



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

5<sup>th</sup> April 2006

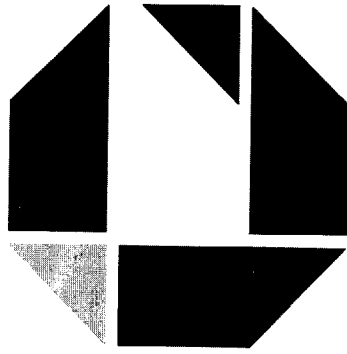
**Australian Stock Exchange Limited**  
**Company Announcements**  
**Level 10, 20 Bond Street**  
**SYDNEY NSW 2000**

NO. OF PAGES : (43)

**COMPANY PRESENTATION**

Please find attached an updated presentation on the Independence Group NL.

**CHRISTOPHER BONWICK**  
Managing Director



**INDEPENDENCE GROUP NL**

**Investor Update**

**April, 2006**



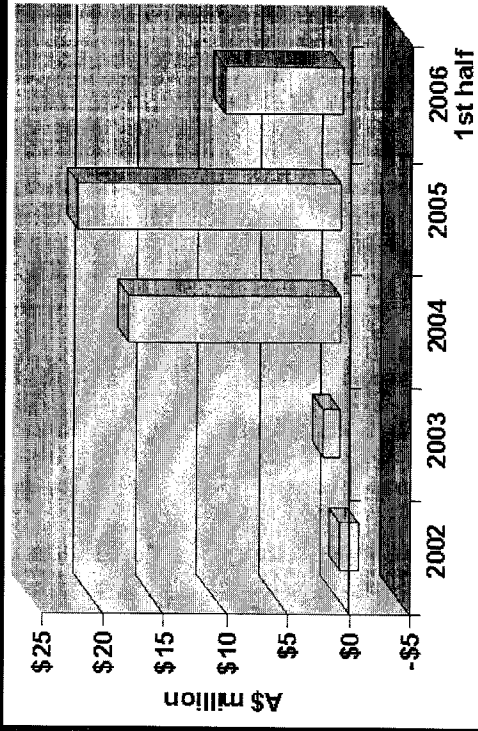
# EXECUTIVE SUMMARY

- ) **Low cost nickel producer – Dec 05 half A\$3.47/lb payable Ni**
- ) **Robust expanding high-grade mining reserve position; still producing from ‘outside’ reserves**
- ) **Strong cash reserves and cash generation potential – Dec 05 \$21.5M cash + receivables net creditors**
- ) **Developing new high-grade McLeay discovery at Long**
- ) **Highly prospective exploration portfolio with recent successes at Tropicana (32m @ 6.6g/t Au, 42m @ 3.3g/t Au), Dalwallinu (7m @ 30.1g/t Au) and a large iron ore prospect at Goldsworthy**
- ) **Paying fully franked dividends – 5c Dec 04, 3c Apr 05, 5c Oct 05, 2c May 06**
- ) **Strategy to increase shareholder returns as a highly profitable diversified mining company by exploration, merger or acquisition**

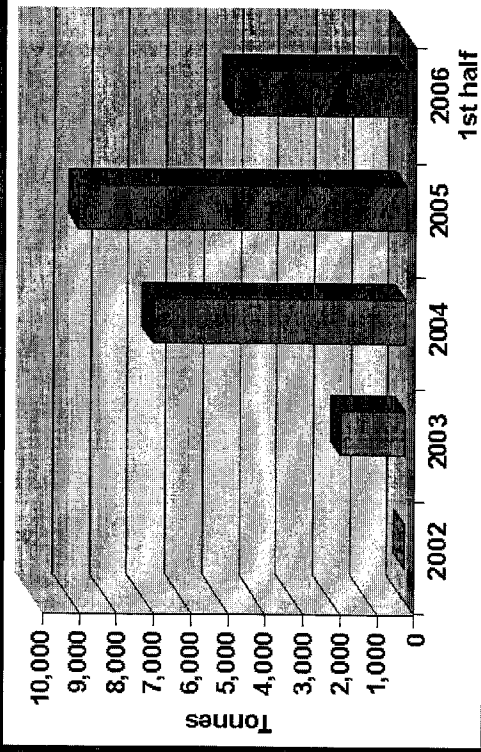


# IGO SNAPSHOT

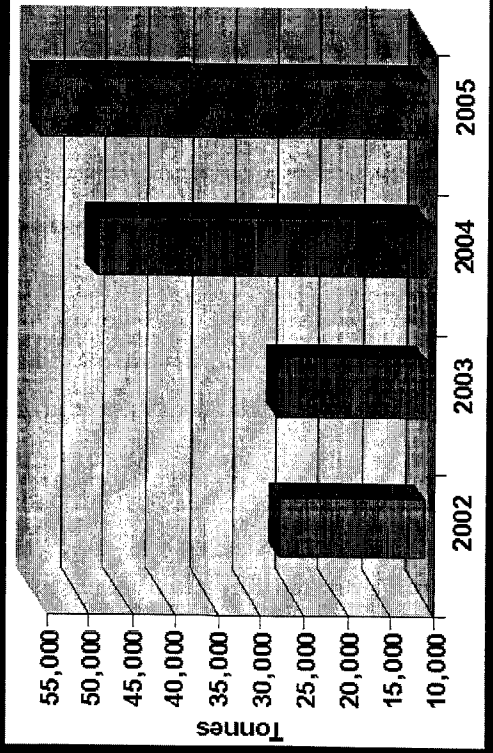
Net Profit after Tax



Nickel Production



Ore Reserve Nickel Tonnes

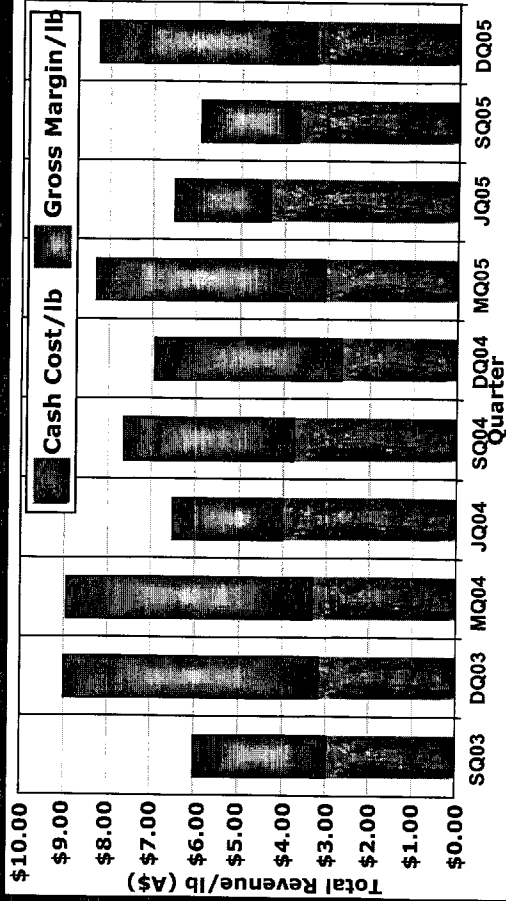




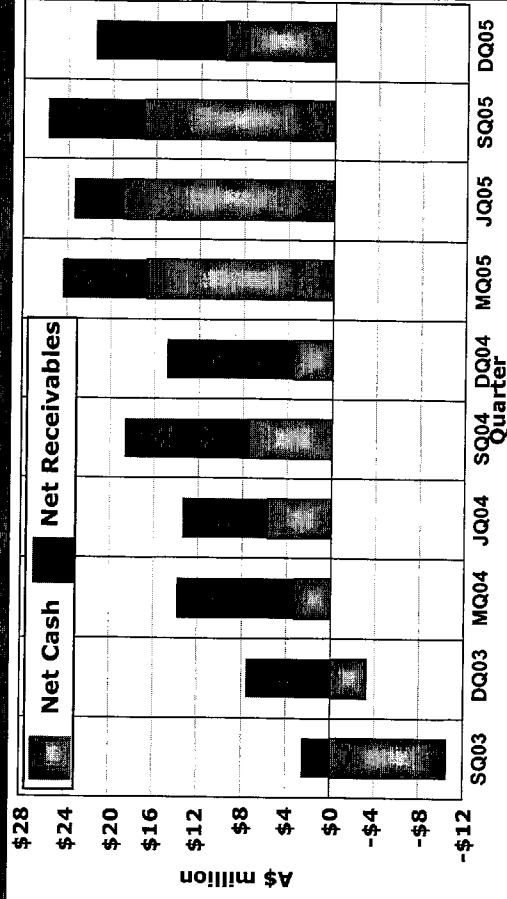


# IGO SNAPSHOT (cont.)

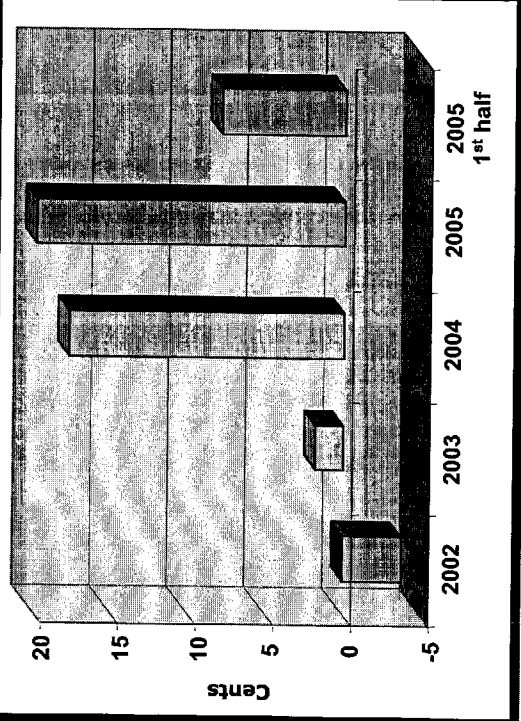
Revenue Dissection/Gross Margin/lb



Quarterly Cash & Net Receivables



Earnings Per Share - Diluted





# SHARE STRUCTURE

ASX Code - IGO

IGO Share Price = A\$2.19 (03.04.06)

IGO Indiltued Market Capitalisation = \$242M (03.04.06)

Ordinary shares	110.8M
Unlisted options	6.5M
<b>TOTAL</b>	<b>117.3M</b>

An ASX 300 Company



# TOP TEN SHAREHOLDERS

## Ordinary Shares as at 31.03.06

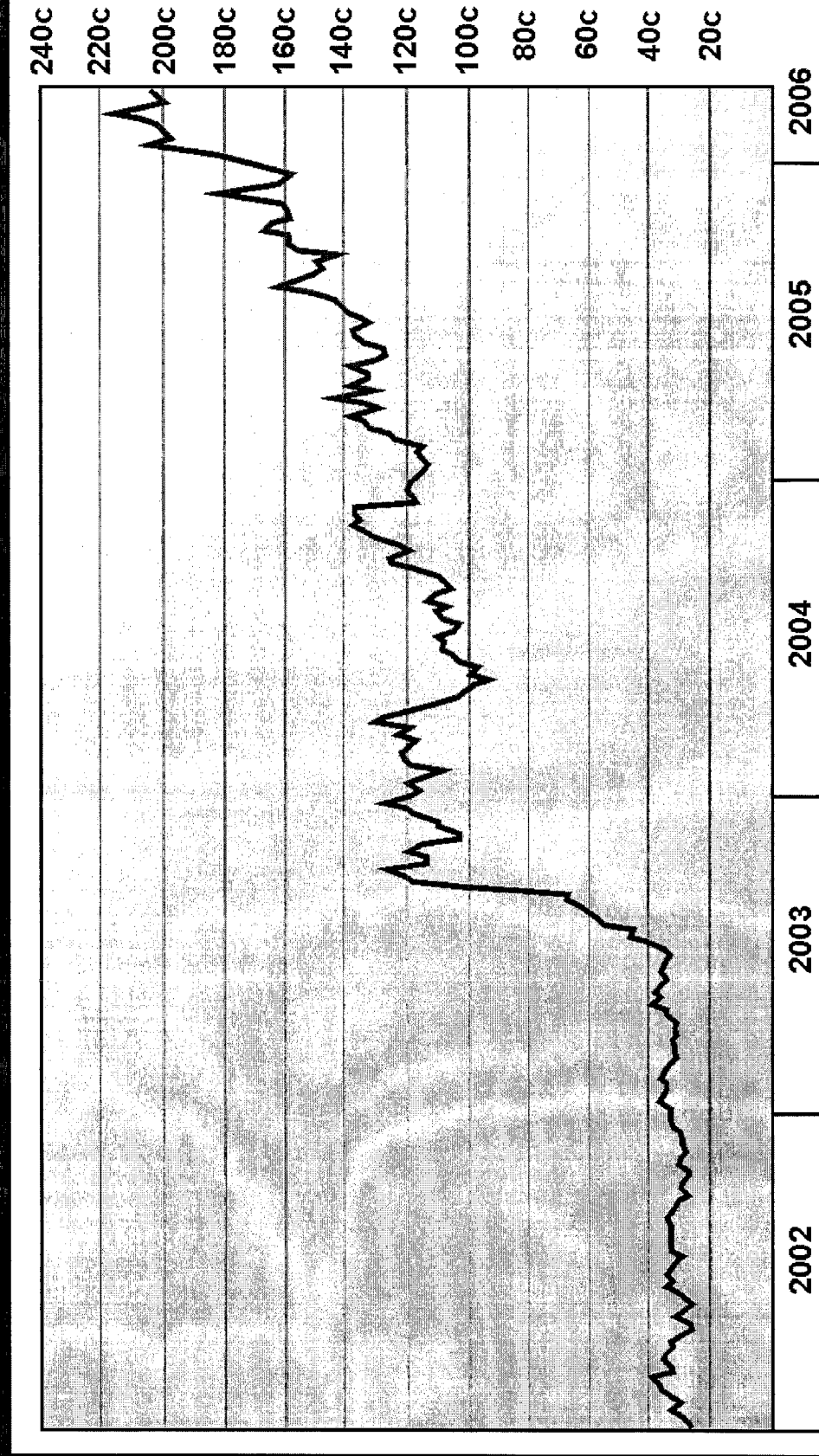
ANZ Nominees	8.7M	7.8%
National Nominees	7.0M	6.3%
Westpac Custodian Nominees	7.0M	6.3%
JP Morgan Nominees	6.8M	6.1%
Citicorp Nominees	4.6M	4.1%
RBC Global Services	4.5M	4.0%
Forty Traders Limited	3.4M	3.1%
Virtual Genius	3.4M	3.0%
Cogent Nominees	3.2M	2.9%
K Schiller	2.6M	2.3%
	51.2M	46.1%

Over 35 Australian and Overseas Institutions



# IGO SHARE PRICE - 31.03.06

## Weekly Average





# LONG NICKEL MINE (100% IGO)

## TARGETS:

- ) Sustainable 9,000t Ni pa in bottom 3<sup>rd</sup> of nickel production cash costs.
- ) New Reserves and Resources to increase mine life.





