INDEPENDENCE GROUP NL

QUARTERLY REPORT FOR THE THREE MONTHS ENDED 30 JUNE 2007

GROUP HIGHLIGHTS

- **June quarter unaudited NPAT – $21.1 million** (Mar $41.7 million).
- **Estimated NPAT for 2006/7 – a record $102.8 million** (2005/6 $35.0 million). **NPAT is subject to audit and possible nickel price adjustment and may be downgraded due to recent lower nickel prices.**
- **Estimated fully diluted EPS for 2006/7 – 88.2 cents** (2005/6 30.7 cents).
- **$165.5 million cash and net receivables - unaudited** (Mar $146.0 million). Subject to possible nickel price adjustment – unhedged receivables valued at A$41,850 per Ni t for quarterly reporting purposes.
- **2006/7 final dividend to be announced after audit is completed.**

OPERATIONS HIGHLIGHTS

- **Production** – **75,986t at 3.67% Ni for 2,790 Ni t** (Budget 63,396t @ 3.75% for 2,377 Ni t).
- **Record Annual Production** – **266,442t @ 3.69% Ni for 9,825 Ni t** (June 2006 Guidance 8,500-8,800 Ni t).
- Cash costs – **A$4.30/lb** payable nickel (Budget A$3.97). 2006/7 cash costs were **A$4.35/lb** payable nickel. This was over-budget by A29c/lb, of which A23c/lb was due to increased royalty costs.
- McLeay Shoot 1 and 2 now extended **430m and 150m** south of June 2006 reserves respectively. Shoot 3 discovered with intercepts including **3.5m @ 10.6% Ni** over a 250m strike length. **Shoots 1, 2, 3 and 4 all remain open to the south. Infill and step-out drilling continuing.**

EXPLORATION HIGHLIGHTS

GOLD

- Tropicana JV
  - New high-grade drill intersections at Tropicana (**46m @ 4.6g/t Au**) and Havana (**27m @ 8.1g/t Au**) likely to extend April 2007 conceptual open-cut limits.
  - Tropicana and Havana zones still remain open down-plunge and down-dip.
  - Auger geochemical sampling and aircore drilling have defined **numerous new gold anomalies north and south of the Tropicana and Havana zones over a 20km strike length, including 9m @ 2.4g/t Au** (4m composites) 4kms north-east of Tropicana (open at depth).
- Dalwallinu and Coomberdale
  - Geochemical anomalies intercepted new bedrock gold mineralisation in a number of areas up to **9.2g/t Au.**

NICKEL

- Ravensthorpe
  - RAV1, RAV4 and RAV4 west open-cut nickel sulphide scoping study is continuing.

CORPORATE

DIVIDEND

IGO will announce the final 2006/7 dividend as soon as the audit is completed.

PRELIMINARY FINANCIAL RESULTS

Preliminary final results are due to be announced to ASX by 31 August.

PROFIT

The estimated and unaudited NPAT for the quarter is $21.1 million (2006/7 $102.8 million). **The profit figures quoted in this report are subject to audit and 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$41,850/t.**

ISSUED CAPITAL

At 30 July 2007 114,789,857 ordinary shares and 3,928,100 unlisted options.

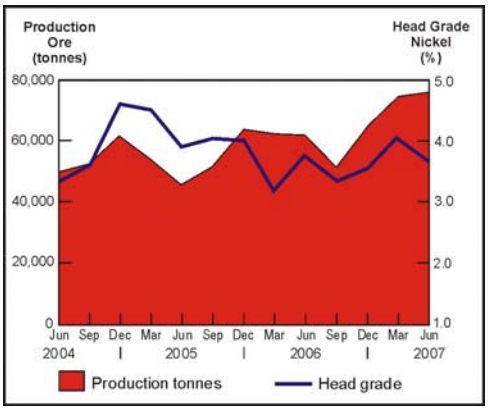
CASH AND DEBT

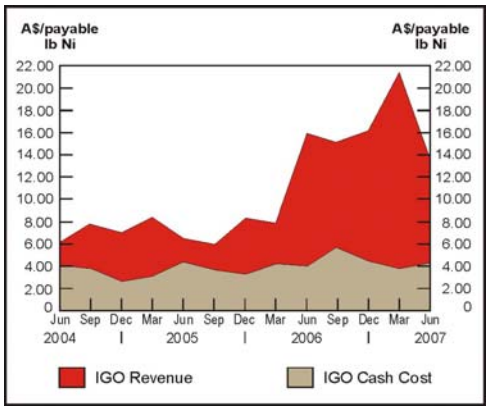
CASH RESERVES

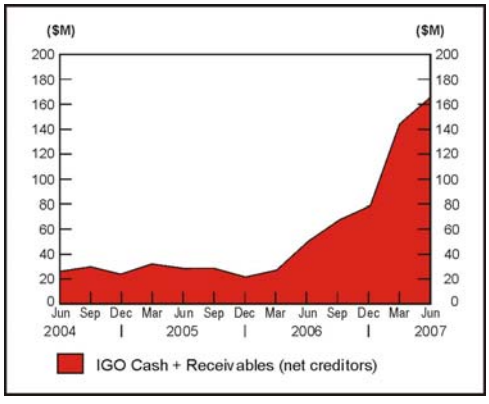
- $152.0 million cash (Mar $78.7M).
- $13.5 million nickel revenue in receivables net of creditors (Mar $67.3M).
- Total cash and net receivables were $165.5 million at the end of the quarter.
- **Unhedged receivables have been valued using AU$41,850/t Ni.**

Major cash expenditure during the quarter was:-

- $3.4 million spent on Long and regional exploration.
- $9.8 million income tax payment.







DEBT AT END OF THE QUARTER

The Company owed $1.9 million at the end of the quarter for leased mining equipment (Mar $2.2M).

NICKEL SALES PRICE CALCULATION

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

2006/7 EXPLORATION EXPENDITURE & WRITE-OFF

- $3.4 million exploration expenditure was incurred during the quarter (2006/7 $11.3 million). This includes expenditure on the Long South target exploration decline.

- $5.4 million exploration expenditure was written off during the quarter (2006/7 $11.4 million).

HEDGING

- Hedged nickel metal remaining at the date of this report was 4,800t at AU$18,080/t, which is scheduled to be delivered as follows:

2007/8	2,400t	Average AU$17,670/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%, 124.1 MILLION SHARES)

Matrix announced that copper cathode production from the Mt Watson ore has commenced. Copper cathode metal has also been delivered to Townsville for sale. Mt Watson open-cut grade and width are consistent with those in the resource model. Plant ramp up is planned through to October 2007 by which time Matrix estimate the plant will be at full production rate of 5,000t Cu per annum. See Matrix Metals Limited's announcements for further details (ASX Code: MRX).

ATLAS IRON LIMITED (IGO 1.8 MILLION SHARES)

IGO and Western Australian Resources Ltd ("WAR") have sold their royalty and clawback rights on the Goldsworthy tenure to Atlas Iron Limited. IGO will receive 760,000 Atlas fully paid shares as consideration.

MINING OPERATION

LONG NICKEL MINE
IGO 100%

SAFETY

There were no Lost Time Injuries during the quarter. The Lost Time Injury Frequency Rate (LTIFR) since the mine re-opened in October 2002 is 2.36, which compares favourably to the Industry Average of 5.9.

PRODUCTION

Production for the quarter was 75,986t at 3.67% Ni for 2,790 tonnes contained nickel, which was mined by the following methods:

Flat-back	21,565	t @	4.0%	Ni for	858	Ni t
Long-hole	25,338	t @	3.2%	Ni for	815	Ni t
Hand-held	11,173	t @	3.9%	Ni for	435	Ni t
Jumbo Development	17,910	t @	3.8%	Ni for	682	Ni t
TOTAL	75,986	t @	3.7%	Ni for	2,790	Ni t

Production was from the following areas:

Long	46,395	t @	3.4%	Ni for	1,560	Ni t
McLeay (development)	11,114	t @	4.7%	Ni for	518	Ni t
Victor South	18,477	t @	3.9%	Ni for	712	Ni t
TOTAL	75,986	t @	3.7%	Ni for	2,790	Ni t

The budget for the quarter was 63,396t @ 3.75% Ni for 2,377 tonnes of contained nickel. Actual production was 18% over budget in terms of contained metal.

Cash costs were A$4.30/lb payable nickel (budget $3.97), which was over-budget mainly due to royalty costs. In terms of costs the main variances from budget were as follows:

- Mining + 5.4%
- Metallurgy + 9.5%
- Diamond Drilling + 11.8%
- Royalties + 65.9%

Cash costs for 2006/7 were A$4.35/lb payable nickel, which was over-budget by A29c/lb. Extra royalty costs contributed A23c/lb of this over-run.

Highlights in the June quarter included:

- Production was over budget in all areas of the mine as follows:

	Mined Ni t
Long	+ 8%
McLeay	+ 25%
Victor South	+ 37%
Total	**+ 18%**

- Extension of the McLeay 460mRL exploration drive drill to facilitate drilling for new resource extensions and conversion of existing mineral resources to reserves.

- Commencement of stoping on the eastern edge of Victor South Shoot 2.

- Commencement of accesses into the down-dip extension of McLeay Shoot 1 (520 & 540mRLs).

2007/8 PRODUCTION GUIDANCE

Forecast production for 2007/8 is 230,000 – 235,000t @ 3.8% Ni for 8,800 – 9,000 Ni t. Cash costs per payable pound of nickel forecast at A$4.50 – A$4.65.

DEVELOPMENT

CAPITAL DEVELOPMENT

- 184 metres of twin boom capital advance, which was primarily focused on the McLeay decline to increase production flexibility.
- Single boom capital development advanced 50 metres in the 460mRL McLeay Exploration Drill Drive. This heading is being extended to facilitate both infill and extensional drilling of the southern section of the McLeay ore body which remains open to the south.

NORMAL DEVELOPMENT

- McLeay - Production development continued in the McLeay 500mRL and 515mRL ore drives. Mullock development also occurred in the 520 and 540mRLs as these accesses were developed towards the ore horizon. 222 metres of production development occurred in McLeay.

- Victor South - 79 metres of normal ore development was undertaken in the 520 and 462mRLs.

- Long - 61 metres of production development occurred in Long. The focus was on the 16/3 and 14/1 blocks.

QUARTERLY FORECAST

The focus for the September quarter will be:

McLeay

- Complete accesses into and commence development of initial ore drives on the 520 and 540mRL (McLeay Shoot 1).
- Stoping to continue in the 500mRL and 515mRL horizons.

Victor South

- Completion of stoping in the 462 and 456mRL ore drives.
- Establishment of the first ore drive on Shoot 4.

Long

- Completion of rehabilitation of the 14/1 pillars and commence stoping of the northern pillars.
- Continuation of stoping in the 15/2, 16/4 and 16/3 ore blocks.

EXPLORATION

Drilling at McLeay continues to concentrate on conversion of existing resources to reserves in Shoots 1 and 2 as well as testing Shoot 1 and 2 extensions which still remain open to the south. A new shoot (Shoot 3) was intersected approximately 20 metres beneath Shoot 1 in a number of holes. This shoot is open to the north and south.

Exploration at Long South was hampered by poor ground conditions resulting in the 3 holes drilled to follow up down-hole TEM (DHTEM) targets being abandoned and the requirement to move the rig to McLeay to speed up reserve definition drilling. Long South drilling will recommence next quarter to test DHTEM targets, test 600m south of the last drill section to better define the position of the Long South Channel, and definition drilling of high-grade zones on a 60m x 60m drill spacing.

Surface exploration in Long North will commence next quarter with a fixed loop TEM (FLTEM) survey, soils survey and underground DHTEM survey targeting both the Long North Target and potential new sulphide zones between Gibb, Victor and McLeay.

A 130m southerly extension of the McLeay 460m drill drive is planned for next quarter to enable further drilling to test McLeay Shoot 1 – 4 extensions.

McLeay South - Shoot 1

Infill 20m x 20m reserve definition drilling continued at the southern end of McLeay Shoot 1 **(Figure 1)**. Significant results (including **12.95m @ 11.9% Ni** and **7.0m @ 7.7% Ni)** are listed in **Table 1**.

Extension drilling has yet to close off Shoot 1 with **MDU-291** intersecting **2.7m @ 3%Ni (visual estimate)** as shown in **Figure 1**. Shoot 1 now has a 700m strike length. This open contact ore is faulted indicating increasing structural complexities at South McLeay but a "live" ore channel. Drill testing will continue in the September quarter.

