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MCLEAY NICKEL SULPHIDE DEPOSIT: HIGH-GRADE EXTENSIONS LIKELY TO SIGNIFICANTLY INCREASE RESOURCE

Key Points:

- **Further high-grade nickel intercepts outside reserves/resources returned from McLeay deposit – still open to the north, south and east.**
- **Assay results from previously announced visual estimates include hole MDU-041 which intersected 17m @ 10.7% Ni (including 8.5m @ 16.1% Ni) from Shoot 1.**
- **Visual estimates of new intersections include:**
 - **3.1m @ 12% Ni**
 - **3.3m @ 10% Ni**
 - **4.2m @ 6% Ni**

McLeay resource of 13,000 Ni tonnes (at grade of 6.7% Ni) expected to increase substantially. Updated resource due for completion in December 2005.

McLeay Drilling Update

Independence Group NL is pleased to announce further high-grade nickel sulphide extensions to the McLeay nickel deposit, which are outside current resources and reserves (Figure 1). Mineralisation remains open to the north, south and east, and infill and extension drilling programs are continuing.

Significant assay results from visual estimates announced in the September 2005 quarterly report include **17m @ 10.7% Ni (13m true width), (including 8.5m @ 16.1% Ni)**, which represents thickening of the massive sulphides on the eastern edge of the channel (Figures 2 and 3). The visual estimate was previously reported as 17m @ 9%.

In September, Independence announced that the Long Mine Complex nickel ore reserves had increased to 49,370 contained nickel tonnes (Ni t). The recently discovered McLeay nickel deposit contributed 8,110 Ni t to the ore reserves and 13,000 Ni t to resources as calculated in September 2005.

Independence's September 2005 quarterly report included visual estimates of results from drilling completed since the resource calculation for McLeay was announced, for which assays have now been received (Table 1).

Drilling completed since the release of the quarterly report, has returned further high-grade nickel intercepts and is expected to significantly increase the size of the resource (Figures 4 and 5).

Progress in expanding the McLeay deposit can be summarised as follows:

- Interpreted **individual shoot strike lengths** have increased as follows:

Shoot 1	240m to 325m
Shoot 2	110m to 185m
- Numerous drill intercepts remain open, and the lava channel to the south of McLeay remains to be tested (Figure 4)
- Infill and extensional drilling is continuing
- New drill intercepts include **3.1m @ 12%, 3.3m @ 10% and 4.2m @ 6% Ni** (all visual estimates)
- An updated resource estimate is expected to be finalised in December 2005.

Table 2 shows the results of drill holes completed subsequent to those announced in the September 2005 quarterly report and many have yet to be closed off by further drilling.

Table 1: McLeay drill intercepts – Assay Results for Previously Announced Significant Visual Estimates

Shoot	Hole No.	Northing (m)	Easting (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H (m)	From (m)	To (m)	Width (m)	True Width (m)	Grade Ni%
1	MDU-041	547310	375177	-435	90	-55	142.1	81.5	98.5	17	13	10.7
1	MDU-041						<i>Incl.</i>	<i>87.45</i>	<i>95.95</i>	<i>8.5</i>	<i>6</i>	<i>16.1</i>
1	MDU-047	547310	375177	-435	145	-42	141.7	125.3	128.3	3.0	2.4	7.0
1	MDU-052	547478	375219	-461	273	-54	75.2	48.6	52	3.4	3.0	11.5
2	MDU-037	547311	375177	-437	104	-50	151	9.1	15.7	6.6	5.4	9.6
2	MDU-041	547310	375177	-435	90	-55	142.1	8.2	13.5	5.3	4.2	9.8
2	MDU-041							23	32.9	9.9	7.5	2.9
2	MDU-043	547310	375177	-435	129	-53	132.9	5.4	9.4	4.0	3.5	9.2

(Intersections calculated by the specific gravity method)

Table 2: McLeay drill intercepts – New Results

Shoot	Hole No.	Northing (m)	Easting (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H (m)	From (m)	To (m)	Width (m)	True Width (m)	Grade Ni%
1	MDU-066	547508	375152	-475	111	-26	140	50.5	53.2	2.7		6 ve
1	MDU-068	547330	375178	-438	90	-59	119.8	80.8	83.9	3.1		12 ve
1	MDU-069	547305	375177	-438	120	-46	165	124.9	126.7	1.8		10 ve
1	MDU-070	547305	375177	-438	130	-43	160	139.1	142.4	3.3		10 ve
2	MDU-045	547310	375177	-435	137	-47	146.3	7.8	9.4	1.6		8.36
2	MDU-060	547310	375177	-435	90	-44	160	17.5	21.7	4.2		6 ve
2	MDU-068	547330	375178	-438	90	-59	120	12.7	15.5	2.6		4 ve
2	MDU-069	547305	375177	-438	120	-46	165	9.3	12	2.6		5 ve
2	MDU-070	547305	375177	-438	130	-43	160	10.6	11.8	1.2		8 ve