# LONG NICKEL MINE GEOLOGICAL SETTING

## WMC Production 1979-1999:

5.43M t

3.7% Ni

203,184 Ni t

## IGO Production 2002-Dec05:

583,147 t

4.0% Ni

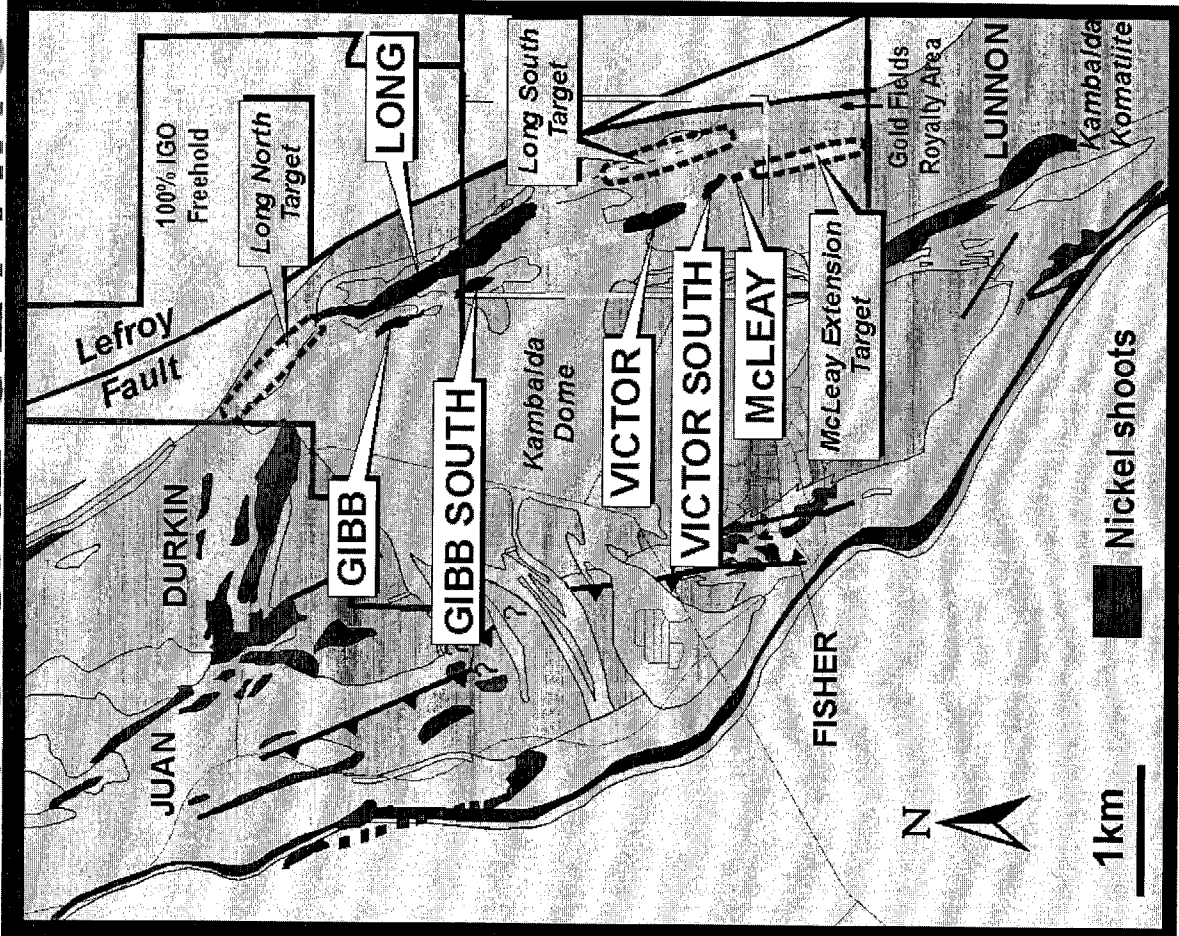
23,313 Ni t

## 30.06.05 Reserve:

1.43M t

3.9% Ni

55,290 Ni t





# LONG MINE PERSONNEL

- ) **Owner operator with 111 salaried employees & 7 full time contractors.**
- ) **Only 2 LTI's since commencement.**
- ) **Very experienced team.**
- ) **Turnover extremely low.**
- ) **Productivity bonus.**





# RECENT PRODUCTION

	Tonnes	% Ni	Ni t	IGO Ni t Share
2003/4	168,991	4.1	6,843	4,063
2004/5	212,654	4.2	8,868	5,248
2005/6 1 <sup>st</sup> half	114,339	4.0	4,593	2,689

**2005/2006 first half cash costs A\$3.47/lb**  
(payable nickel metal)

	A\$/lb Payable Ni
Payable sales revenue (incl. hedging):	7.20
Cash Costs:	3.47
Deprec. / amort. / rehab:	0.83





# HEDGING

## Payable Metal

- ) June Qtr 2005/6      450 Ni t @ A \$17,474
  - 2006/7              1800 Ni t @ A \$17,335
  - 2007/8              1800 Ni t @ A \$17,060
  - 2008/9              1800 Ni t @ A \$18,151
- ) 20% of current payable metal hedged
  - ) 34% of payable metal hedged between July 06 and Jun 09
  - ) Low priced hedging (174 Ni t / month @ A \$12,183) finishes in April 2006
  - ) Difference between spot @ A \$20,000 / Ni t and low priced hedged Ni = A \$ 1.36M /month



# LONG MINE PRODUCTION STATS

## JUL - DEC 2005 IGO PRODUCTION

Ore Reserve Est.	72,088 t @ 4.2% Ni (3,017 Ni t)
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Ore Reserve Actual	101,693 t @ 4.1% Ni (4,147 Ni t)
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Outside Reserve Actual	12,646 t @ 3.5% Ni (446 Ni t)
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<b>TOTAL</b>	<b>114,339 t @ 4.0% Ni (4,593 Ni t)</b>
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## OCT 2002 - DEC 2005 IGO PRODUCTION

Ore Reserve Est.	366,277 t @ 4.3% Ni (15,815 Ni t)
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Ore Reserve Actual	470,578 t @ 4.0% Ni (18,818 Ni t)
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Outside Reserve Actual	112,569 t @ 4.0% Ni (4,495 Ni t)
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<b>TOTAL</b>	<b>583,147 t @ 4.0% Ni (23,313 Ni t)</b>
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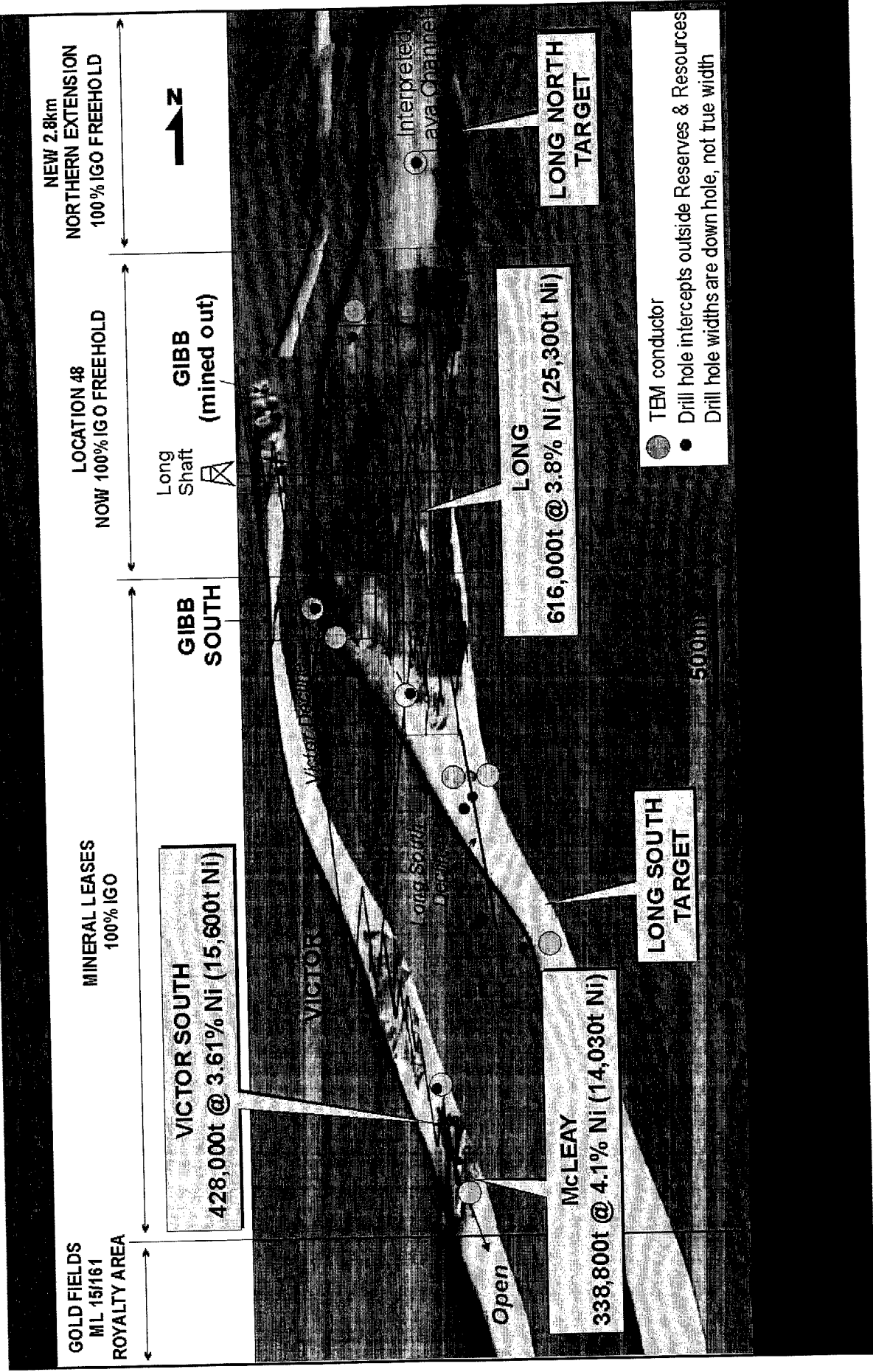
# 2005/2006 PRODUCTION BUDGET

	2004/5	2005/6 Budget
Ore tonnes	212,654	240,000
Ni %	4.2	3.8
Nickel tonnes (Ni t)	8,870	9,000
IGO Payable Ni t	5,248	5,300
Aus \$/lb payable	3.32	3.5 – 4.0

) Historic reserve nickel metal overcall not taken into account – average 47% project to date.