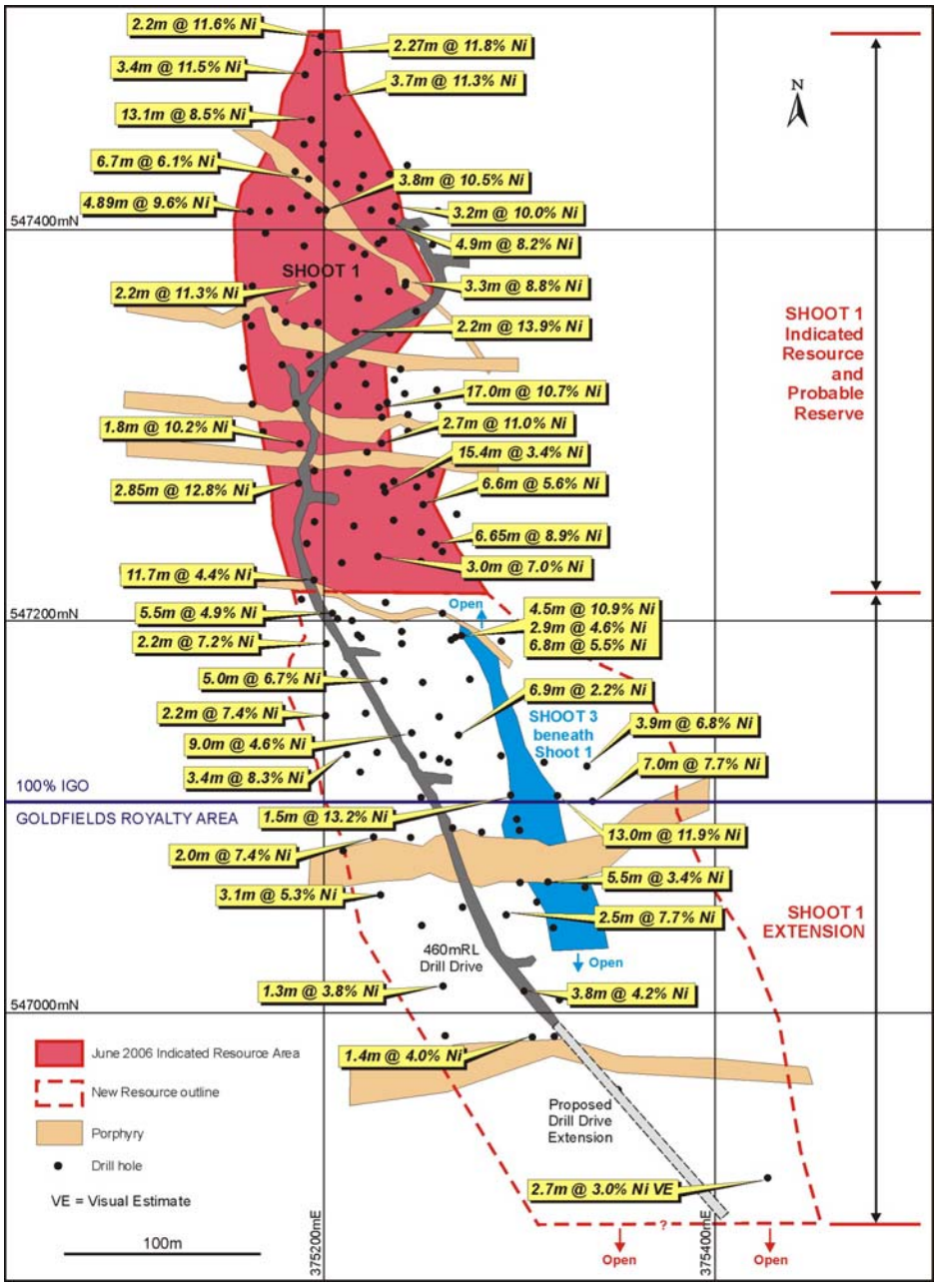


Figure 1: McLeay – Shoot 1 Plan Showing June 06 Reserve Boundary and Significant Intercepts South of the Current Reserve Boundary. Intersection Widths are Down-hole Widths

McLeay South - Shoot 2

Following-up a DHTEM conductor in hole MDU-277, hole MDU-329 **(3.7m @ 4.6% Ni)** and MDU-330 **(5.6m @ 3.5% Ni** visual estimate) continued to extend the strike length of McLeay Shoot 2 to 350m. Shoot 2 remains open south of a felsic porphyry intrusive **(Figure 2**).

McLeay South - Shoot 3

Infill drilling identified basalt/basalt contact ore 15-20m below Shoot 1. Shoot 3 is structurally remobilised into the footwall and consists of up to 4m of massive and stringer sulphides with intercepts of **7.35m @ 9.7%** and **3.5m @ 10.6% (Figures 3 & 4)**. The shoot is up to 250m in strike length and is open to the north and south. Extension and definition drilling of this new shoot will continue in the September quarter.

McLeay Shoot 4

The fault-bounded McLeay Shoot 4 remains open along strike. Drill testing of high-grade zones will commence in the September quarter.

Table 1: McLeay June Quarter Significant Intercepts

Shoot	Hole No.	Northing (m)	Easting (m)	RL (m)	Dip (degr)	Azimuth (degr)	E.O.H (m)	From (m)	To (m)	Width (m)	True Width (m)	Grade Ni%
Infill McLeay Shoot 1												
1	MDU-173	547181	375226	-451	-51	141	125.4	88.3	97.3	9.00	5.0	2.1
1	MDU-188	547259	375207	-451	-51	135	139	116.9	119.7	2.80	2.5	7.5
1	MDU-189	547122	375263	-448	-56	15	158.2	116.2	118.5	2.30	2.0	2.6
1	MDU-191	547122	375263	-448	-70	349	110.5	90	91.9	1.90	1.5	8.5
1	MDU-199	547117	375260	-448	-78	240	97	68.1	69.35	1.25	0.8	12.8
1	MDU-201	547118	375265	-448	-64	98	164.2	108.15	121.1	12.95	12.9	11.9
1	MDU-262	547118	375265	-448	-75	107	128.9	118.7	120.15	1.45	1.0	13.2
1	MDU-266	547485	375251	-475	-34	191	130.1	89.4	92.6	3.20	3.2	10.0
1	MDU-266	547485	375251	-475	-34	191	130.1	96	100.9	4.90	4.9	8.2
1	MDU-267	547118	375265	-448	-55	98	189.9	109.6	116.6	7.00	4.0	7.7
1	MDU-281	547120	375265	-448	-58	80	175.7	113	116.9	3.90	3.0	6.8
Extension McLeay Shoot 1												
1	MDU-275	546995	375315	-446	-51	92	203.4	135.05	139.5	4.45	3.0	1.3
1	MDU-282	5470245	375304	-447	-57	85	170	120.2	122.7	2.50	2.0	2.0
1	MDU-291	546993	375313	-446	-48	129	210	160.9	163.6	2.70	2.5	3VE
Extension McLeay Shoot 2												
2	MDU-329	547022	375287	-447	-16	249	101.8	89.95	93.6	3.65	3.5	4.6
2	MDU-330	547022	375287	-447	-26	244	108.4	80.95	87.35	6.40	5.6	2.5
Infill McLeay Shoot 3												
3	MDU-190	547122	375263	-448	-69	40	139.6	111.1	113.9	2.80	2.0	2.1
3	MDU-196	547120	375265	-448	-78	62	165.5	88	91	3.00	2	1.3
3	MDU-263	547118	375265	-448	-72	129	145	119.6	123.1	3.5	3.0	10.6

(Intersections calculated by the specific gravity method, VE = visual estimate)

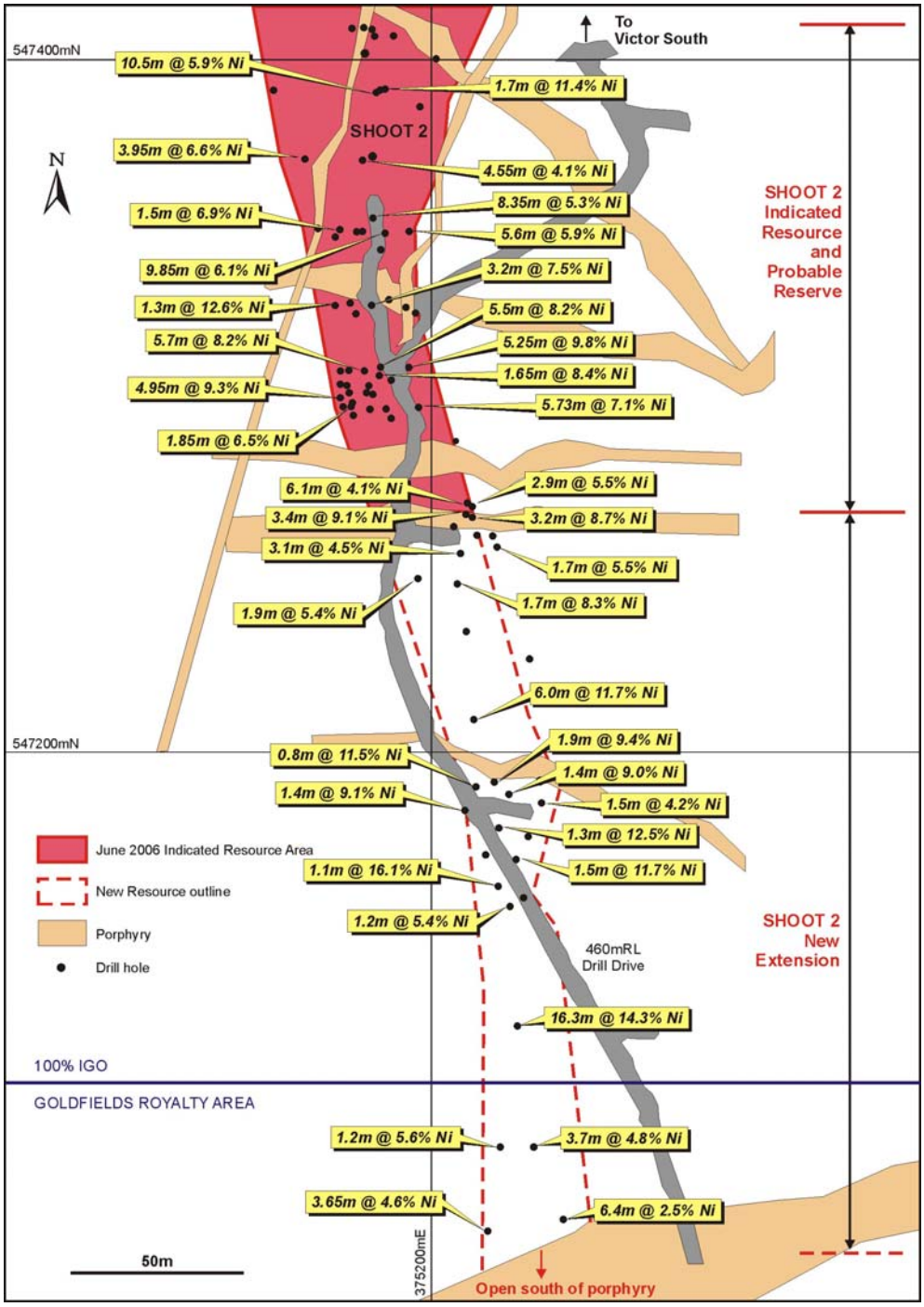


Figure 2: McLeay – Shoot 2 Plan Showing June 06 Reserve Boundary and Significant Intercepts South of the Current Reserve Boundary. Intersection Widths are Down-hole Widths

