



4 August 2006

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

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MCLEAY NICKEL DEPOSIT – SHOOT 1 EXTENSION – 9.0m @ 4.6% Ni

Following the successful Shoot 2 southern extension drilling results (16m @ 14.3% Ni – ASX Announcement dated 27 July 2006), a single hole was drilled south of McLeay Shoot 1 to test if Shoot 1 also continued to the south.

This hole intersected **9.0m @ 4.6% Ni (5.0m true width)**. The intercept is 65 metres south of the McLeay Shoot 1 ore reserve boundary extending the strike length from 290m to 355m (**Figures 1 and 2**).

A down-hole TEM survey suggests the shoot is open to the south, south of the previous inferred resource boundary.

Surface	Hole No.	Northing (m) Collar	Easting (m) Collar	RL (m) Collar	Azimuth (degr) Collar	Dip (degr)	E.O.H (m)	From (m)	To (m)	Width (m)	True Width (m)	Grade Ni%
1	MDU-136	547,203	375,200	-449	142	-44	142.8	96	105	9.0	5.0	4.6

(Intersections calculated by the specific gravity method)

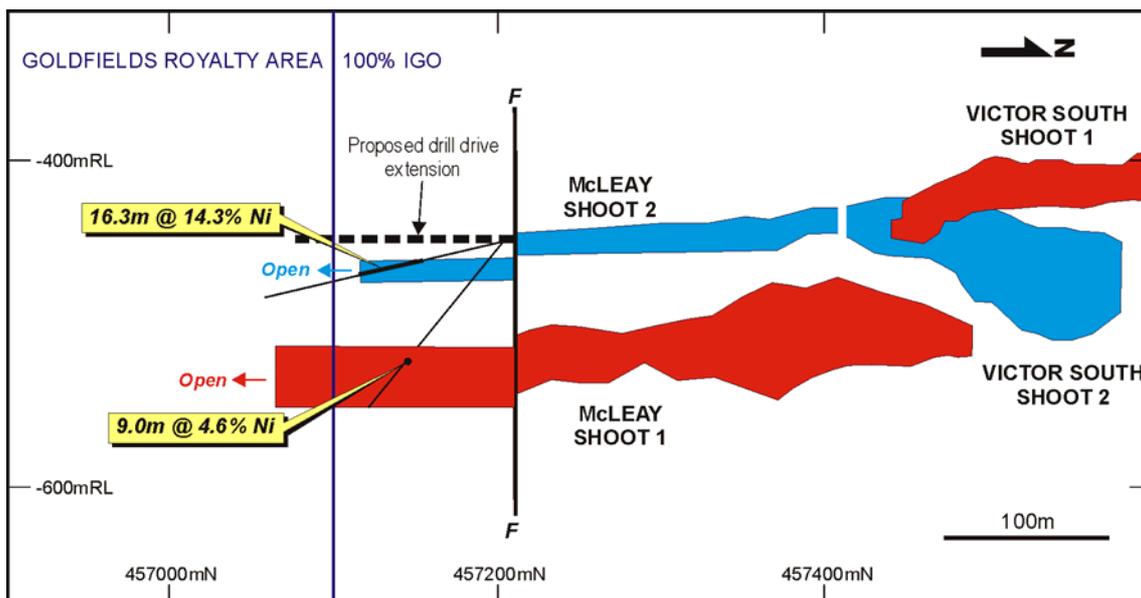


Figure 1: McLeay Longitudinal Projection Showing New Shoot 1 and Intercepts South of Current Resources

