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Australian Stock Exchange Limited
Company Announcements
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INDEPENDENCE ANNOUNCES FRANCIS FURNESS GOLD MINE OPTION

Independence Group NL is pleased to announce an option over the historically high grade Francis Furness Gold Mine and satellite deposits (Figure 1).

The project is located 4km southeast of Sons of Gwalia Ltd's Marvel Loch Gold Mine which is 35km southeast of Southern Cross. Independence is targeting a 15 g/t underground gold mine utilising the underground skills developed at the company's Long Nickel Mine.

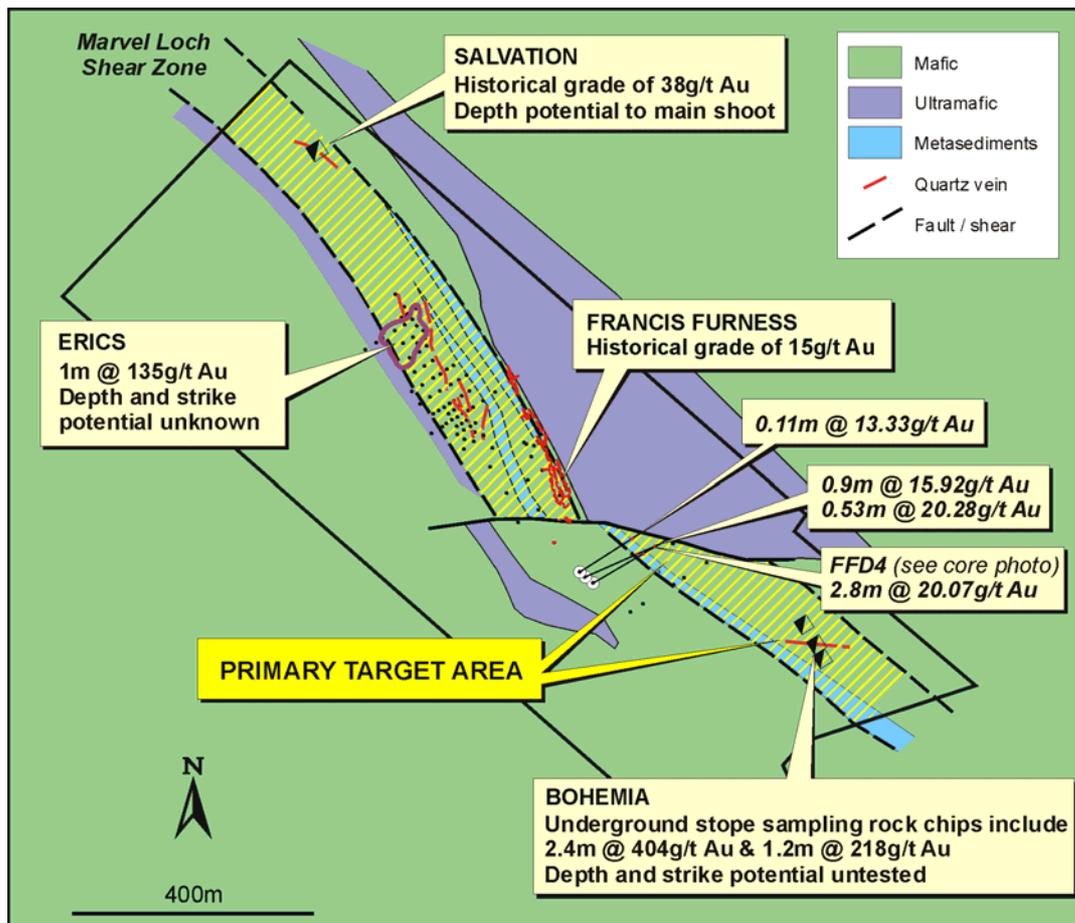


Figure 1: Francis Furness Option Area showing Historic Mines, High Grade Samples and Primary Target Area.



Project Overview

The Francis Furness Project comprises a granted mining lease and a prospecting licence application. The project area contains three historic gold mines, Francis Furness, Salvation and Bohemia, which have historically produced at an average grade of 15 g/t gold to a maximum depth of 150m (Francis Furness).

The Francis Furness Project lies within the same interpreted structural corridor as the Marvel Loch Gold Mine. Like Marvel Loch, the host rocks to the gold mineralisation include mafic amphibolites, ultramafics and lesser pelitic metasediments. Sons of Gwalia have reported 16m @ 31 g/t 500m below surface, indicating the Francis Furness gold system could have significant depth potential.