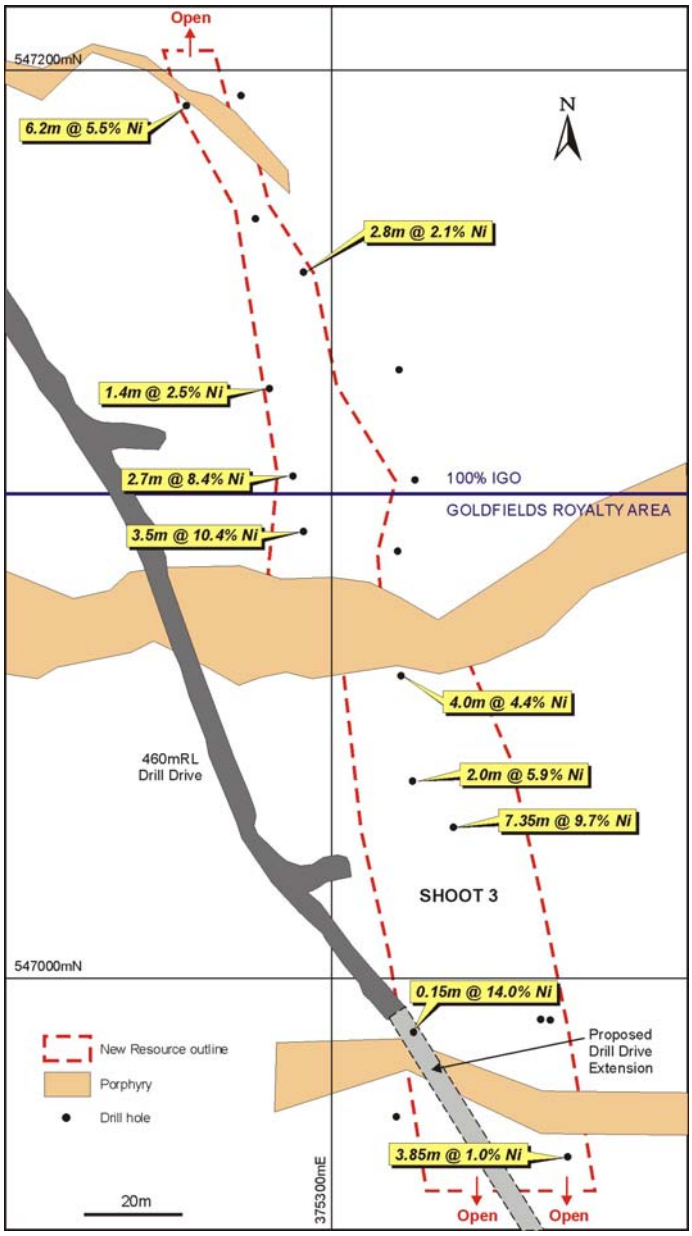


Figure 3: McLeay Shoot 3 Plan Showing Significant Intercepts. Intersection Widths are Down-hole widths

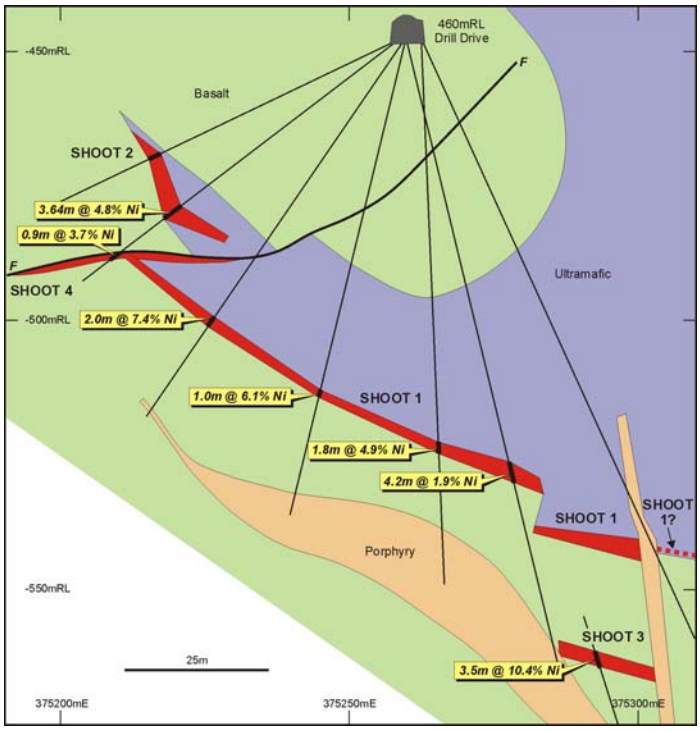


Figure 4: McLeay 547,090mN Cross Section Showing Location of Shoots 1 to 4. Intersection Widths are Down-hole Widths

Long South

Drill testing of DHTEM targets from the 16-8 decline was unsuccessful with 3 holes being abandoned due to poor ground conditions bogging rods and not reaching their target depth.

- LSU-098, which targeted a DHTEM plate modelled in hole LSU-069 with 1.9m@ 1.1%Ni (disseminated sulphide on the basalt-ultramafic contact) failed to reach the conductor.
- LSU-100, which targeted the DHTEM plate modelled on LSU-090, intersected an intermediate porphyry on the basalt-ultramafic contact 40m before the expected position of the DHTEM plate. Poor ground stopped further advancement of the drill hole.
- LSU-101, which targeted the DHTEM plate modelled on LSU-063 data, intersected an intermediate porphyry on the basalt-ultramafic contact 5m before the expected position of the DHEM plate. Poor ground stopped further advancement of the drill hole.

The LSU-090 target remains a high priority. The disseminated mineralisation intersected in LSU-098, when viewed together with the 4.0m @ 3.2% Ni intersected in LSU-099 and other elevated nickel results near the current face of the decline, is highly encouraging. This elevates the importance of TEM anomalies at the southern end of the 16-8 decline.

Planned exploration for next quarter is to test the DHTEM targets, continue DHTEM of unsurveyed holes, commence drilling south of the DHTEM anomalies, and drill test the current high-grade zones on a 60m x 60m grid **(Figure 5)**.

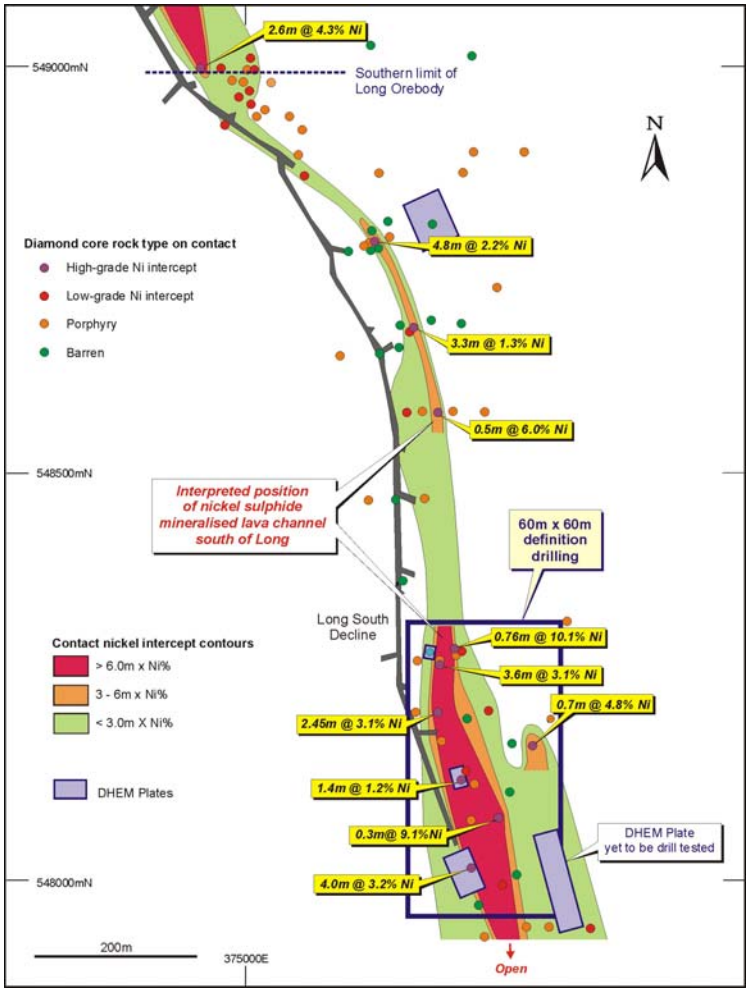


Figure 5: Long South Plan Showing Significant Drill Intercepts, TEM Anomalies and Proposed Drill-out Area. Intersection Widths are Down-hole Widths

Long North

A new surface TEM loop has been constructed at Long North, primarily to illuminate a conductor interpreted to lie near the end of LG14-37 (2.09m @ 1.2% Ni from 368.94m). Surface TEM and underground DHTEM surveys will be read using this loop once the high-powered transmitter has been commissioned.

A soil survey is also planned to target the shallower Gibb-Victor South Channel at Long North.

Geophysics

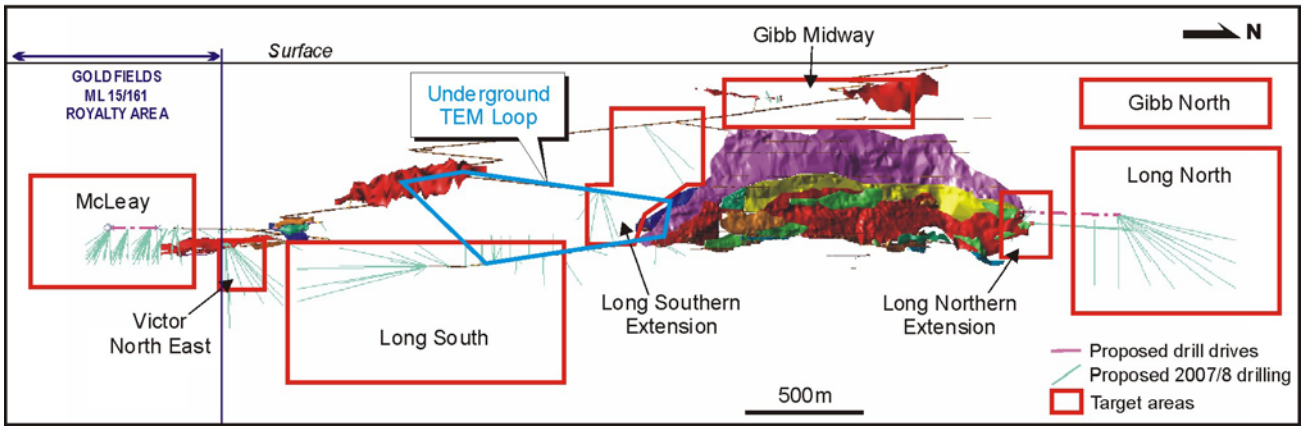
A strong 200m x 70m conductor was defined 120m north east of Victor South which requires drill testing.

2007/8 Long Exploration Budget

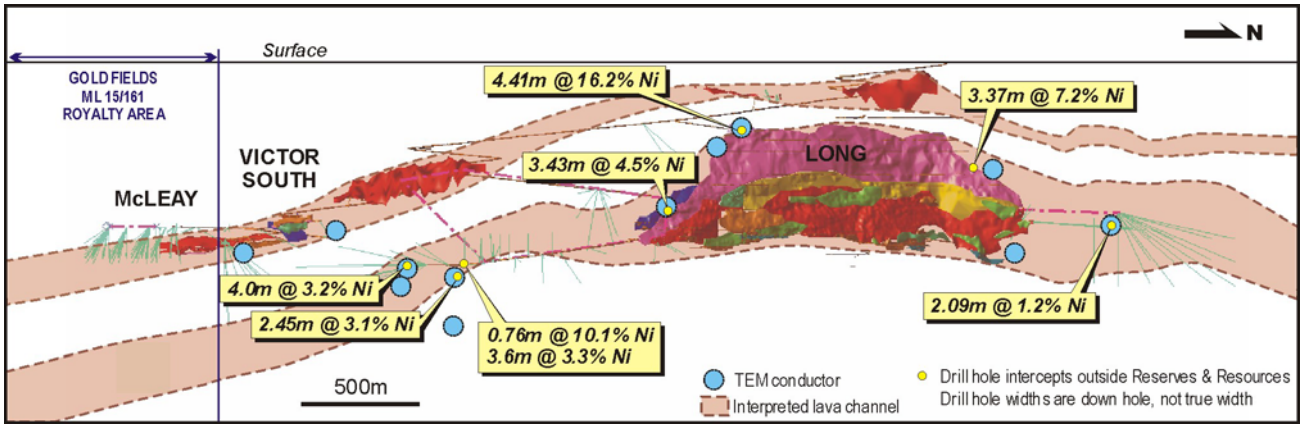
A large drilling and exploration drill drive budget is planned for the 2007/8 financial year. The increased budget will reflect the many targets available for drilling as depicted in **Figure 6**.

Ore Reserves

Ore reserve drilling is continuing at McLeay and Long. The 2007 resource and reserve estimates are expected to be released in September.