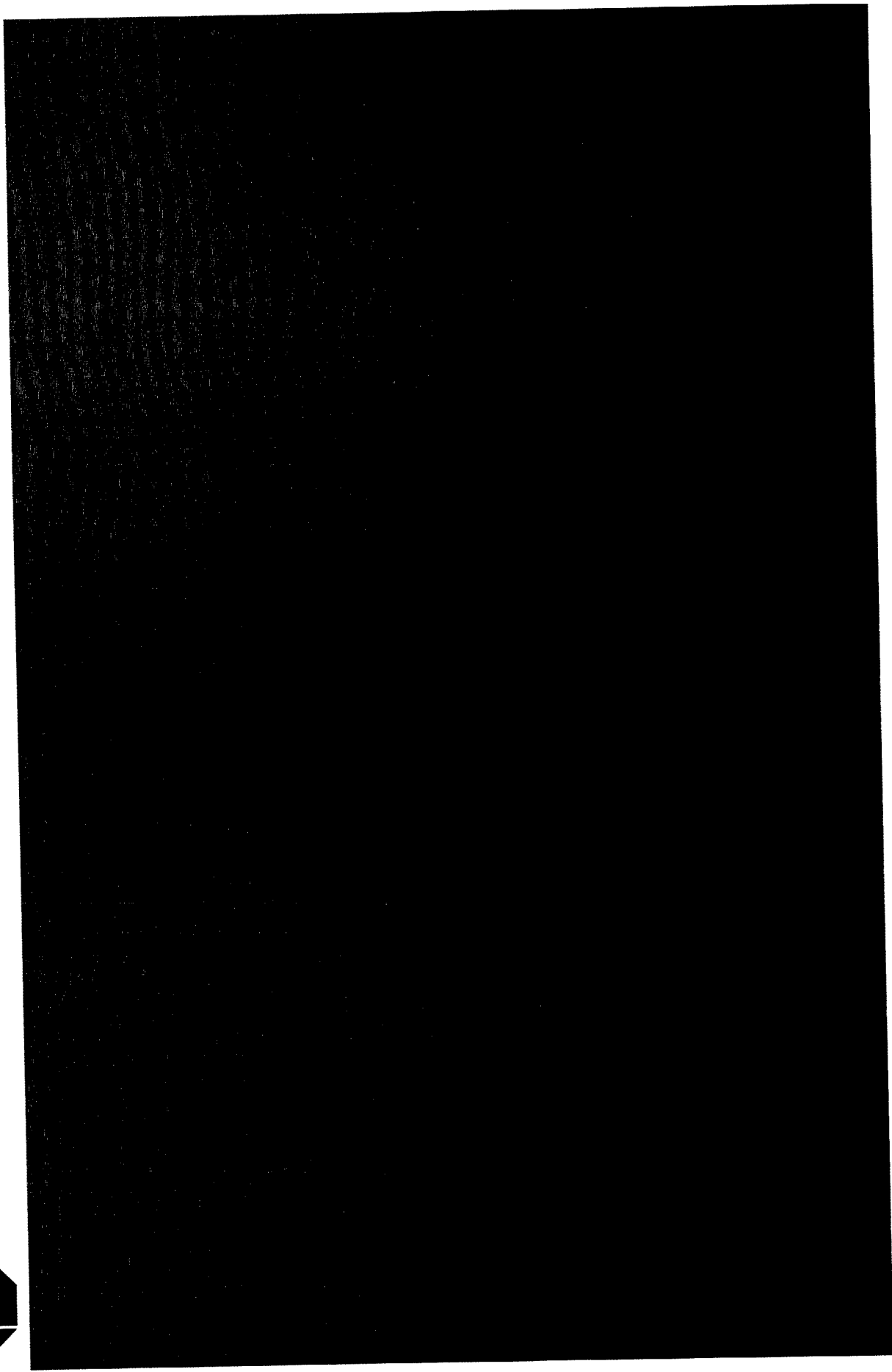


# LONG PROJECT AREA LONGITUDINAL PROJECTION



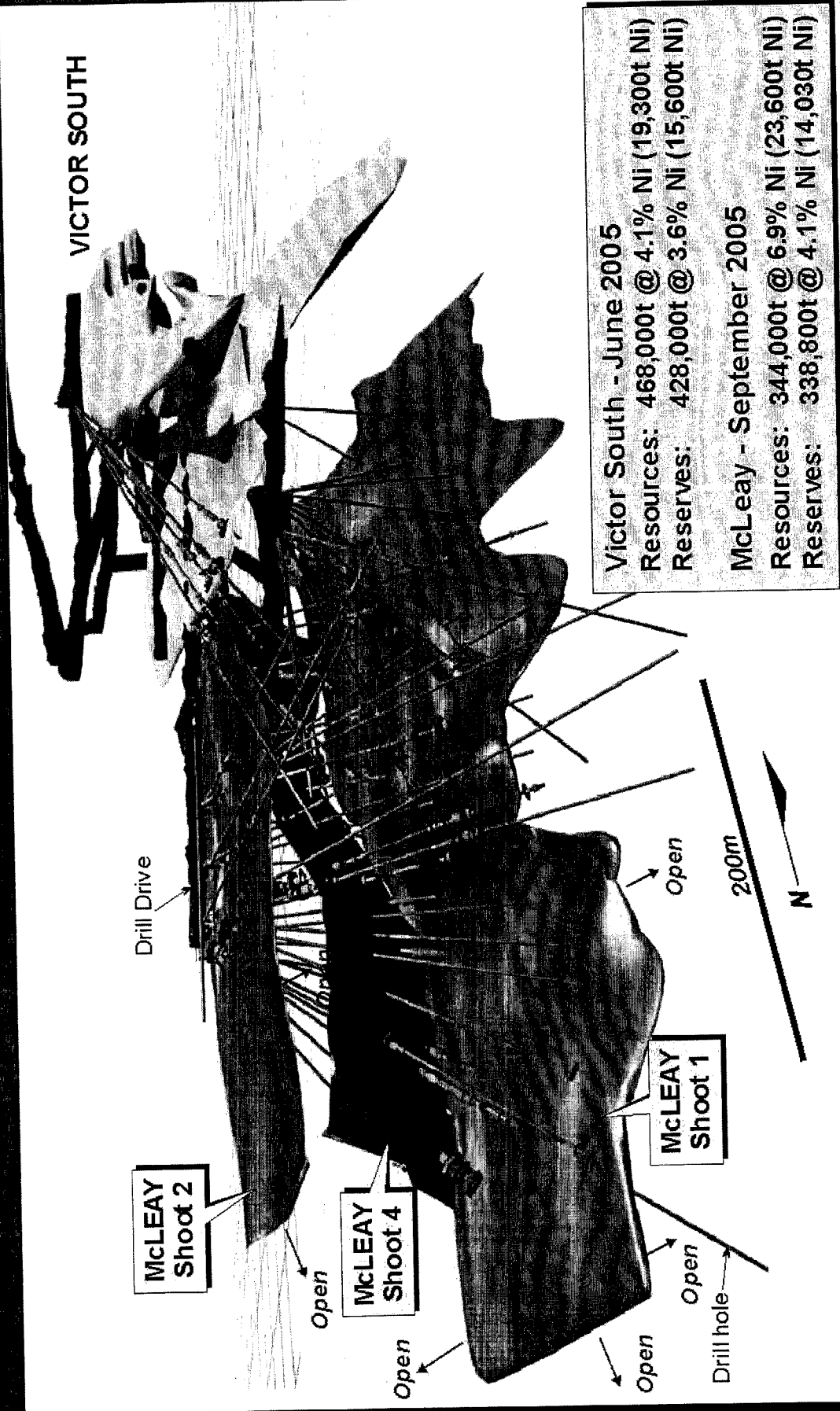


# LONG MINE FLY THROUGH



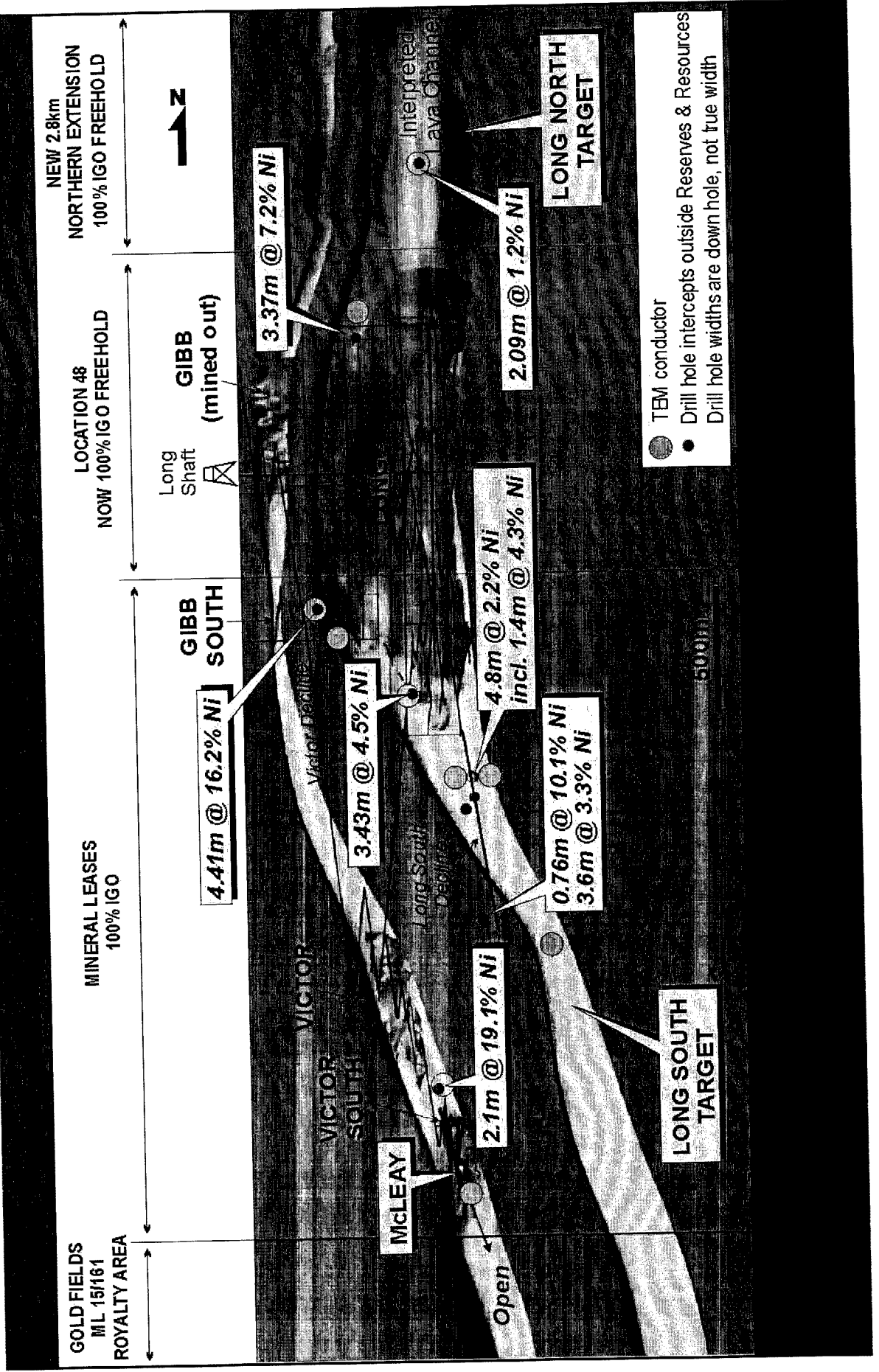


# LONG NICKEL MINE NEW MCLEAY DISCOVERY





# LONG PROJECT AREA LONGITUDINAL PROJECTION



- TEM conductor
- Drill hole intercepts outside Reserves & Resources
- Drill hole widths are down hole, not true width



# **IGO AUSTRALIAN REGIONAL EXPLORATION**

**STRATEGY: Targeting new, high profit mines by -**

- ) Exploring under cover and in lightly or unexplored terrains.
- ) Using empirical, conceptual targeting & new innovative exploration technology.
- ) Turning ground over quickly and efficiently.

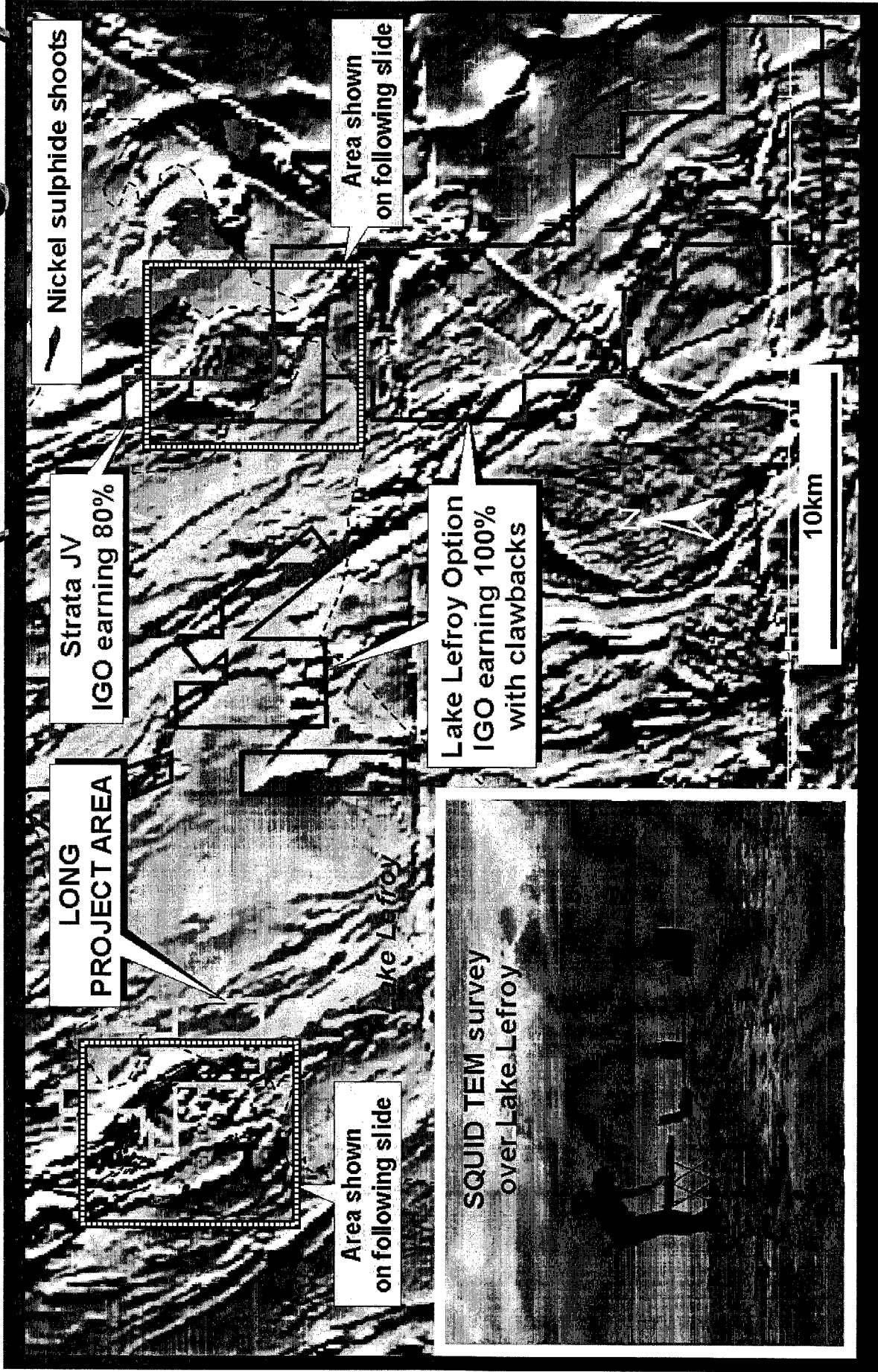
**REGIONAL BUDGET: 2005/2006 - A \$4.8M**

**SIGNIFICANT PROJECTS: 6 Nickel  
6 Gold  
3 Iron Ore  
1 Base Metal**





# LAKE LEFROY JV'S - TARGET NEW KAMBALDA FIELD (IGO earning 70%)

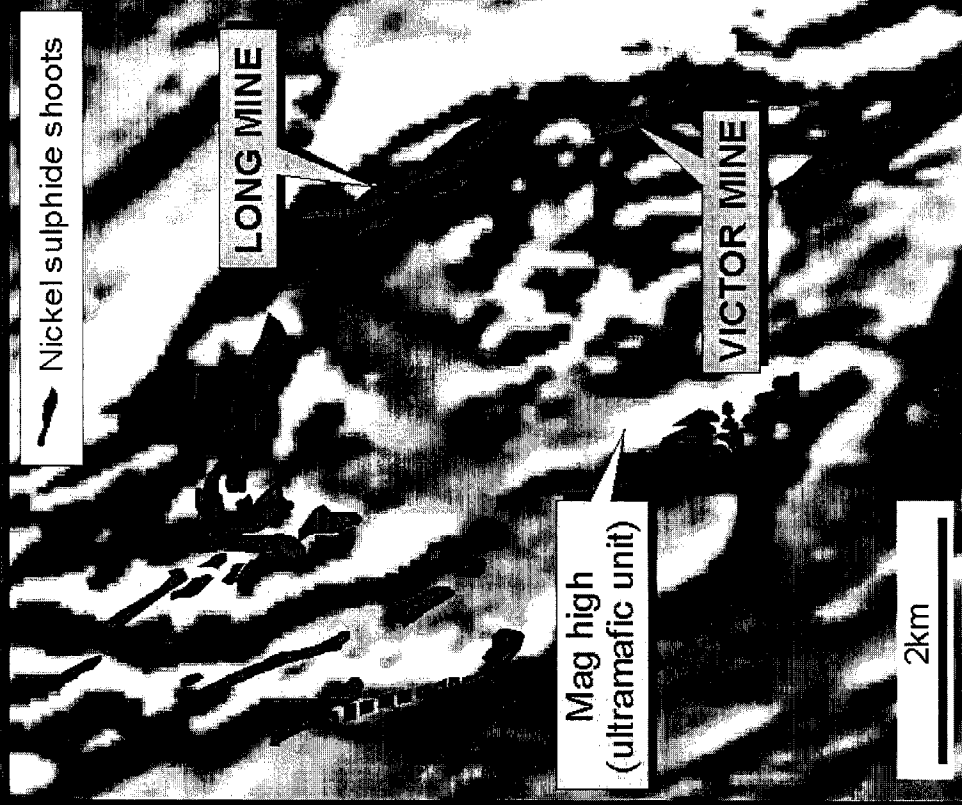




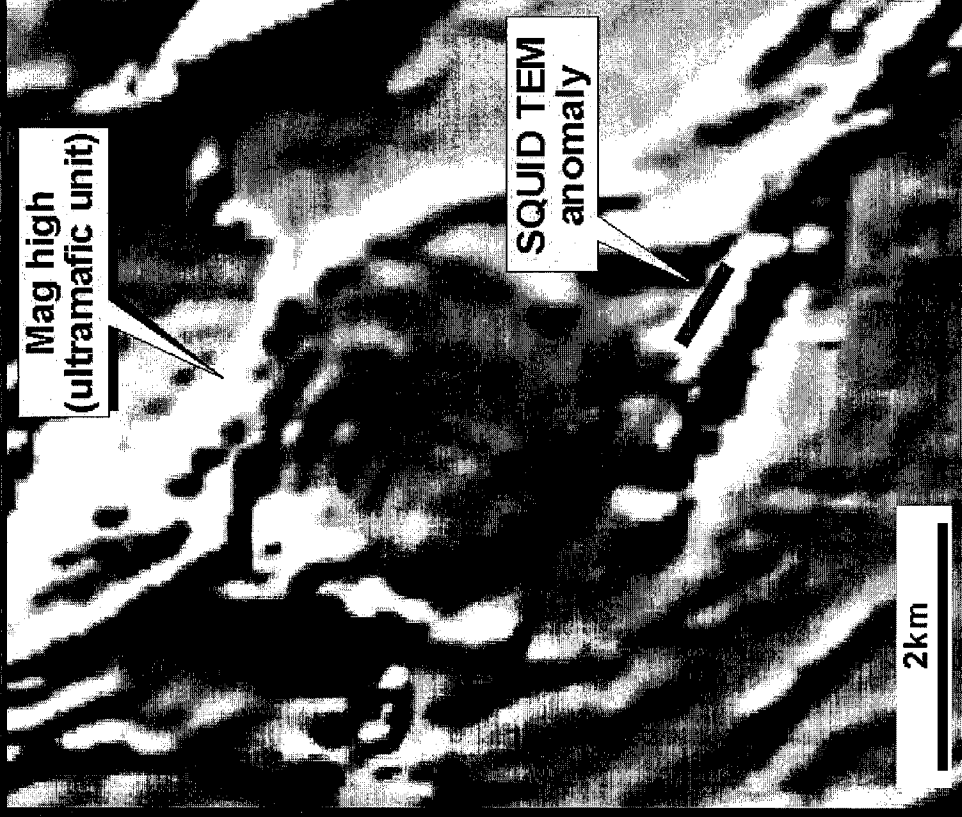
# STRATA LAKE LEFROY JV (IGO earning 70%)

