



INDEPENDENCE GROUP

**GROWING A GREAT AUSTRALIAN MINING COMPANY BY
MINERAL DISCOVERIES AND MINE DEVELOPMENT**

INVESTOR UPDATE
February 2011

Chris Bonwick – Managing Director



DISCLAIMER

Certain oral and written statements contained or incorporated by reference in this presentation, including information as to the future financial or operating performance of the Company and its projects, constitute forward-looking statements. All statement, other than statements of historical fact, are forward-looking statements. The words “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “intend”, “continue”, “budget”, “estimate”, “may”, “will”, “schedule” and similar expressions identify forward-looking statements.

Forward-looking statements include, among other things, statements regarding targets, estimates and assumptions in respect of nickel, gold or other metal production and prices, operating costs and results, capital expenditures, mineral reserves and mineral resources and anticipated grades and recovery rates. Forward-looking statements are necessarily based upon a number of estimates and assumptions related to future business, economic, market, political, social and other conditions that, while considered reasonable by the Company, are inherently subject to significant uncertainties and contingencies. Many known and unknown factors could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward-looking statements. Such factors include, but are not limited to: competition; mineral prices; ability to meet additional funding requirements; exploration, development and operating risks; uninsurable risks; uncertainties inherent in ore reserve and resource estimates; dependence on third party smelting facilities; environmental regulation and liability; currency risks; effects of inflation on results of operations; factors relating to title to properties; native title and aboriginal heritage issues; dependence on key personnel; and share price volatility and also include unanticipated and unusual events, many of which are beyond the Company’s ability to control or predict.

The Company disclaims any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. All forward-looking statement made in this presentation are qualified by the foregoing cautionary statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and, accordingly, not to put undue reliance on such statements.



INDEPENDENCE OVERVIEW - CORPORATE

Tight share structure, cashed up and no debt

Capital Structure:

ASX 200 Code: IGO
138.8M shares and 0.8M unlisted options
Market Cap. (27/01/11): A\$1007M
Daily turnover (6 month average) – 0.52M

Substantial shareholders: (as at 25.01.11)

JF Capital	10.2%
UBS	6.2%
Orion	6.2%
NAB	5.1%
Aus Inst : 52%, OS Inst : 14%	
76 Institutions in top 100	

Financials: (unaudited)

Jul-Dec 2010 Profit:	A\$21.0M
Jul-Dec 2010 EPS (dil.):	A17.8c
Cash & Net Receivables:	A\$303.3M
Debt:	A\$1.4M equipment HP
Dividends paid 2009/10:	2c interim + 3c final



INDEPENDENCE OVERVIEW - ASSETS

Multiple growth opportunities

LONG NICKEL MINE



✓ Production

Jul-Dec 2010 Cash Costs:

without royalty

A\$3.69/lb Ni

with royalty

A\$4.29/lb Ni

2009/10 Revenue:

A\$10.42/lb Ni

Jun 10 Resources:

91,500t Ni @ 5.4% Ni

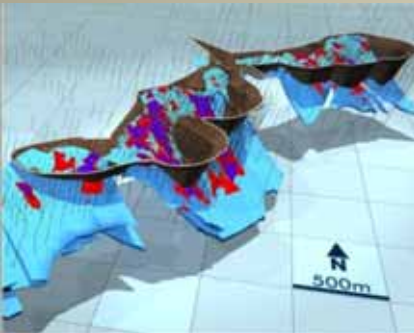
Jun 10 Reserves:

53,400t Ni @ 4.1% Ni

Extending mine life – New Moran discovery

June 2010 resource: 546,000t @ 7.2% Ni (39,400t Ni)

TROPICANA



✓ Potential
Near Term
Growth

BFS Open Pit Reserve:

30% of 48Mt @ 2.2g/t Au
(3.4M oz Au)

BFS Open Pit Mining Inventory:

30% of 59Mt @ 2.0g/t Au
(3.8M oz Au)

Jan 2011 Resource:

30% of 76Mt @ 2.2g/t Au
(5.3M oz Au)

Significant underground & regional potential

REGIONAL EXPLORATION



✓ Growth

7 high quality Ni, Au, Sn and Cu-Pb-Zn projects.
Exclusive 292,000 sample geochemical database.

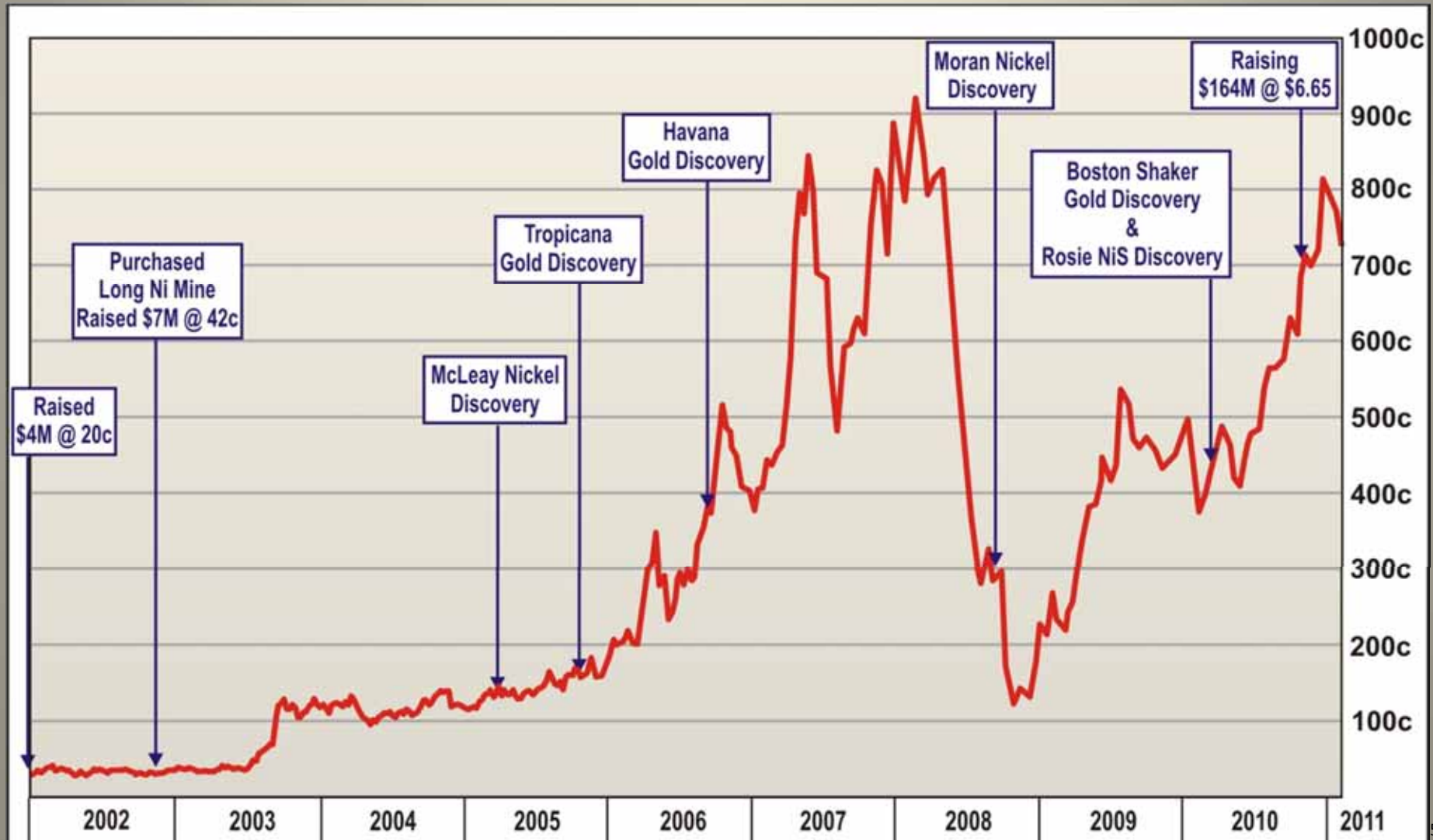
Unique exploration targeting & technology