6a: Longitudinal Projection Showing Target Areas and Proposed 2007/8 Drill Hole Locations



6b: Longitudinal Projection Showing Lava Channels and Significant Nickel Intercepts Outside Current Resources

LONG NICKEL MINE PRODUCTION SUMMARY

	Note	Jun '07 Quarter	2006/7 FY to Date	Prev. Corresp. Quarter (Jun '06)
Mining Reserve (Dry Tonnes)				
Start of Period		923,544	1,114,000	1,262,021
- ROM Production	1	(75,986)	(266,442)	(61,872)
End of Period		847,558	847,558	1,200,153
Production Details:				
Ore Mined (Dry Tonnes)	1	75,986	266,442	61,872
Ore Milled (Dry Tonnes)		75,986	266,442	61,872
Nickel Grade (Head %)		3.67	3.69	3.75
Copper Grade (Head %)		0.27	0.27	0.27
Metal in Ore Production (Tonnes)				
Nickel delivered	2	2,790	9,825	2,320
Copper delivered	2	202	712	172
Metal Payable IGO share (Tonnes)				
Nickel		1,686	5,839	1,359
Copper		82	288	69
Hedging				
Tonnes delivered into Hedge		450	1,800	450
Average Price (AU$/t)		17,835	17,335	17,442

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***	
Sales Revenue (incl. hedging)		51,105	222,932	47,575
Cash Mining/Development Costs		(8,722)	(32,465)	(7,779)
Other Cash Costs	3	(7,265)	(23,542)	(4,214)
Depreciation/Amortisation/Rehabilitation		(2,699)	(9,710)	(2,189)
Total Unit Cost Summary		***A$/lb Total Metal Produced***	***A$/lb Total Metal Produced***	
Cash Mining/Development Costs		1.42	1.53	1.52
Other Cash Costs	3	1.18	1.05	0.82
Depreciation/Amortisation/Rehabilitation		0.44	0.45	0.43
Revenue/Cost Summary		***A$/lb Payable Metal***	***A$/lb Payable Metal***	
Sales Revenue (incl. hedging)	4	13.75	18.75	15.88
Cash Mining/Development Costs		2.35	2.59	2.60
Other Cash Costs	3	1.95	1.78	1.40
Depreciation/Amortisation/Rehabilitation		0.73	0.77	0.73

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		0	1	1
- Medically Treated IFR		109.2	35.3	26.3
- Nickel Productivity Rate	5	95.4	84.0	80.0

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

Development/Exploration Drilling	**Metres**	**Metres**	
Development	4,278	8,135	0
Production	3,054	6,943	577
Exploration	4,038	10,664	1,077
	11,370	25,742	1,654

REGIONAL GOLD EXPLORATION

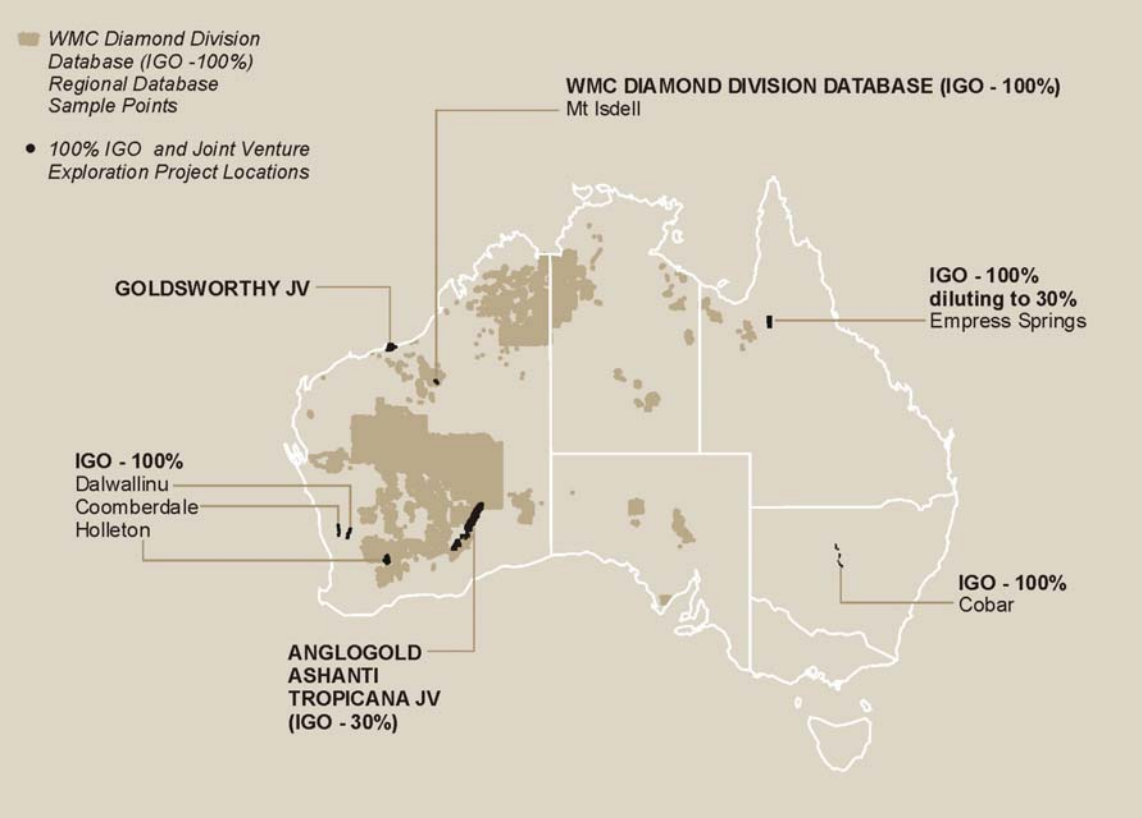


Figure 7: IGO Gold Project Locations

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

The Tropicana Joint Venture comprises approximately 12,260 km^2 of largely unexplored tenure over a strike length of 330km along the Yilgarn Craton – Fraser Range Mobile Belt collision zone.

Highlights during the quarter

- New high-grade intersections likely to extend current (April 2007) conceptual open cut limits at Tropicana **(46m @ 4.6g/t Au)** and Havana **(27m @ 8.1g/t Au).**
- Tropicana and Havana zones still remain open down-plunge and down-dip.
- Auger geochemical sampling and aircore drilling have defined numerous new gold anomalies north and south of the Tropicana and Havana zones over a 20km strike length, including **9m @ 2.4g/t Au** (4m composites) 4km north east of Tropicana (open at depth).
- 56,333m of infill and extensional diamond and reverse circulation drilling were completed at Tropicana during the June quarter.
- Additional Pre-feasibility Study activities including plant design, metallurgical, hydrological and geotechnical studies and flora and fauna surveys are in progress.
- In pit mineral resource estimations are on track to be released by late 2007.
- Pre-feasibility study scheduled for completion in mid 2008.

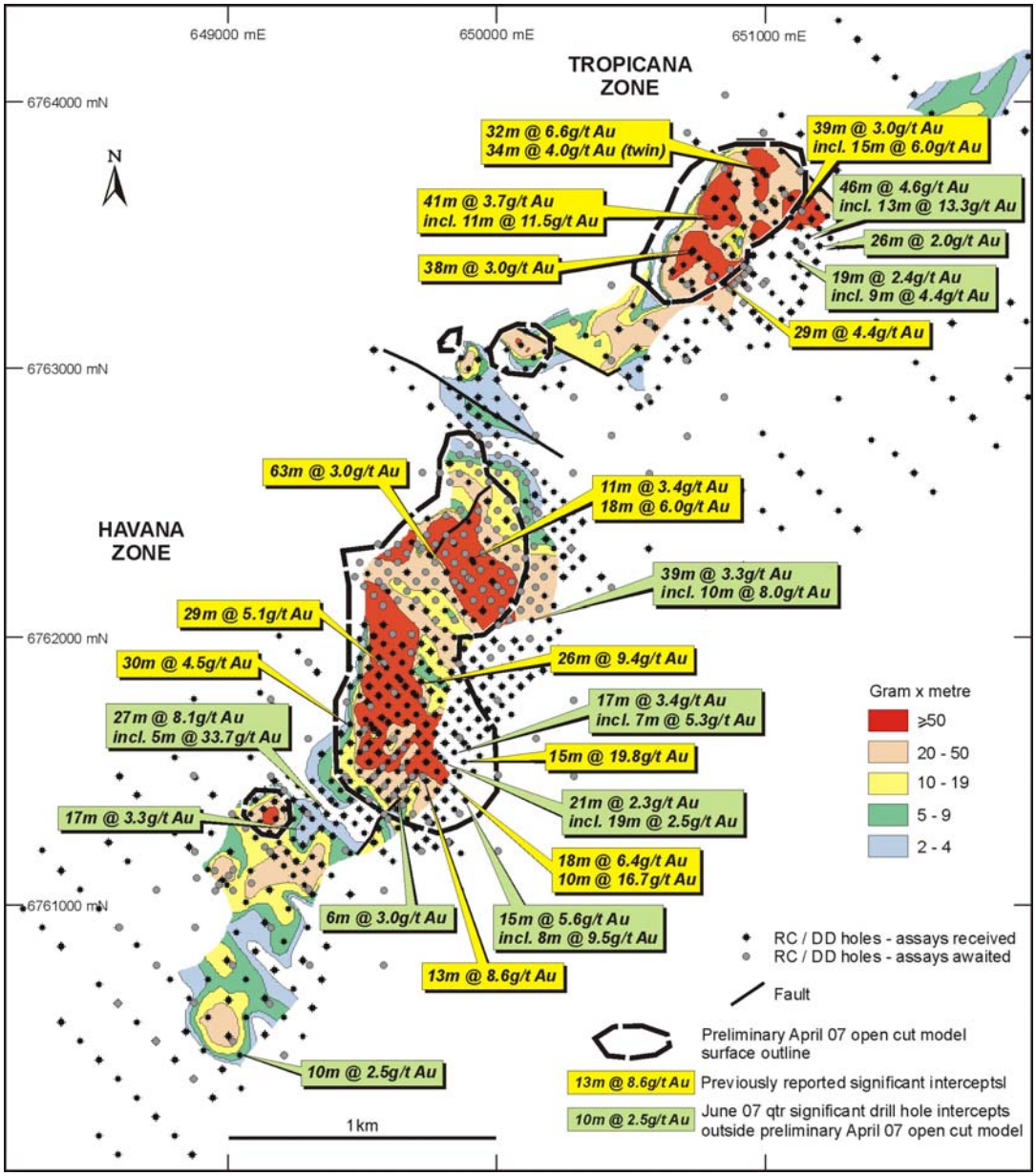


Figure 8: Tropicana Prospect Plan Showing g/t Au X Thickness (m) Contours, April 2007 Preliminary Open-cut Model Surface Outline, Significant Intersection Locations and New Intercepts Outside April 2007 Conceptual Open-cut Model

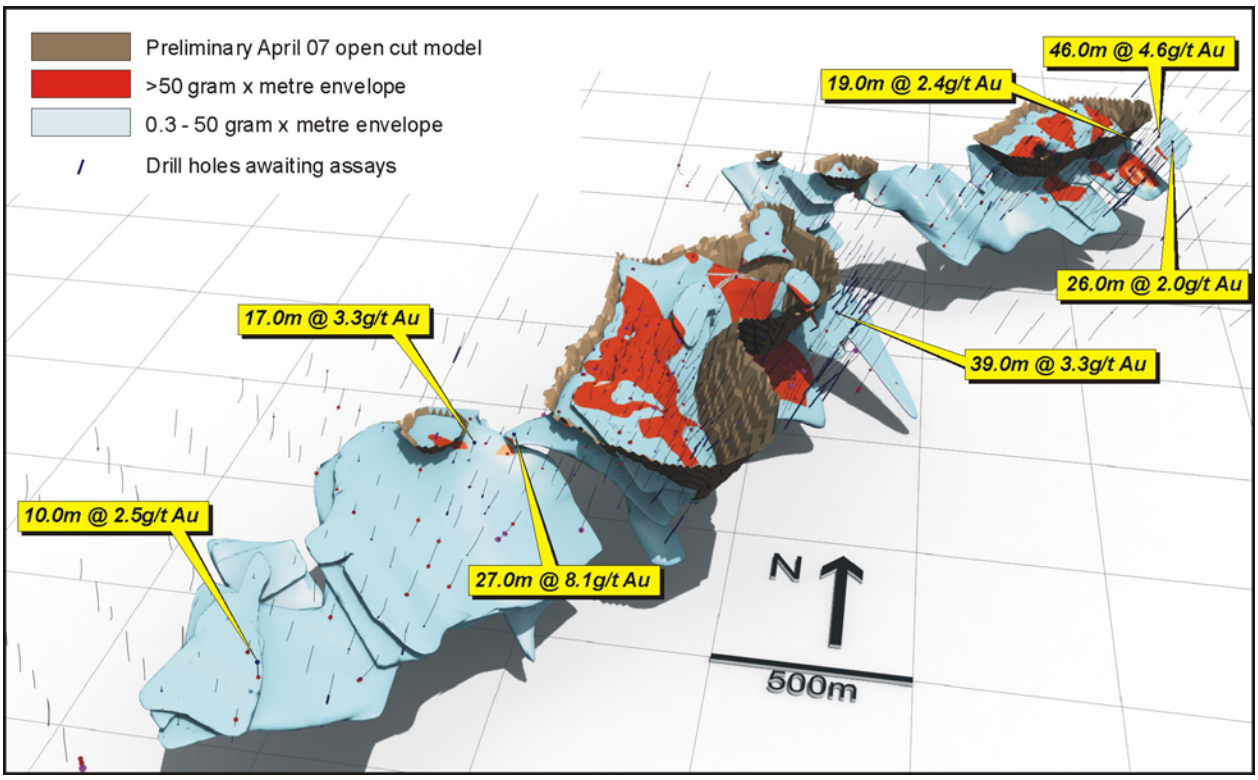


Figure 9: Tropicana Prospect Isometric Model Showing the 0.3g/t Mineralised Envelope, April 2007 Preliminary Open-cut Model Outline, g/t Au x Metre Contours Within the Preliminary Conceptual Open-cut Model and Significant Intercepts Outside the April 2007 Open-cut Model