## DOME COMPARISON

Kambalda Ultramafic Dome

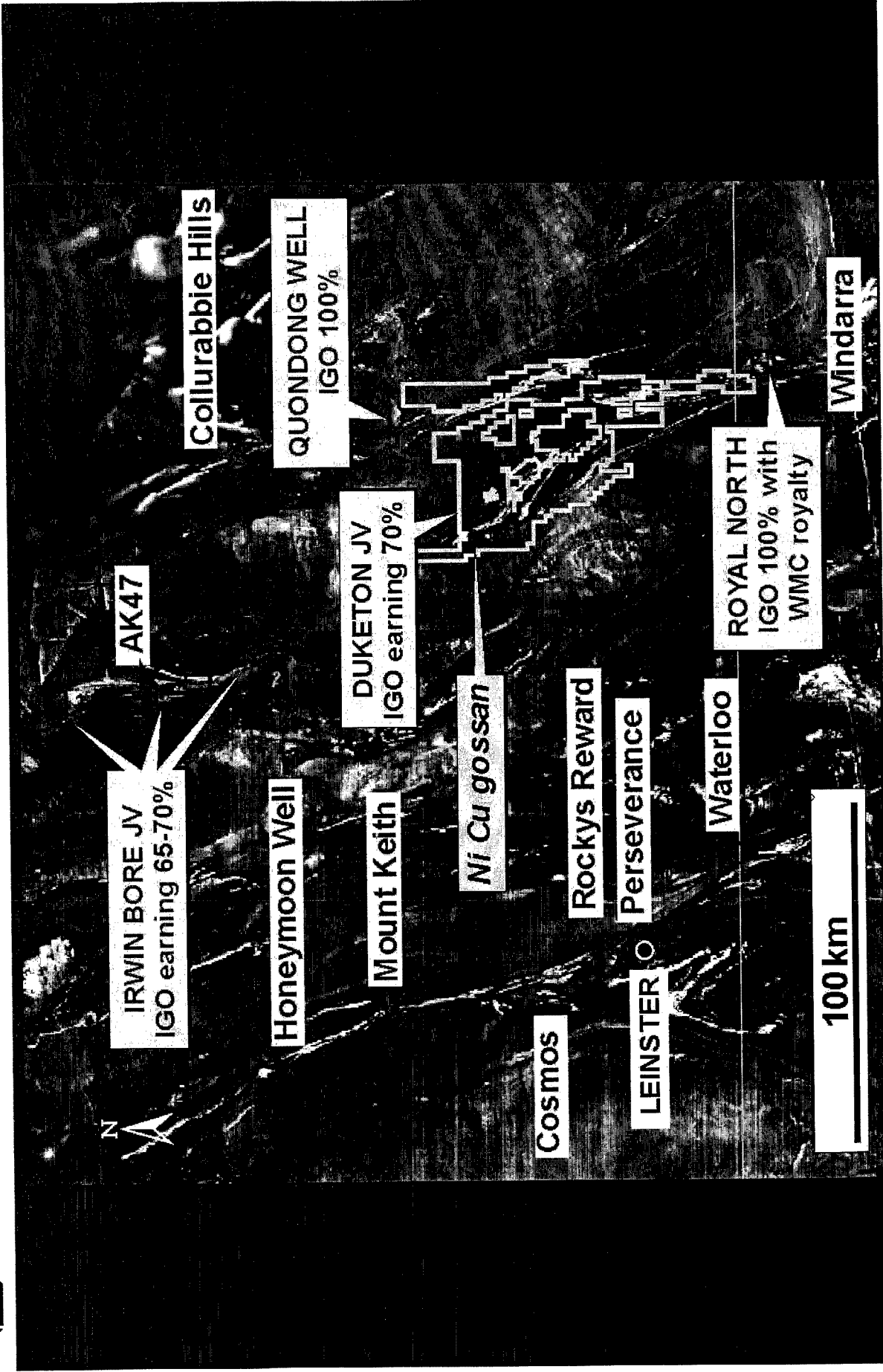


Lake Lefroy Ultramafic Dome



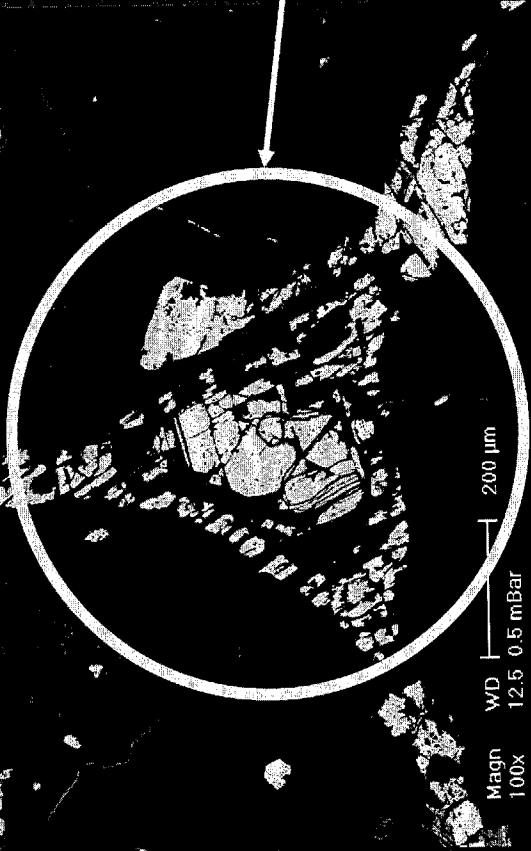


# NORTH-EASTERN GOLDFIELDS NICKEL PROJECTS





# COPPER NICKEL GOSSAN - DUKETON JV (IGO earning 70%)



Nickel sulphide gossan  
rock chips with up to  
2.3% Cu, 0.9% Ni,  
0.7g/t Pt, 0.7g/t Pd,  
0.4g/t Au



