INDEPENDENCE GROUP NL

QUARTERLY REPORT FOR THE THREE MONTHS ENDED 31 MARCH 2008

GROUP HIGHLIGHTS

- **Quarter NPAT – $9.2 million** (YTD $47.0 million, Dec $14.2 million).
- **$161.6 million cash and net receivables** (Dec $156.6 million).

OPERATIONS HIGHLIGHTS

- **Production** – **56,958t @ 3.6% Ni for 2,053 Ni t** (Budget 58,784t @ 4.0% for 2,330 Ni t).
- **Cash costs** – **A$4.30/lb** payable nickel (Budget A$4.42, YTD Actual $3.90).
- **Exploration** – **Drill and production drive commenced to access the new 07 Shoot north of Long.**
- **Exploration** – New down-hole TEM anomaly in the Long South channel beneath McLeay.
- **Exploration** – High resolution 3D surface seismic survey commenced over the southern end of the Long South and McLeay channels.

EXPLORATION HIGHLIGHTS

GOLD

- Tropicana JV
  - Pre-feasibility Study is progressing but completion date is now expected to be August (previously June) 2008.
  - 25m x 25m drilling in progress to convert resources to reserves.
  - **Rock chips taken from Black Dragon 30kms north-east of Tropicana Prospect returned values including 22.2g/t, 16.7g/t and 15.9g/t Au.**
  - **Rock chips taken from Voodoo Child 40kms north-east of Tropicana Prospect returned values including 5.4g/t Au.**
  - **Significant aircore results from Screaming Lizard 10kms south of the proposed Havana open-cut pit including 4m @ 2.3g/t Au.**
- Holleton
  - Auger drilling defined 7 prospect areas warranting further drilling.
  - Brahma Prospect defined – 200m wide north east trending >150ppb Au anomaly (peak 7,470ppb Au), which is continuous over a strike length of 2.5km.

NICKEL

- Drilling Programs
  - IGO has secured a new RC-diamond drill rig for 12 months to carry out extensive drilling on regional nickel projects. The rig was due to be delivered in January but was delayed until April. As a consequence, only minor exploration programs were carried out as planned during the quarter.

CORPORATE

DIVIDENDS

A fully franked 5 cent interim dividend was paid during the quarter.

PROFIT

The estimated and unaudited NPAT for the quarter is $9.2 million (YTD $47.2 million). The NPAT for the December quarter was increased by $2.2 million subsequent to the release of the December 2007 Quarterly Report. **The profit figures quoted in this report are subject to finalisation of estimated nickel prices and USD/AUD exchange rates. Unhedged receivables and sales figures in this report are based on a nickel price of AU$32,467/t.**

ISSUED CAPITAL

116,714,167 ordinary shares and 2,003,790 unlisted options.

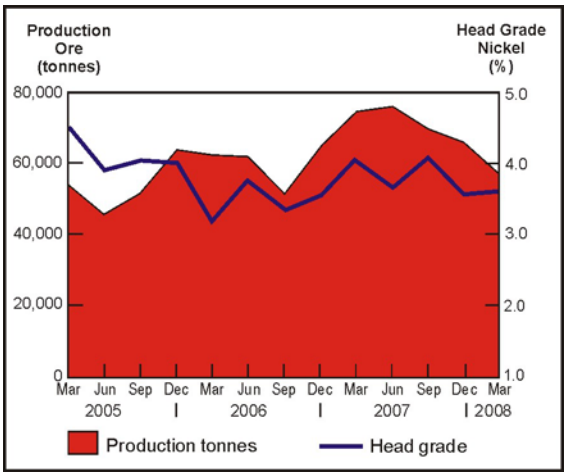
CASH AND DEBT

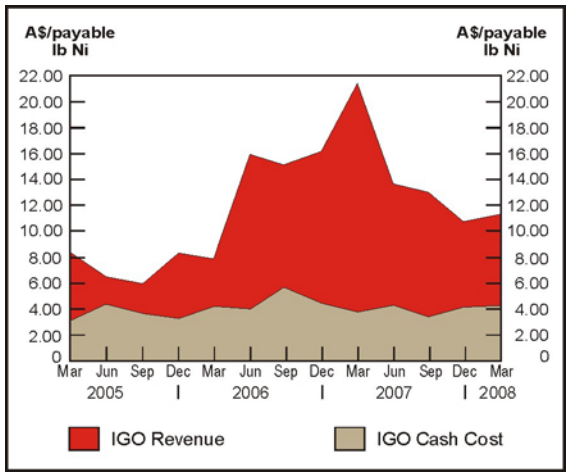
CASH RESERVES

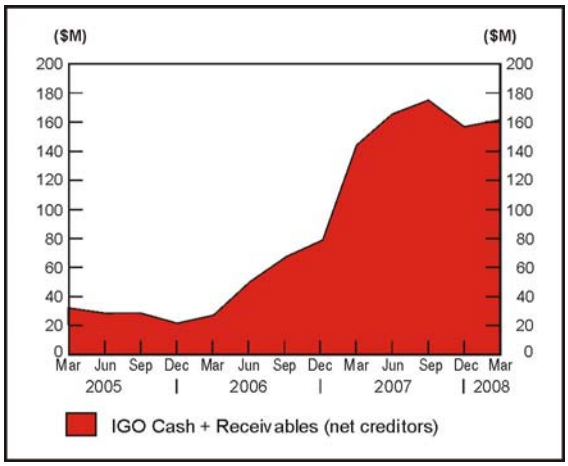
- $142.4 million cash (Dec $147.8M).
- $19.2 million nickel revenue in receivables net of creditors (Dec $8.8M).
- Total cash and net receivables were $161.6 million at the end of the quarter.
- **Unhedged receivables have been valued using AU$32,467/t Ni.**

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

- $10.7 million on Long and regional exploration, including cash paid to purchase the Karlawinda Project from BHP Billiton and contributions to the Tropicana JV Fast Track feasibility program.
- $5.1 million income tax payments.
- $5.8 million shareholders dividends.







DEBT AT END OF THE QUARTER

The Company owed $1.0 million at the end of the quarter for leased mining equipment (Dec $1.3M).

NICKEL SALES PRICE CALCULATION

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

2007/8 EXPLORATION EXPENDITURE

- $6.7 million exploration expenditure was incurred during the quarter (Dec $0.9 million) which included the purchase of the Karlawinda Project.

HEDGING

- Hedged nickel metal remaining at the date of this report was 3,000t at AU$18,403/t, which is scheduled to be delivered as follows:

2007/8	600t	Average AU$18,063/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%)

IGO has 128.9 million Matrix shares which were valued at $10.3 million at the end of the quarter (ASX Code: MRX).

BRUMBY RESOURCES LIMITED (IGO 11.5%)

IGO has 6 million Brumby shares and 2 million listed options which were valued at $0.9 million at the end of the quarter (ASX Codes: BMY and BMYO respectively).

MINING OPERATION

LONG NICKEL MINE
IGO 100%

SAFETY

Lightning Nickel's Lost Time Injury Frequency Rate (LTIFR) for the life of the operation is now **2.61**, having incurred one LTI during the quarter. The injury was minor by nature but required specialist treatment in Perth.

PRODUCTION

Production for the quarter was 56,958t at 3.60% Ni for 2,053 tonnes contained nickel, which was mined by the following methods:

Jumbo Stoping	22,667	t @	4.0%	Ni for	914	Ni t
Long-hole	15,254	t @	2.9%	Ni for	455	Ni t
Hand-held	9,233	t @	3.8%	Ni for	353	Ni t
Jumbo Development	9,804	t @	3.3%	Ni for	331	Ni t
TOTAL	56,958	t @	3.6%	Ni for	2,053	Ni t

Production was from the following areas within the mine:

Long	26,046	t @	3.1%	Ni for	819	Ni t
McLeay	20,357	t @	4.1%	Ni for	836	Ni t
Victor South	10,555	t @	3.8%	Ni for	398	Ni t
TOTAL	56,958	t @	3.6%	Ni for	2,053	Ni t

The budget for the quarter was 58,784t @ 3.96% Ni for 2,330 tonnes of contained nickel. Production during the quarter was 11% under budget in terms of contained metal which was due to the following:

- Offset against stoping of some areas earlier in the year
- Head grade lower than budget grade
- Identifying additional ore outside of existing resource/reserve and altering the mining plan to maximise extraction
- A reduction in productivity on key pieces of equipment due to internal training of operators.

Year to date production is 7,233 tonnes of contained nickel versus budget of 6,747 tonnes. Overall this represents a 7% above budget performance. The operation remains confident of delivering budgeted metal for the financial year.

Metal during the quarter was produced at a cash cost of A$4.30/lb payable nickel, against a budget of A$4.42/lb, a 3% reduction. The reduction in cash costs can be mainly attributed to lower mining costs (14%) and lower royalty costs.

Highlights in the March quarter included:

- Lower cash costs versus budget.
- Establishment of additional ore around 13/7 and McLeay 500 North.
- Commencement of a northern exploration drill drive from Long, targeting infill drilling of the 13/7 and exploring the potential of Long North.
- Ongoing development and stoping of McLeay Shoot 1.
- Commencement of mining on Shoot 4 in Victor South.

DEVELOPMENT

CAPITAL DEVELOPMENT

- A total of 166 metres of capital development was mined during the quarter. McLeay Decline was advanced 146 metres and the Rhondo access 20 metres.