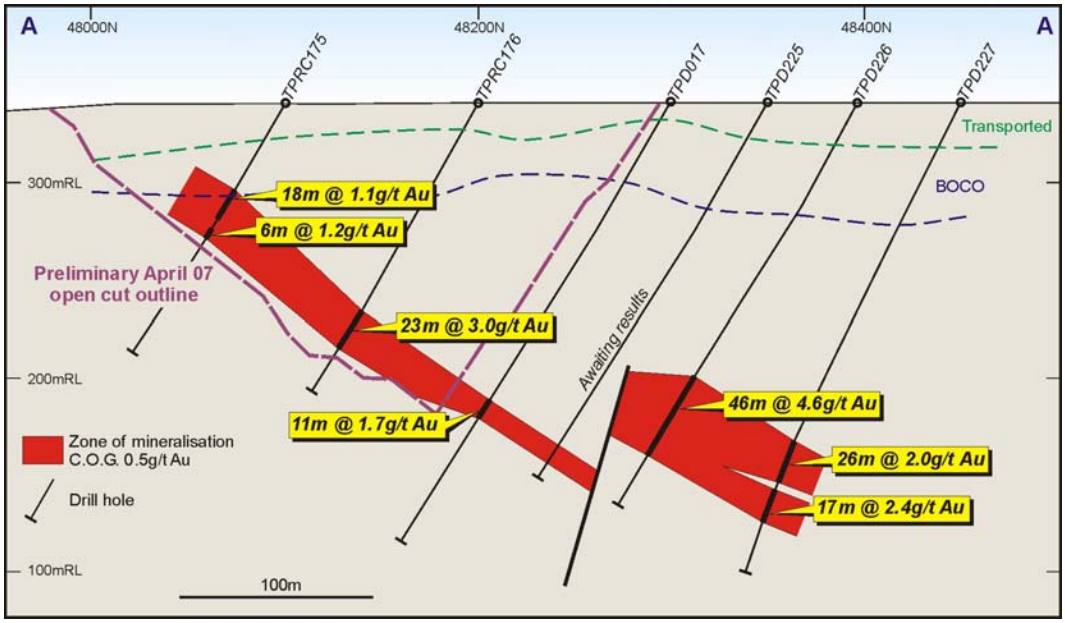


Figure 10: Tropicana Prospect – Tropicana Zone 143, 850mN Cross-section Showing TPD226 Intercept Outside the April 2007 Preliminary Conceptual Open-cut Model

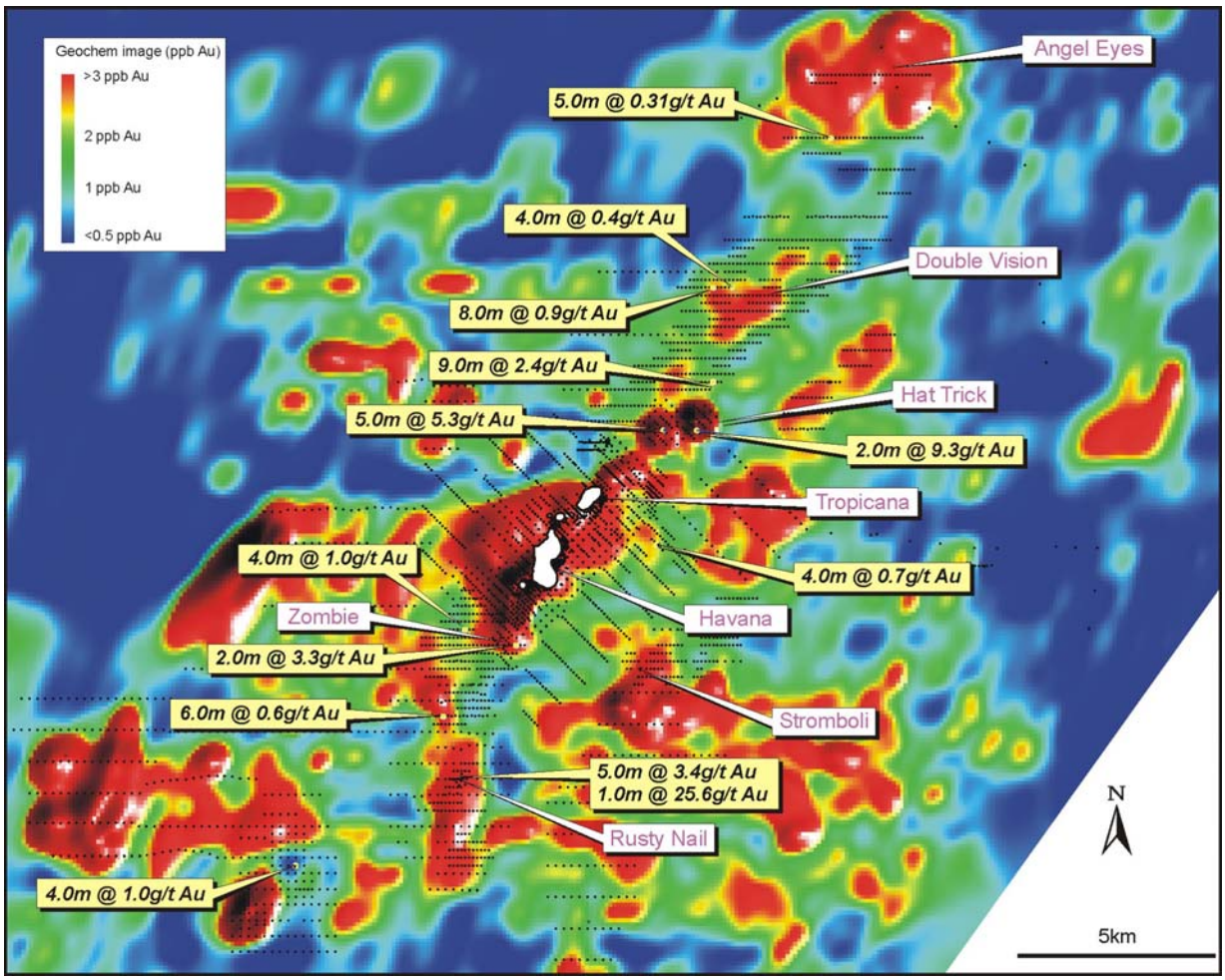


Figure 11: Tropicana Regional Auger Geochemical Gold Anomalies and Significant Aircore Intercepts Along Strike from the Tropicana – Havana Zones

Tropicana Prospect Drilling Results

Infill and extensional drilling totalling 41,778m of reverse circulation drilling and 14,555m of diamond drilling were completed during the June quarter. Infill 50m x 50m drilling has added both grade and ounces to the preliminary open-cut model and extensional drilling is intersecting new zones of mineralisation outside the current conceptual open-cut model.

Tropicana Zone
A significant intercept of **46m @ 4.6g/t Au** true width (TPD226) was intersected east of the current conceptual Tropicana pit outline.

An interpreted fault offsetting mineralisation closer to the surface is likely to result in an increase in resource ounces **(Figures 8-10)** contained in the final open-cut design. Additional drilling along strike from the intercept in TPD226 has also intersected significant widths of strong alteration (assays pending) outside the current conceptual pit design.

Havana Zone
A number of significant new intersections were also returned down-plunge of the Havana Zone outside the current conceptual pit design, including true width intercepts of **39m @ 3.3g/t, 17m @ 3.4g/t, 21m @ 2.3g/t and 15m @ 5.6g/t Au**. Intercepts of **27m @ 8.1g/t Au (including 5m @ 33.7g/t Au) and 17m @ 3.3g/t Au** were also returned south of the Havana pit design, again emphasising potential for additions to the conceptual open-cut pit **(Figures 8 and 9**).

All significant June quarter Tropicana and Havana drill results are summarised in **Tables 2 and 3.**

Regional Exploration

Auger Geochemistry
Auger drilling during the quarter concentrated on sampling areas west of Tropicana as well as completing minor work proximal to Tropicana and Havana. Infill auger geochemical samples have also been collected over the Beachcomber Prospect (results awaited).

Aircore Drilling
Aircore drilling was completed at a number of prospects along strike of Tropicana and Havana including Beetlejuice, Zombie, Stromboli, Black Orchid, Double Vision and Angel Eyes, as well as completing some regional aircore traverses. A significant intercept of **9m @ 2.4g/t Au** (HTA587, 4m composite) was intersected 4kms north-east along strike of the northern end of the Tropicana Zone **(Figure 11)** which requires RC drill follow up. HTA587 ended in mineralisation and is therefore open at depth. Mineralisation was detected in aircore holes on adjacent traverses 200m to the north and south.

Encouraging first pass aircore results have been returned from **Stromboli** (4m @ 0.34g/t Au, SLA010) and **Beetlejuice** (4m @ 0.14g/t Au, TPA1896).

At Zombie and Rusty Nail anomalous results define a trend to the south-west of the Tropicana and Havana system. Aircore drilling at Havana South returned a best intercept of **2m @ 3.3g/t Au** within a broad mineralised envelope, directly along strike from the trend of the Havana mineralisation. This high priority target has been followed up with RC drilling with encouraging alteration observed in drill cuttings. Results are pending.

At Double Vision, follow up to drilling is encouraging, although not all results have been received to date.

Significant regional aircore intercepts are in **Table 4.**

Proposed September Quarter Programs

RC and diamond drilling will focus on 50m x 50m and minor 25m x 25m infill drilling within the Tropicana and Havana zones to enable estimation of a JORC compliant in-pit resource. This program is expected to be completed in August.

During the September quarter aircore drilling will concentrate on testing regional targets and advancing prospects outside of the Tropicana area. Encouraging results from the regional drilling will be followed up by further aircore drilling to better define targets for RC drilling.

Tropicana Pre-feasibility Study

AngloGold Ashanti approved the commencement of the Tropicana Pre-feasibility Study on 28 May 2007. Pre-feasibility study progress is as outlined below.

Drilling
165,000m of drilling (including previously drilled holes) is required to drill out the deposit on a 50m x 50m grid with minor 25m x 25m in-fill. Forecast assay completion date is early September and a JORC compliant resource estimate is expected by the end of calendar 2007.

Pre-feasibility studies
Consultants have been engaged to provide advice on the following aspects of the Pre-feasibility Study:

Waste Material Characterisation Mining Equipment Hire, Contract Mining Costs, Geotechnical Modelling, Hydrogeology and Pit Dewatering, Resource

Modelling, Metallurgy, Engineering, Mine Access Road, On-site Power Supply, and Environmental Baseline Studies.

Metallurgy
Phase 1 cyanide leach metallurgical recoveries confirm or are marginally better than the scoping study CIL recovery assumptions of 88% at a 75 micron grind. Phase 2 sulphide flotation and fine grinding studies are scheduled to commence in the September quarter.

Water
Water exploration studies have commenced and a number of ground water exploration licences have been applied for.

Flora and Fauna
Baseline studies are progressing well.

Ethnographic
Studies in progress.

JV Background

The Tropicana project was generated by Independence Group NL 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 **(Figure 12)**.