Primary nickel sulphide

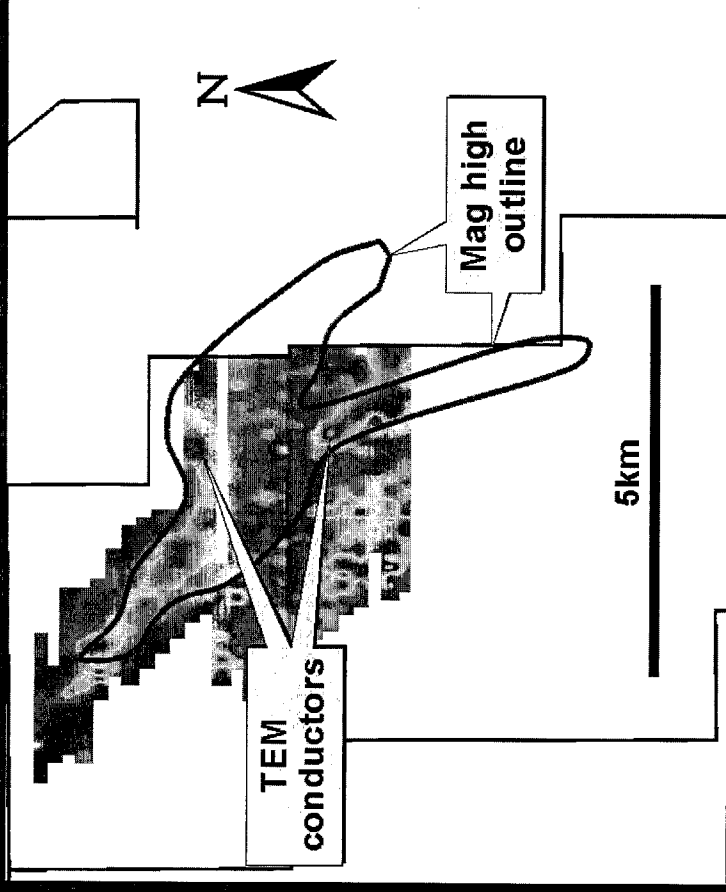


# DUKETON JV – BULGE NICKEL PROSPECT (IGO earning 70%)

**Aeromagnetic image**



**Ground TEM image**

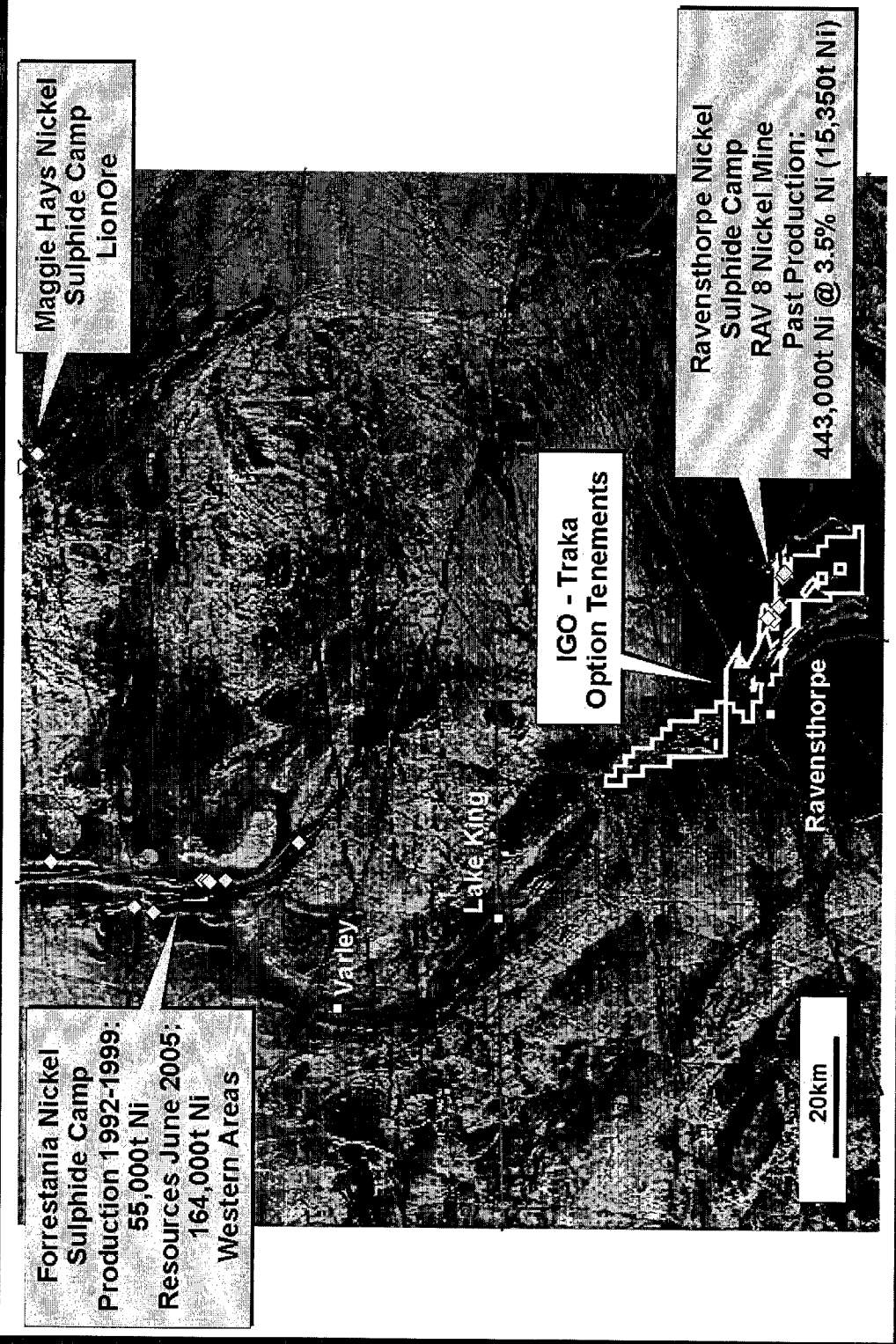


JV Partner: South Boulder



# RAVENSTHORPE OPTION (IGO option to earn 51-70%)

## Regional Air Magnetics



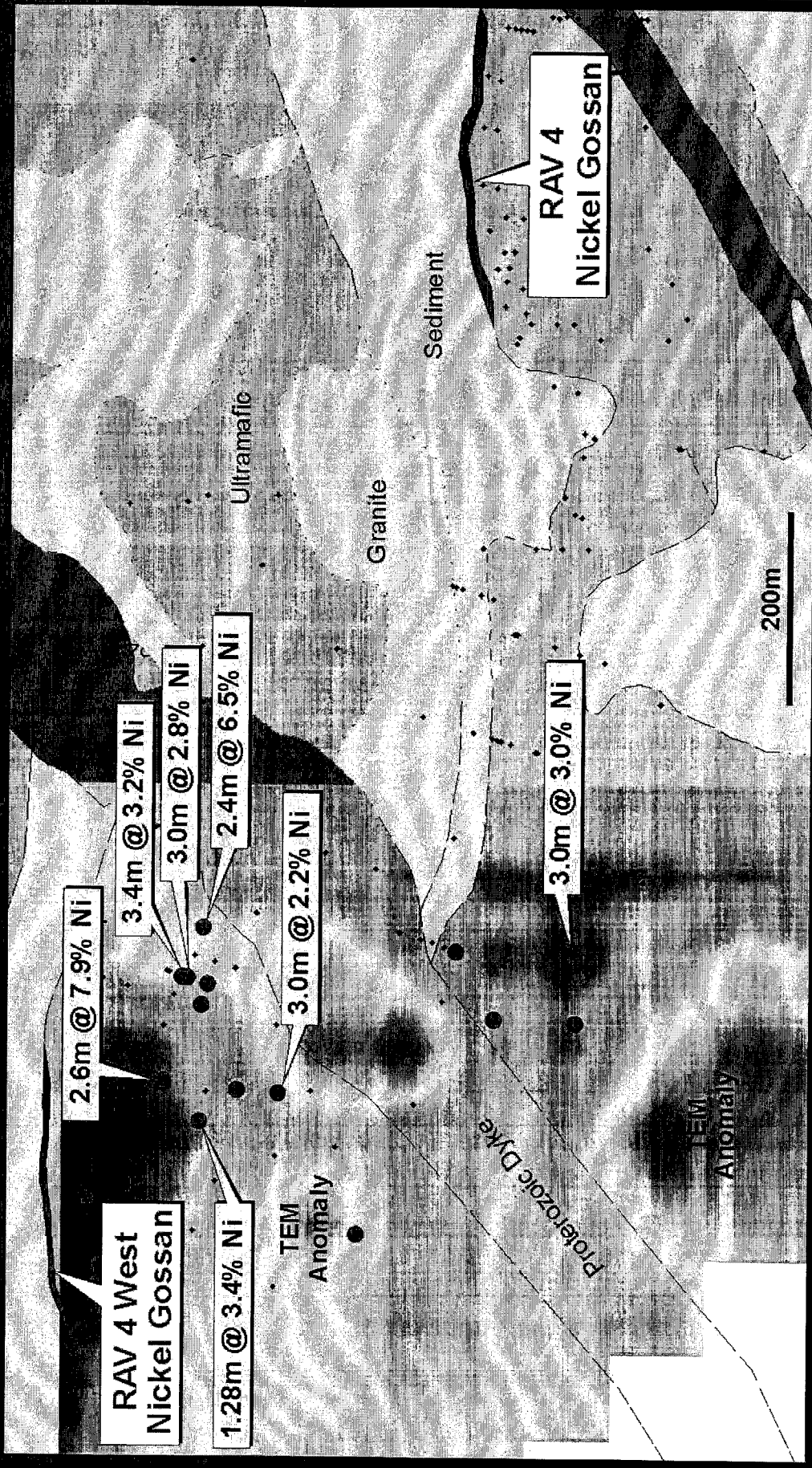
JV Partner: Traka Resources





# RAVENSTHORPE RAV 4 WEST PROSPECT (IGO option to earn 51-70%)

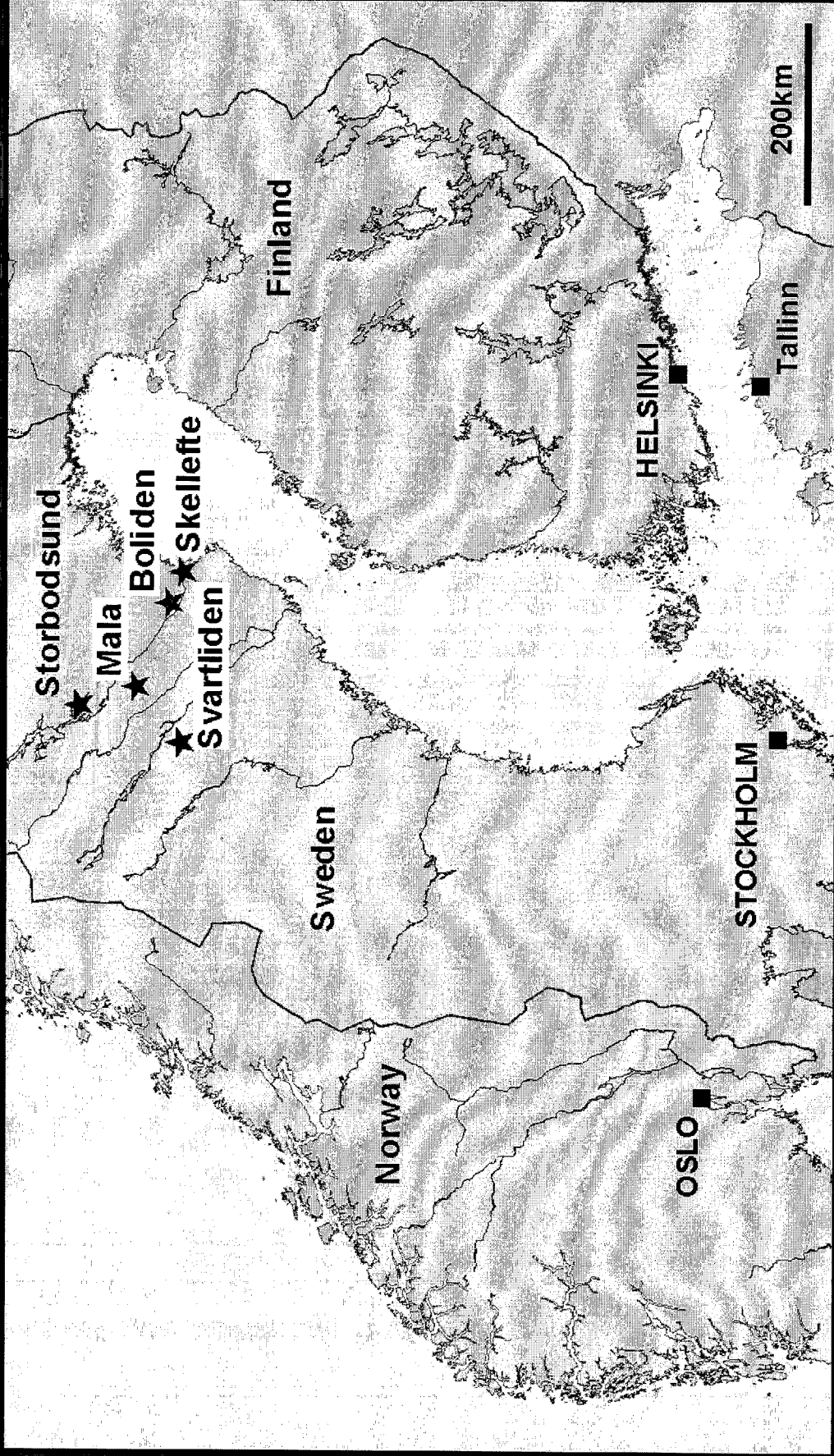
## TEM Image over Geology



JV Partner: Traka Resources



# STORBODSUND NICKEL JV (IGO option to earn 70%)

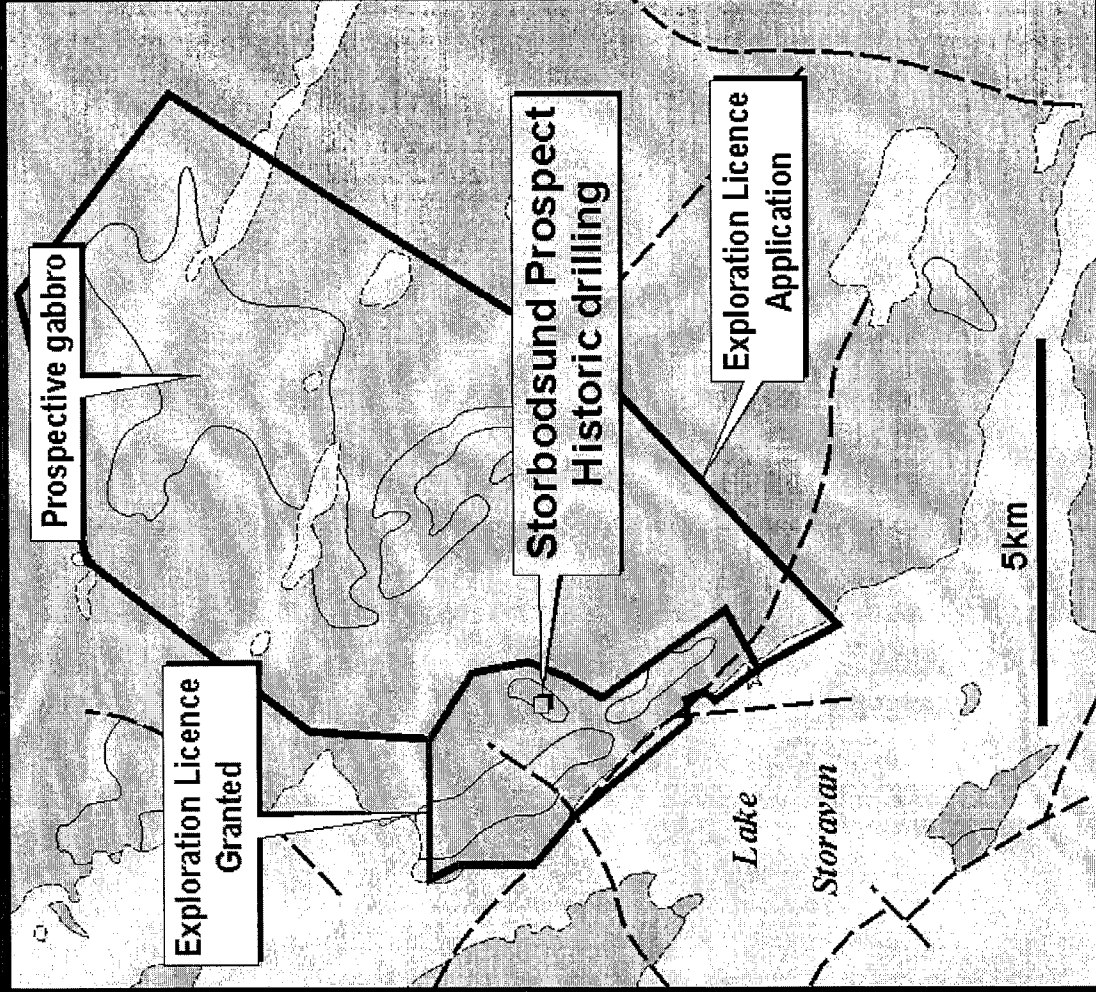


JV Partner: Mawson Resources

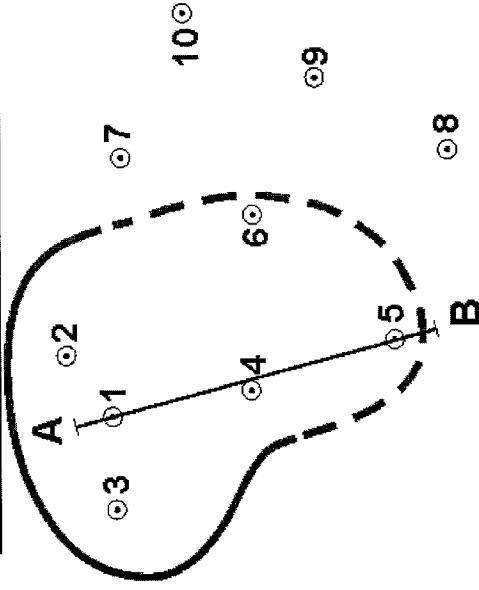




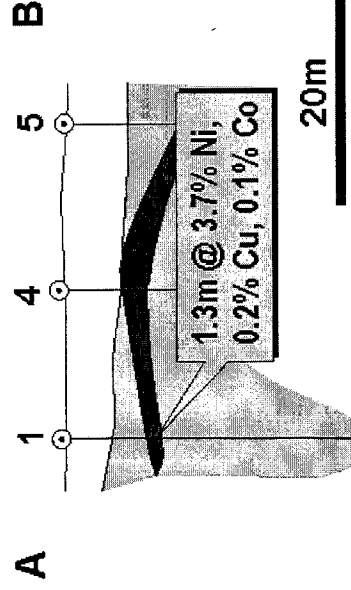
# STORBODSUND NICKEL JV (IGO option to earn 70%)



HISTORIC DRILLING - PLAN VIEW



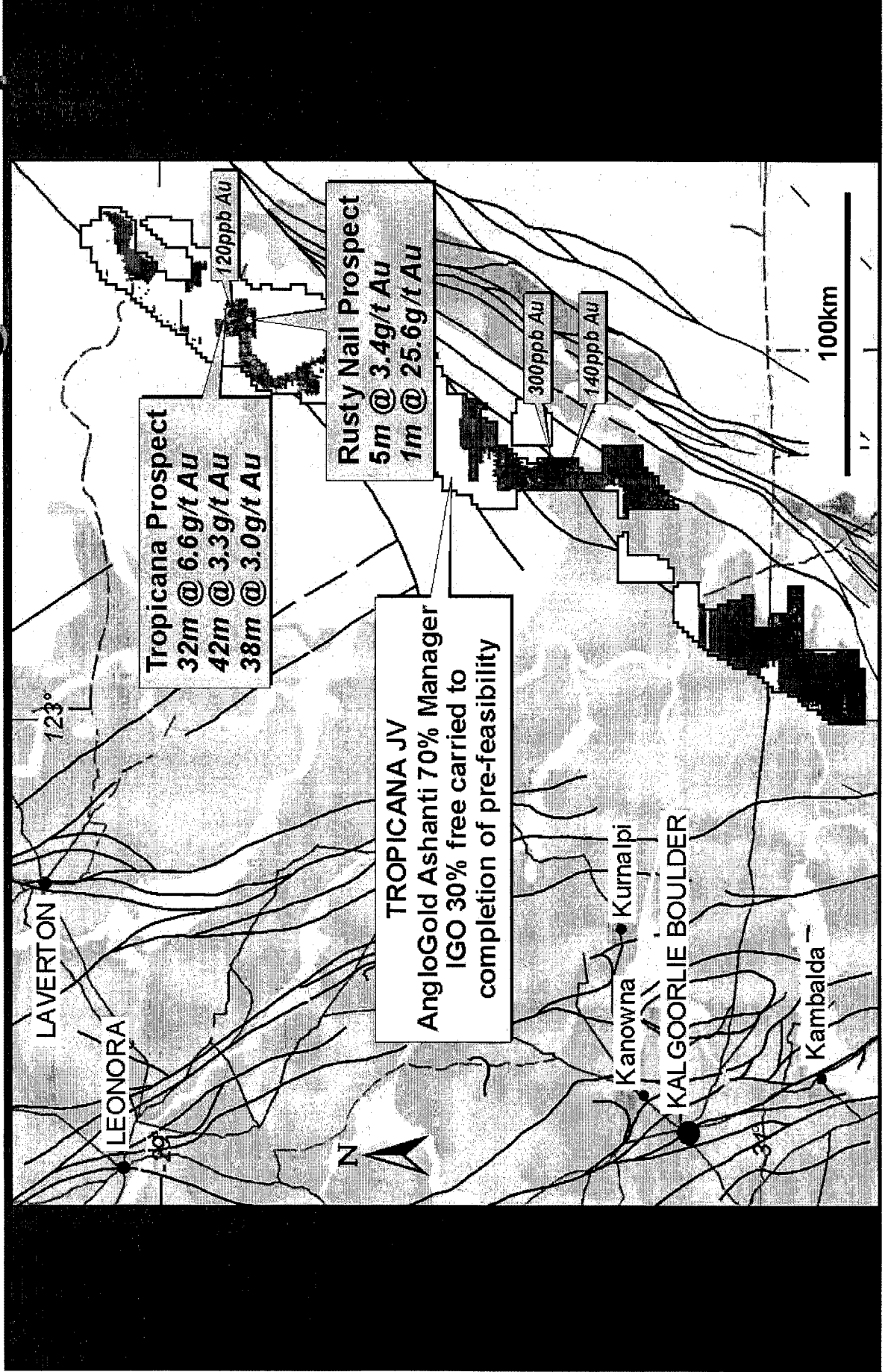
HISTORIC DRILLING - CROSS SECTION



Average width 2m @ 2.3% Ni, 0.6% Cu, PGE ?