(ve = visual estimate)

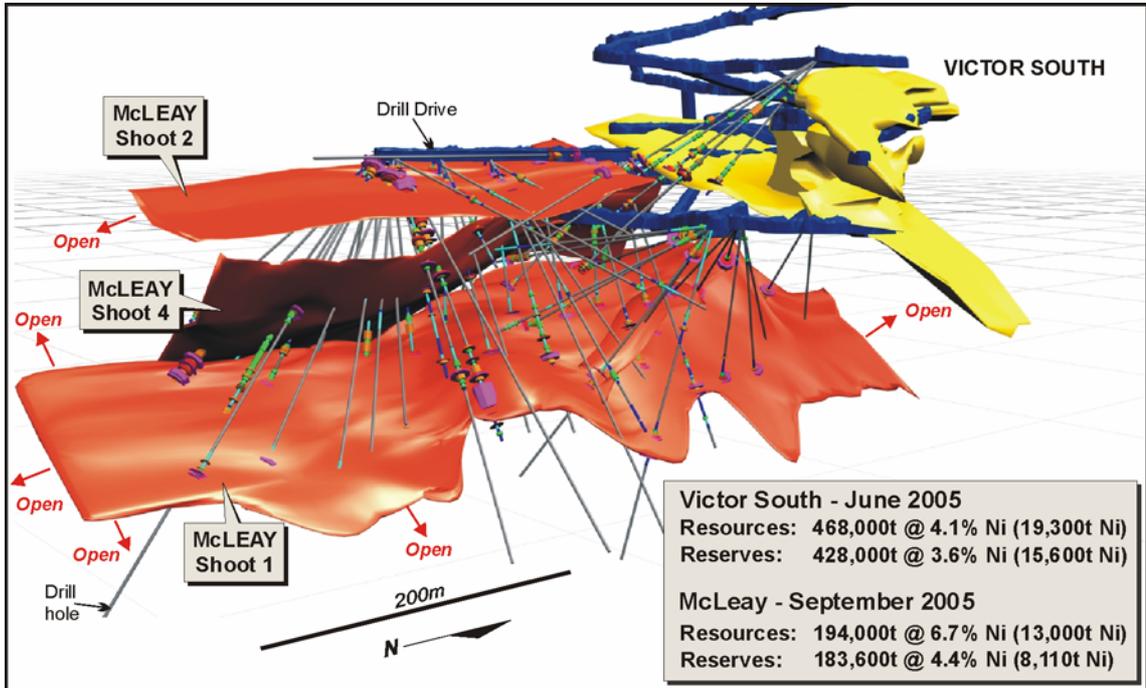


Figure 1: McLeay – 3D Isometric Projections Showing Shoot Locations in Relationship to Victor South