INDEPENDENCE HISTORY AND SHARE PRICE

Five ore bodies discovered to date

Monthly Average Share Price to 25.01.11





LONG NICKEL MINE

IGO'S CURRENT CASH PRODUCING ASSET

2002 Purchase price = A\$15M IGO Profit to date = A\$286M
Australia's lowest cost nickel sulphide mine



1979-1999
WMC Production:
203,184t Ni

2002-2010
IGO Production:
69,220t Ni



LONG NICKEL MINE (IGO 100%)

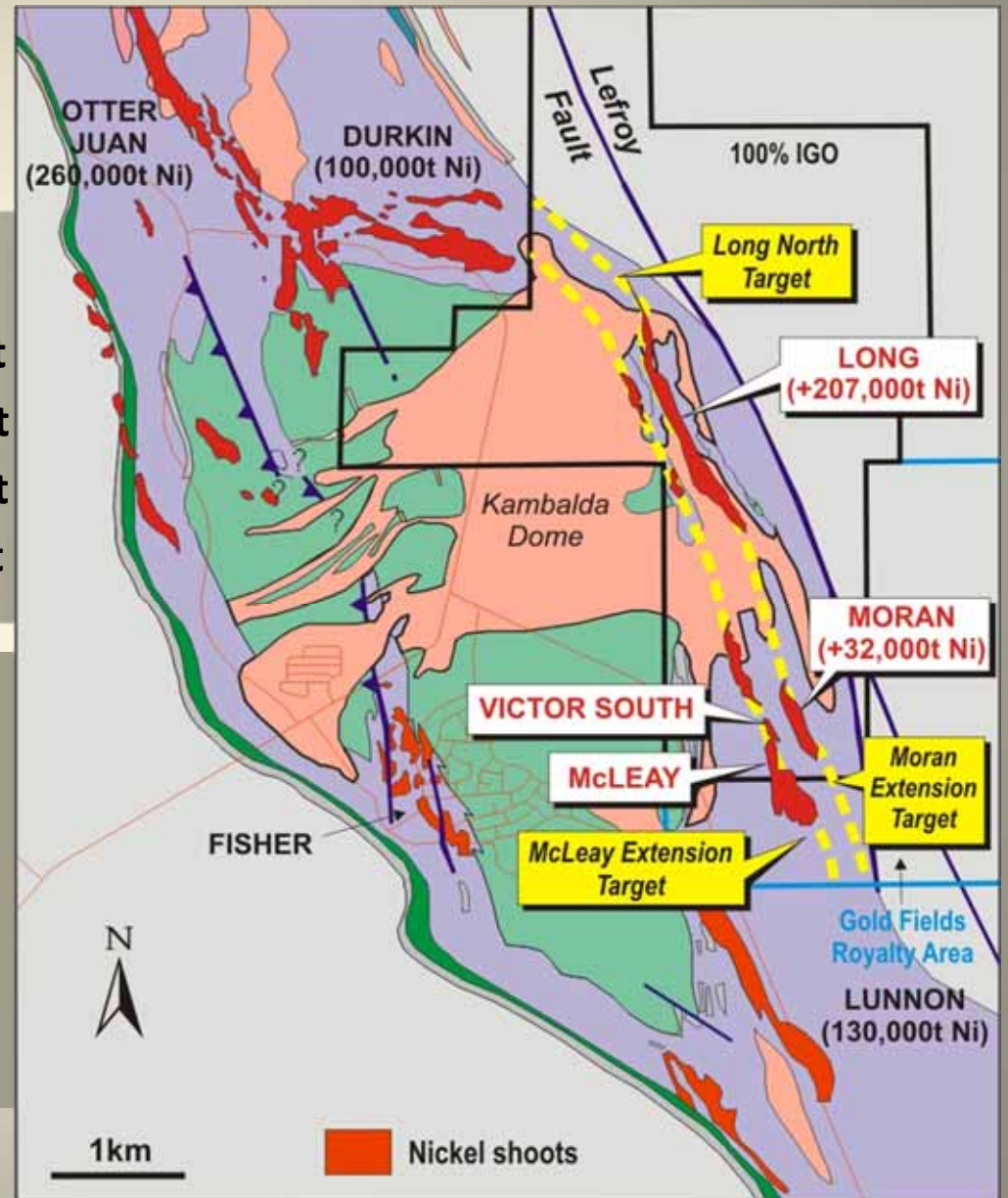
*Moran, McLeay and Long
nickel ore bodies
yet to be closed off*

HISTORY

- IGO Starting Reserve = 26,800 Ni t
- IGO Production to date = 69,220 Ni t
- June 2010 Resource = 91,500 Ni t
- June 2010 Reserves = 53,400 Ni t

GOALS

- Sustainable 9,000t Ni pa in bottom 3rd of world-wide nickel production cash costs.
- Low cost nickel producer.
- New Reserves to increase mine life.





PRODUCTION FORECAST AND HEDGING

History of exceeding production guidance

	2009/10 Guidance	2009/10 Actual
• Production	8,000-8,400 Ni t	8,615 Ni t
• Grade	4.0% Ni	4.25% Ni
• Cash Costs (payable) - with royalty	A\$4.20-4.40/lb Ni	A\$4.44/lb Ni
- without royalty	A\$3.90-4.10/lb Ni	A\$4.01/lb Ni

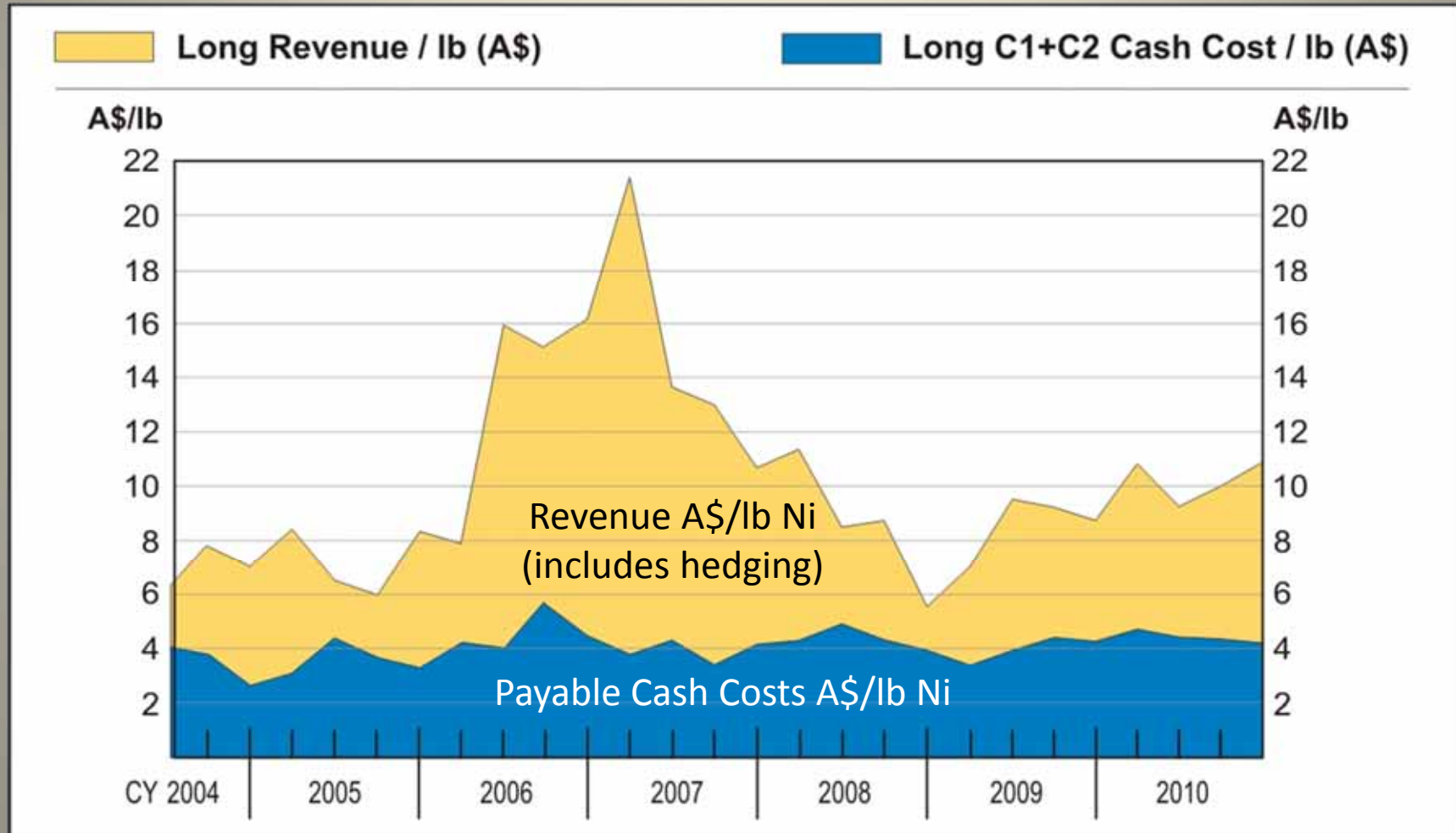
	2010/11 Guidance	Jul-Dec 2010
• Production	8,800-9,200 Ni t	5,111 Ni t
• Grade	4.1% Ni	4.7% Ni
• Cash Costs (payable) - with royalty	A\$4.40-4.60/lb Ni	A\$4.28/lb Ni
- without royalty	A\$4.00-4.20/lb Ni	A\$3.69/lb Ni