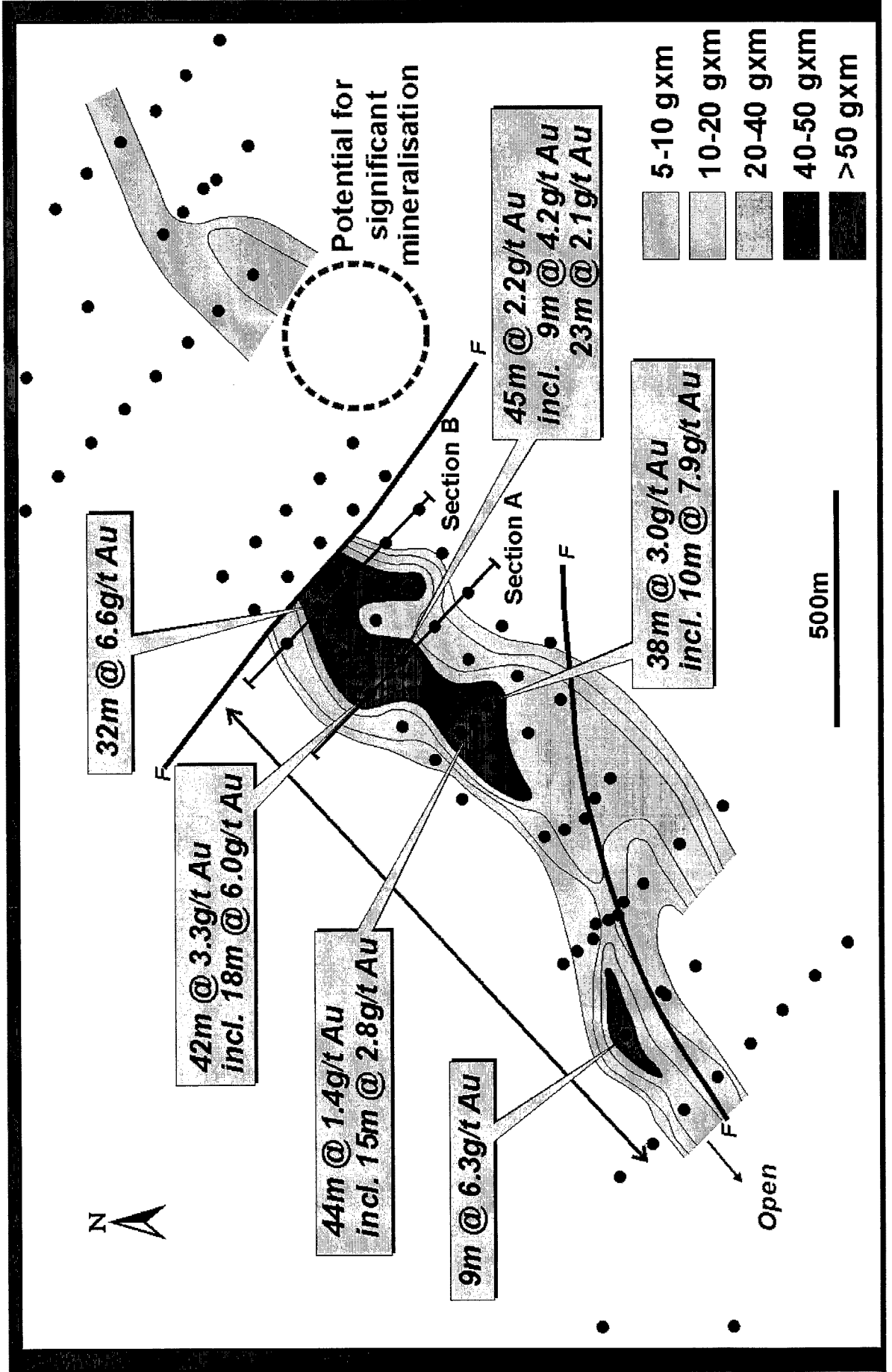


# TROPICANA GOLD JV (IGO 30%) TARGET: New gold camps



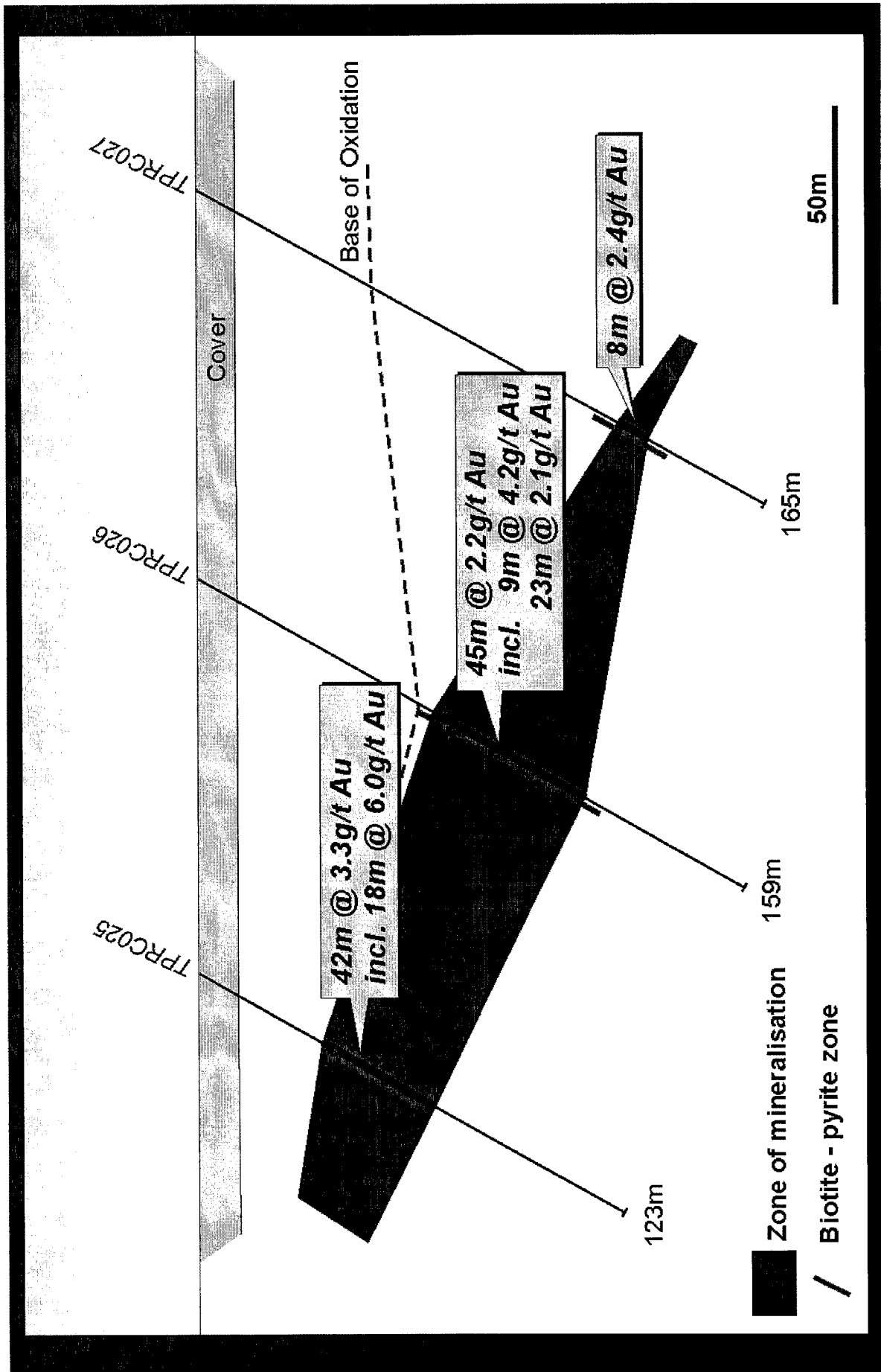


# TROPICANA GRAM X METRE CONTOURS



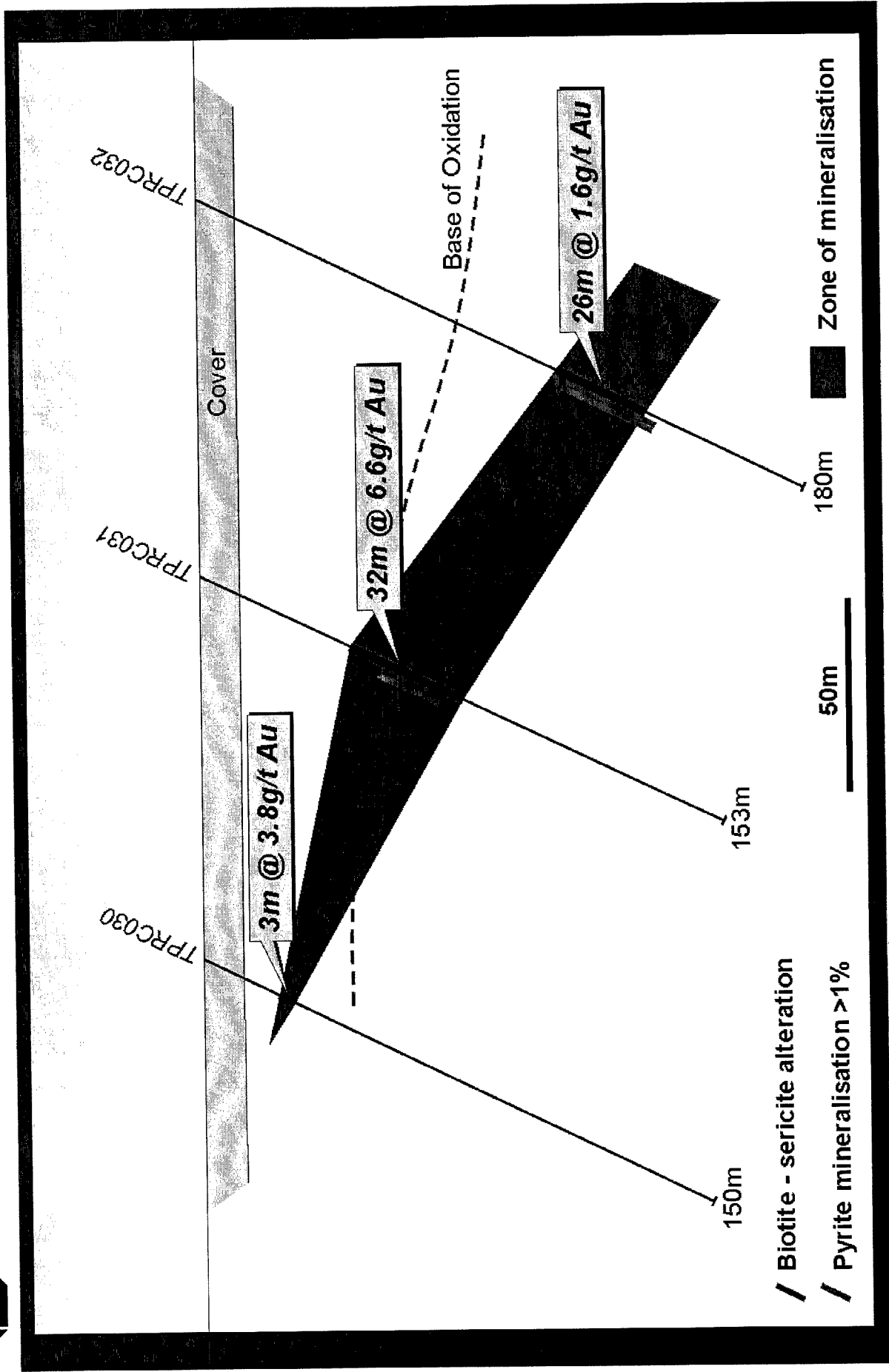


# TROPICANA CROSS-SECTION A



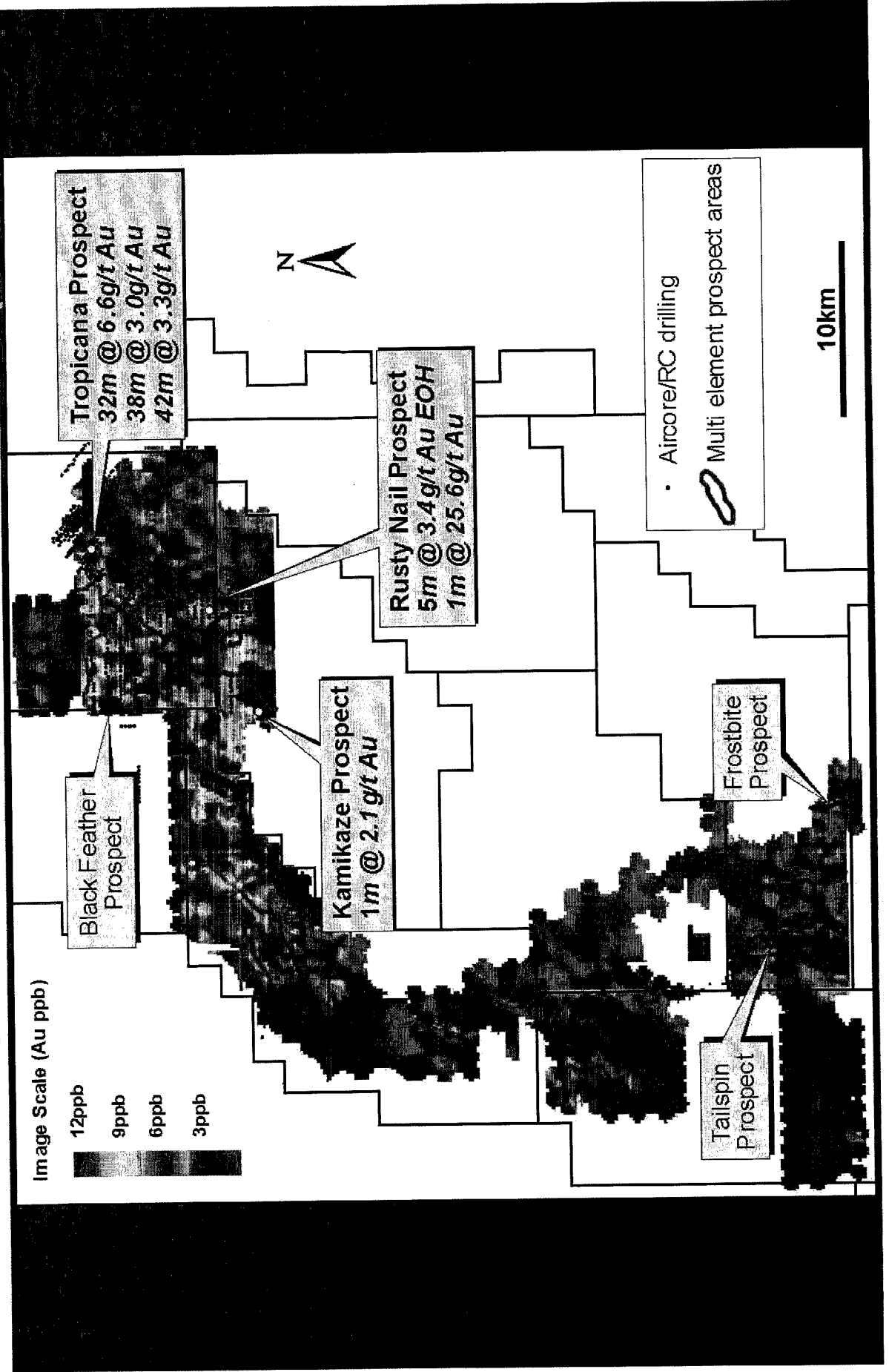


# TROPICANA CROSS-SECTION B





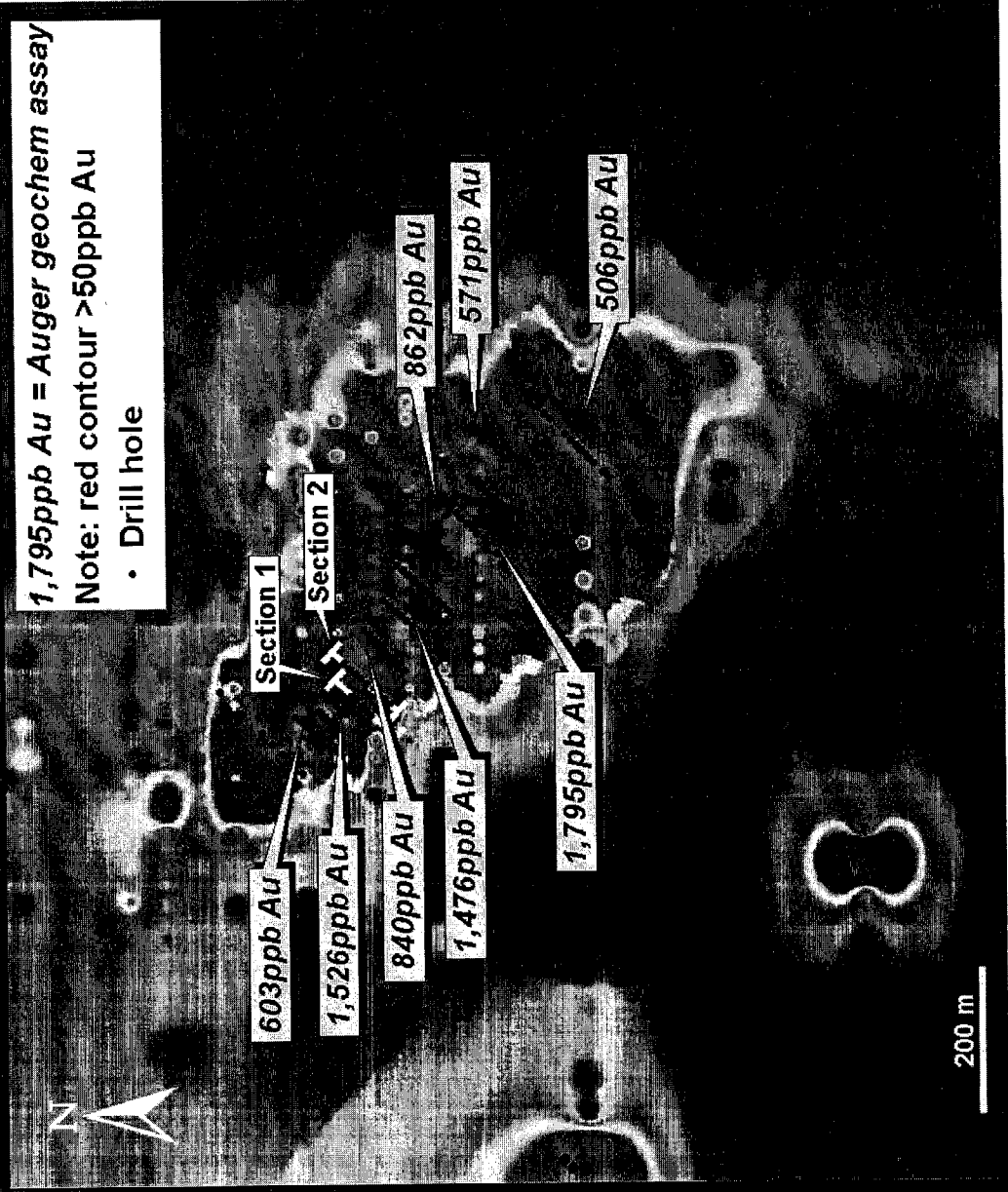
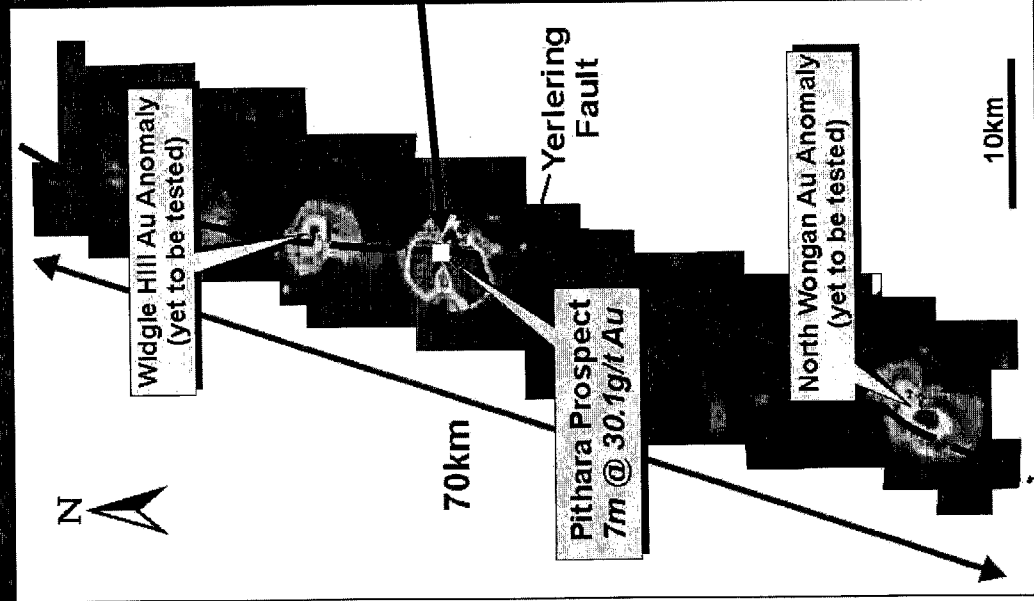
# TROPICANA GOLD JV - RUSTY NAIL PROSPECT (IGO 30%)