NORMAL DEVELOPMENT

- McLeay - Production development focused in the 520mRL, 540mRL, and the 545mRL. A total of 215 metres of advancement was achieved.
- Victor South – 105 metres of mining was completed in the 505mRL and 445mRL stopes.
- Long – 165 metres of production development occurred in Long, which included 60m development in ore. Areas targeted during the quarter included the 16 Sub, 16/5 and Rhondo ore blocks.

PROPOSED JUNE QUARTER MINING ACTIVITIES

The focus for the June quarter is as follows:

McLeay

- Ongoing exploration for update of June 2008 reserves
- Continued stoping on Shoot 1
- Preparation for stoping on Shoot 2

Victor South

- Stoping of Shoot 4
- Ongoing production from the 505mRL stopes

Long

- Stoping of the northern section of the 14/1 pillars
- Continuation of long-hole stoping in the 16/1 & 16/3 blocks

EXPLORATION

Long North 07 Shoot

Definition drilling of the potential new ore surface at Long North (announced to ASX on 13 December 2007) continued during the quarter. Nine holes for 1,651m were drilled from the 13/5 stockpile at the northern end of the 13 Level footwall drive. Four of these holes intersected porphyry at the target depth. Two holes intersected nickel sulphide mineralisation, but the results do not significantly extend the inferred resource boundary for the 07 Shoot. Drilling was suspended, pending completion of the footwall drill drive, due to the unfavourable low angle between the target surface and drill holes collared in the 13/5 stockpile.

A DHTEM survey of hole LG13-054 detected a strong conductor located sub-parallel to the hole within the 07 Shoot footwall (**Figures 1 – 2**). Potential exists for multiple sub-parallel remobilised sulphide shoots that have not been tested by the contact-parallel drilling conducted to date. The matrix sulphide mineralisation intersected in drilling to date does not give rise to a strong TEM response.

The 13/7 footwall drill drive development commenced following 90m of rehabilitation to enable jumbo access. Another 220m of drive development and a drilling program to define an indicated resource will be completed by the end of the June quarter.

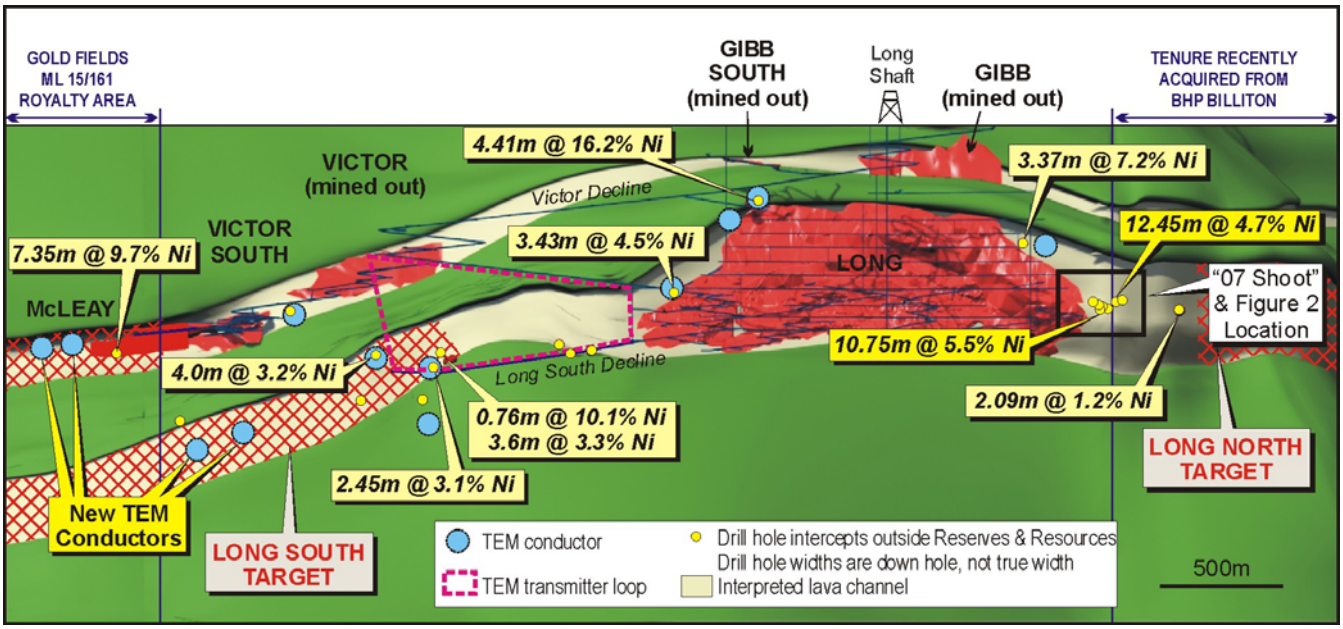


Figure 1: Long Nickel Mine – Longitudinal Section Showing New 07 Shoot, TEM Anomaly (Detail Figure 2), New Long South TEM Anomaly Location, Lava Channels, and Significant Intercepts Outside Current Resources

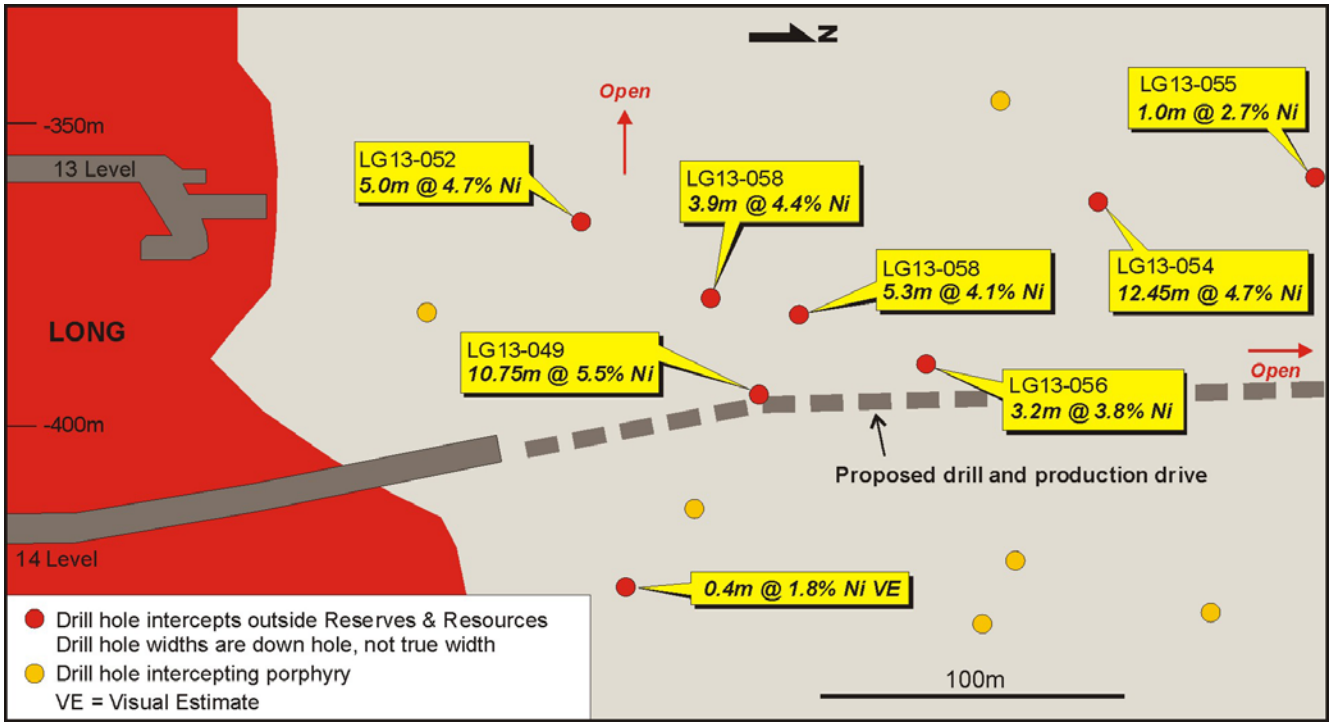


Figure 2: Long Nickel Mine – 07 Shoot Longitudinal Section Showing Proposed Drill Drive, New Footwall TEM Conductor Location and Recent Drill Intercepts

McLeay Extensional Drilling

Following extension of the 460 drill drive, nine holes were drilled for a total of 1,901m to extend the McLeay resource boundary to the south and east.

Hole MDU375 intersected 1.85m @ 3.5% Ni (VE) in an interpreted eastern extension of Shoot 1 lying 24m outside the June 2007 resource boundary. This result increases the prospectivity of the ultramafic basal contact down-dip from the current resource boundary.

Two holes failed to penetrate the basal contact, due to unexpected steepening on the eastern edge of the McLeay channel. A further two holes failed to intersect the contact due to upward displacement of the eastern block along a north-south striking fault. Two off-hole conductors were identified using DHTEM data read in hole MDU-368 during the December quarter, and these are now thought to lie on the up-thrown basal contact (**Figure 3**). The remainder of the drill holes intersected porphyry dikes which have stoped out the target contact. A program of DHTEM surveying will be carried out in the June quarter to target mineralisation near these holes.