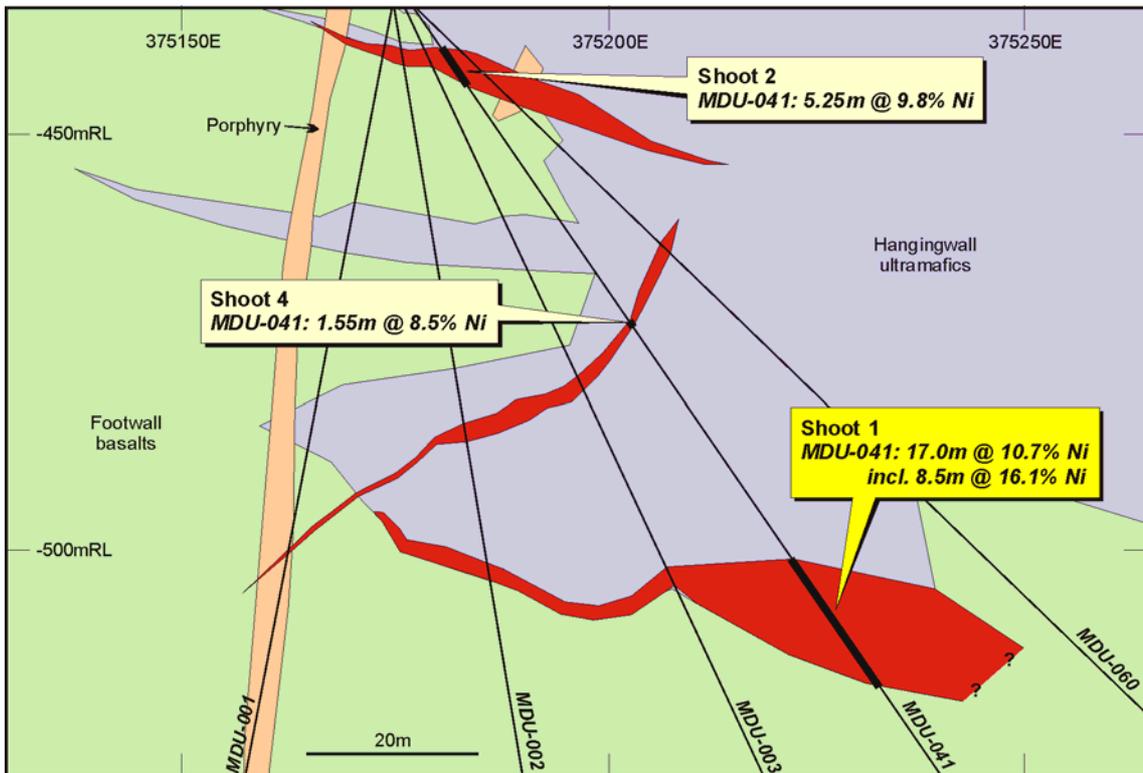


Figure 2: McLeay – 547,310mN Cross-Section Showing Hole MDU-041 Intercepts, Looking North



Figure 3: Hole MDU-041 Drill-Core Showing Down-hole Depth, Assay Boundaries and Nickel Grade

