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

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MCLEAY DEPOSIT: HIGH-GRADE EXTENSIONS TO RESOURCE

- **Further high-grade nickel intercepts outside reserves/resources returned from McLeay deposit – still open to the north, south and east**
- **Intersections include 6m @ 8.3% Ni and 6m @ 6.1% Ni**
- **McLeay resource of 13,000 Ni t expected to increase substantially**
- **Long reserve discovery cost approximately A\$286 per tonne since Independence commenced operations**

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. Mineralisation remains open to the north, south and east, and infill and extension drilling programs are continuing.

Significant drill intercepts include **6m @ 8.3%Ni and 6m @ 6.1% Ni** (true width).

Last month Independence announced that the Long Mine Complex nickel ore reserves had increased by 25% (after taking 2004/5 production into account) 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.

Drilling completed since the announcement of the McLeay reserve, has returned further high-grade nickel intercepts and is expected to significantly increase the size of the resource (Figures 2 – 3). Progress in expanding the McLeay deposit can be summarised as follows:

- Interpreted individual shoot strike lengths have increased as follows:

Shoot 1	130m to 240m
Shoot 2	80m to 110m
- Numerous drill intercepts remain open, and 600m of lava channel to the south of McLeay remains to be tested (Figure 4).
- 3 component down-hole transient electromagnetic (TEM) surveying indicates the ore surfaces are continuous and Shoots 1 and 2 remain open to the north, south and east.
- The massive nickel sulphides are high tenor with individual assays up to 24% Ni.
- Planning is in progress with the aim of mining Shoot 2 by hand held methods to replace the high-grade Gibb South ore body which is now almost mined out.
- Infill drilling is continuing to convert resources to reserves.

The following drill intercepts have yet to be closed off by more drilling:

Table 1: McLeay drill intercepts which remain to be closed off

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-024	547397	375245	-461	189	-72	119.7	74.2	77.5	3.3	2.5	8.8
1	MDU-024	547397	375245	-461	189	-72	119.7	80	82.95	2.95	2.95	5.2
1	MDU-033	547418	375239	-458	298	-33	91.5	59.55	66	6.45	6	8.3
1	MDU-034	547418	375240	-459	327	-58.7	91.8	72.1	76.2	4.1	3.8	6.9
1	MDU-035	547418	375239	-458	282	-36	87.3	54.75	61.45	6.7	6	6.1
1	MDU-036	547417	375240	-459	298	-71	90.3			0.7		16 ve
1	MDU-038	547417	375238	-458	312	-21	133			5.2		6 ve
1	MDU-039	547418	375239	-458	328	-44	101	80.4	84.1	3.7	3.2	11.3
1	MDU-044	547304	375174	-435	160	-51	122.4			1.65		8 ve
1	MDU-046	547304	375174	-435	166	-43	122.4			1.05		6 ve
1	MDU-048	547304	375174	-435	167	-37	140.3			8.8		5 ve
1	MDU-049	547304	375174	-435	149	-37	169.4			4.6		6 ve
2	MDU-020	547305	375175	-438	155	-41	219.7	2.4	7.35	4.95	2.5	9.3
	including							2.55	3.7	1.15	0.6	24.2
2	MDU-029	547305	375177	-438	115	-59	140.1			1.4		12 ve
2	MDU-044	547304	375174	-435	160	-51	122.4			1.3		8 ve
2	MDU-046	547304	375174	-435	166	-43	122.4			1.4		9 ve
2	MDU-049	547304	375174	-435	149	-37	169.4			1.4		14 ve
4a	MDU-034	547418	375240	-459	327	-58.7	91.8			1.35		12 ve

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

The discovery cost for all reserve increases at Long since Independence commenced operations is a relatively low A\$286 per tonne of nickel metal, which includes all exploration decline development, geophysics, drilling and personnel costs.