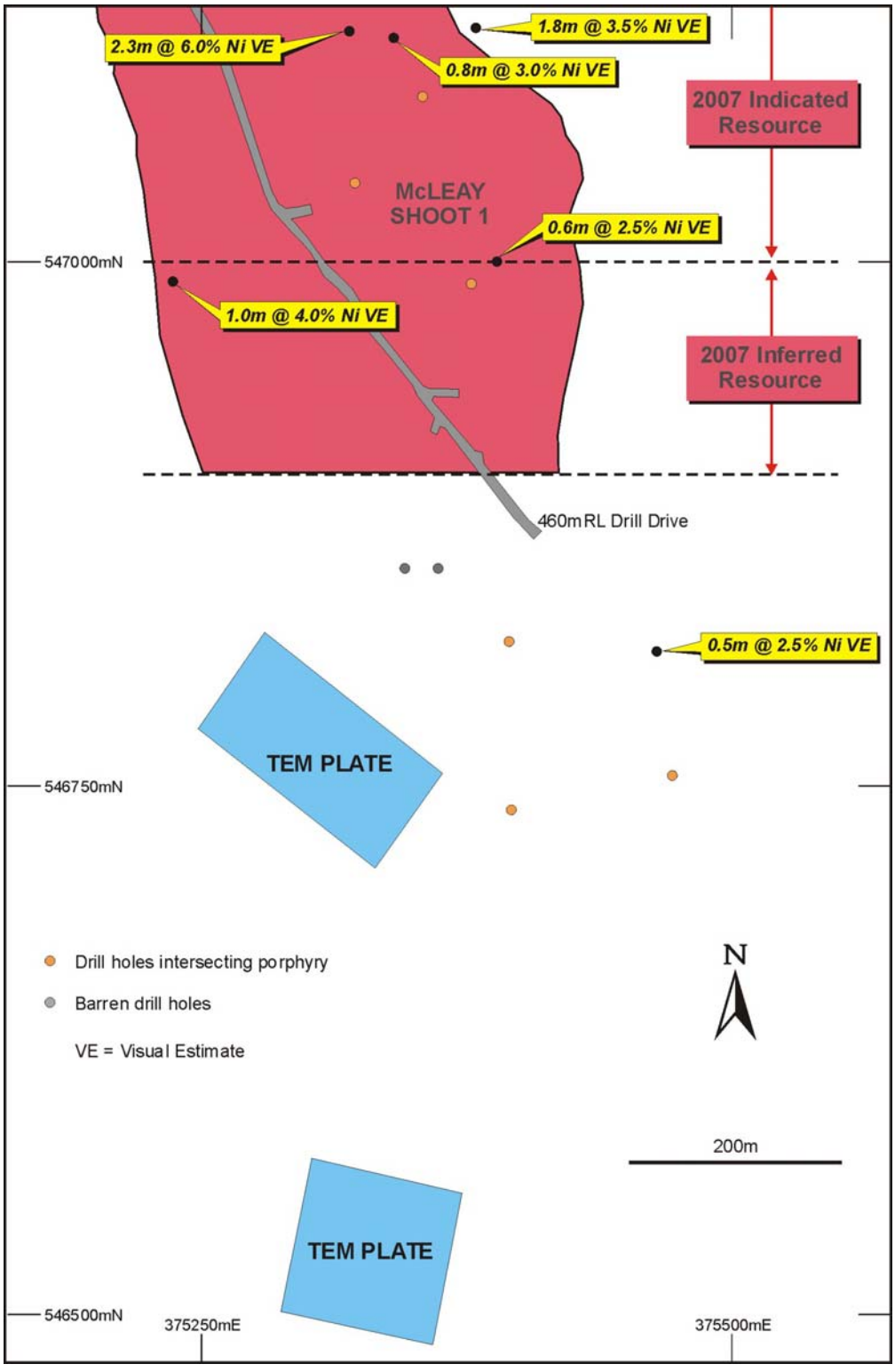


Figure 3: Long Nickel Mine – McLeay Plan Showing Recent Drill Intercepts and Untested TEM Anomalies

McLeay Infill Drilling

A program of in-fill drilling within the McLeay inferred resource boundary commenced during the quarter. A total of four holes for 569m were drilled, and assays are pending. The in-fill drilling program will continue in the June quarter.

Long South Definition Drilling

All drill-holes collared in 16/8 decline stockpiles 4 and 5 intersected porphyry at the prospective basalt-ultramafic contact. Down-hole TEM surveying of these holes is planned for the June quarter, when equipment for deploying probes in upwards inclined holes is available.

Long South Step-Out Drilling

The program of step-out drilling at Long South continued, with holes designed to test the off-hole conductors detected in LSU-140 and LSU-103 beneath McLeay. An NQ wireline drill hole (LSU-144 EOH 334m) drilled from the McLeay decline intersected a barren, sheared basalt ultramafic contact at the LSU-140 DHTEM target position. Further down the hole a primary (non-sheared) basalt-ultramafic contact hosted blebby and disseminated sulphides of high nickel tenor was intersected. **Two strong conductors** were interpreted from DHTEM data read in LSU-144.

Hole LSU-143 was drilled from 16/8 face in December 2007 to test the strong conductor detected by a DHTEM survey in LSU-103, which had also intersected stringers of high-tenor nickel sulphides within footwall basalt. The hole deviated, passing approximately 60m above the target. However, DHTEM surveying in LSU-143 detected a subtle anomalous response that is probably related to the conductor detected in LSU-144.

Efforts to test this target are being hampered by the low angle between the basal contact and drill holes collared in current development. Further development of the McLeay decline will enable more effective drilling of much of this contact.

Long South seismic survey

Based upon results from a low-resolution 3D seismic survey shot in 2007, which appeared to define a high acoustic reflectance zone associated with the McLeay ore environment and a similar feature coincident with the projected Long South channel, a decision was made to acquire high-resolution 3D seismic data over the bulk of the lease area. A 3D seismic survey covering the prospective ultramafic basal contact north and south of Long Shaft (total area: 10 km^2) commenced in January. Results from the trial 3D seismic survey shot in 2007 indicate that the method can be used to image complex geological structures in the mine environment to depths in excess of 3km. The survey will be completed during the June quarter.

LONG NICKEL MINE PRODUCTION SUMMARY

	Note	Mar '08 Quarter	2007/8 FY to Date	*Prev. Corresp. Quarter (Mar '07)*
Mining Reserve (Dry Tonnes)				
Start of Period		965,560	1,101,000	*998,579*
- ROM Production	1	(56,958)	(192,398)	*(75,035)*
End of Period		908,602	908,602	*923,544*
Production Details:				
Ore Mined (Dry Tonnes)	1	56,958	192,398	*75,035*
Ore Milled (Dry Tonnes)		56,958	192,398	*75,035*
Nickel Grade (Head %)		3.60	3.76	*4.06*
Copper Grade (Head %)		0.27	0.28	*0.29*
Metal in Ore Production (Tonnes)				
Nickel delivered	2	2,053	7,234	*3,048*
Copper delivered	2	156	541	*215*
Metal Payable IGO share (Tonnes)				
Nickel		1,232	4,354	*1,828*
Copper		63	219	*69*
Hedging				
Tonnes delivered into Hedge		600	1,800	*450*
Average Price (AU$/t)		17,717	17,539	*17,168*

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%.

Revenue/Cost Summary		***A$'000's***	***A$'000's***	***A$'000's***
Sales Revenue (incl. hedging)		30,907	114,987	*86,436*
Cash Mining/Development Costs		(7,248)	(23,263)	*(8,069)*
Other Cash Costs	3	(4,433)	(14,241)	*(6,851)*
Depreciation/Amortisation/Rehabilitation		(1,977)	(6,747)	*(2,987)*
Total Unit Cost Summary		***A$/lb Total Metal Produced***	***A$/lb Total Metal Produced***	***A$/lb Total Metal Produced***
Cash Mining/Development Costs		1.60	1.46	*1.20*
Other Cash Costs	3	0.98	0.89	*1.02*
Depreciation/Amortisation/Rehabilitation		0.44	0.42	*0.44*
Revenue/Cost Summary		***A$/lb Payable Metal***	***A$/lb Payable Metal***	***A$/lb Payable Metal***
Sales Revenue (incl. hedging)	4	11.38	11.98	*21.41*
Cash Mining/Development Costs		2.67	2.42	*2.00*
Other Cash Costs	3	1.63	1.48	*1.70*
Depreciation/Amortisation/Rehabilitation		0.73	0.70	*0.74*

Note 3. Other Cash Costs include milling, royalties and site administration.
Note 4. Sales Revenue per pound includes nickel price adjustments for prior periods.