# DALWALLINU PROJECT (100% IGO) TARGET: New gold camp

## Onsite Sampling Gold 200m x 50m Auger Geochemical Image Gold Geochemical Image

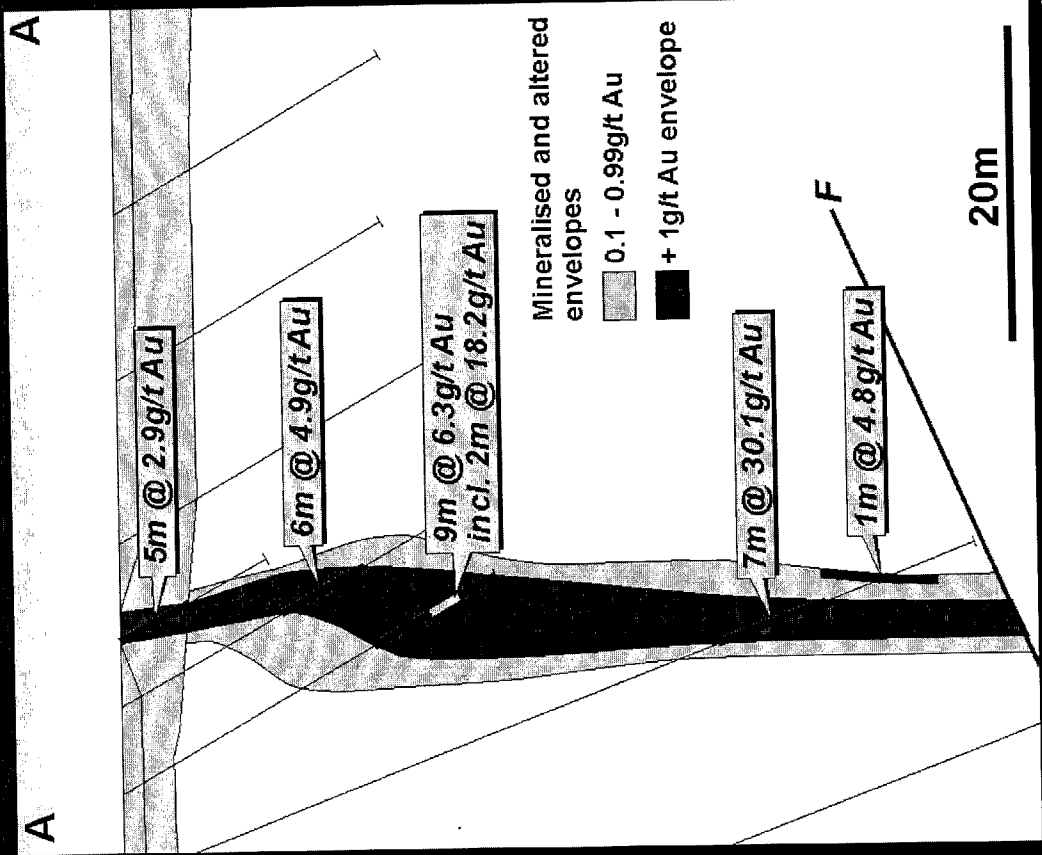




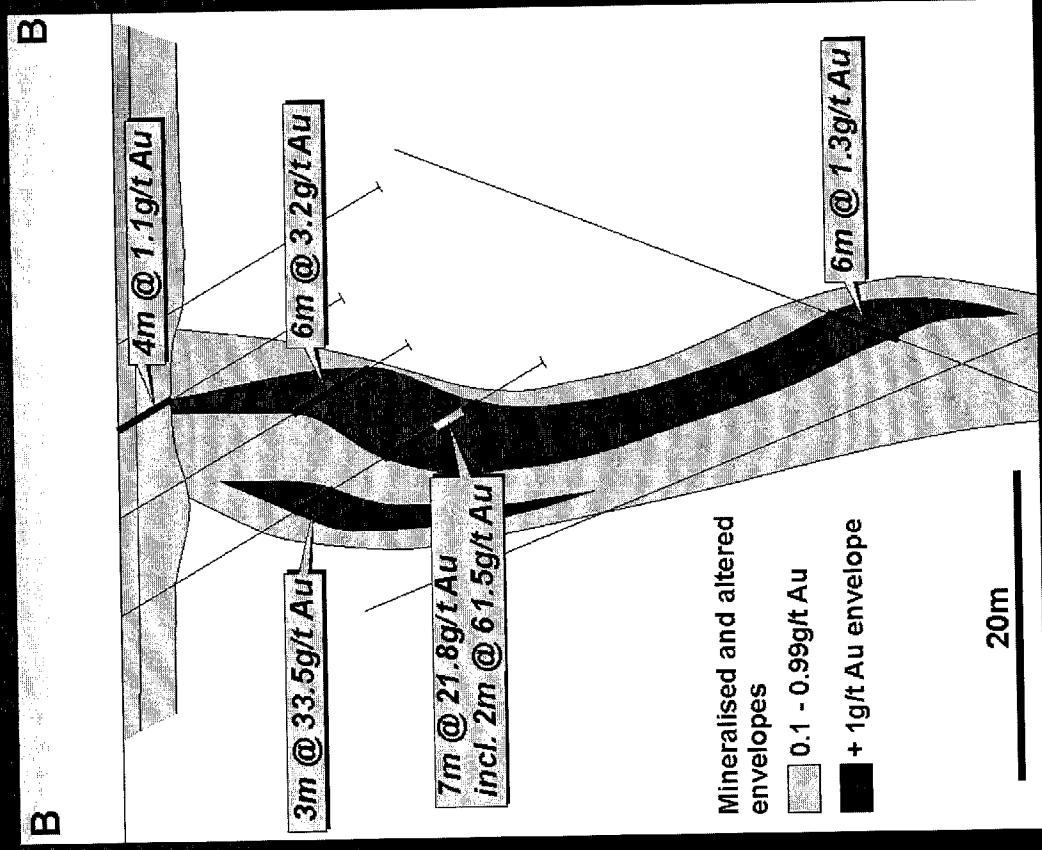


# DALWALLINU PROJECT PITHARA PROSPECT (IGO 100%)

## Cross-section 1



## Cross-section 2

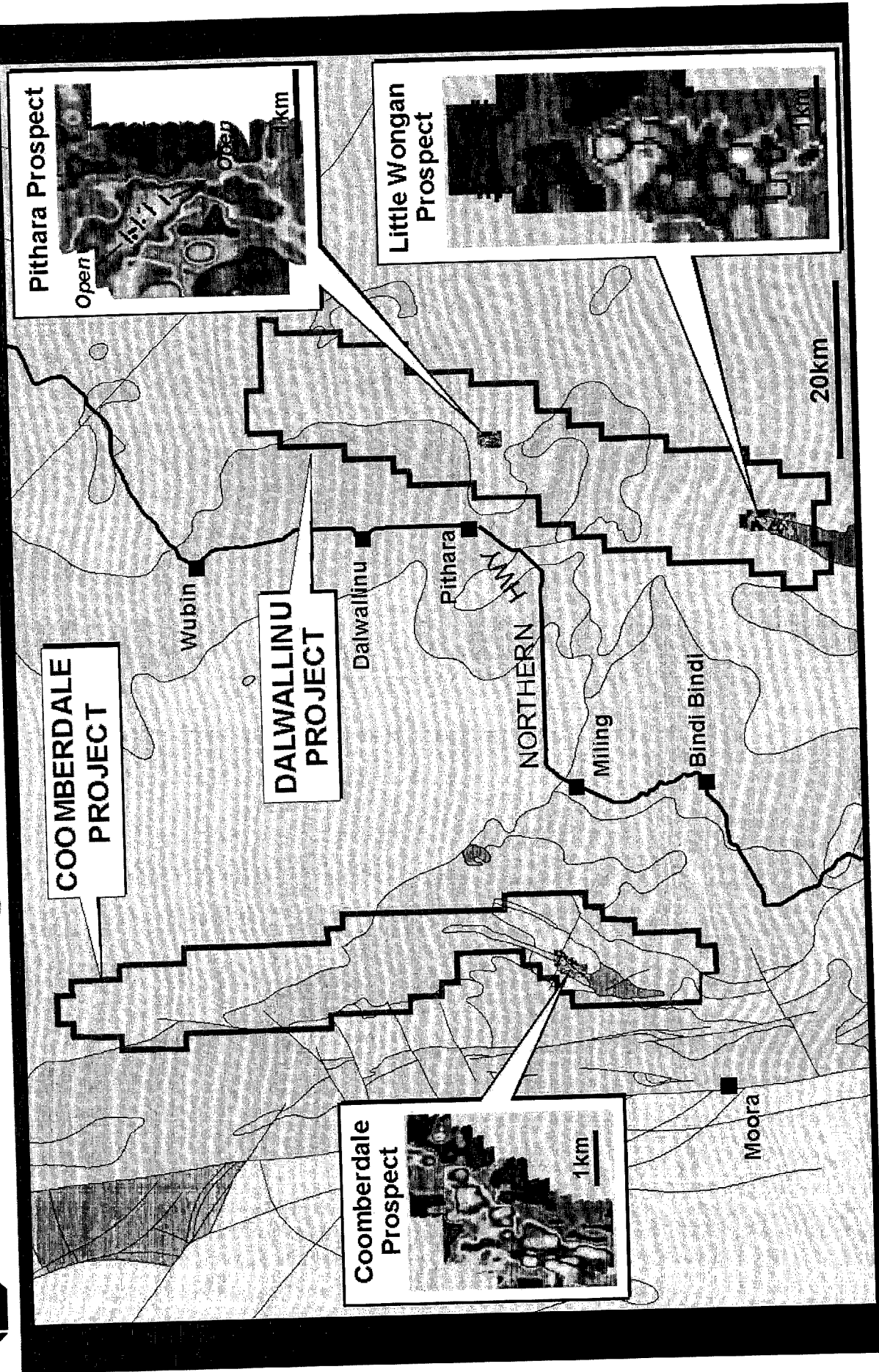


Cross-sections 25m apart





# DALWALLINU – COOMBERDALE GOLD ANOMALIES (IGO 100%)

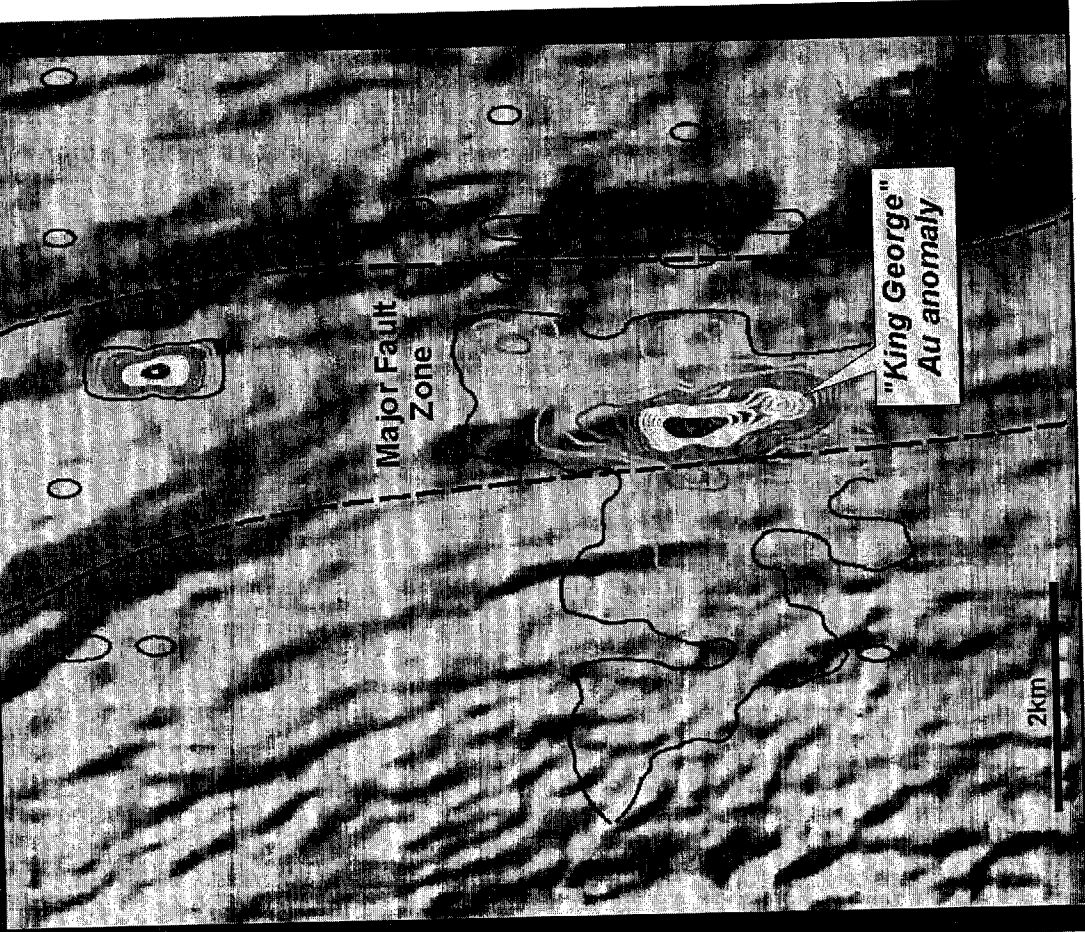
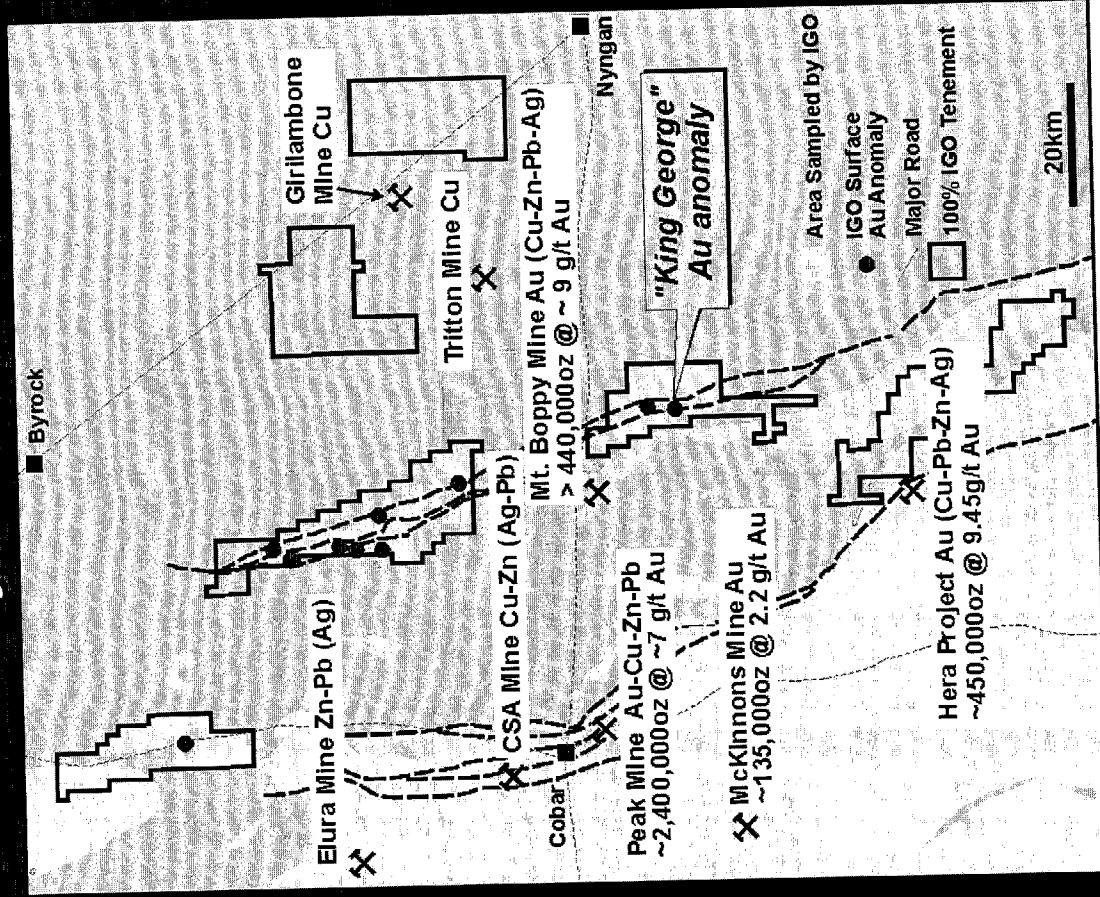




