



INDEPENDENCE GROUP NL
ABN 24 092 794 336

11 August 2005

Australian Stock Exchange Limited
Attention: Ms Marian Tang
Facsimile: (08) 9221 2020

NO. OF PAGES : (2)

PRICE QUERY

Independence Group NL ("Independence") received a Price Query from the ASX dated 11 August 2005 and responds as follows:-

1. *Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?*

No.

2. *If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?*

Not applicable.

3. *Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?*

(i) The 2005 Diggers and Dealers Conference has just been held in Kalgoorlie which focuses attention on the resources sector.

(ii) Independence announced further details relating to the discovery of the McLeay deposit at the Long Nickel Mine in the Company's June 2005 Quarterly Report on 27 July 2005. This discovery has the potential to add significant mine life to the operation, however this is uncertain until further drilling has taken place to delineate the deposit.

(iii) On 2 August 2005 Independence announced that it has entered into an agreement with WMC Resources Ltd (now a 100% subsidiary of BHP

PO Box 893, South Perth
Western Australia 6951
Tel: +61 8 9347 2755
Fax: +61 8 9347 3288
E-mail: contact@independencegroup.com.au
Website: www.independencegroup.com.au



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Billiton Limited) to purchase the freehold land on which part of the Long Nickel Mine is situated, as well as additional ground holdings which have only been tested by 2 drill-holes, both of which intersected nickel mineralisation. This additional ground is interpreted to possibly contain the northern extension of the Long lava channel.

(iv) Matrix Metals Limited ("Matrix") announced today that "numerous significant occurrences of high grade uranium mineralisation" exist on 100% Matrix tenure. Matrix's share price has risen significantly following this announcement. Independence holds 18.77% of Matrix's listed shares.

(v) Speculation regarding a possible takeover of Independence have been printed in the media. The directors of Independence are not aware of any current or pending takeover of the Company.

4. *Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.*

The directors of the Company believe that all material price sensitive information has been announced by the Company and that the Company is in compliance with the continuous disclosure regime and regulations of the ASX.

A handwritten signature in black ink, appearing to read 'Christopher Bonwick'.

CHRISTOPHER BONWICK
Managing Director



11 August 2005

Ms Kelly Ross
Company Secretary
Independence Group NL
Suite 9, PDM House
72 Melville Parade
SOUTH PERTH WA 6151

By facsimile: 9367 3288

Australian Stock Exchange Limited
ABN 98 008 624 691
Level 8
Exchange Plaza
2 The Esplanade
Perth WA 6000

GPO Box 0187
Perth WA 6840

Telephone 61 (08) 9224 0000
Facsimile 61 (08) 9221 2020
Internet <http://www.asx.com.au>

Dear Kelly

INDEPENDENCE GROUP NL (the "Company") - PRICE QUERY

We have noted a change in the price of the Company's securities from \$1.52 on 9 August 2005 to a high of \$1.65 today. We have also noted an increase in the volume of trading in the securities over this period.

In light of the price change and increase in volume, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?
2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any other explanation that the Company may have for the price change and increase in volume in the securities of the Company?
4. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Please direct your response to me by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, before 5.30pm W.S.T today, Thursday, 11 August 2005.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

Should you have you have any queries in relation to the above, please do not hesitate to contact me.

Yours sincerely


Marian Tang
Senior Companies Adviser