Safety and Productivity				
- Lost Time Injuries		1	1	*0*
- Medically Treated IFR		33.6	53.5	*103.5*
- Nickel Productivity Rate	5	71.4	83.9	*104.6*

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

Development/Exploration Drilling	**Metres**	**Metres**	***Metres***
Development	0	76	*1,726*
Production	1,992	7,187	*1,871*
Exploration	8,250	18,668	*1,097*
	10,242	25,931	*4,694*

REGIONAL GOLD EXPLORATION

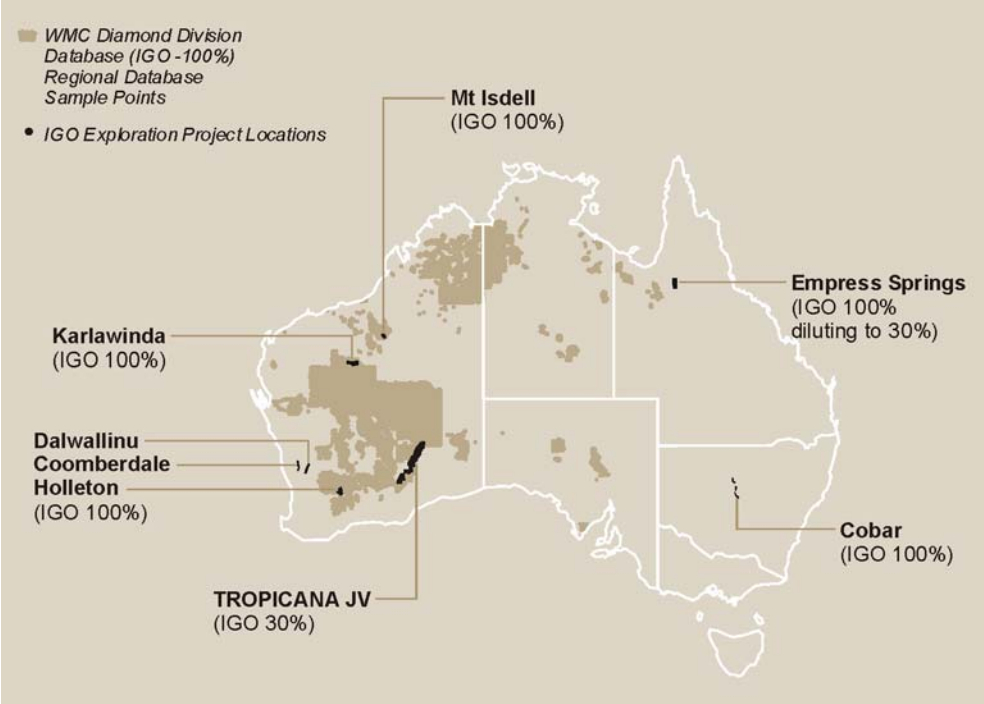


Figure 4: IGO Gold and Base Metal Project Locations

DRILLING DELAYS EXPERIENCED

Much of the drill-testing planned for the quarter did not proceed, due to the delay in arrival of a dedicated RC-diamond drill rig which was expected to commence a 12 month contract in January. The rig was not available until April and therefore most of the IGO targets were not drill-tested during the quarter, with the exception of Tropicana. Drilling has now re-commenced.

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

The Tropicana Joint Venture comprises approximately 13,000km^2 of largely unexplored tenure over a strike length of 330km along the Yilgarn Craton – Fraser Range Mobile Belt collision zone. Last quarter the Joint Venture manager announced a maiden resource of 62.8Mt at 2.01g/t Au for 4.05M gold ounces (at a 0.6g/t Au cut-off grade) from the Tropicana/Havana area, which only included open-pit resources.

Ongoing work continues to focus on the immediate Tropicana/Havana area including drilling and other activities forming part of the of the ongoing Pre-feasibility Study, drilling immediately south-west along strike of Havana (Montego Bay), “fast-track” feasibility drilling, RC testing of MIMDAS (IP) anomalies under the proposed plant site to the west of Tropicana, and limited work directed at regional prospects.

Highlights during the quarter

- Tropicana and Havana high-grade zones remain open down plunge.
- Rock chips taken from two locations less than 40km from the north-east end of Tropicana returned results including 22.2g/t and 5.4g/t Au.
- 4m @ 2.3g/t Au intersected approximately 10km south of the Tropicana Prospect. The intercept is open to the south.

- Diamond drilling intersected a 1.8m wide quartz vein at the Beachcomber Prospect containing fine specks of visible gold.

Tropicana Pre-feasibility Study

AngloGold Ashanti made significant progress on the Tropicana PFS during the quarter. Key activities are summarised below. The completion date for the Pre-feasibility Study is now expected to be in August 2008 (previously June) due to some additions to the project scope and issues related to contractor performance.

Mining

- A conceptual level study for underground mining opportunities has been initiated and will consider underground mining as an adjunct to the large-scale open pit mining operation.
- The current project base case is modelled on a 5.5Mtpa plant with an operation producing >300K oz per year over a 9 to 10 year period. Sensitivities to operating scale are being assessed within the range of 3.5mtpa to 7.5mtpa to enable a recommendation on project scale.

Leasing

- All mining leases are granted and various key miscellaneous leases applied for.

Water

- Water exploration programs for the project have been delayed by late contractor mobilisation, poor contractor performance and rain. Results received to date support the potential to develop a borefield in the Minigwal basin approximately 40km to the NW of the initial project area.

Environmental

- Environmental baseline studies for the project have been substantially completed.

Stakeholder Engagement

- The project team has been actively engaging project stakeholders including state and local government, aboriginal custodians and NGOs. Discussions to date have generally been positive.

Tropicana Prospect Drilling Results

Diamond drilling focused on infill drilling at Havana and Tropicana to 50m spaced centres within the resource areas as well as down-dip extensions within or at data limits to the current pit shells. Sterilisation aircore drilling was conducted within the proposed infrastructure footprint, including the proposed tailings site and plant site. Results have been received for the majority of the drilling in the Havana area however a significant portion of the assays are outstanding for the Tropicana Pit.

Total metres drilled during the quarter were as follows:

	RC	Diamond	Total
Pre-feasibility	1,674	-	1,674
Fast track feasibility	18,639	7,183	25,822
Total	20,313	7,183	27,496

Some of the better intercepts from drilling during the quarter include:

Tropicana Zone

- 18m @ 3.7g/t Au

Havana Zone

- 22m @ 5.0g/t Au
- 18m @ 6.8g/t Au
- 27m @ 4.0g/t Au

All significant results are given in **Tables 1 - 4** and shown in **Figure 5**. All intersections approximate true width unless otherwise stated. Holes with the prefix "TFRC" refer to 25m x 25m infill holes drilled as part of the Fast Track Budget.

Table 1: Tropicana Prospect - Havana Zone 50m x 50m Resource Diamond Drilling

Hole No.	Easting (m)	Northing (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H. (m)	From (m)	To (m)	Intercepts
TPD174	650128	6761710	362	326	-65	445	390	412	22 m @ 2.0 g/t Au
							Incl. 391	*411*	*20 m @ 2.2 g/t Au*
TPD175	650111	6761588	363	321	-65	448	403	405	2 m @ 3. 5 g/t Au
							408	433	25 m @ 3.1 g/t Au
							Incl. 427	*433*	*6 m @ 7.6 g/t Au*
TPD176	650005	6761553	366	322	-67	421	370	374	4 m @ 4.3 g/t Au
TPD177	649989	6761426	367	334	-66	400	284	314	30 m @ 2.6 g/t Au
							Incl. 286	*302*	*16 m @ 3.4 g/t Au*
TPD353	649564	6761920	361	321	-60	106	35	66	31 m @ 1. 7 g/t Au
TPD354	649637	6761853	363	316	-61	142	35	61	26 m @ 1.9 g/t Au
							Incl. 43	*58*	*15 m @ 2.4 g/t Au*
							97	107	10 m @ 2.4 g/t Au
							114	120	6 m @ 3.1 g/t Au
TPD355	649526	6761535	363	320	-59	160	39	53	14 m @ 4.0 g/t Au
							Incl. 49	*52*	*3 m @ 14.2 g/t Au*
TPD358	649598	6761606	364	320	-60	136	73	96	23 m @ 2.3 g/t Au
TPD359	649618	6761901	362	322	-60	138	33	48	15 m @ 5.6 g/t Au
							93	111	18 m @ 3.5 g/t Au
TPD370	650078	6761620	363	321	-65	433	410	413	3 m @ 5.1 g/t Au
TPD376	649972	6761518	368	323	-64	391	296	307	11 m @ 2.9 g/t Au
TPD377	650009	6761481	367	326	-65	418	363	385	22 m @ 5.0 g/t Au
							Incl. 379	*385*	*6 m @ 16.0 g/t Au*
TPD379	650078	6761412	366	335	-62	499	353	368	15 m @ 2.3 g/t Au
							430	449	19 m @ 2.6 g/t Au
							Incl. 440	*447*	*7 m @ 5.3 g/t Au*
TPD383	649900	6761442	368	321	-65	328	274	278	4 m @ 7.6 g/t Au
							285	297	12 m @ 4.9 g/t Au
TPD384	649936	6761409	368	325	-65	346	234	257	23 m @ 2.3 g/t Au
							Incl. 249	*254*	*5 m @ 6.3 g/t Au*
							310	328	18 m @ 6.8 g/t Au
							Incl. 320	*328*	*8 m @ 14.3 g/t Au*
TPD385	649970	6761372	368	328	-62	385	258	290	32 m @ 1.7 g/t Au
							Incl. 260	*271*	*11 m @ 2.3 g/t Au*
							337	359	22 m @ 1.4 g/t Au

Table 2: Tropicana Prospect - Havana Zone 50m x 50m Resource RC Drilling

Hole No.	Easting (m)	Northing (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H. (m)	From (m)	To (m)	Intercepts
TPRC825	649685	6761873	363	320	-56	175	129	155	26 m @ 1.8 g/t Au
							Incl. 138	*153*	*15 m @ 2.1 g/t Au*

Table 3: Tropicana Prospect - Havana Zone 25m x 25m Reserve Infill Diamond and RC Drilling