The largest historical gold mine Francis Furness exploited two sub-parallel lodes (East and West lodes) over a strike of 200m to a depth of 150m. The gold mineralisation is associated with quartz veining. Until recent drilling by the current leaseholders confirmed the potential extension down plunge for the Francis Furness lodes, a cross cutting fault was thought to have terminated the mineralisation to the southeast. Recent diamond drilling has intercepted high grade gold within two sub-parallel lodes from a vertical depth of 150m to 210m. Three diamond drill holes returned narrow high grade intercepts (best intercept of **2.8m @ 20.07 g/t Au** Figure 2).

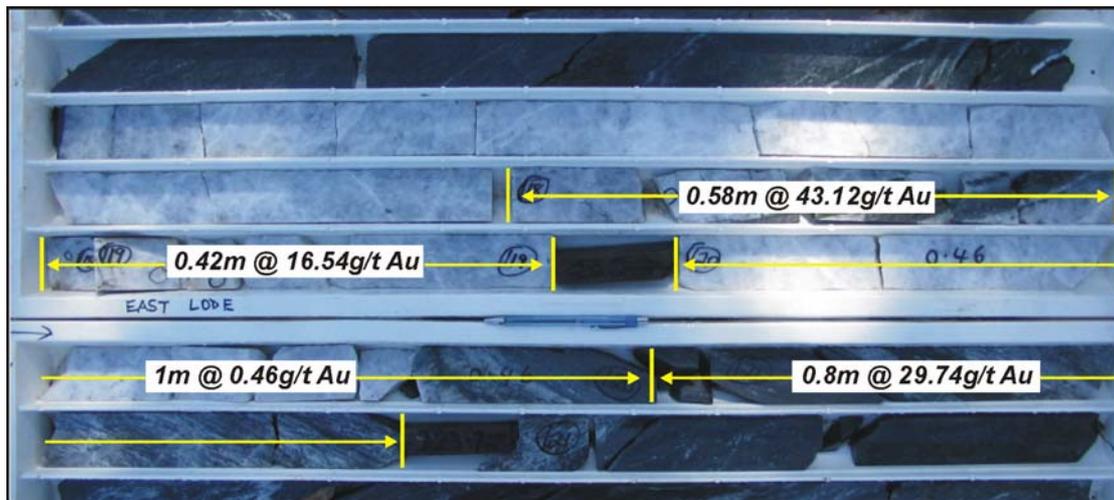


Figure 2: Francis Furness Diamond Drill Hole
FFD4 Drill Core – East Lode
Intersection 2.8m @ 20.07 g/t Au

The Salvation Gold Mine lies at the north end of the project area. Gold mineralisation is associated with a steep plunging shoot in amphibolite. The historical grade was **38 g/t Au**.

The Bohemia Gold Mine lies to the southeast of Francis Furness. The mine was exceptionally high grade with underground channel sampling of **218 g/t Au over 1.2m** and **404 g/t Au over 2.4m**. The Bohemia workings have not been drill tested.



To the northwest of the main Francis Furness workings (the Eric Prospect), narrow high grade zones in oxide have been defined over a strike of 200m. Intercepts include **1m @ 115 g/t Au** from 34m and **1m @ 135 g/t Au** from 58m.

Potential

Francis Furness - Bohemia Trend

The recent diamond drilling intercepts suggest there is high potential for the Francis Furness lodes to continue to the southeast towards the Bohemia gold mine. The prospective corridor has a potential strike of 400m and is under cover.

Bohemia

No drilling has tested the depth and strike extensions to the Bohemia reef.

Salvation

Although the strike extent of the high grade shoot is limited, mineralisation is open at depth.

Eric's

The current drilling has focused on the strike/horizontal extent of the narrow high grade gold mineralisation. There is potential to define high grade shoots at depth.

Target

The target is to define high grade gold mineralisation at a rate of 1000oz/vertical metre. The best potential is the down plunge position of Francis Furness.

Preliminary assessment on the mineralisation indicates the amphibolite is competent and will support mechanised mining associated with a decline. Existing infrastructure includes a two compartment shaft to 150m in good condition, ideal for exploratory work and ventilation.

Work program

Planned exploration includes a ground magnetic survey, structural studies and reverse circulation and diamond drilling.

Option Terms Summary

- IGO has an exclusive right to explore the tenements during the Option Period
- IGO to pay the tenement holders \$25,000 in consideration for the Option Period
- IGO commits to spending a minimum of \$120,000 exploring the tenements during the Option Period. This expenditure must include a minimum of two RC/Diamond tail drill-holes



- The Option Period will expire 6 months after full exploration access is gained, or in 18 months time whichever occurs first

At any time prior to the expiry of the Option Period, IGO has the right to purchase a 100% interest in the tenements for consideration of \$200,000 cash and 200,000 fully paid IGO shares.

A 2% NSR will also be payable to the vendors on any gold produced from the tenements.

CHRISTOPHER BONWICK
Managing Director

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.