# COBAR GOLD PROJECT (100% IGO)

## Gold Anomalies over Mags

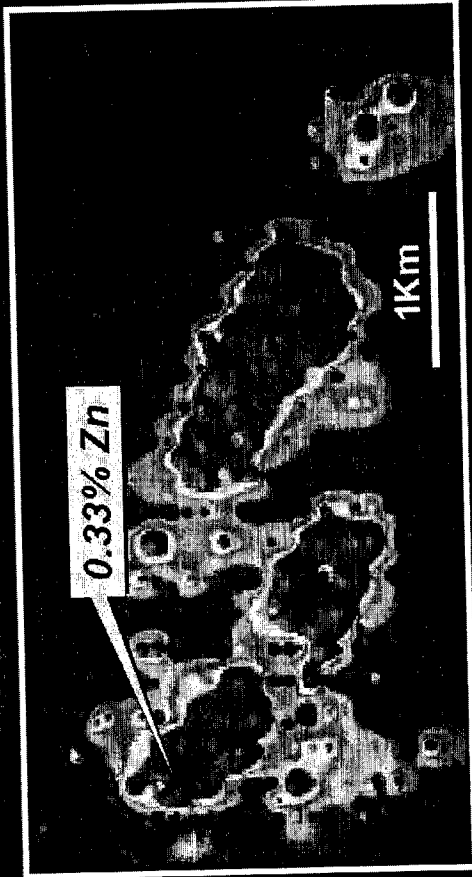
## Project Location



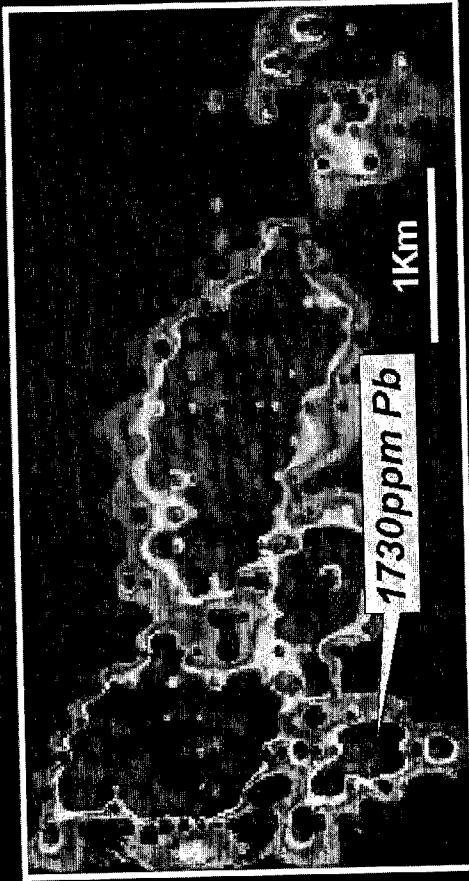


# MIT ISDELL BASE METAL PLAY (IGO 100%)

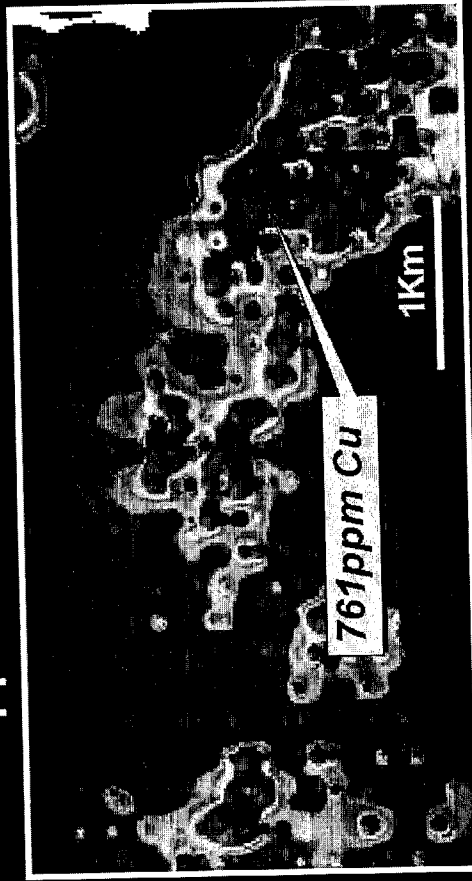
Zinc Geochemistry Image



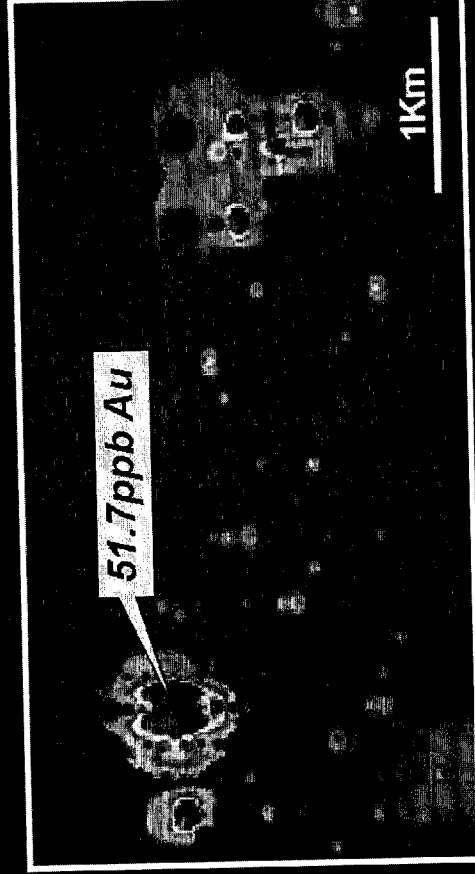
Lead Geochemistry Image



Copper Geochemistry Image

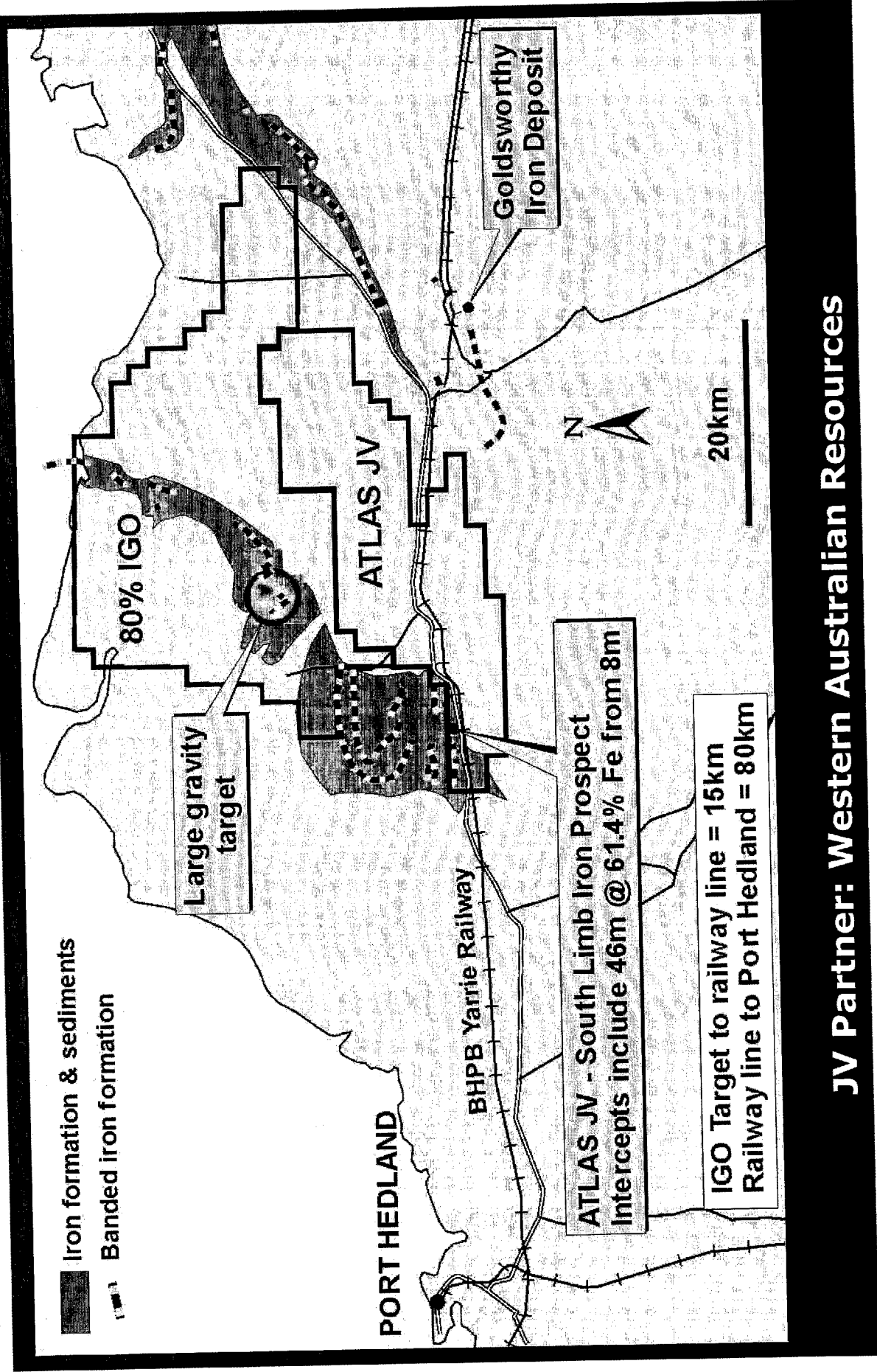


Gold Geochemistry Image





# GOLDSWORTHY IRON ORE JV (IGO 80%)



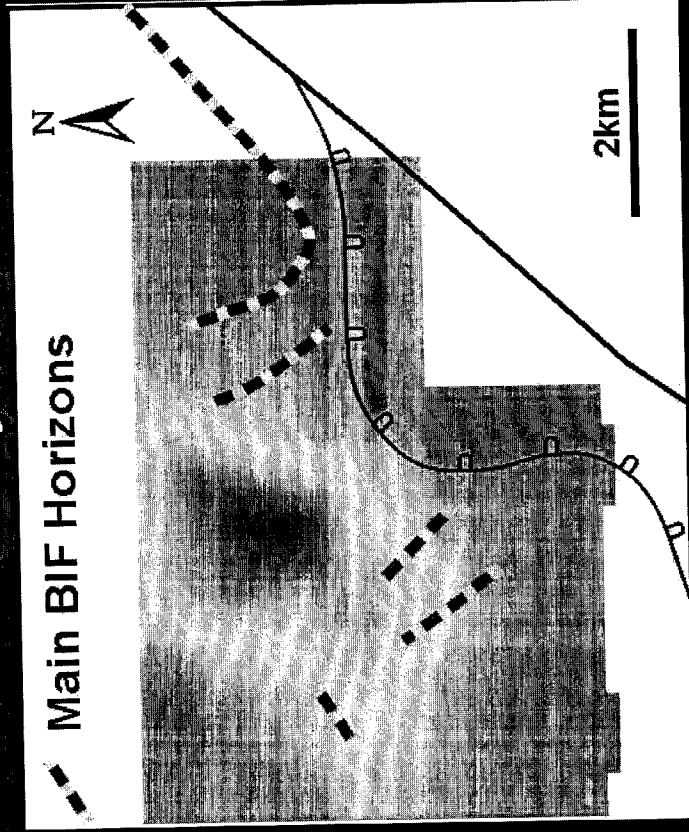
**JV Partner: Western Australian Resources**



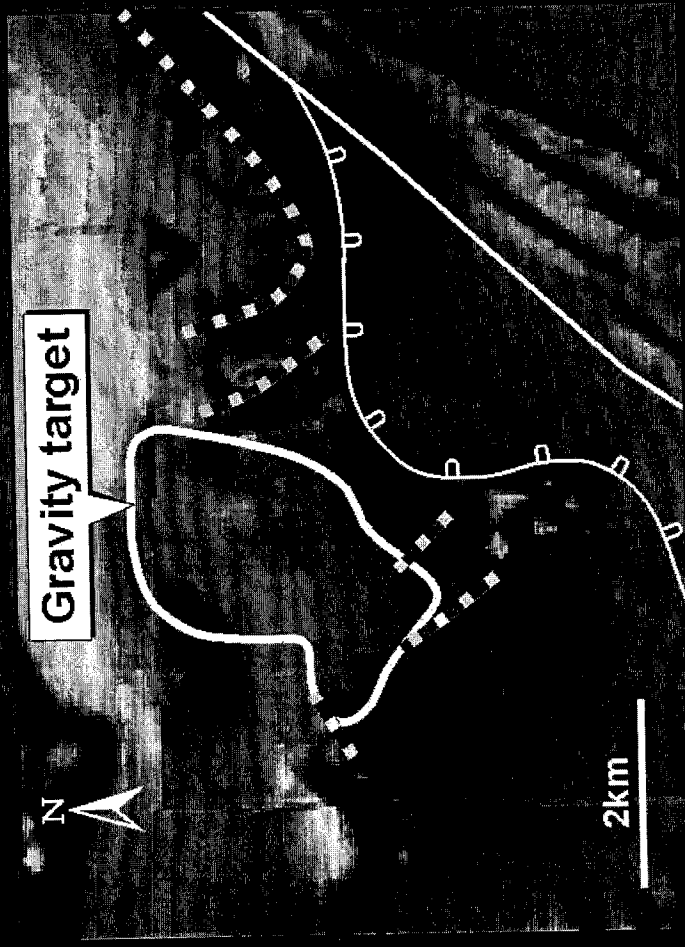


# GOLDSWORTHY IRON ORE JV (IGO 80%)

Gravity Image



Aeromagnetic Image



Modelling of gravity anomaly from 50m – 300m suggests  
a mass = 4 billion tonnes  
Drilling required to determine if economic hematite iron ore present

JV Partner: Western Australian Resources



## **INDEPENDENCE CORPORATE GOALS**

**To increase shareholder wealth by becoming a highly profitable, mid-cap, multi commodity Australian mining company**

- ) Focus on share price, cash flow, earnings per share, dividends and market capitalisation accretion.**
- ) Growth through exploration and possible acquisitions.**
- ) Maintain a conservative balance sheet.**



# LONG-TERM GROWTH STRATEGY

**Targeting +A\$100M profit per annum  
(pay large dividends)**

**MINE/NEAR MINE  
PRODUCTION/  
EXPLORATION**

**Long Mine  
sustainable  
9,000Ni t / pa**

**New discoveries  
to increase  
Ni t production**

**GREENFIELDS  
EXPLORATION  
(Ni, Au, Cu, Diam)**

**New nickel  
camp  
+100,000 Ni t**

**New gold  
camp  
+1Moz Au**

**MERGERS &  
ACQUISITIONS**

**Identify, secure,  
evaluate,  
acquire**

**Matrix – Copper  
evaluating other  
Ni + Au opportunities**