Hole No.	Easting (m)	Northing (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H. (m)	From (m)	To (m)	Intercepts
TFD009	649724	6761694	367	321	-64	140	122	140	18 m @ 1.8 g/t Au
TFD015	649718	6761766	365	319	-64	130	89	116	27 m @ 4.0 g/t Au
TFD024	649668	6761886	363	321	-63	140	117	131	14 m @ 3. 5 g/t Au
TFD126	650146	6761553	364	319	-62	150	83	86	3 m @ 6.5 g/t Au
TFRC235	649617	6761658	365	317	-62	150	102	126	24 m @ 4.4 g/t Au
TFRC236	649688	6761588	367	315	-68	157	122	132	10 m @ 3.0 g/t Au
TFRC264	649546	6761942	361	320	-63	80	34	44	10 m @ 3.6 g/t Au
TFRC265	649583	6761907	362	324	-62	110	50	86	36 m @ 1.8 g/t Au
							Incl. 72	*86*	*14 m @ 2.8 g/t Au*
TFRC266	649617	6761870	362	321	-63	130	32	48	16 m @ 4.8 g/t Au
							85	96	11 m @ 2.1 g/t Au
TFRC267	649653	6761837	363	323	-65	152	47	73	26 m @ 2. g/t Au
							101	128	27 m @ 1.9 g/t Au
							Incl. 120	*128*	*8 m @ 4.0 g/t Au*
							131	138	7 m @ 5.3 g/t Au

Table 4: Tropicana Prospect - Tropicana Zone 25m x 25m Reserve Infill Diamond Drilling

Hole No.	Easting (m)	Northing (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H. (m)	From (m)	To (m)	Intercepts
TFD110	651314	6763496	341	324	-66	289	245	269	24 m @ 1.0 g/t Au
TFD116	651278	6763390	341	325	-64	316	268	302	34 m @ 1.8 g/t Au
							Incl. 287	*299*	*12 m @ 3.3 g/t Au*
TFD117	651313	6763356	341	324	-64	352	301	322	21 m @ 1.3 g/t Au
TFD119	651272	6763329	342	328	-63	352	309	315	6 m @ 3.2 g/t Au
TFD122	651188	6763268	342	320	-64	340	305	323	18 m @ 3.7 g/t Au
							Incl. 305	*310*	*5 m @ 10.6 g/t Au*

All intersections approximate true width

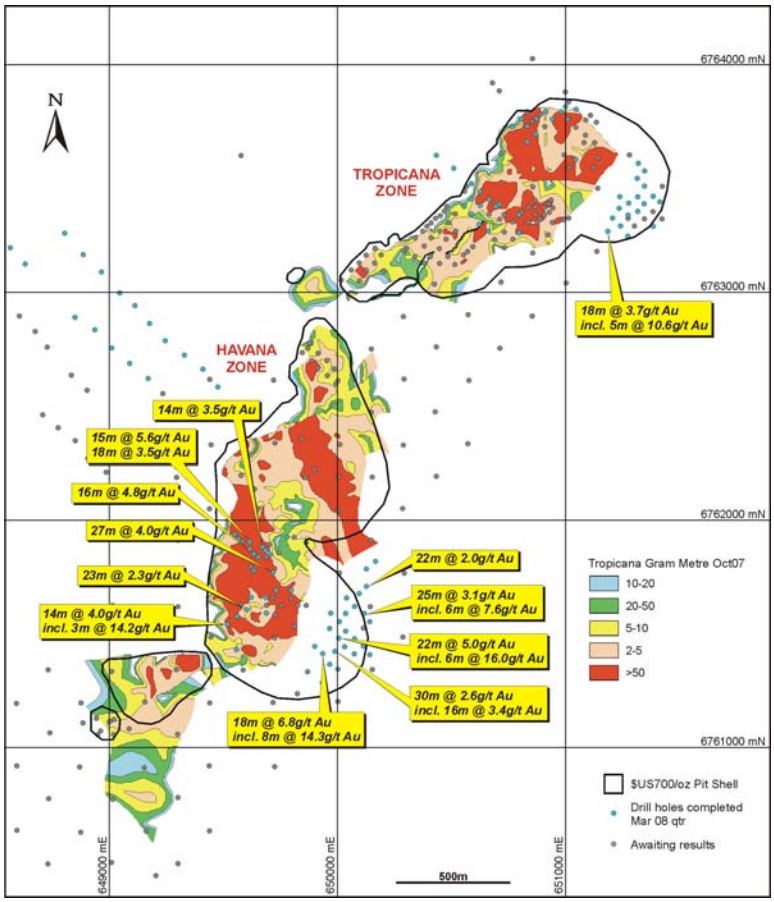


Figure 5: Tropicana JV – Prospect Plan Showing Significant Intercept Locations, g/t Au x Thickness Contours and Location of Havana and Tropicana Zones

Regional Exploration

During the quarter a total of 258 aircore holes were drilled for 14,291 metres and 2 diamond holes for 422 metres. Drilling included follow-up aircore drilling at Screaming Lizard and first-pass drilling on Tropicana Group 3 tenements (**Figure 6**).

Two diamond holes were also drilled at Beachcomber. One of these holes intersected a 1.8m wide quartz vein containing specks of visible gold down-dip from a previous intercept of 3m @ 13.5g/t Au. Results from the hole are awaited.

Auger results defined gold anomalies at Tropicana Group 4 (southern-most group of tenements including Beachcomber) with sufficient encouragement to follow-up with further sampling and aircore drilling later in the year.

Mapping at Black Dragon located 30km north-east of Tropicana returned several selective rock chip samples with high-grade anomalism including **22.2g/t Au, 16.7g/t Au, 15.9g/t Au and 1.2g/t Au** in quartz veins associated with a quartz-hematite breccia. Similarly mapping at Voodoo Child a further 10km to the north-east returned selective rock chip results of **5.4g/t Au** and **1.7g/t Au** in weathered gabbroic sub-crop (**Figure 7**).

There were significant aircore results from Black Dragon, Beetlejuice and Screaming Lizard as shown in **Table 5**. These included 4m @ 2.3g/t Au at Screaming Lizard located approximately 10km south of the proposed Havana open-cut pit. The intercept remains open to the south (**Figure 7**).

Table 5: Regional Aircore Drilling

Hole No.	Easting (m)	Northing (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H. (m)	From (m)	To (m)	Intercepts
BDA122	661449	6776046	335	270	-90	50	36	40	4 m @ 0.4 g/t Au
TPA3332	637642	6736003	382	270	-90	78	48	52	4 m @ 0.6 g/t Au
SLA091	650827	6749995	350	360	-90	51	40	44	4 m @ 2.3 g/t Au
SLA106	650701	6750402	350	360	-90	64	52	56	4 m @ 0.2 g/t Au
SLA108	650904	6750391	351	360	-90	69	60	64	4 m @ 0.2 g/t Au
SLA131	650416	6750800	348	360	-90	65	36	40	4 m @ 0.1 g/t Au
SLA151	650608	6751204	348	360	-90	44	36	40	4 m @ 0.1 g/t Au
SLA200	650604	6751999	350	360	-90	37	36	37	1 m @ 0.2 g/t Au