- Hedging Jan 2011 - Jun 2013 5,760 Ni t @ A \$23,352/t (A\$10.60/lb)



QUARTERLY CASH COSTS AND REVENUE

*High operating margins
and consistent low cash costs over 6 years*





MINE GEOPHYSICS - TEM EQUIPMENT

Innovative research and development



High powered TEM transmitter

****Exclusive to IGO****

- 10 x more powerful than current systems.
- Doubles search radius detection up to 200m.
- Cleaner data.
- More accurate targeting.
- Mark III in development.



Down hole TEM probe

- 200m search radius.
- 3D visualisation of massive NiS targets.



Underground Down hole TEM surveying

- More accurate drill targeting, reduced discovery and ore definition costs.



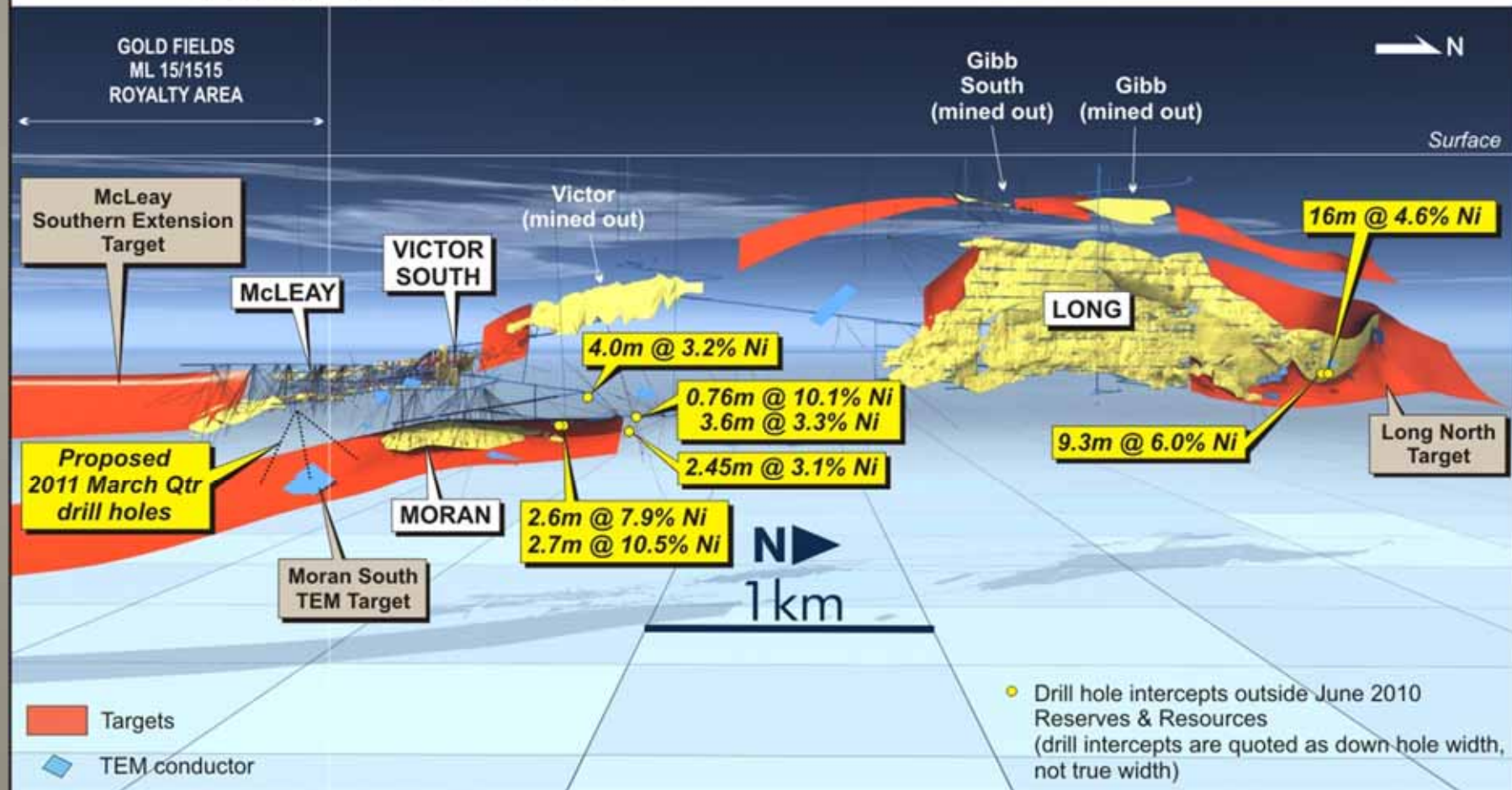
LONG MINE NICKEL DEPOSITS AND TARGETS LONGITUDINAL PROJECTION

Largest Reserve since IGO reopened the mine (mine life extended to at least 2016)

June 2010 Mineral Resources*: 1,702,000t @ 5.4% Ni (91,500t Ni)

June 2010 Ore Reserves: 1,315,000t @ 4.1% Ni (53,400t Ni)

