). A zone of disseminated sulphide mineralisation was intercepted in TBRC010 comprising **24m @ 0.56% Ni and 188ppm Cu** (drilled below TBRC001). Other anomalous results returned from drilling at the Bulge prospect included:

- 9m @ 0.51% Ni including 2m @ 1.91g/t Pt+Pd, and 0.28%Cu
- 1m @ 1.46g/t Pt+Pd and 0.16%Cu plus 1m @ 1.15g/t Pt + Pd and 0.20%Cu

RC drilling to be completed at the Camp Oven prospect in April is designed to depth-test mineralisation associated with anomalous surface rock chip geochemistry (values up to 2.3% Cu, 0.9% Ni, 0.7g/t Pt, 0.7g/t Pd and 0.4 g/t Au) and where nickel sulphides have been identified in thin section analysis.



**WILUNA NICKEL JV**  
**(IGO OPTION TO EARN UP TO 70%**  
**NICKEL SULPHIDE RIGHTS)**

IGO has entered into an option agreement with Agincourt Resources Limited (“AGC”) over a portion of their extensive tenement package located on the northern end of Agnew-Wiluna Greenstone Belt. The Agnew-Wiluna Greenstone Belt is one of the most highly endowed nickel sulphide belts in the world, containing such deposits as Mt Keith (2.3M Ni t resource), Leinster (1.7M Ni t), Cosmos group (0.4M Ni t) and Honeymoon Well (1M Ni t).

The AGC tenure covers approximately 40kms of strike of the ultramafic trend immediately north of Honeymoon Well and the Wedgetail Deposit (resource of 1Mt @ 6.9% Ni).

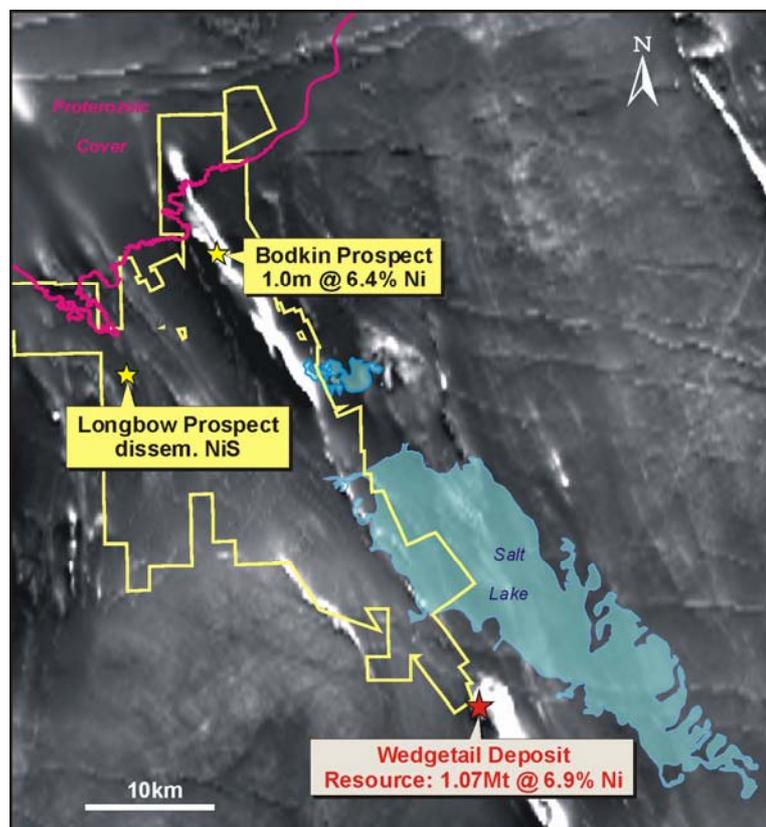
A number of prospect areas are currently being evaluated.

**At Bodkin**, where previous drilling has returned a number of nickel sulphide intercepts including 0.3m @ 6.6% Ni, a further 4 RC holes were drilled in February to test an EM plate modelled from down-hole data collected by IGO and also to test for a potential plunge extension to known mineralisation (**Figure 14**).

Recently completed RC drilling results returned from the Bodkin prospect are depicted on **Figure 15** and include:

- **1m @ 6.38% Ni, 0.5% Cu and 2.5g/t Pt+Pd** (WILRC001 from 72m)
- **1m @ 2.67% Ni, 0.38% Cu and 1.42g/t Pt + Pd** (WILRC002 from 92m)

Access to the high priority target area at **Lake Way**, which includes ultramafic stratigraphy along strike from the Honeymoon Well and Wedgetail deposits, has been prevented due to wet conditions on the lake. IGO continues to monitor conditions on the lake and will commence exploration of this target area as soon as conditions allow.