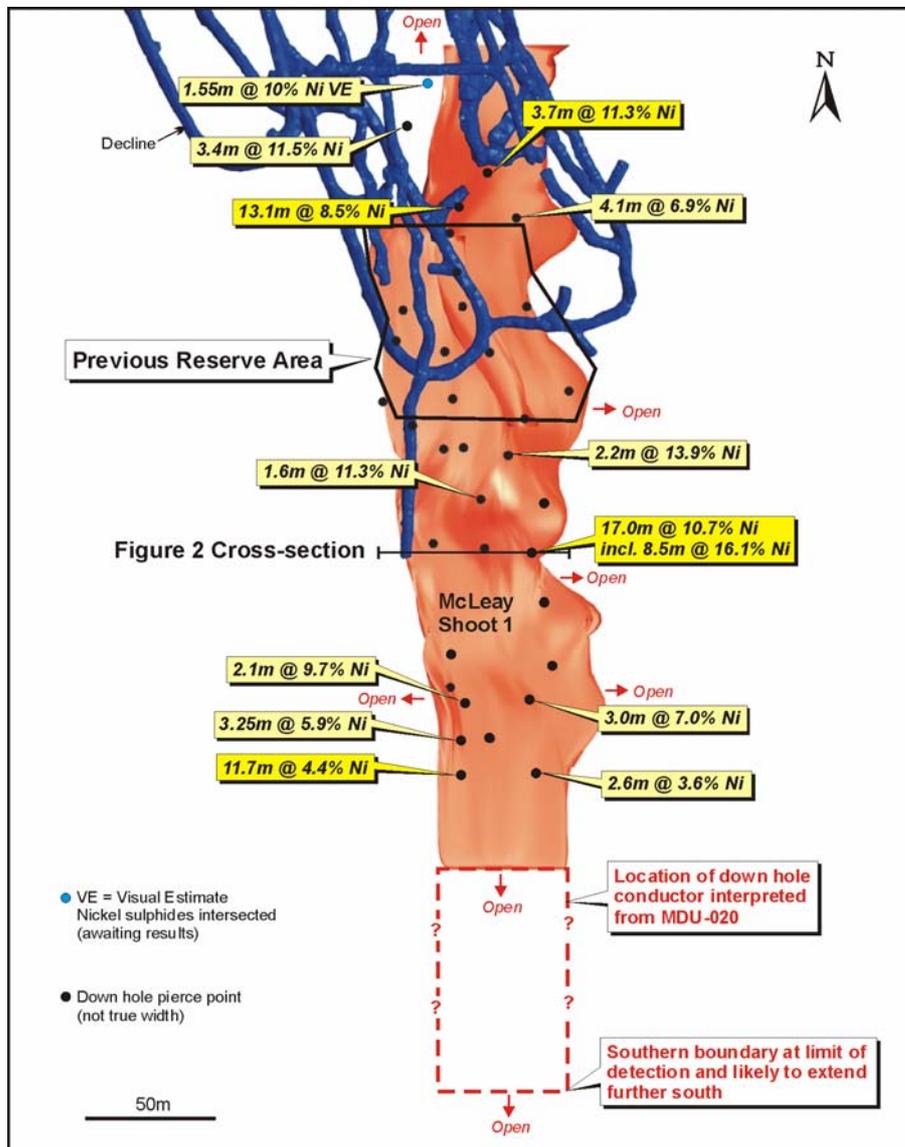


Figure 4: McLeay Shoot 1 – Plan Showing Significant Intercepts

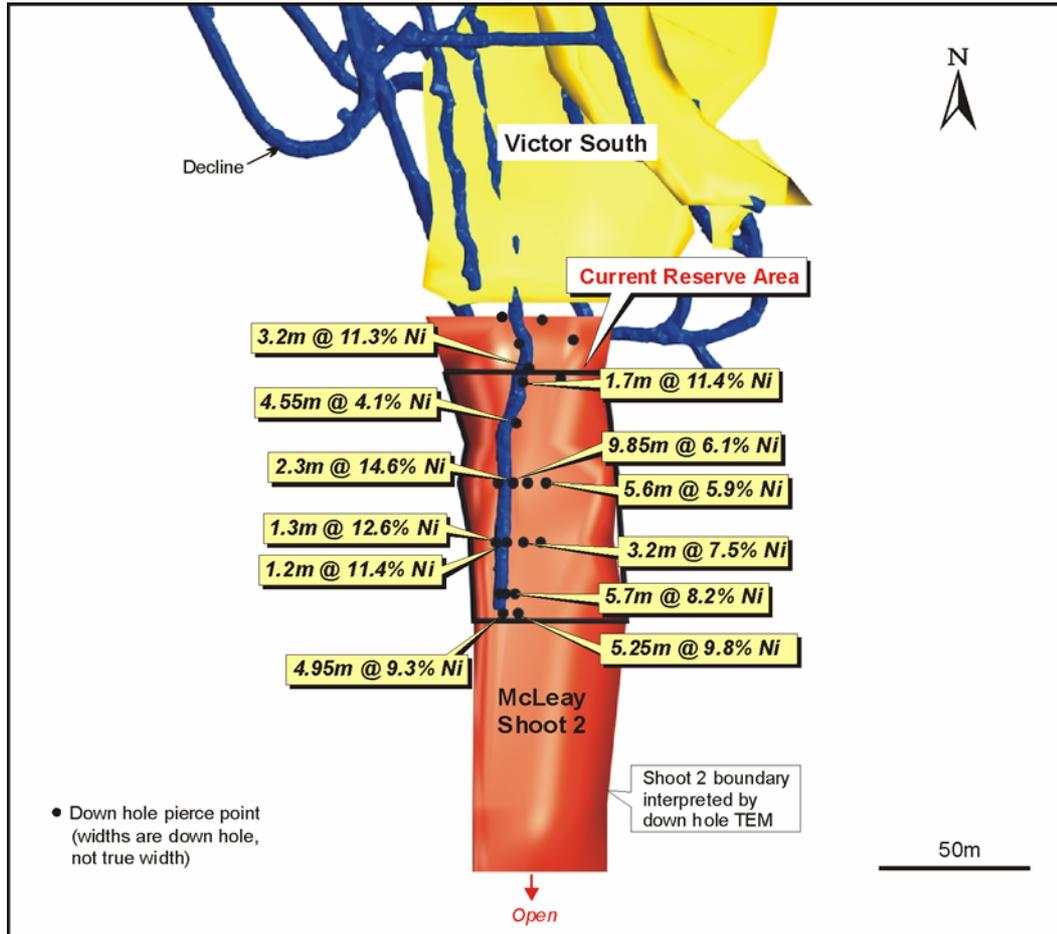


Figure 5: McLeay Shoot 2 – Plan Showing Significant Intercepts

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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.

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