* Resource Ni t are inclusive of Reserves



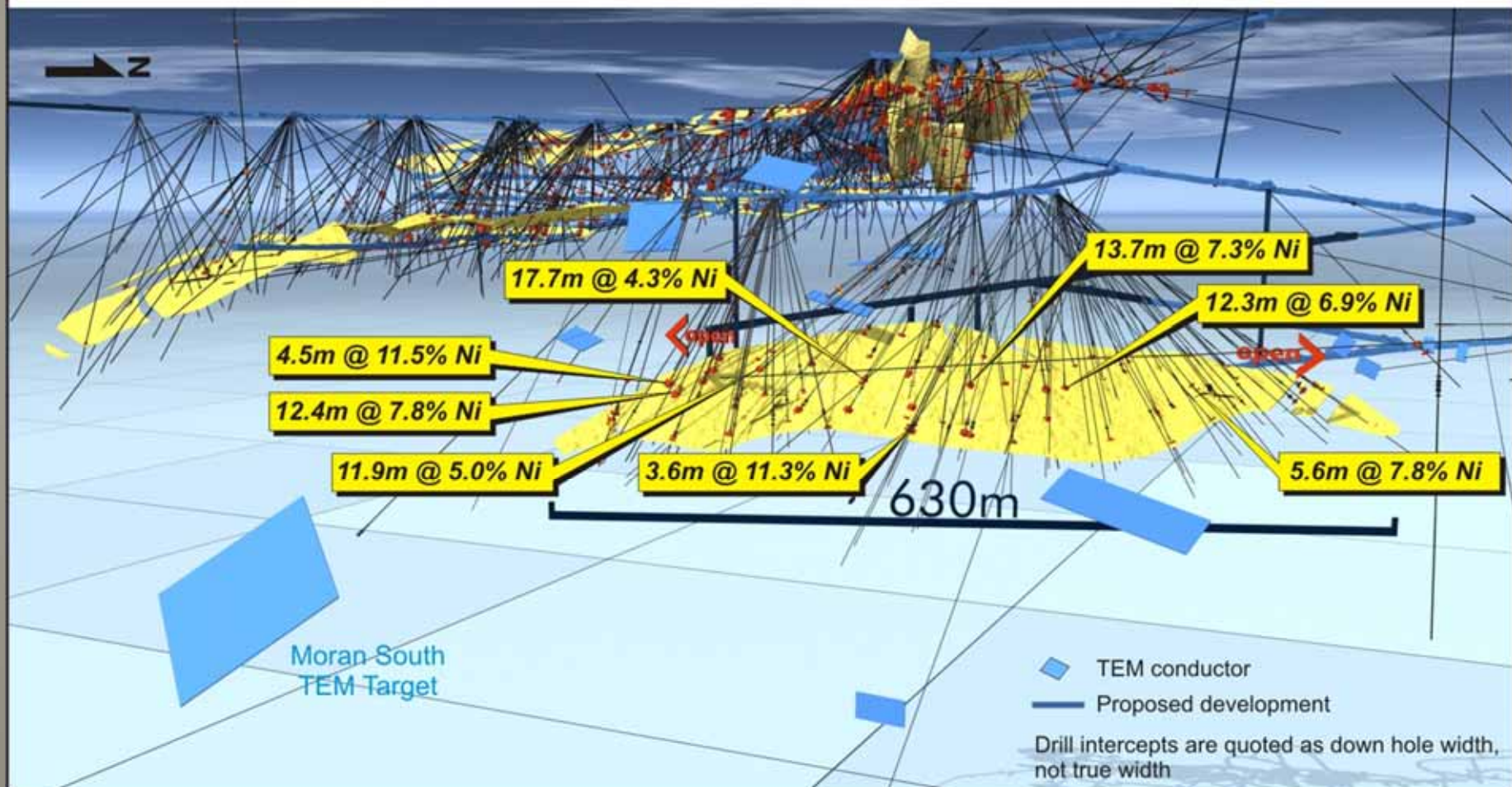


MORAN NICKEL DEPOSIT

Moran remains open to the south

June 2010 Mineral Resources*: 546,000t @ 7.2% Ni (39,400t Ni)
June 2010 Ore Reserves: 739,000t @ 4.4% Ni (32,700t Ni)

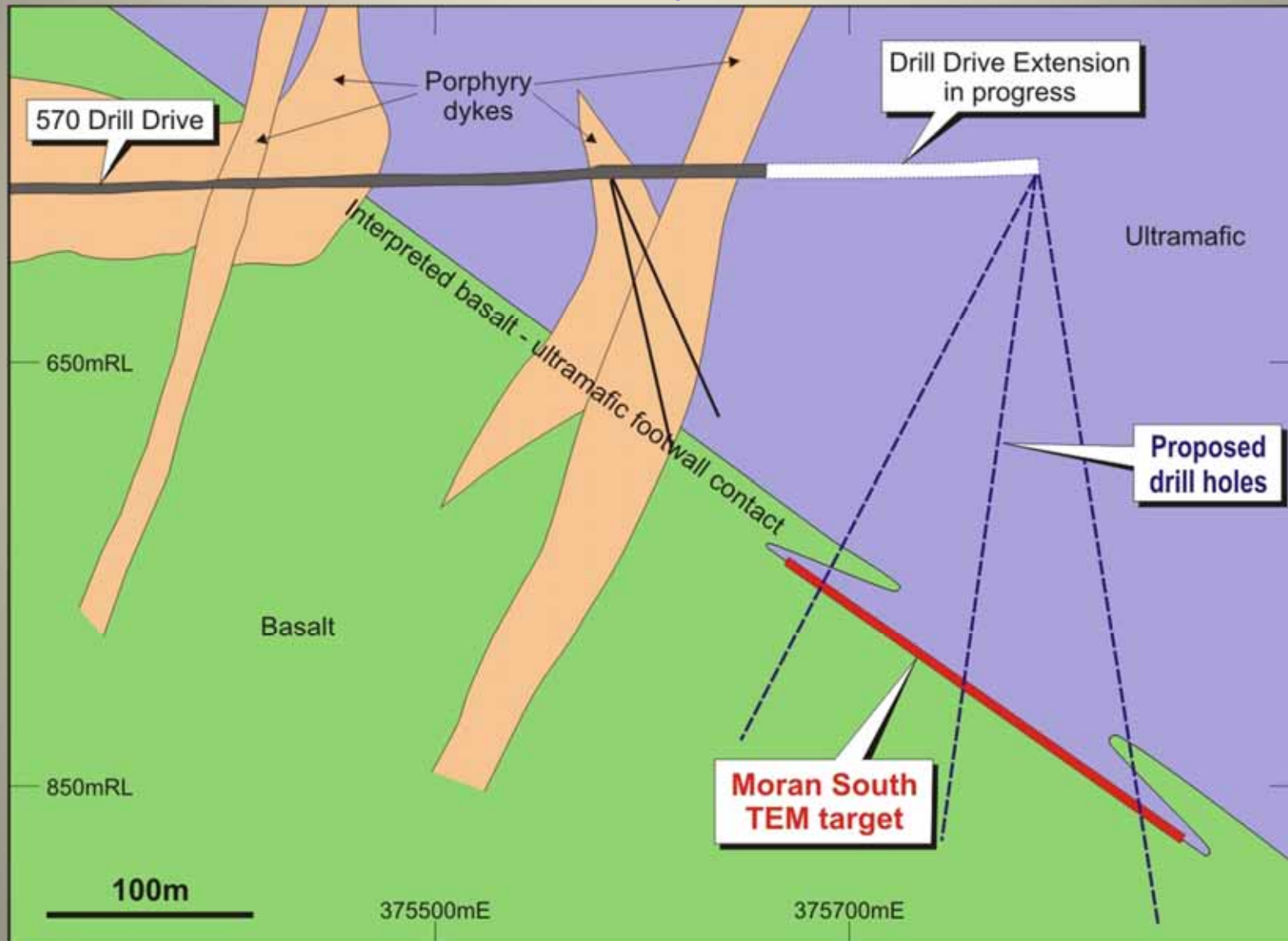
* Resource Ni t are inclusive of Reserves