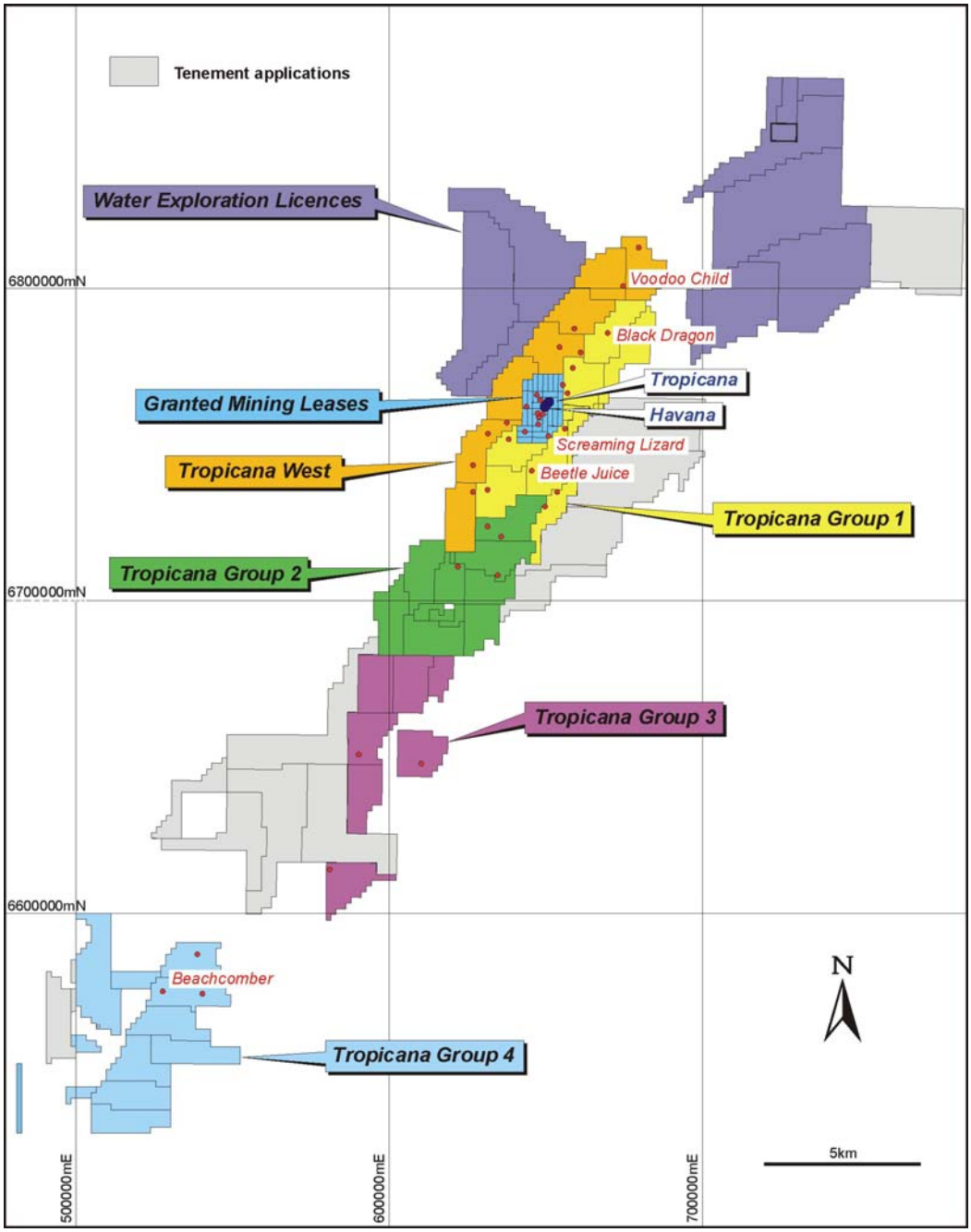


Figure 6: Tropicana JV – Tenement Groups and Prospect Locations

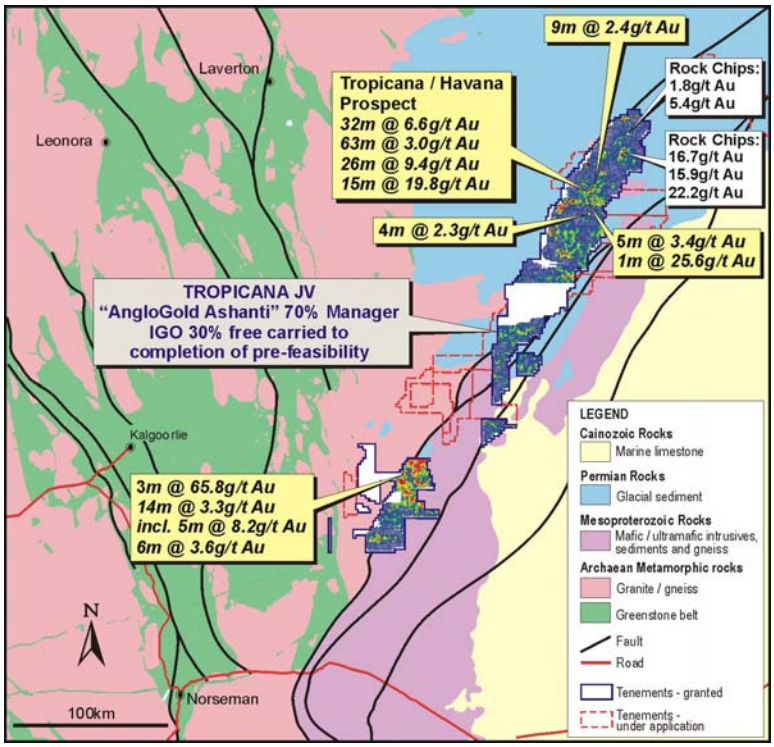


Figure 7: Tropicana JV – Significant Regional Drill and Rock Chip Result Locations In Relation To Tropicana/Havana Prospect

Proposed June Quarter Exploration Programs

RC and diamond drilling in the next quarter will focus on infill drilling the proposed Tropicana starter pit, completing drill testing of MIMDAS geophysical anomalies to the west of the resource areas, following up anomalous aircore results within infrastructure locations and completing 50m x 50m and 50m x 25m infill drilling.

Fast track drilling will be completed by June with the main work programs remaining being 25m x 25m infill drilling within the initial mining areas and sterilisation drilling of infrastructure areas.

Pre-feasibility Study activities are currently focused on:

- Completion of mining schedules, capital cost and operating cost estimation
- Review of plant and infrastructure capital and operating costs
- Evaluation of mining and processing scale options
- Preliminary analysis of underground mining opportunities
- Development of project documentation and recommendations.

Fast track feasibility activities will include the ongoing 25m x 25m reserve drilling, water exploration programs, metallurgical comminution testwork for high pressure grinding rolls (HPGR), environmental studies for endangered species in the project area and baseline studies for road and water supply areas.

Regional exploration programs during the next quarter will include aircore drilling of targets on Tropicana Group 1, 2, 4 and Tropicana West tenements (**Figure 6**). At this stage, RC drilling will proceed on Tropicana Group 4 (Beachcomber) and diamond drilling will test targets in Tropicana Group 1 (Rusty Nail, Zombie, Double Vision and Screaming Lizard). Further mapping and geochemical surveys are also planned for the areas of outcrop to the north of Tropicana – Havana.

JV Background

The Tropicana project was generated by IGO 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 is the subject of a Pre-feasibility Study examining the viability of a number of development scenarios.

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

COOMBERDALE (IGO 100%)

Coomberdale is located within freehold farm land approximately 180km north of the Perth and covers a shallowly covered and largely unexplored greenstone belt with an interpreted strike length of up to 30km.

Previous drilling by IGO delineated a north-west trending gold anomalous corridor over a strike length of 10km.

Auger drilling to delineate the extent of the mineralised corridor in the southern tenements is likely to recommence in April/May pending finalisation of a landholder access agreement.

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).

Previous exploration by IGO has located the Pithara Prospect which comprises a discrete narrow high grade shoot (7m @ 30.1g/t Au from 46m) with RAB and Aircore drilling identifying mineralisation in a 4km corridor north and south of Pithara.

An RC program has downgraded the economic potential of the main shoot.

IGO is currently seeking a JV partner to continue testing targets proximal to Pithara and on the broader project area.

COBAR (IGO 100%)

Two prospects, Prince William and Sir Lancelot, identified during the regional surface geochemical sampling and subsequent RAB drilling remain to be drill-tested which is likely to commence mid-June.

The Prince William prospect comprises wide-spread low level gold mineralisation (100 – 300ppb) associated with pyrite altered felsic volcanic rocks. An IP survey was completed over the prospect during the quarter to test the felsic volcanics under cover for zones of more intense pyrite alteration prior to drill testing. The survey identified a number of chargeability anomalies potentially representing disseminated sulphides which warrant drill follow-up.

HOLLETON (IGO 90-100%)

The Holleton Project comprises numerous tenements and tenement applications covering an area of 1,257 km^2 over the largely unexplored Holleton greenstone belt in the Southern Cross Province of the Archaean Yilgarn Craton.

Gibb Rock Prospect

IGO has completed two auger programs (including one reported last quarter) to better delineate existing anomalies and test a number of new positions. This has resulted in the definition of seven prospect areas warranting follow-up drilling.

The most encouraging prospect is Brahma which consists of a north east trending >150ppb Au anomaly (peak 7,470 ppb Au) which is continuous over a strike length of 2.5km and a width of 200m (**Figure 8**).

An 11,000m aircore program is planned to test the seven prospect areas in the June quarter subject to access approvals and drill rig availability.