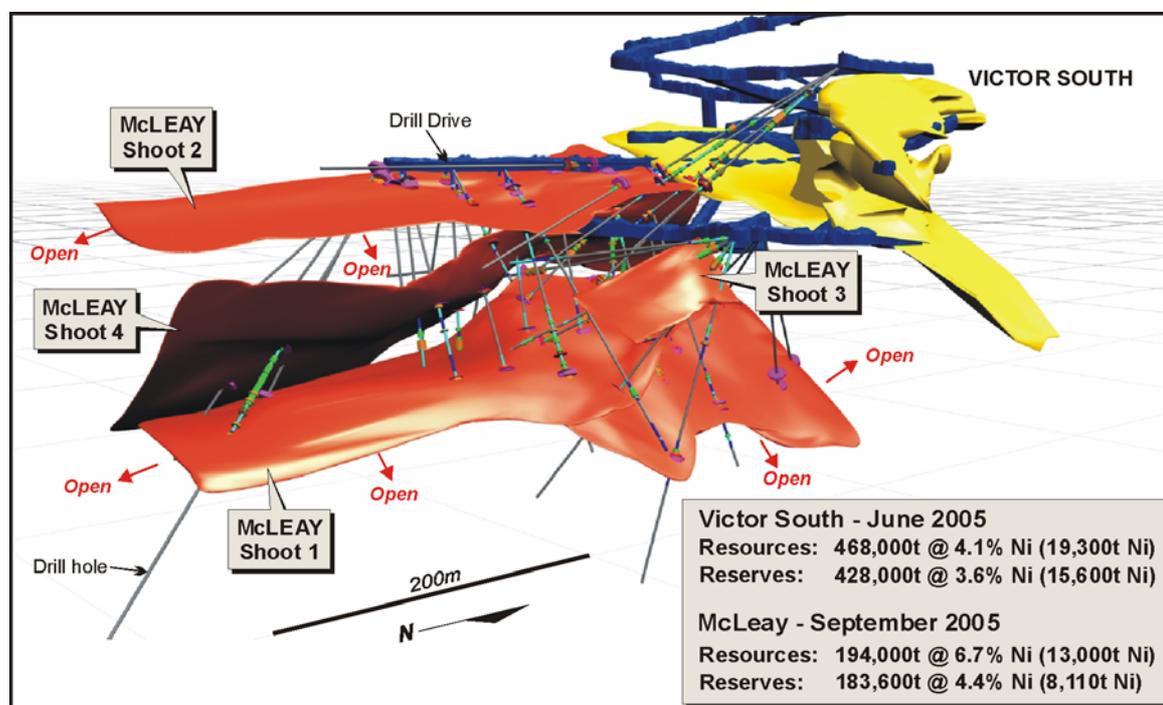


Figure 1: McLeay – 3D Isometric Projections Showing Shoot Locations in Relationship to Victor South