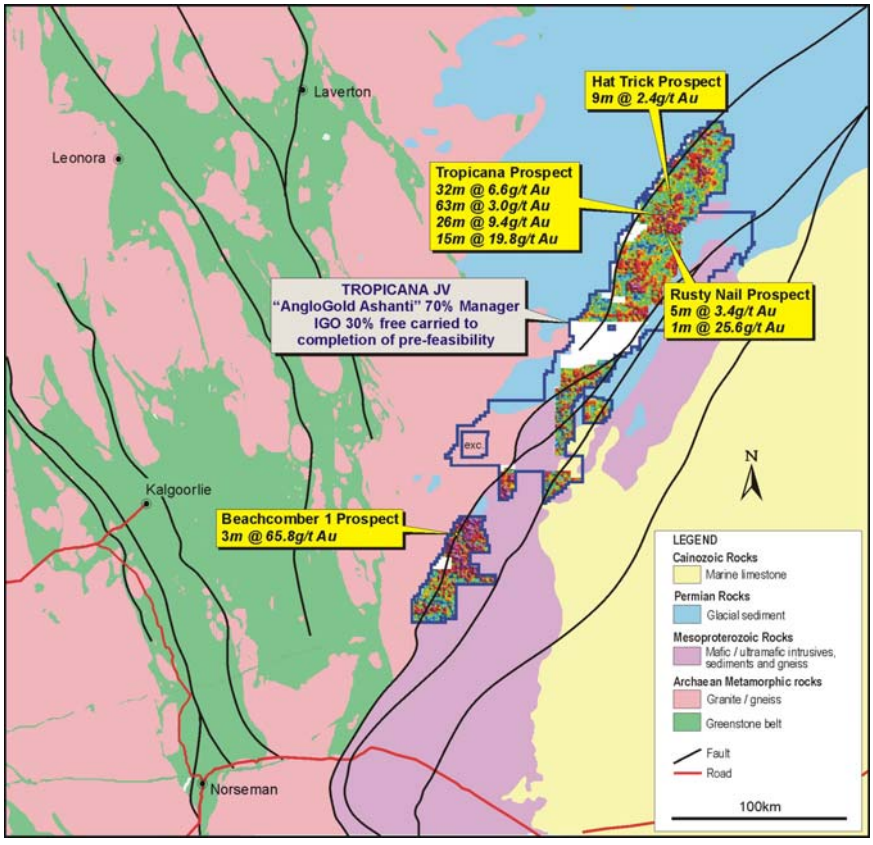


Figure 12: Tropicana JV – Regional Geochemical Gold Anomalies and Significant Drilling Results

Table 2: Significant Tropicana Zone Intercepts

Hole No.	Northing (m)	Easting (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H (m)	From (m)	To (m)	Intercepts
TPD226	6763497	651170	341	324	-59	241	164	210	46 m @ 4.6 g/t Au
						incl	192	205	13 m @ 13.3 g/t Au
TPD227	6763462	651210	341	326	-63	267	194	220	26 m @ 2.0 g/t Au
							223	240	17 m @ 2.4 g/t Au
TPD232	6763427	651099	342	322	-59	241	184	203	19 m @ 2.4 g/t Au

Table 3: Significant Havana Zone Intercepts

Hole No.	Northing (m)	Easting (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H (m)	From (m)	To (m)	Intercepts
TPD084	6762067	650133	360	326	-62		319	358	39 m @ 3.3 g/t Au
						incl	320	330	10 m @ 8.0 g/t Au
TPD126	6761569	649844	369	318	-59	304	185	212	27 m @ 2.0 g/t Au
							239	256	17 m @ 3.4 g/t Au
TPD129	6761534	649810	368	318	-63	253	167	188	21 m @ 2.3 g/t Au
							272	287	15 m @ 5. 6 g/t Au
TPD135	6761357	649777	368	316	-63	262	183	200	17 m @ 2.2 g/t Au
TPD327	6761782	650060	359	312	-68	174	93	95	2 m @ 16.1 g/t Au
TPRC662	6761338	649368	360	327	-60	125	53	80	27 m @ 8.1 g/t Au
						incl	74	79	5 m @ 33.7 g/t Au
TPRC671	6761287	649282	355	315	-60	140	59	76	17 m @ 3.3g/t Au

Table 4: Significant Tropicana Regional Aircore Intercepts

Hole No.	Northing (m)	Easting (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H (m)	Prospect	From (m)	To (m)	Intercepts
HTA464	6768900	654000	327	0	-90	42	Double Vision	32	8	8.0m @ 0.9g/t Au
HTA587	6766500	654000	341	0	-90	9	Hat Trick	0	9	9.0m @ 2.4g/t Au
TPA1404	6760200	64770	3524	0	-90	40	Zombie	28	38	4.0m @ 1.1g/t Au
TPA2158	6759800	649000	367	0	-90	63	Zombie	37	54	17 m @ 0.46g/t Au
							Incl	51	53	2 m @ 3.3 g/t Au
TPA2214	6758000	647150	336	0	-90	35	Kamikaze	29	35	6m @ 0.56g/t Au

DALWALLINU (IGO 100%)

The 70km strike length 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).

At the Pithara prospect previously announced drilling returned high-grade intercepts including 7m @ 21.8g/t Au from 20m and 7m @ 30.1g/t Au from 46m. This high grade zone remains open down-plunge to the south (**Figure 13**).

Reconnaissance and infill shallow RAB and aircore drilling completed during the quarter has delineated gold in basement anomalism (upper oxide) along 4kms of strike north and south of the Pithara high grade gold mineralisation. Results include **3m @ 1.6g/t Au** from 38m **EOH**, **1m @ 4.7g/t Au** from 32m EOH**, 1m @ 1.3g/t Au** from 10m **EOH**, 3m @ 1.8g/t Au and 2m @ 1.9g/t Au (**Figure 13**).

An RC program to test the down-plunge and depth extents of the high grade zone at Pithara as well as RAB and aircore targets within the Pithara corridor is scheduled for the December quarter.

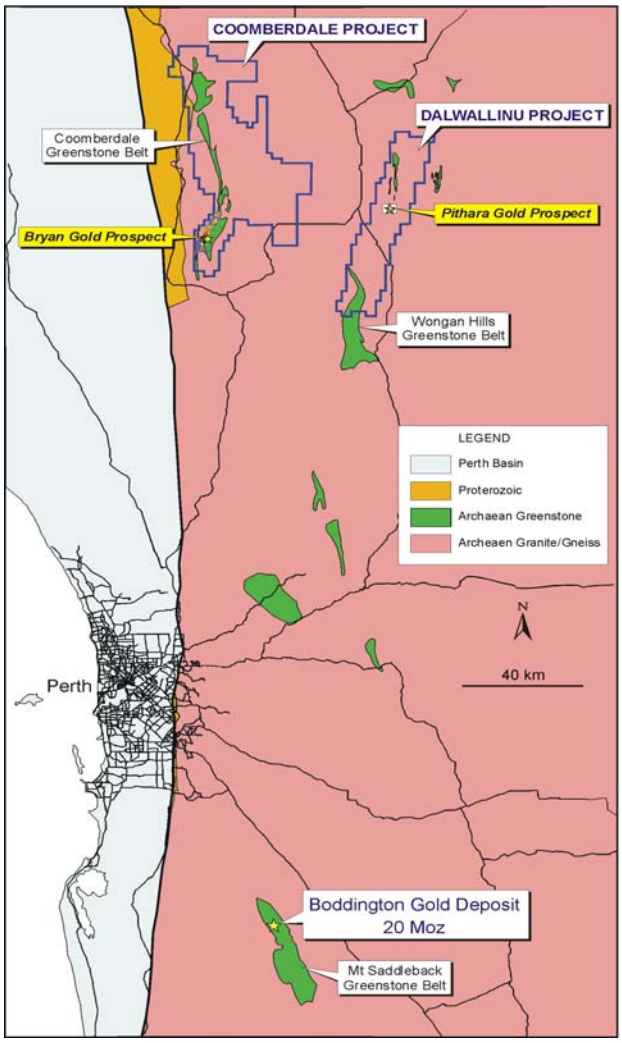


Figure 13: Coomberdale and Dalwallinu Project Locations and Regional Geology

COOMBERDALE (IGO 100%)

Coomberdale is located within freehold farm land approximately 60km west-north-west of the Dalwallinu Project and covers a shallowly covered and largely unexplored greenstone belt with an interpreted strike length of up to 60kms.

Auger, maglag and rock chip sampling has delineated a north-north-west trending gold anomalous corridor over a strike length of 10 km. Petrographic work suggests that mineralisation represents a typical greenschist facies shear hosted lode-gold system.

Wide spaced reconnaissance RAB and first pass follow up RC drilling during the quarter confirmed the prospectivity of the belt, returning intercepts of 10m @ 0.42g/t, 4m @ 0.59g/t and **2m @ 4.7g/t** Au with single metre results up to **9.2g/t Au**. Gold mineralisation is associated with elevated copper, bismuth and tellurium, similar to the Boddington Gold Mine mineralisation.

Further drill testing of the belt is impeded by cropping activities. The southern portion of the belt is amenable to stream sediment sampling and this method will be used to prioritise areas of interest during the cropping season. Ongoing drill testing will recommence following the harvest in late 2007/early 2008.

COBAR (IGO 100%)

A 1500m RC drilling program testing four targets (Earl of Sussex, King George, Baroness, Prince William) is scheduled to commence in late July 2007.

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.

A number of old gold workings, where previous exploration was mainly focused, occur within the project. The Southern Cross Province contains a number of plus 1 million ounce gold resource deposits including:

- Westonia (2.3M oz),
- Yilgarn Star (1.7M oz)
- Southern Cross (1.5M oz)
- Marvel Loch-Nevoria (1.2M oz).

IGO's main interest in the project is the large area of interpreted amphibolite facies greenstone under cover that has yet to be subject to any effective exploration for gold (**Figure 14**). The bulk of the known greenstone in the project comprises the Gabanintha Formation which is the principal host for most gold mines in the Murchison and Southern Cross Provinces. The Holleton greenstone belt has similarities to the Westonia belt and it is inferred that these belts are structurally connected. A number of magnetic and non-magnetic domes intrude the belt providing favourable structural positions for gold mineralisation.

A 2000m RAB drilling program testing for north-east trending high-grade mineralisation, along a major interpreted NW shear that transects the Holleton mining tenements, was completed in July (**Figure 15**). Assay results have not yet been received.

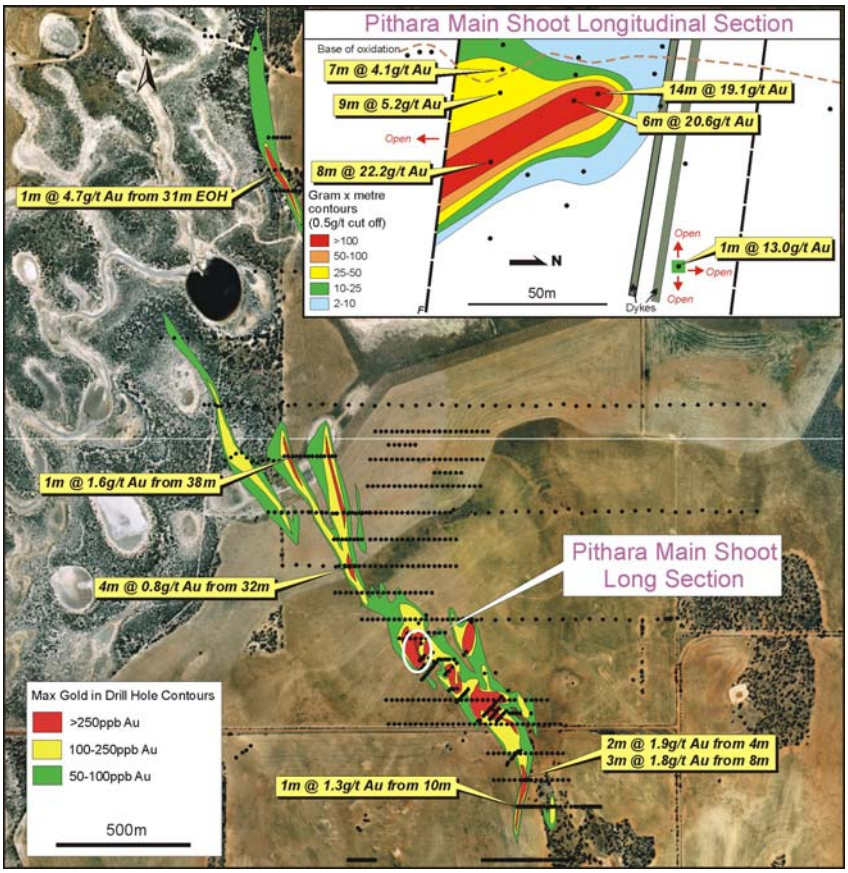


Figure 14: Dalwallinu Project – Pithara Prospect Longitudinal Projection Gold Anomalous Bedrock and Significant Drill-hole Intercepts