MORAN SOUTH CROSS-SECTION

Moran remains open to the south





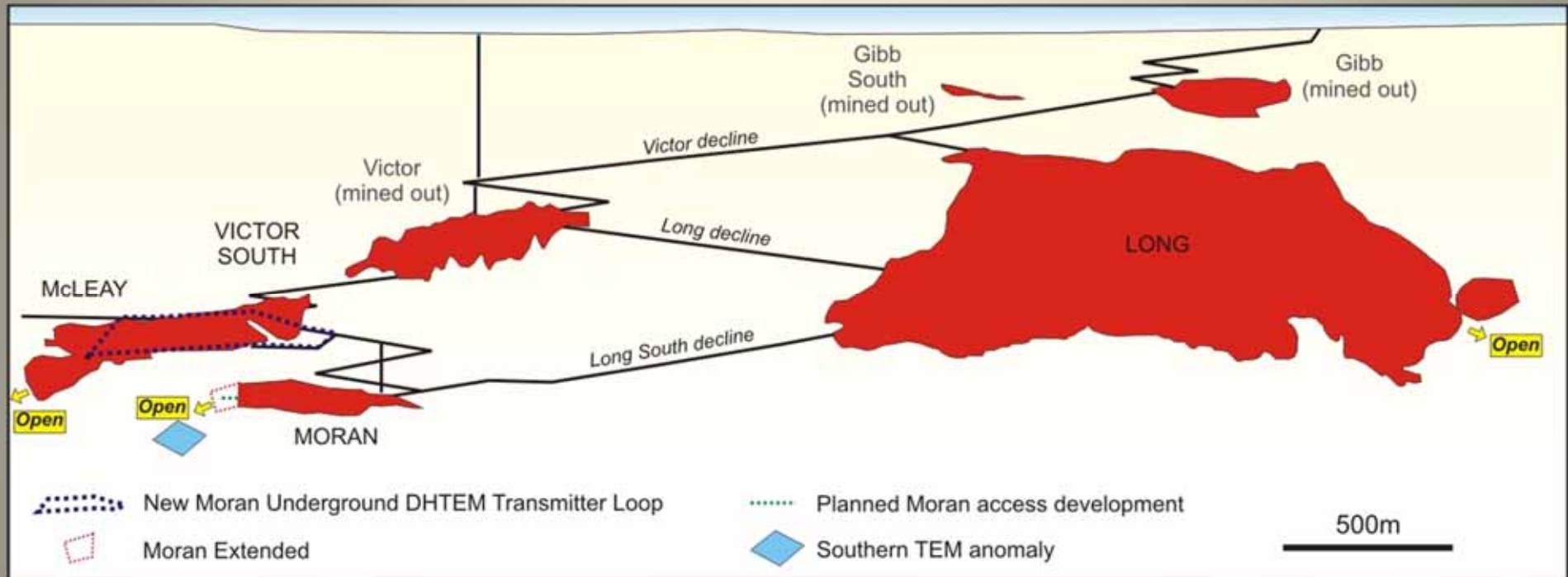
MORAN DEPOSIT HIGH-GRADE MASSIVE NICKEL SULPHIDES





LONG MINE DEVELOPMENT UPDATE

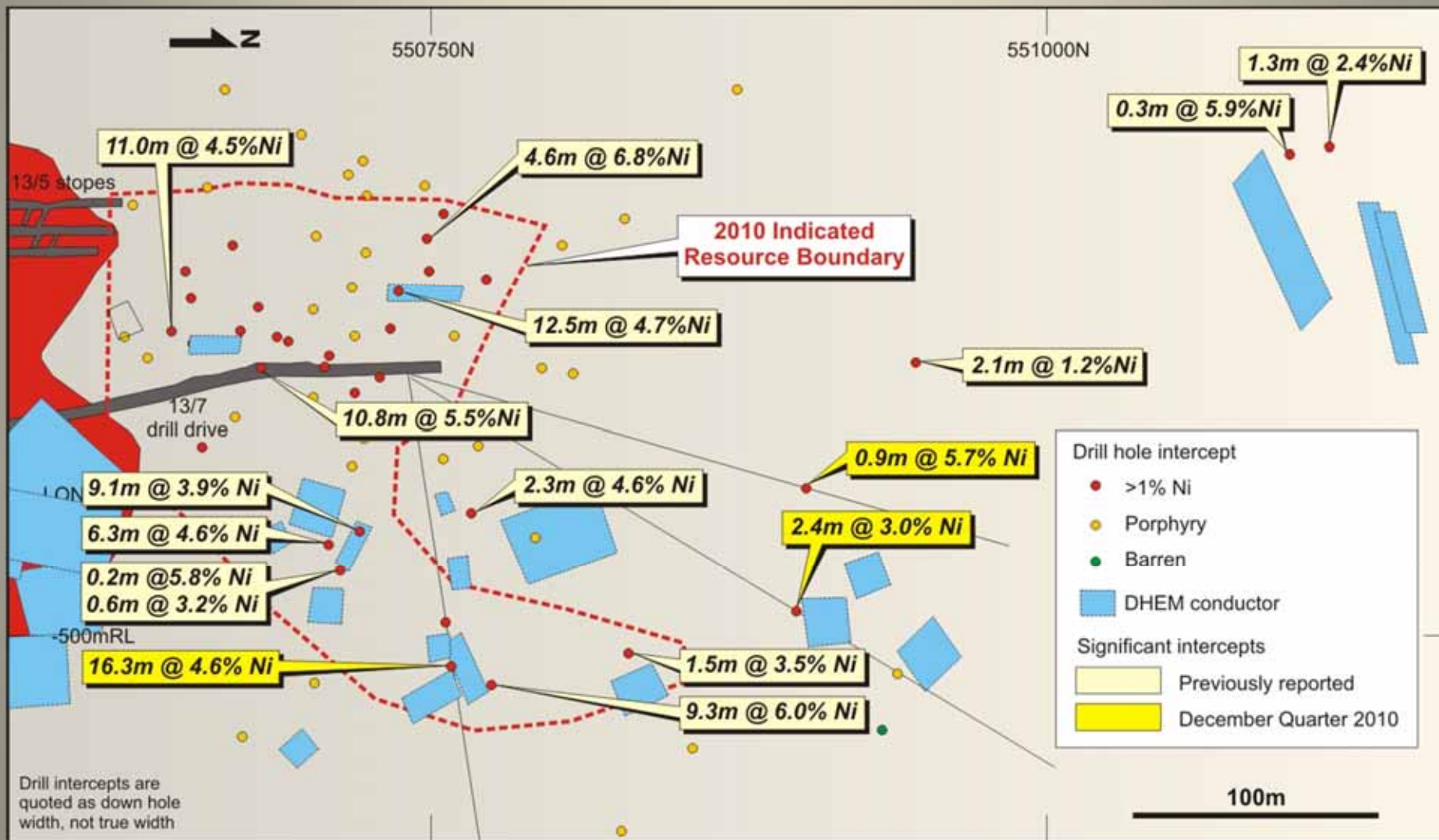
Potential for Moran, McLeay and Long ore body extensions





