

10 June 2005

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

NO. OF PAGES : (3)

CONTINUED EXPLORATION SUCCESS AT LONG, LONG SOUTH DECLINE AND 2004/5 PRODUCTION UPDATE

McLeay Deposit

Independence Group NL is pleased to announce the discovery of the high tenor McLeay nickel deposit south of Victor South. Both primary lava channel (Shoot 1) and remobilised massive nickel sulphides have been intersected close to existing underground development. The drilling results listed below lie outside currently defined resources and reserves and mineralisation is open in all directions.

Following the success of hole VS15-125 (3.35m @ 7.5%Ni – including 0.6m @ 20.2%) announced on 4 April 2005, six holes have been drilled to confirm the extent of the mineralisation (Figures 1 - 3). Four mineralised surfaces are interpreted to exist, with the most substantive being McLeay Shoot 1. Significant results are as follows:

Table 1: McLeay Significant Extensional Drilling Results – Shoot 1

Hole No.	Northing	Easting	RL	Azimuth	Dip	E.O.H	From	To	Width	True Width	Grade
	(m)	(m)	(m)	(degr.)	(degr.)		(m)	(m)	(m)	(m)	(Ni%)
VS15-129	547398	375243	-460	223	-33	101.4	74.1	75.25	1.15	0.9	5.2
VS15-130	547398	375243	-460	274	-20	100.4	74.35	76.75	2.40	2	10.2
VS15-132	547399	375243	-461	214	-27	106.2	porphyry	contact			
VS15-134	547399	375243	-461	210	-52	110.5	63.65	68.3	4.65	3.5	4.0
							69.8	73.5	3.70	3.1	7.5

(Intersections calculated by the specific gravity method)

All holes have been logged with down hole TEM (DHTEM) and interpretation confirms the continuity of Shoot 1. The interpreted area of the surface is approximately 70 by 100m and is **open in all directions**. The DHTEM indicates that VS15–131 and VS15–132 missed the edge of the McLeay channel by approximately 5m. DHTEM also indicates the existence of a further surface, approximately 10m below Shoot 1 which is yet to be drill tested.

Long South Decline

The Long South Decline is currently under two surface diamond holes which intersected nickel sulphides on the footwall contact, located approximately 360m south of Long.

The Long South decline crew will be temporarily moved to Victor South to establish a drill drive over the McLeay deposit. This should enable ore reserve definition drilling to commence in the next 6 weeks. It will also allow access to the Long South decline to conduct detailed geophysical surveys and drill testing of previously defined DHTEM anomalies.

2004/5 Production

Production is on track to meet the budgeted target of 8,900Ni t (\pm 100 Ni tonnes). A blast induced rock burst in a Victor South stockpile drive (not main decline) has resulted in a delay in mining of the high grade Victor South Shoot 4.

The delay has been caused by the need for additional cable bolting and shot-creting in the area. Production for the quarter will also be affected by the transfer of production teams to set up drilling access into McLeay.

The estimated 200t of nickel metal production shortfall is expected to be mined during the September quarter.

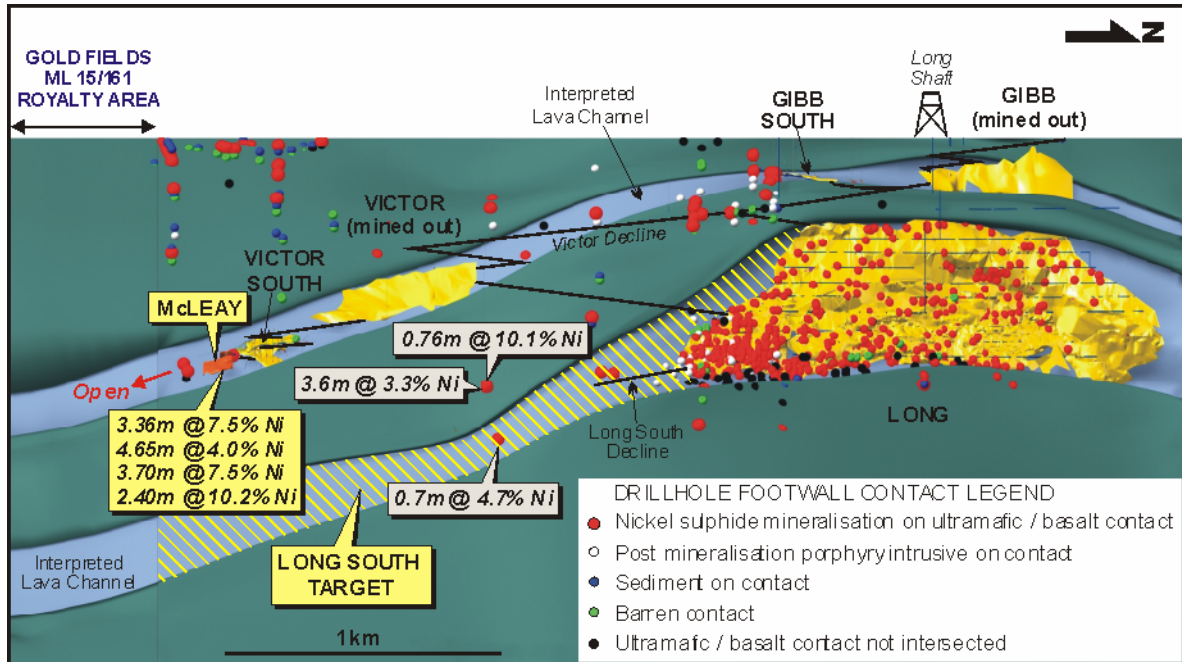


Figure 1: Longitudinal projections showing the new McLeay discovery, progress of the Long South decline and all holes which have intersected the footwall ultramafic/basalt contact.