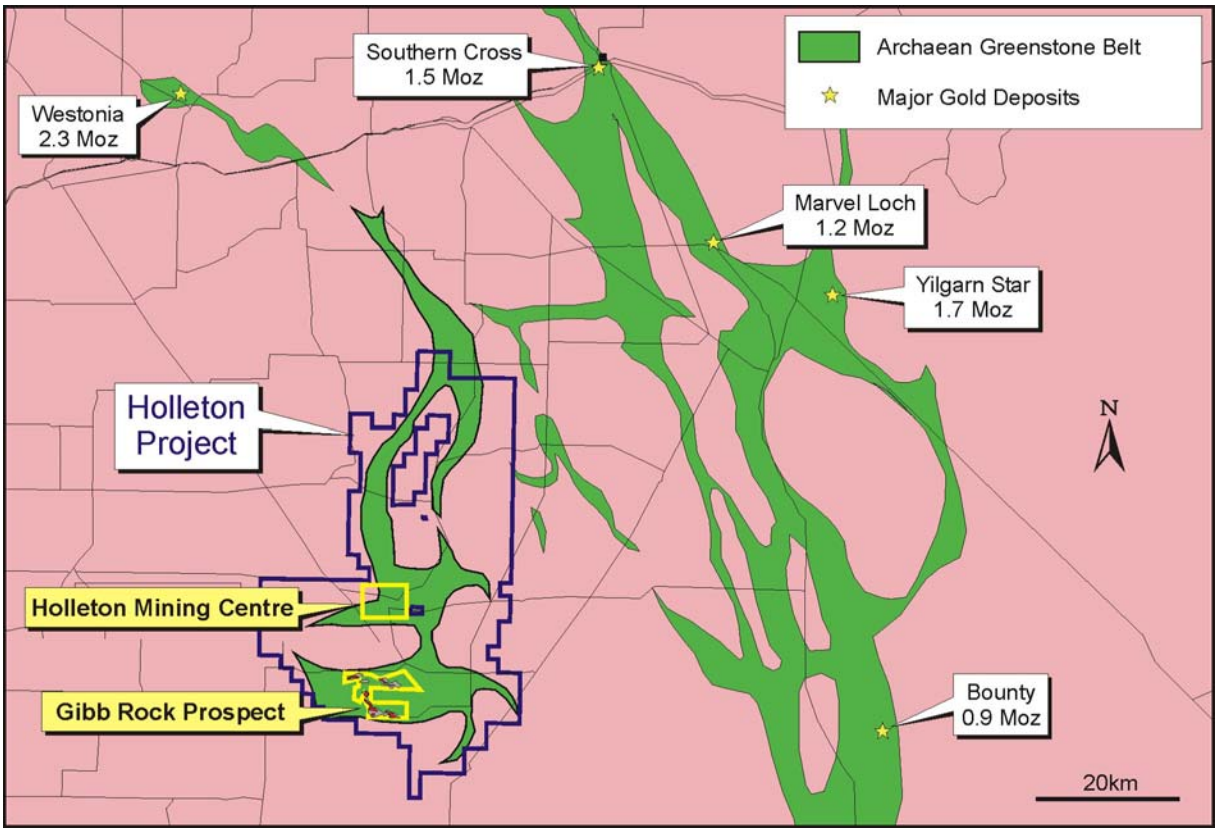


Figure 15: Holleton Project – Project Tenure Over Regional Geology Showing Historic Au Geochemical Coverage and Large Gold Mines in the District

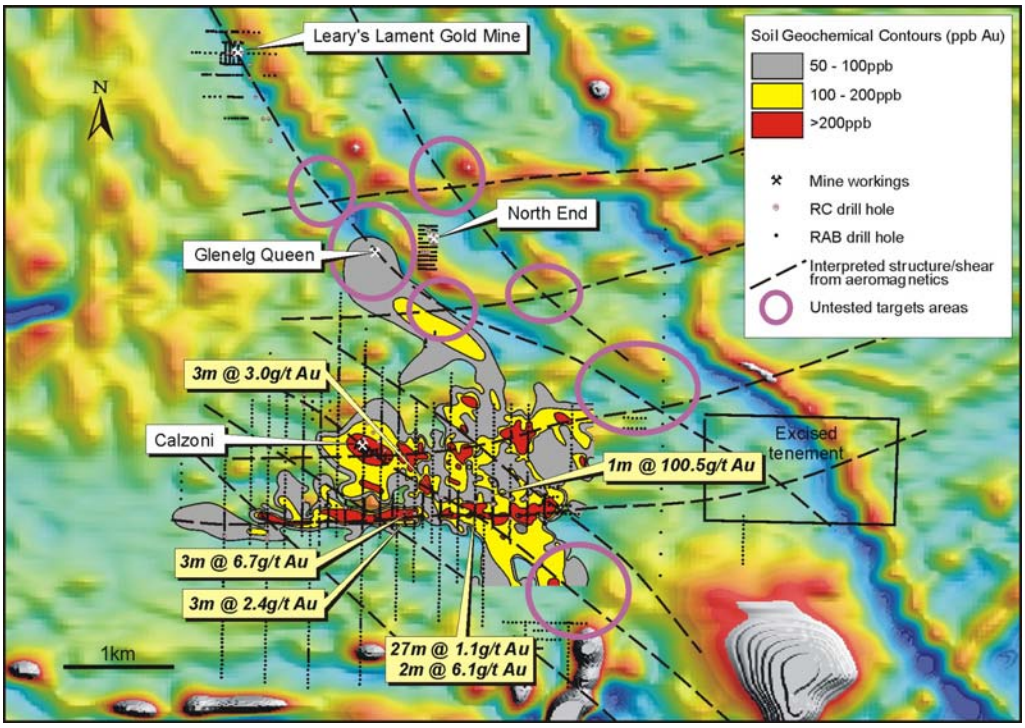


Figure 16: Holleton Mining Centre- Gold Geochemical Anomalies. Significant Gold Intercepts, Historic Gold Mines and Drilling Targets

REGIONAL NICKEL EXPLORATION

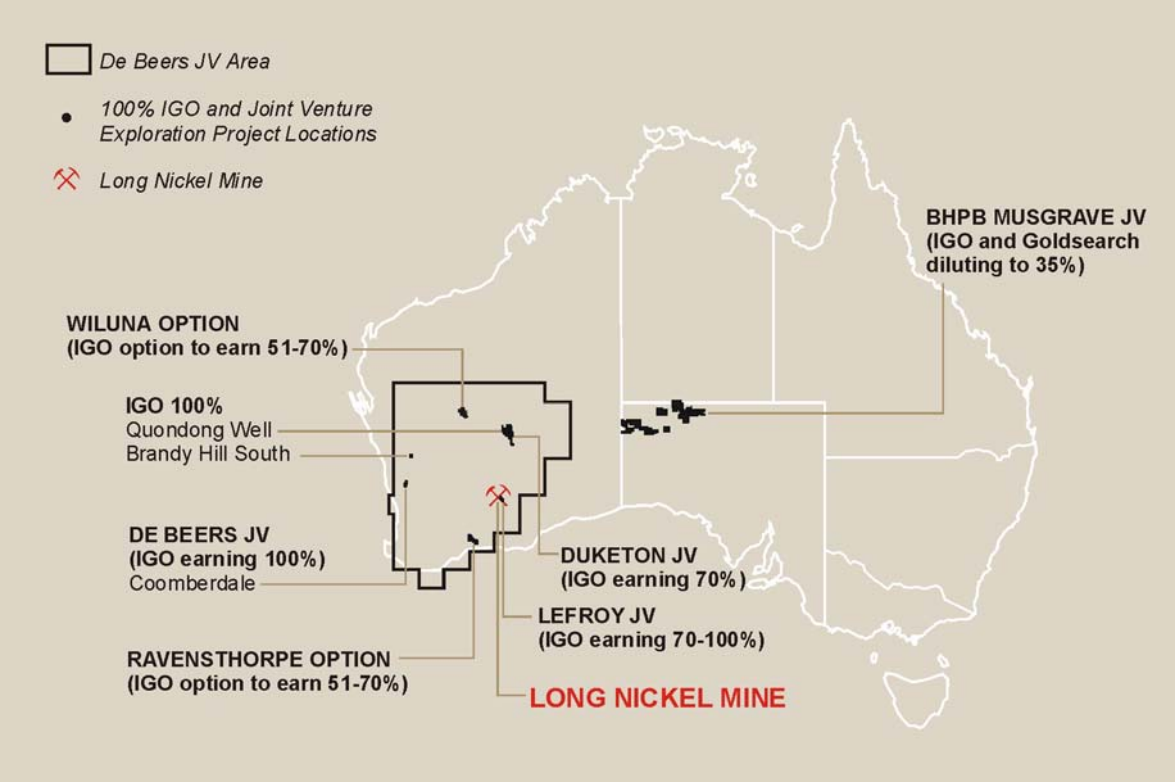


Figure 17: IGO Nickel Project Locations

RAVENSTHORPE OPTION (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 produced 443,000t at 3.46% Ni for 15,350t Ni (**Figure 18**).

- Scoping study

A scoping study to provide a preliminary appraisal of the viability of mining the shallow low-grade nickel mineralisation located at the RAV1, RAV 4, and RAV 4 West in the Jerdacuttup area is in progress (**Figure 19**). The Prospects being evaluated have been drilled to varying degrees of confidence (none to Indicated Resource JORC standard) but in each case sulphide mineralisation in disseminated and massive sulphide occurs as broad sheet-like bodies on a gently south to south-east dipping basal contact of ultramafic rocks on quartzites.

During the quarter an HQ triple tube diamond drilling program comprising 10 holes for 721.4m was undertaken to obtain ore grade material from the RAV1, RAV4 and RAV4W prospects for metallurgical testwork. Once assays results have been received, a decision will be made as to whether flotation and leaching amenability tests are warranted.

- Mt Short

  During the quarter a TEM survey, testing an extensive covered ultramafic horizon in the Mt Short area in the north western portion of the project was completed. The MS7 conductor which is associated with RAB anomalies up to 0.63% Ni and 0.83% Cu within a broad area of surface geochemical anomalism represents a high priority drill target (**Figure 20**).

- High-Powered Transmitter

  Independence Group/Lightning Nickel together with Curtin University have developed a high-powered TEM transmitter approximately ten times more powerful than conventional transmitters, which is intended to enable detection of conductors at significantly deeper levels.

  This system will be used test the down-plunge potential of a number of the nickel sulphide occurrences within the Ravensthorpe JV including RAV1, RAV4 and RAV4W (**Figure 19**). The upper zones of the occurrences are strongly violaritised and hence not detectible by conventional TEM techniques. However it is expected that at depth this mineralisation will be present as more typical conductive pyrrhotite-pentlandite and therefore potentially detectible using the high-powered transmitter.

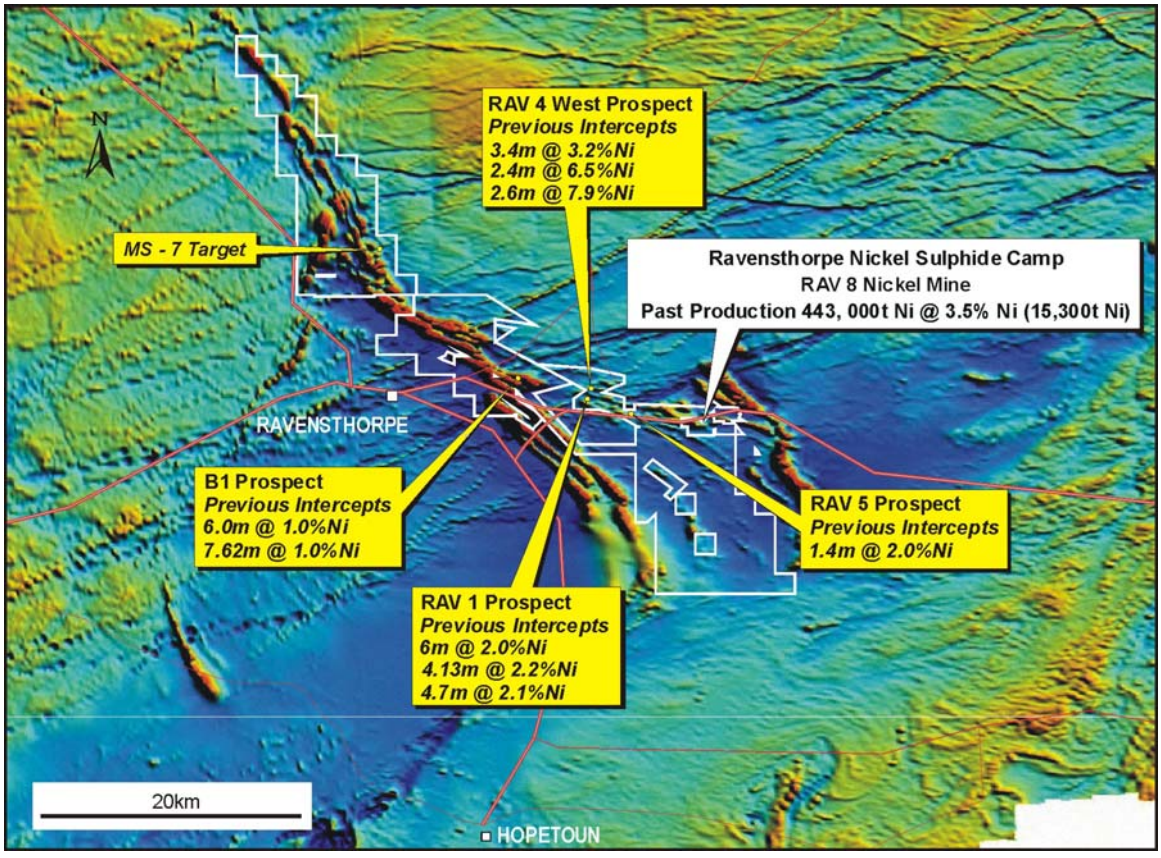


Figure 18: Ravensthorpe JV – Project Tenure Over Magnetic Image Showing Prospects and Significant Intercepts