LONG NORTH

Long ore body remain open to the north



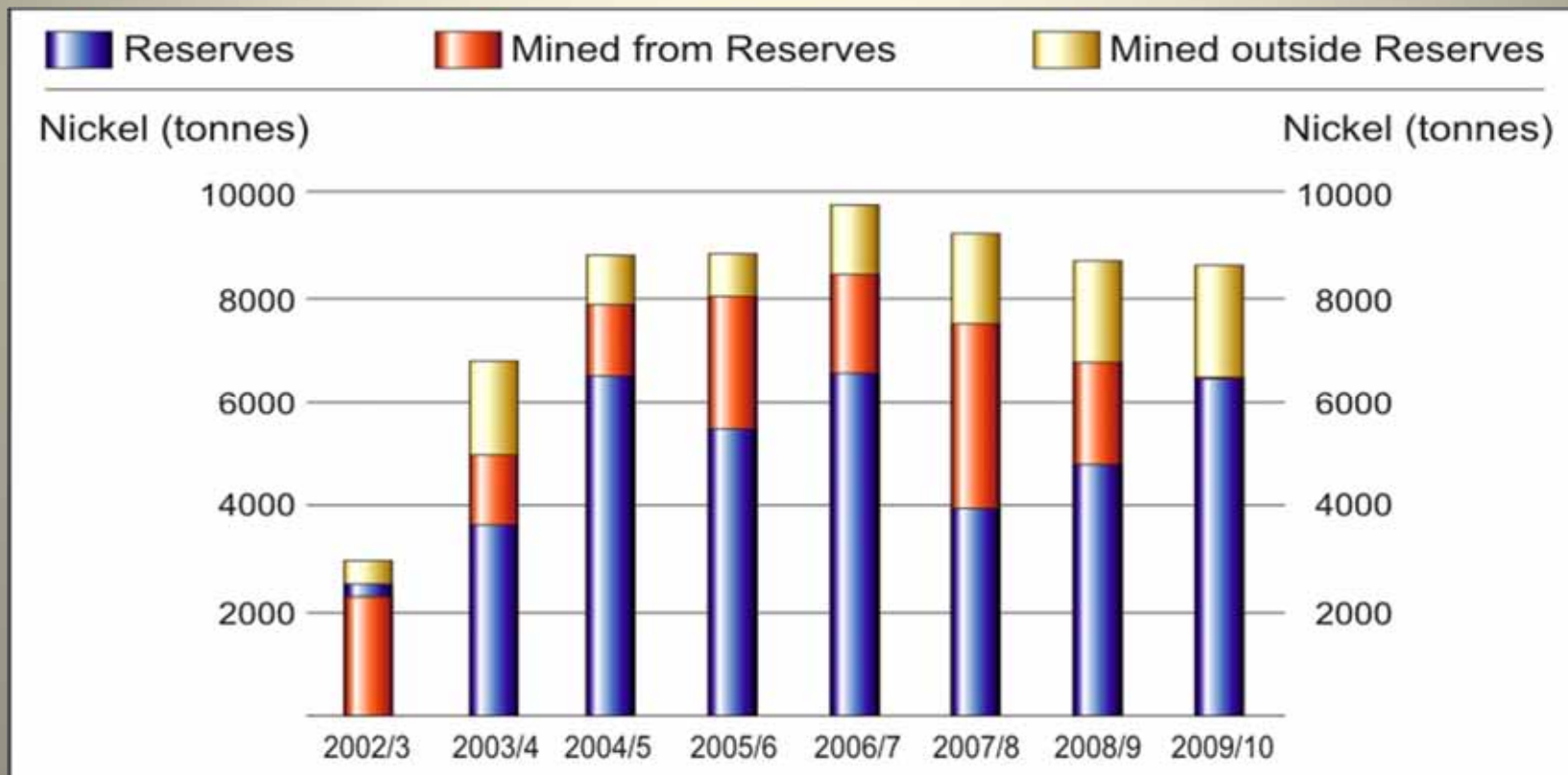


LONG MINE COMPLEX PRODUCTION / ORE RESERVE COMPARISON

Consistently mining more nickel than Reserve estimate

Oct 2002 – Jun 2010 PRODUCTION SUMMARY

Initial Ore Reserve Estimate:	40,373 Ni t
Mined from Ore Reserve:	52,665 Ni t (+30%)
Mined outside Ore Reserve:	11,444 Ni t (+28%)
TOTAL:	64,109 Ni t (+58%)





LONG MINE FLY THROUGH

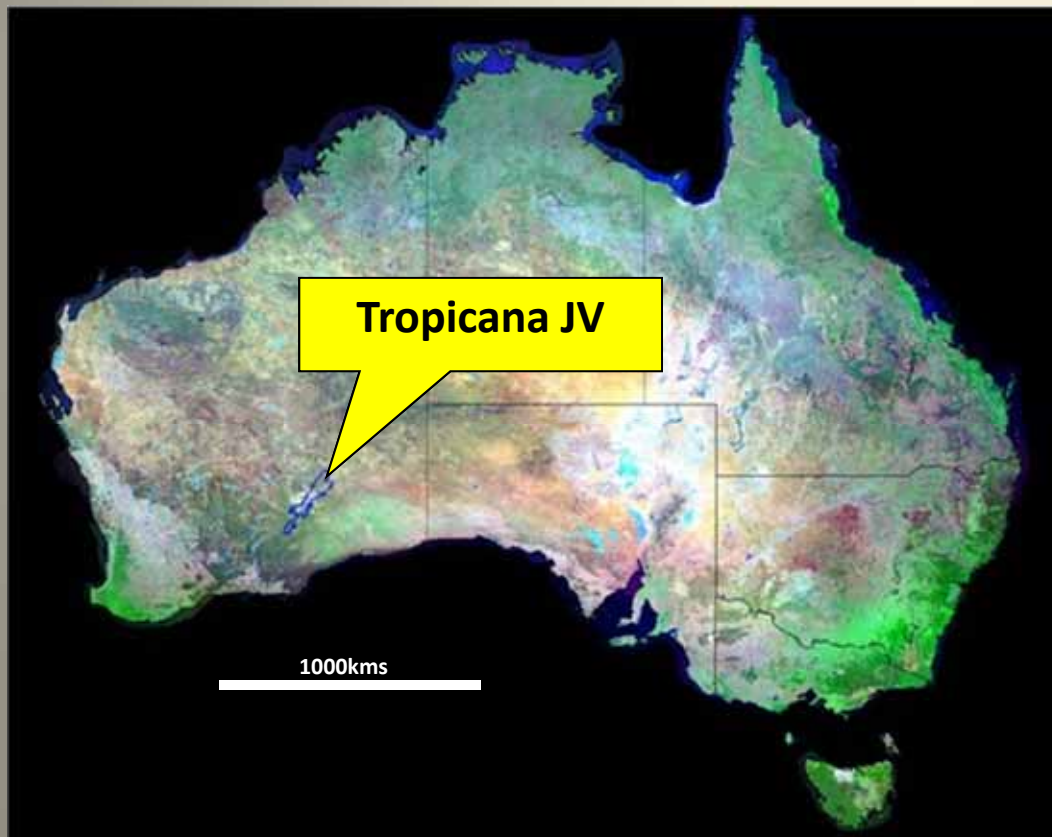




TROPICANA JV (IGO 30%) IGO'S SECOND POTENTIAL CASH GENERATOR

A New Australian Gold Province

AngloGold Ashanti – 70% (Manager)



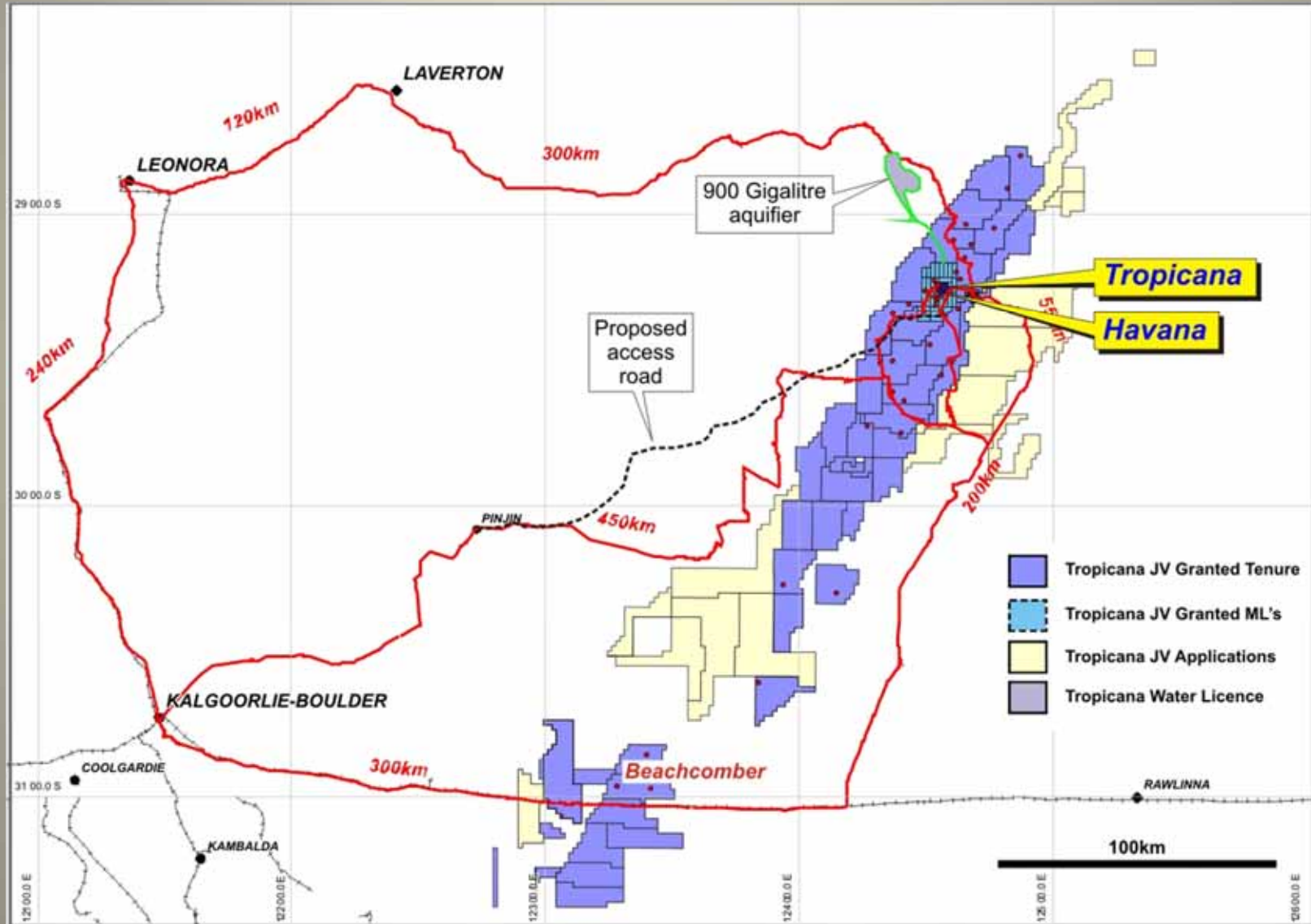
"New Gold Province under sand"