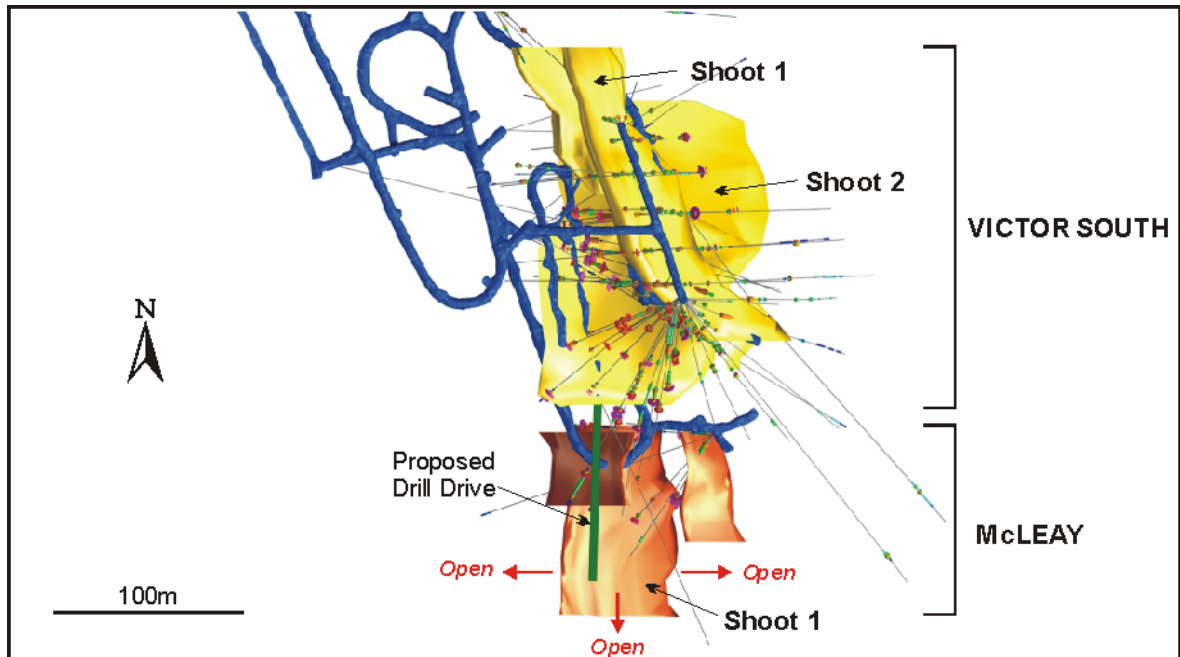


Figure 2: Plan view of new McLeay discovery in relation to Victor South and proposed drill drive.

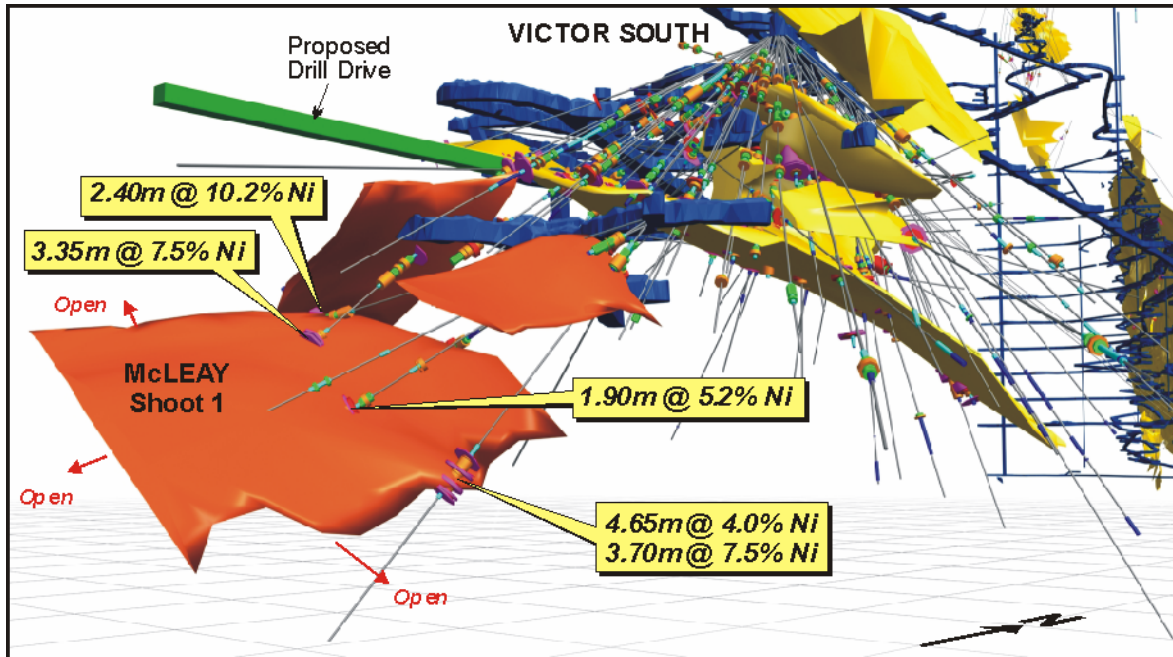


Figure 3: McLeay deposit isometric projection looking to the north west.

CHRISTOPHER BONWICK
Managing Director

Note: Information in this report relating to geological data has been compiled or reviewed by Mr Christopher M Bonwick who is a member of the Australasian Institute of Mining and Metallurgy and has sufficient relevant experience in the reported fields of activity

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.