**Figure 14: Wiluna JV – Tenure and Bodkin Prospect Location Over Aeromagnetic Image**

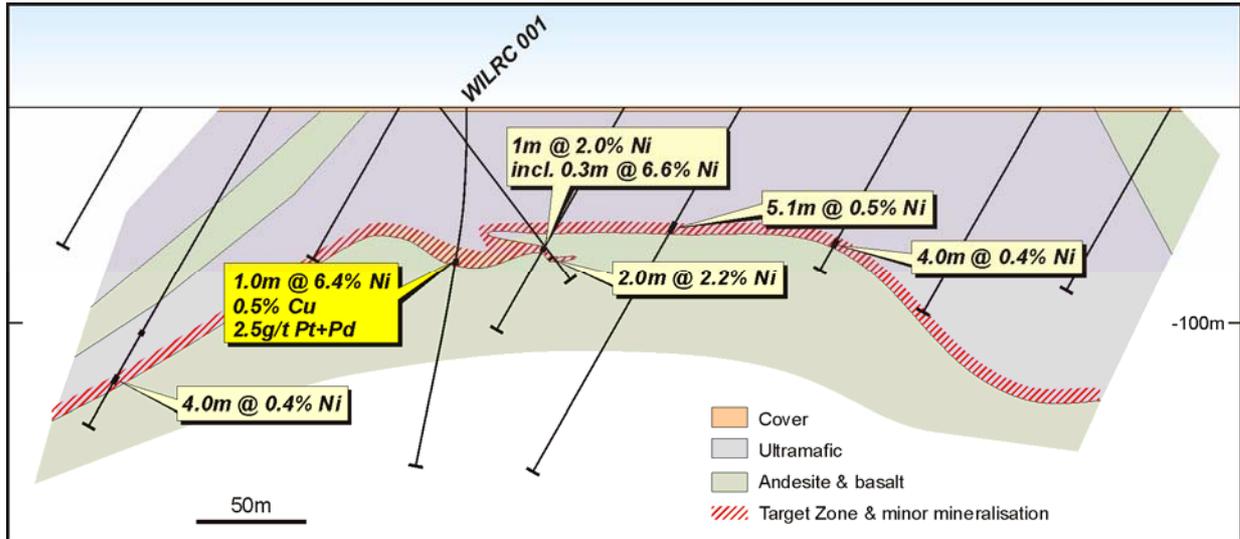


Figure 15: Wiluna JV – Bodkin Cross Section 58,800mN Showing Anomalous Nickel Sulphide Intercepts

## PROJECTS RELINQUISHED OR AVAILABLE FOR JOINT VENTURE

Results from the following projects do not meet with the company's project investment criteria and exploration has ceased accordingly.

<b>NICKEL PROJECTS:</b>	Royal North:	RC test of EM targets intersected barren sulphides
<b>GOLD PROJECTS:</b>	Mt Padbury:	JV partner being sought
<b>BASE METAL/GOLD PROJECTS:</b>	Mt Isdell	JV partner being sought
<b>MAGNETITE/PGE PROJECTS:</b>	Goldsworthy:	JV partner being sought

## JUNE QUARTER PROGRAM

<b>REGIONAL NICKEL EXPLORATION</b>	Ravensthorpe:	Diamond drill testing new TEM targets, continue scoping study over RAV 1, RAV 4, RAV 4 West and RAV 5
	Duketon:	Drill testing nickel anomalism at the Camp Oven Prospect. EM at Bandy
	Quondong:	RC drill testing 4 TEM anomalies
	Cullen JV	RC drill testing of EM conductor
	Lefroy:	Weather permitting, ongoing SQUID surveying on AngloGold Ashanti, Yamarna and Gladiator JV's
	Wiluna:	Weather permitting, down-hole TEM testing of Bodkin mineralisation and TEM testing Lake Way prospect



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**REGIONAL GOLD EXPLORATION**

<b>Tropicana:</b>	Diamond, RC and aircore infill and regional drilling, completion of Scoping Study over Tropicana and Havana
<b>Cobar:</b>	Phase 2 drill testing
<b>Holleton:</b>	Target generation and first pass surface sampling
<b>Dalwallinu:</b>	RAB and RC drilling to follow-up gold surface geochemistry along prospective structure
<b>Coomberdale:</b>	RAB infill of existing anomalies and testing of potential strike extensions

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**INDEPENDENCE GROUP NL**

**CHRISTOPHER M. 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.*

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