TROPICANA JV TENEMENTS

JV tenure – 396km strike length & 16,000 km² area (granted & application ML's & EL's)

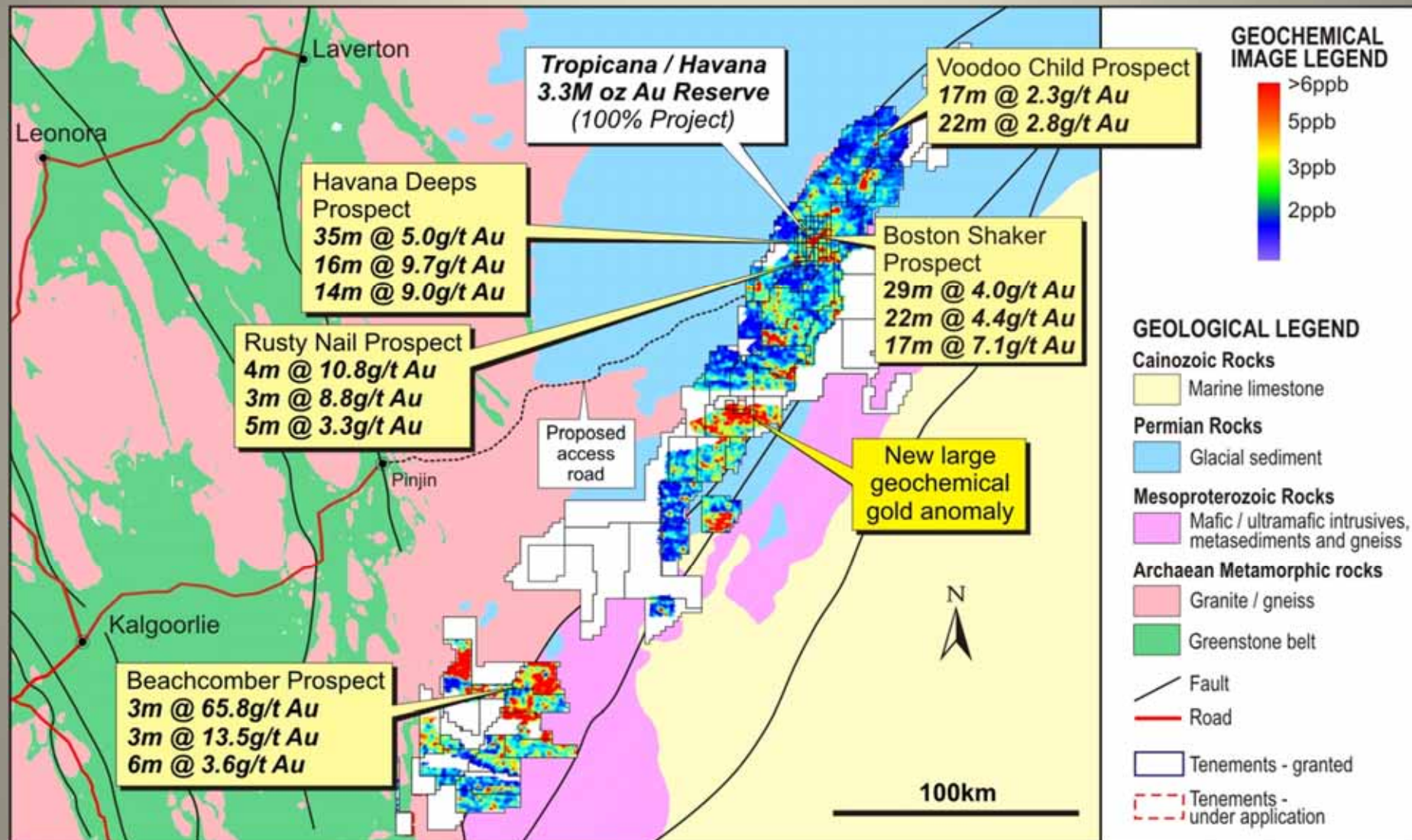




TROPICANA JV

SIGNIFICANT DISCOVERIES TO DATE

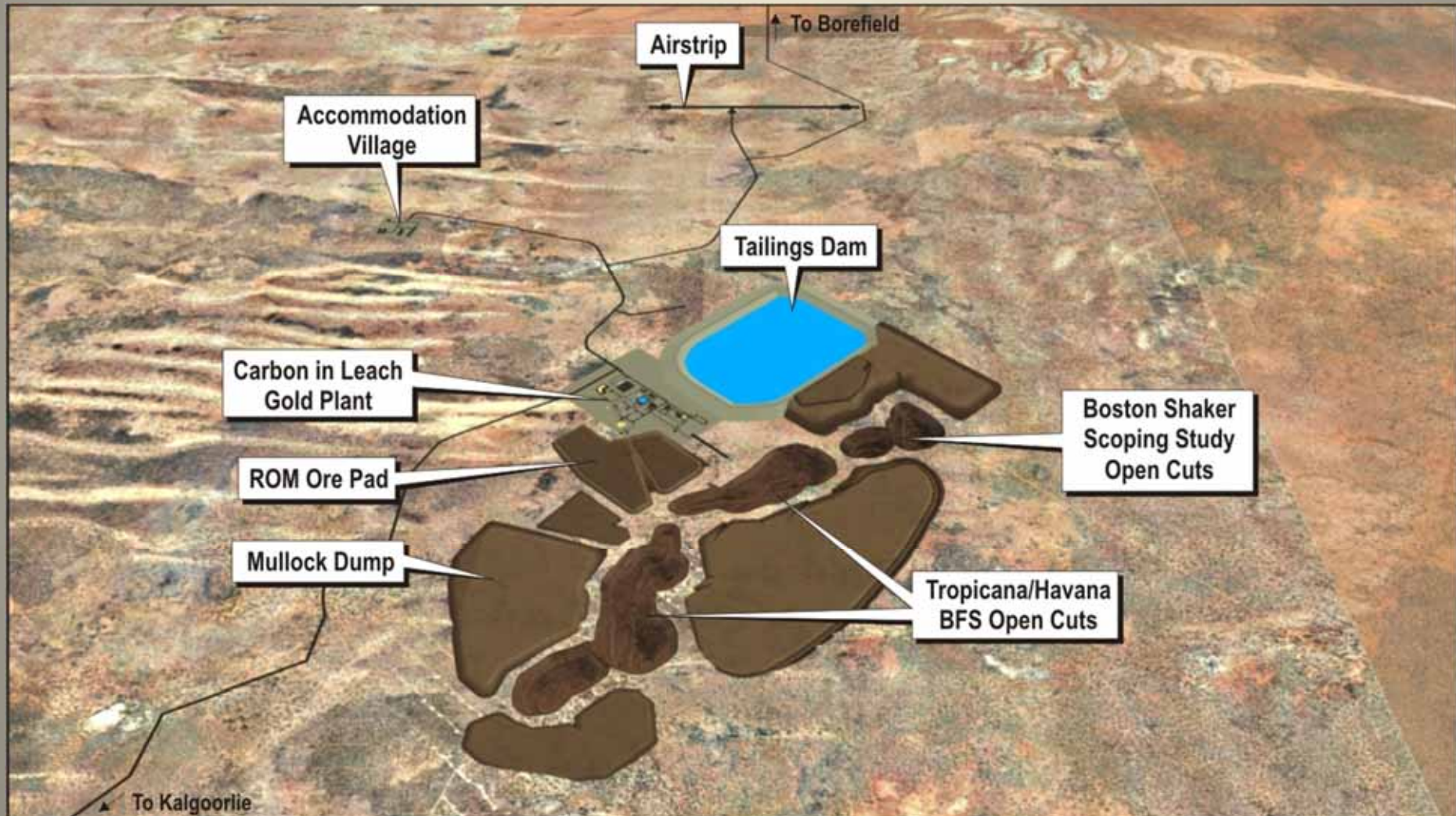
Numerous gold anomalies and potential for other gold discoveries