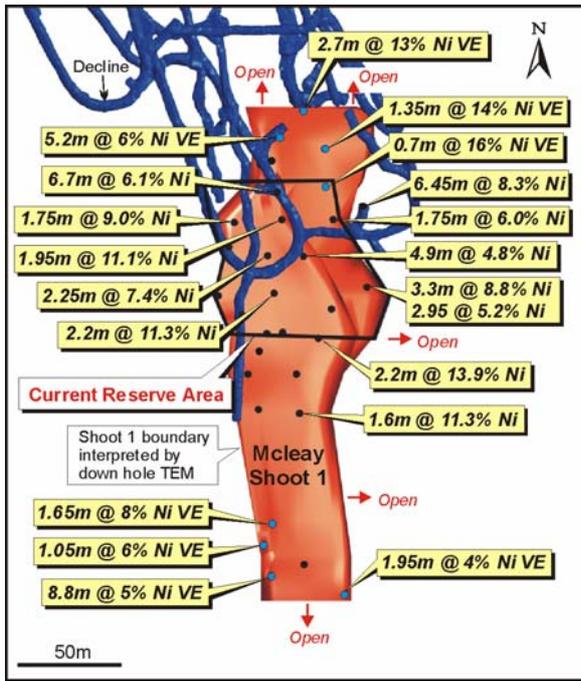


Figure 2: McLeay Shoot 1 - Plan Showing Significant Intercepts

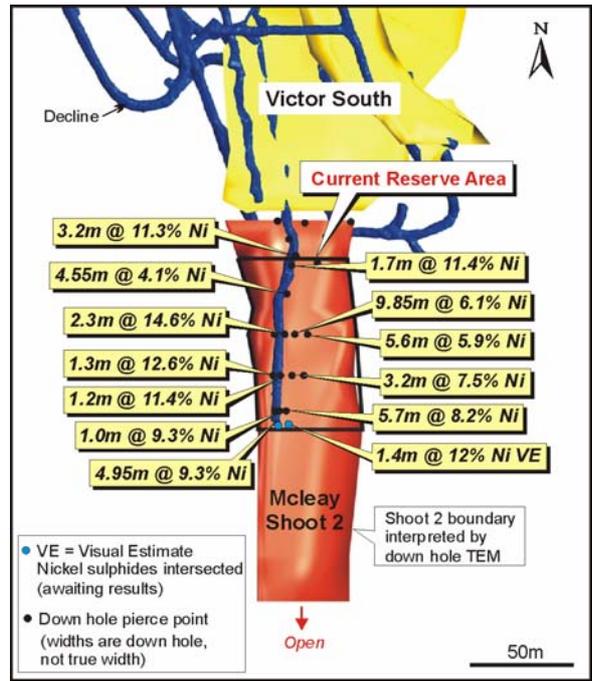


Figure 3: McLeay Shoot 2 - Plan Showing Significant Intercepts

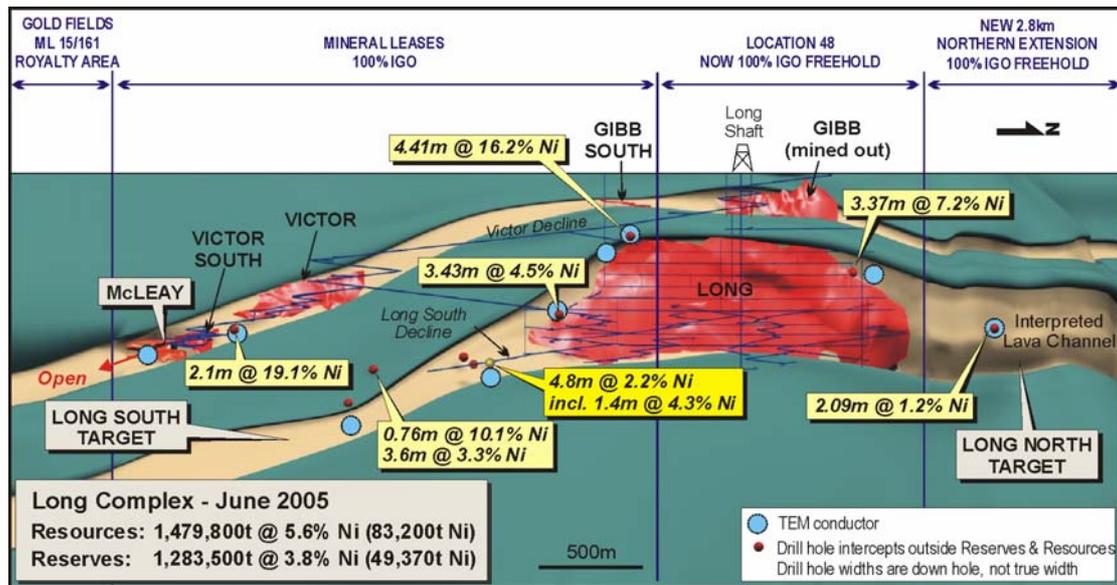


Figure 4: Long Nickel Mine – Longitudinal Projection Showing Ore Reserves and Targets


CHRISTOPHER 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.