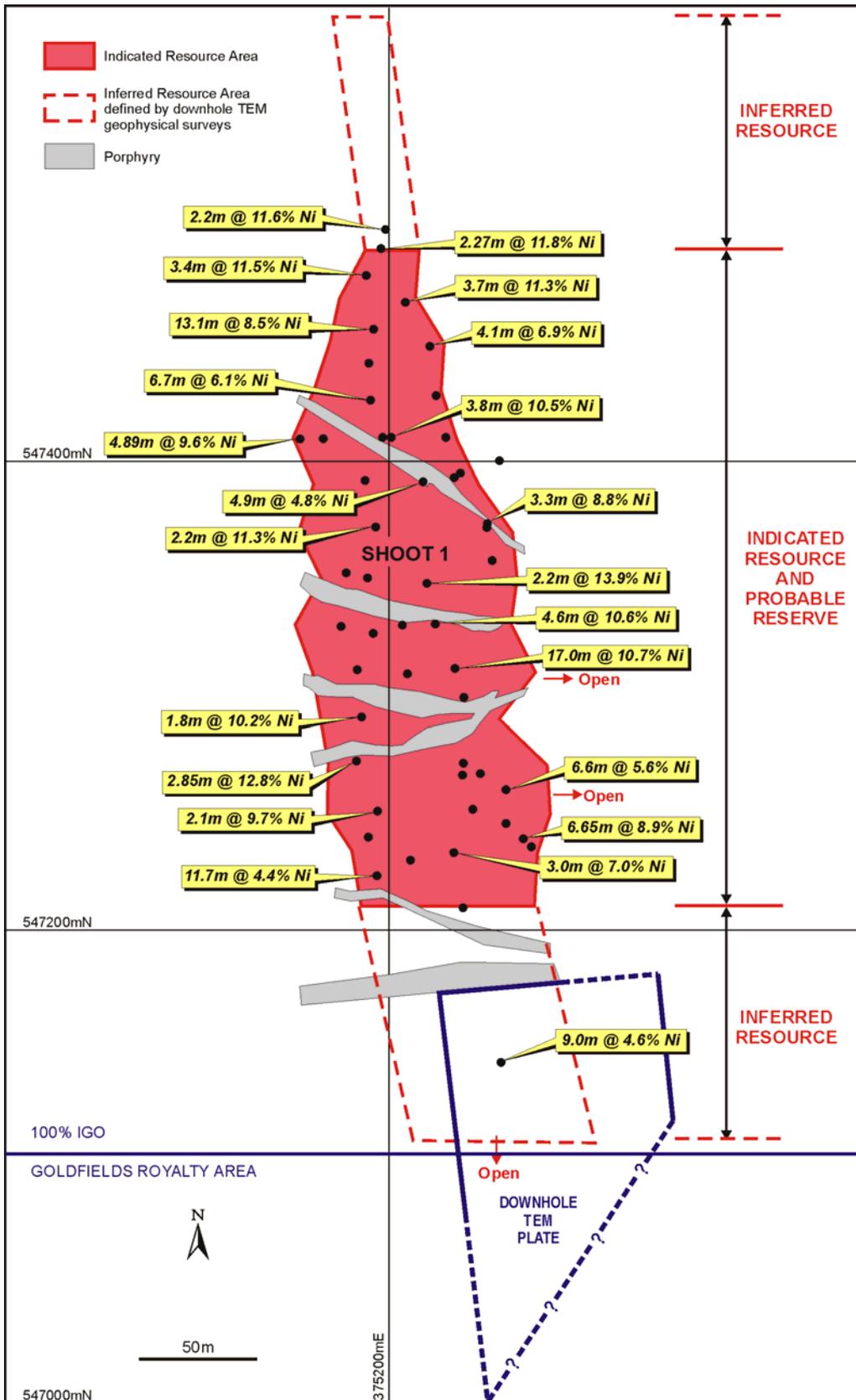


Figure 2: McLeay - Shoot 1 – Plan Showing Resource and Reserve Boundaries, Cross-Cutting Porphyry Dykes, Significant Intercepts and TEM Plate

As previously reported, an exploration drive is currently being developed above Shoots 1 and 2, south of the current reserve blocks. Resource definition drilling will commence once this development is completed.



CHRISTOPHER BONWICK
Managing Director

Note: The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Christopher M Bonwick who is a full-time employee of the Company and is a member of the Australasian Institute of Mining and Metallurgy. Christopher Bonwick has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Christopher Bonwick consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements: This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Independence Group NL's planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may," "potential," "should," and similar expressions are forward-looking statements. Although Independence Group NL believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

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