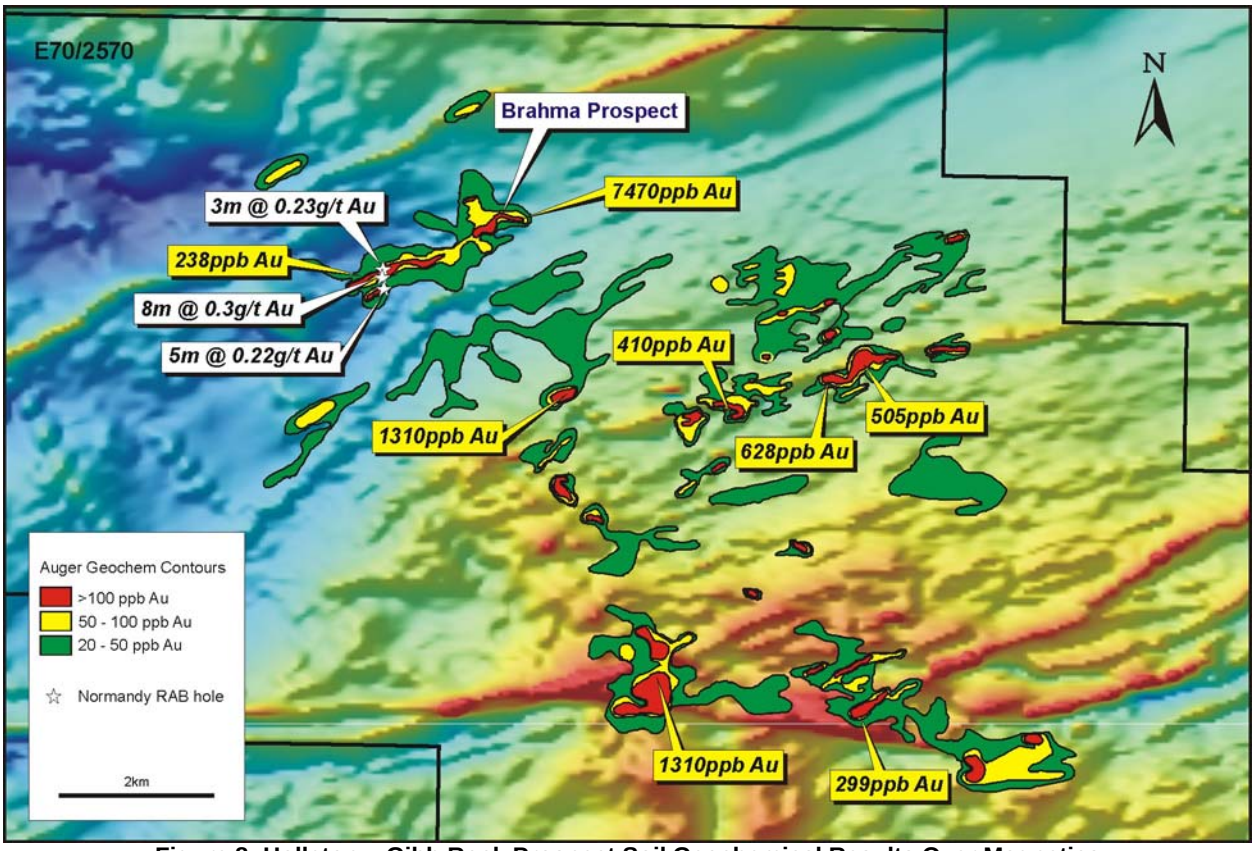


Figure 8: Holleton – Gibb Rock Prospect Soil Geochemical Results Over Magnetics

KARLAWINDA (IGO 100% BHPB – CLAWBACK RIGHTS)

During the quarter IGO finalised the purchase of the Karlawinda Project from BHP Billiton. BHP Billiton retains a 70% clawback right on discoveries over 5 million ounces of gold or 120,000 tonnes of nickel. The project is located 65km south-east of Newman, close to road and gas pipeline infrastructure.

Limited drilling has defined gold mineralisation (including 7m @ 4.6g/t and 6m @ 4.5g/t Au) over an area of 600m x 400m at the Frankopan Prospect and is open in all directions. IGO has planned an aggressive RC and diamond drilling campaign to delineate known mineralisation and to test for extensions. Drilling is planned to commence in June subject to drill rig availability.

REGIONAL NICKEL EXPLORATION

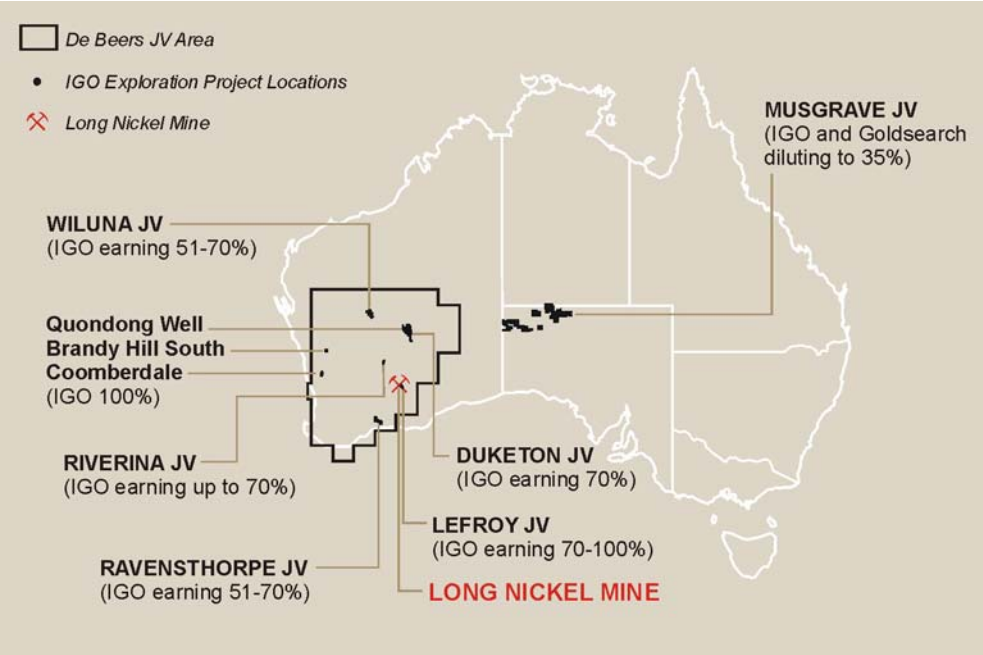


Figure 9: IGO Nickel Project Locations

DRILLING DELAYS EXPERIENCED

Much of the drill-testing planned for the quarter did not proceed, due to the delay in arrival of a dedicated RC-diamond drill rig which was expected to commence a 12 month contract in January. The rig was not available until April and therefore most of the IGO targets were not drill-tested during the quarter. Drilling has now re-commenced.

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

The Duketon Nickel JV covers approximately 60km of strike of ultramafic rich stratigraphy in the Duketon Greenstone Belt. Nickel sulphide mineralisation has been intersected at the Bulge prospect confirming the prospectively of the ultramafic units within the project.

The Bulge

Aircore and RC programs at the Bulge have confirmed the presence of disseminated nickel sulphide mineralisation with associated PGE anomalism. Anomalism of 0.4% Ni or greater was has been defined over an area of approximately 1.5km^2 coincident with the Bulge ultramafic providing ample scope for the presence of a significant accumulation of disseminated nickel sulphide. A large RC drilling program to test the anomaly will be completed once a suitable rig has been sourced, which is likely to be the second quarter 2008.

TEM surveying

As reported last quarter TEM surveys testing ultramafic stratigraphy NW and SE along strike from the Bulge have delineated two high priority conductors on interpreted ultramafic contacts. Both targets will be drill tested once access issues have been finalised.

RAVENSTHORPE JV (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 historically produced 443,000t at 3.46% Ni for 15,350t Ni.

Mt Short

At Mt Short in the north western portion of the project, TEM surveys testing an extensive covered ultramafic horizon have located a conductor (MS7) associated with RAB anomalies up to 0.6% Ni and 0.8% Cu within a broad area of surface anomalism. Access issues have been resolved and a diamond drilling program to test the target has commenced.

Heliborne EM survey

A heliborne EM survey, comprising 1,197 line km on 50m line spacings was completed to test 4 areas of covered prospective ultramafic in the central and north western portions of the project area.

A detailed examination of data from Area 4 (Mt Short Western Limb) incorporating results from historical drilling and geological mapping has resulted in the identification of 24 targets that require follow-up. Once data from all 4 areas tested by the heliborne EM survey has been reviewed, targets will be field checked and ranked prior to aircore follow-up.

MUSGRAVE JV (IGO 51%/GOLDSEARCH 49% BHP BILLITON EARNING 65%)

IGO is managing exploration on the Musgrave Joint Venture, which 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. IGO has reached an exploration agreement with the Aboriginal owners and two of the priority exploration licences have been granted.

The principal target is Ni-PGE-Co 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.

One of the two granted tenements contains the Tuckerbox Prospect (previously named Wanka Wanka), a nickel sulphide occurrence identified and partially tested by platinum explorers in the 1970's.

During the quarter a heritage survey was completed with traditional owners clearing the way to commence exploration over large portions of the granted tenure.

A program of surface geochemical sampling and gravity and TEM surveying will commence during the June quarter and further heritage surveys are planned for April which should result in approval for access to further prospective areas.

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

The Wiluna Joint Venture with Oxiana comprises a package of tenements located on the northern end of the Agnew-Wiluna Greenstone Belt. This 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 JV tenure covers approximately 40km 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 as follows:

Bodkin Prospect

Previous RC testing by IGO intersected nickel sulphide mineralisation on a basal ultramafic contact including 1m @ 6.4% Ni, 0.5% Cu and 2.5g/t Pt+Pd from 72m. This mineralisation is open down-dip to the east and a TEM survey using IGO's proprietary high-powered transmitter is planned to assist in targeting the next round of deeper drill testing (**Figure 10**).

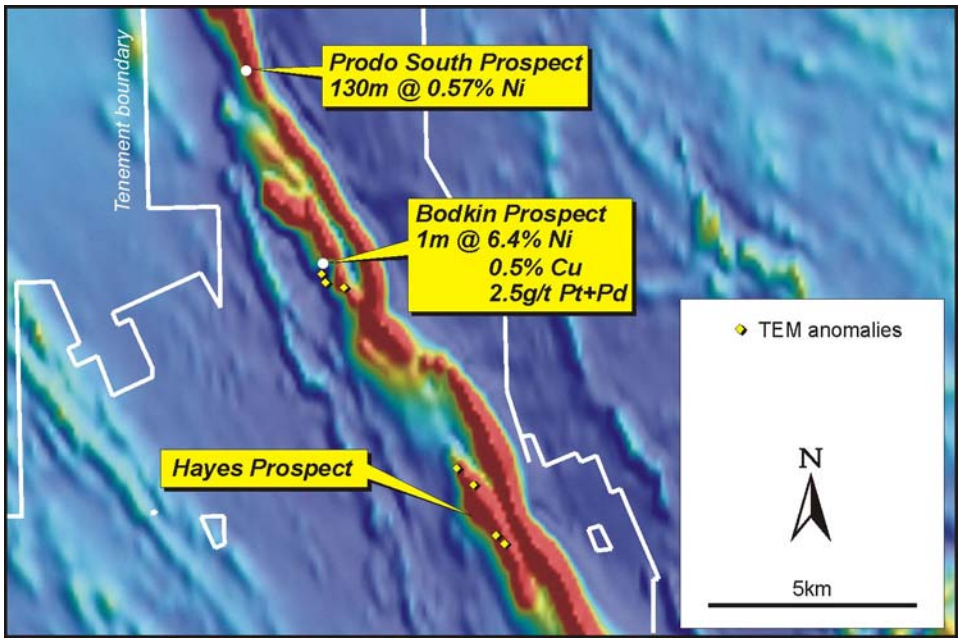


Figure 10: Wiluna JV – Prodo South, Bodkin and Hayes Prospect Locations, Significant Drill Results and TEM Anomalies Over Aeromagnetics

Prodo South Prospect

An ongoing review of the extensive historical database for Wiluna has identified a hole containing a significant intersection of nickel mineralisation that had been mis-located in the database. Hole PWD028 was drilled in 1971 to approximately 88m depth and then subsequently extended to 150m.