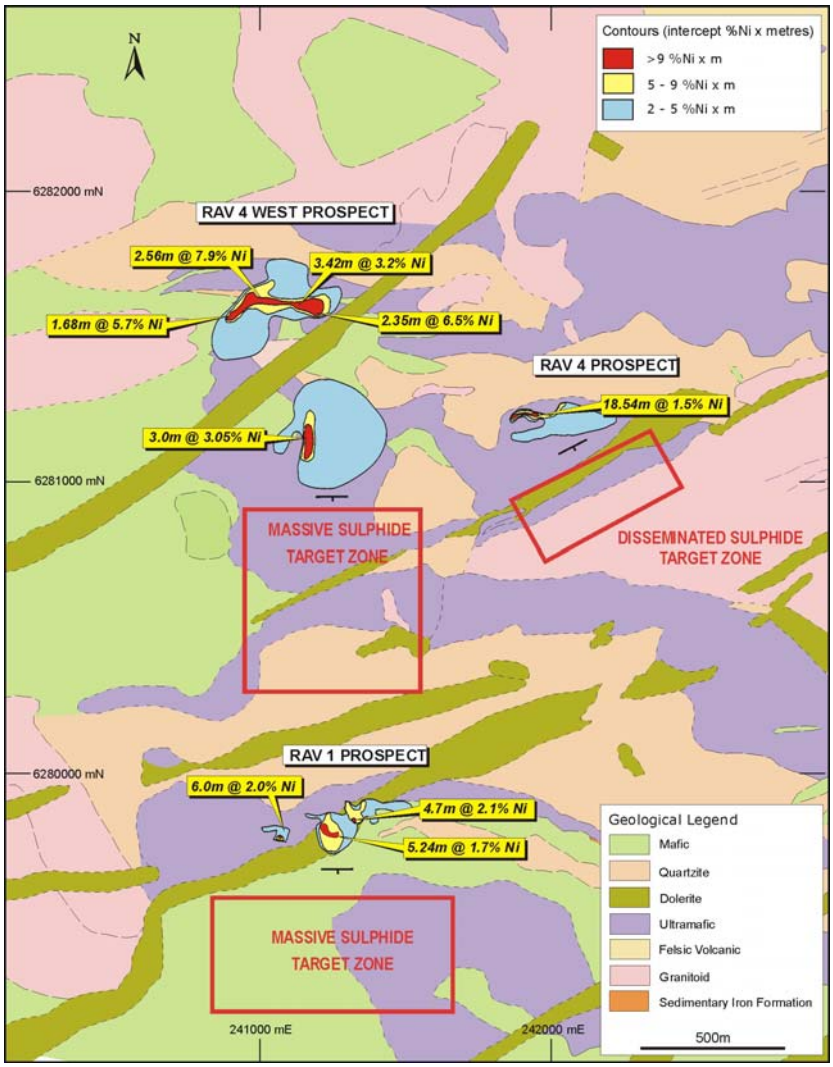


Figure 19: Ravensthorpe JV – RAV1, RAV4 and RAV4W Nickel Prospect %Ni x Meter Contours Showing Significant Intercepts and Targets

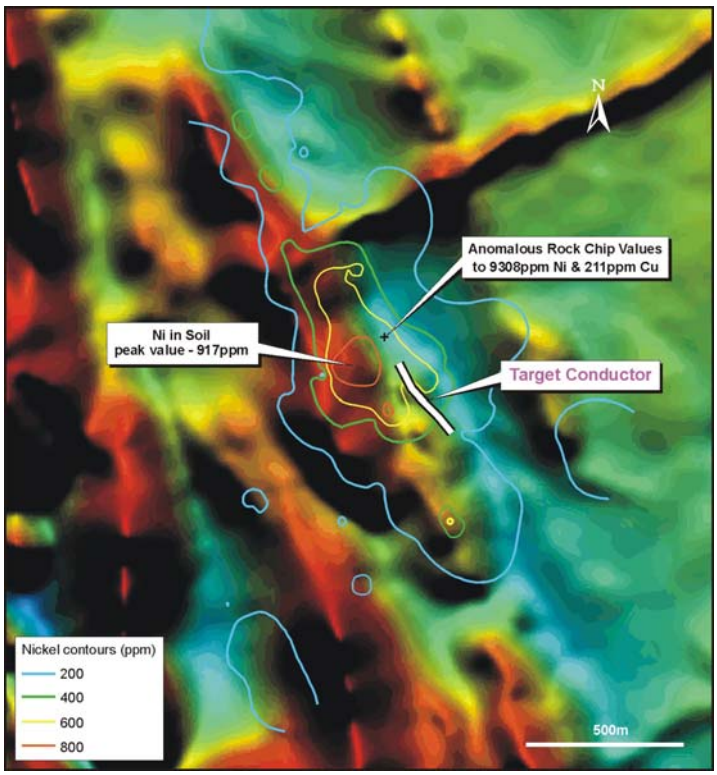


Figure 20: Ravensthorpe JV: MS7 TEM Conductor in Relationship to Magnetics and Ni Soil Geochemistry

STORBODSUND JV - SWEDEN (IGO EARNING 70%)

IGO has an agreement with Mawson Resources Ltd, a TSXv 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. Mineralisation is located at the contact between a gabbro and a granitoid footwall.

Drill testing of the TEM conductors on either side of historic nickel sulphide intersections will be undertaken when the ground is sufficiently frozen to enable drilling access, anticipated to be late 2007/early 2008.

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

The Duketon Nickel JV covers approximately 60kms of strike of ultramafic rich stratigraphy in the Duketon Greenstone Belt. The belt is prospective for Ni-Cu-PGE mineralisation and has not been subjected to modern nickel sulphide exploration techniques.

- The Bulge

Previous drilling at the Bulge Prospect has confirmed the presence of disseminated nickel sulphide mineralisation.

- Robinson Prospect

A TEM program is currently underway at the Robinson Prospect located between the Camp Oven and Bulge prospects. The survey is testing interpreted ultramafic stratigraphy under sand cover extending over a strike length of 11km. A total of 93 line km of data is to be collected and the survey is scheduled for completion in mid-August.

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 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 40kms 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.

- Bodkin

Initial RC testing of the Bodkin prospect by IGO last quarter intersected nickel sulphide mineralisation on a basal ultramafic contact including 1m @ 6.38% Ni, 0.5% Cu and 2.5g/t Pt+Pd from 72m. This mineralisation which is open down-dip to the east and west is not detectible from the surface using conventional EM techniques (**Figures 21**). Due to hole caving it was not possible to probe the hole using downhole EM to provide vectors for follow-up drilling and down hole surveying of adjacent holes was inconclusive. However, it is planned to use IGO's proprietary high-powered transmitter to assist in targeting the next round of drill testing.

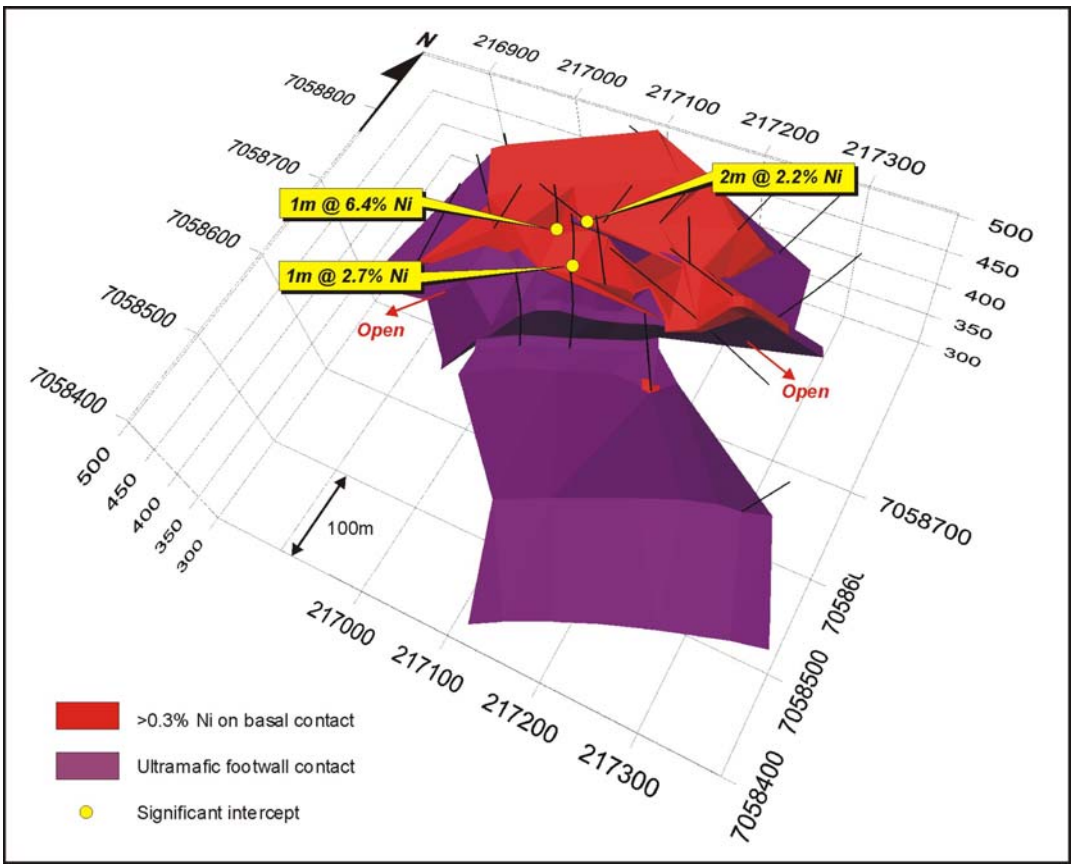


Figure 21: Wiluna JV – Bodkin Prospect Isometric Model Showing ≥ 0.3% Ni Envelope Over the Footwall Basalt – Ultramafic Contact and Significant Ni Drill Intercepts

PROJECTS FARMED-OUT DURING THE QUARTER

To enable IGO to focus exploration efforts on key projects the following projects were farmed out during the quarter:

GOLD PROJECTS:	Mt Padbury:	Acquired by Montezuma subject to exploration expenditure conditions. IGO retains 1% NSR
	Empress Springs:	JV agreement with Avalon Minerals whereby Avalon may earn a 70% interest in the project
BASE METAL/GOLD PROJECTS:	Mt Isdell:	Agreement in principal with major base metals company whereby they can earn 70% of the project
FE/PGE PROJECTS:	Goldsworthy:	Clawback rights bought back by Atlas Iron Limited on 4 tenements, and an Option Agreement on non iron ore rights on other tenements being finalised

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
	Irwin Bore/ Mt Tate JV's:	Priority targets tested. No significant nickel sulphide mineralisation discovered

BASE METAL/GOLD PROJECTS:	Brandy Hill	JV partner being sought to test copper and gold potential (including intersection of 6m @ 1.7% Cu)
MAGNETITE PROJECTS:	Goldsworthy:	JV partner being sought to assess iron ore potential

SEPTEMBER QUARTER EXPLORATION PROGRAM

REGIONAL NICKEL EXPLORATION	Ravensthorpe:	Drill testing new TEM targets at Mt Short. TEM testing The Gap ultramafic and down-plunge positions of RAV8, RAV4, RAV4W, and RAV1 using HP transmitter
	Duketon:	Continued TEM testing of prospective ultramafics.
	Lefroy:	Weather permitting, ongoing SQUID surveying on AngloGold Ashanti, Yamarna and Gladiator JV's
	Wiluna:	TEM testing of Bodkin mineralisation and Lake Way prospect
REGIONAL GOLD EXPLORATION	Tropicana:	Diamond, RC and aircore infill and regional drilling towards completion of Pre-feasibility Study over Tropicana and Havana and regional target assessment
	Cobar:	Phase 2 drill testing 4 prospects
	Holleton:	Target generation, first pass surface sampling and regolith drilling
	Dalwallinu:	RC drilling testing of Pithara high grade intersection and aircore intercepts
	Coomberdale:	Ground magnetics and stream sediment survey on southern tenements

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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.

PO BOX 893
SOUTH PERTH WA 6951
T: (08) 9367 2755 **F:** (08) 9367 3288 **E:** contact@igo.com.au **W:** www.igo.com.au