The hole is located at the northern end of the project area beneath thin Proterozoic cover. It contains an intersection of 130m averaging 0.57% Ni with elevated Cu (up to 1,200ppm) including a bottom of hole sample of 1% Ni in serpentinised ultramafic. This is an historic assay result which requires confirmation by IGO and the true width of the intersection is unknown. A number of other holes were drilled in the vicinity of PWD028 on or close to the same section, though none were reported as intersecting significant sulphide mineralisation. The closest drilling along strike is located 360m to the north.

Despite the lack of mineralisation in adjacent drilling, there is ample space immediately along strike from PWD028 for a steeply plunging sulphide body, and a fixed loop EM survey is planned to test this possibility.

Lake Way

The Lake Way prospect comprises approximately 9 strike kilometres of prospective ultramafic stratigraphy immediately north-west of the Wedgetail deposit. The prospect has not previously been systematically tested as conventional TEM techniques are ineffective in areas covered by conductive saline lake sediments. A TEM survey was attempted during the quarter but had to be abandoned because rainfall prevented access to the lake.

Other Anomalies

A detailed re-appraisal of all TEM surveys to date has identified 7 TEM anomalies that have not been adequately tested (**Figure 10**). The anomalies all lie along the main ultramafic trend extending north from Honeymoon Well. Three anomalies are in the vicinity of the Bodkin nickel sulphide discovery and the other 4 are along strike from the Hayes Prospect approximately 10km south-east of Bodkin.

STORBODSUND JV - SWEDEN (IGO EARNING 70%)

IGO has an agreement with Mawson Resources Ltd, a TSX 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.

During the quarter IGO drill-tested the two highest ranked conductors located about 300m east and 900m northeast of the historic prospect with two diamond holes, STD103 and STD104 for a total of 206m.

Both holes intersected nickel sulphide mineralisation, as follows:

- Hole STD103 – 0.5m @ 0.5% Ni and 2.3% Cu
- Hole STD104 – 2.0m @ 1.8% Ni and 0.5% Cu

Both holes were tested by a down-hole EM survey to confirm that the holes intersected the target conductors and to test for off-hole conductors. An initial assessment of the results indicates that hole STD104 intersected the main target, but STD103 did not and may warrant follow-up drilling.

RIVERINA JV (IGO EARNING UP TO 70% NICKEL SULPHIDE RIGHTS)

IGO has an agreement with Riverina Resources Pty Ltd and Barra Resources Ltd to earn up to a 70% interest in the nickel rights in their Riverina Project located 140kms north-west of Kalgoorlie.

The Riverina Project comprises tenements totalling 115km^2 situated along the Ida Fault on the south-eastern side of the Riverina dome. The tenements contain an extensive package of ultramafic lithologies which are at varying stages of exploration.

Exploration by Riverina at the Martin's Zone ultramafic has delineated an advanced nickel sulphide target that includes remobilised massive sulphide intersections of 2m @ 2.8% Ni from 152m (~ 20cm massive sulphide) and 0.4m @ 10.9% Ni from 251m adjacent to an ultramafic footwall contact. A drilling program to test the down-plunge potential at Martin's Zone is scheduled for April.

Evaluation of surface sampling has been completed over all ultramafic units within the Project area. Nickel in soil anomalism and interpretation of surface geological mapping indicate that at least two additional ultramafic units may also be prospective for nickel sulphide mineralisation (**Figure 11**).

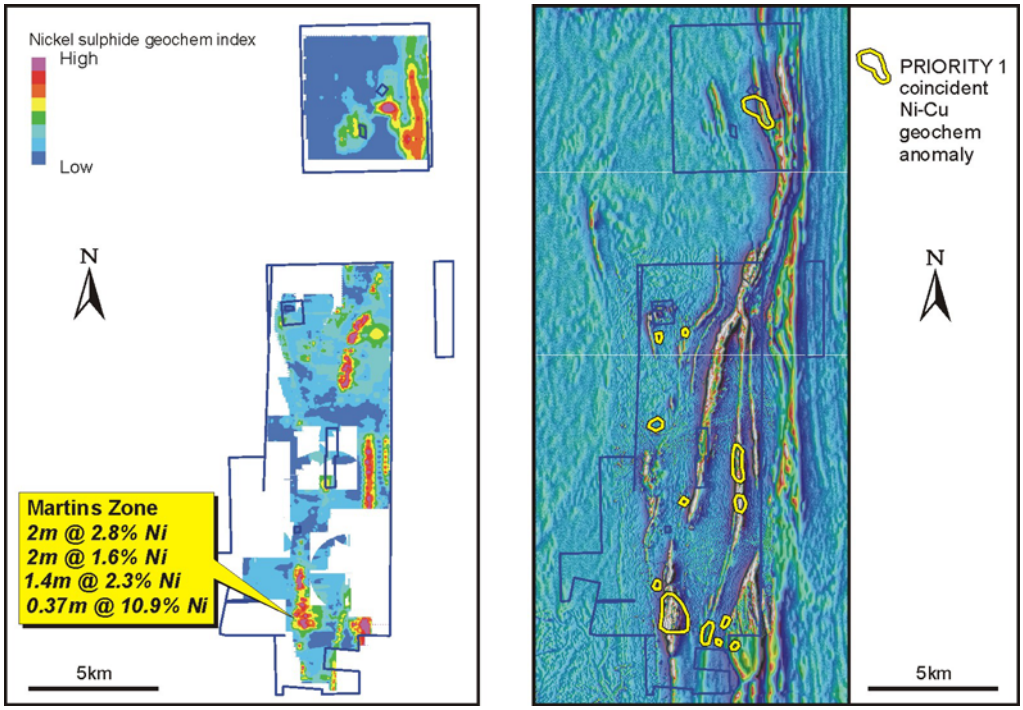


Figure 11: Riverina JV – Regional Nickel/Copper Anomalies, Martin's Zone Location and Significant Nickel Intercepts

Of particular interest is a prospect at the northern end of the tenement package where rock chip sampling of a gossanous outcrop adjacent to an ultramafic unit returned results up to 0.48% Ni, 962ppm Cu and 322ppm Pt+Pd. Limited shallow drilling (average 50m) by CRA in 1970 intersected disseminated sulphides, however the targets were not followed-up with surface EM surveys or deeper drilling. IGO is currently completing a ground EM survey over this prospect and a number of other priority areas as defined by surface geochemistry to define targets for drill-testing.

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

No work was completed on the Lefroy JV's during the quarter due to unavailability of the SQUID sensor and heavy rainfall preventing movement on the lake surface.

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:

NICKEL PROJECTS:

Royal North: RC test of EM targets intersected barren sulphides. JV partner sought to test gold and base metals potential

Quondong Well: RC test of EM targets intersected barren sulphides. JV partner sought to test gold and disseminated base metals potential

Musgrave: JV partner being sought to test uranium potential of two tenements containing Eromanga Basin sediments

BASE METAL/GOLD PROJECTS:	Brandy Hill:	JV partner being sought to test Cu, Au, PGE and Ag potential (including intersection of 6m @ 1.7% Cu, 0.43g/t Au, 28.17g/t Ag and 202ppm Pt+Pd)
	Dalwallinu:	JV partner being sought to test targets in the Pithara gold mineralised corridor and continue exploration on regional tenure

JUNE QUARTER EXPLORATION PROGRAM

REGIONAL NICKEL EXPLORATION	Ravensthorpe:	Review airborne TEM anomalies for drill targeting
	Duketon:	RC drill-testing potential of The Bulge ultramafic and continued TEM testing of prospective ultramafics
	Wiluna:	TEM testing of Bodkin mineralisation and South Prodo and Lake Way prospects. Drill testing of Bodkin and along strike TEM targets (subject to rig availability)
	Riverina:	Drill testing Martin's Zone nickel sulphide and EM testing ultramafic stratigraphy and gossans
	Musgrave:	Surface geochemistry, gravity and TEM testing of Tuckerbox Prospect and peripheral target areas
	Lefroy:	SQUID surveying on AngloGold Ashanti and Gladiator JV's (subject to access constraints)
REGIONAL GOLD EXPLORATION	Tropicana:	Pre-feasibility Study over Tropicana and Havana Zones and regional target assessment
	Karlawinda:	Diamond drill testing peripheral to BHP Billiton intersections
	Holleton:	Aircore testing auger and RAB anomalies in the Gibb Rock area
	Coomberdale:	Auger testing targets along interpreted mineralised corridor
	Cobar:	RC testing the Prince William prospect

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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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