TROPICANA JV PROPOSED GOLD MINE

Aerial View of Proposed Open Cuts and Mine Infrastructure





TROPICANA JV BANKABLE FEASIBILITY STUDY OUTCOME (100% PROJECT)

BFS Open Pit Reserves:	Tropicana, Havana, Havana South 48Mt @ 2.2 g/t Au – 3.4Moz* <i>(*\$US880/oz Au, A\$1,100/oz Au, AUD : USD 0:80, A\$106/bbl oil, 0.7 g/t Au fresh ore cut off)</i>
Mining Inventory:	59Mt @ 2.0 g/t Au for 3.8Moz* <i>(*\$US880/oz Au, A\$1,100/oz Au, AUD : USD 0:80, A\$106/bbl oil, 0.7 g/t Au fresh ore cut off)</i>
Milling Rate:	5.8 – 6.0Mt pa
Strip Ratio:	5.5:1
Recovery:	90.4%
Expected Production:	3.45Moz over 10 years (1.04Moz IGO 30%) A\$710-730/oz cash cost (including royalties)
1st Three Year's Production:	470,000-490,000 oz pa (141,000-147,000 oz pa IGO 30%) A\$580-A\$600/oz cash cost (including royalties)



TROPICANA JV

BFS OUTCOME (100% PROJECT)

Capital: Plant & Equipment A\$590-A\$620M Real
Working Capital A\$100-A\$120M Real
A\$690-A\$740M

Payback: 2.2 years (A\$1,300/oz Au, US\$85/bbl oil, AUD:USD 1:00)

Road Construction: Commencing early June 2011 Quarter

Anticipated First Gold: December 2013 Quarter

Additional Upside: Boston Shaker Open Cut and Underground
Havana Underground
Regional Exploration

January 2011 Resources: 76.5Mt @ 2.2g/t Au (5.28M oz)



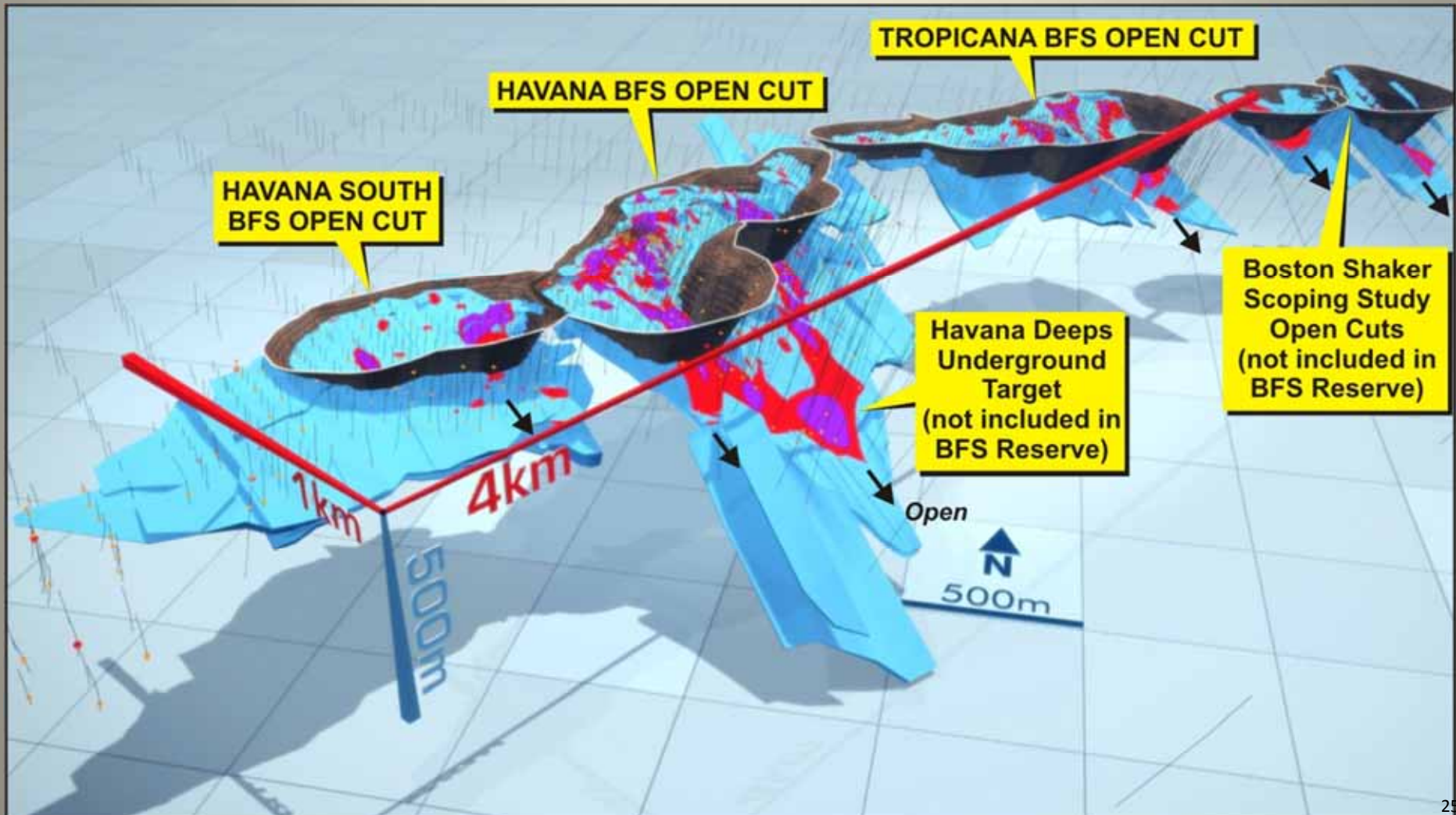
TROPICANA JV

BFS RESERVE AND MINING INVENTORY

100% Project:

Nov 2010 Open Pit Reserve: 48Mt @ 2.2g/t Au – 3.4Moz (A\$1,100/oz)

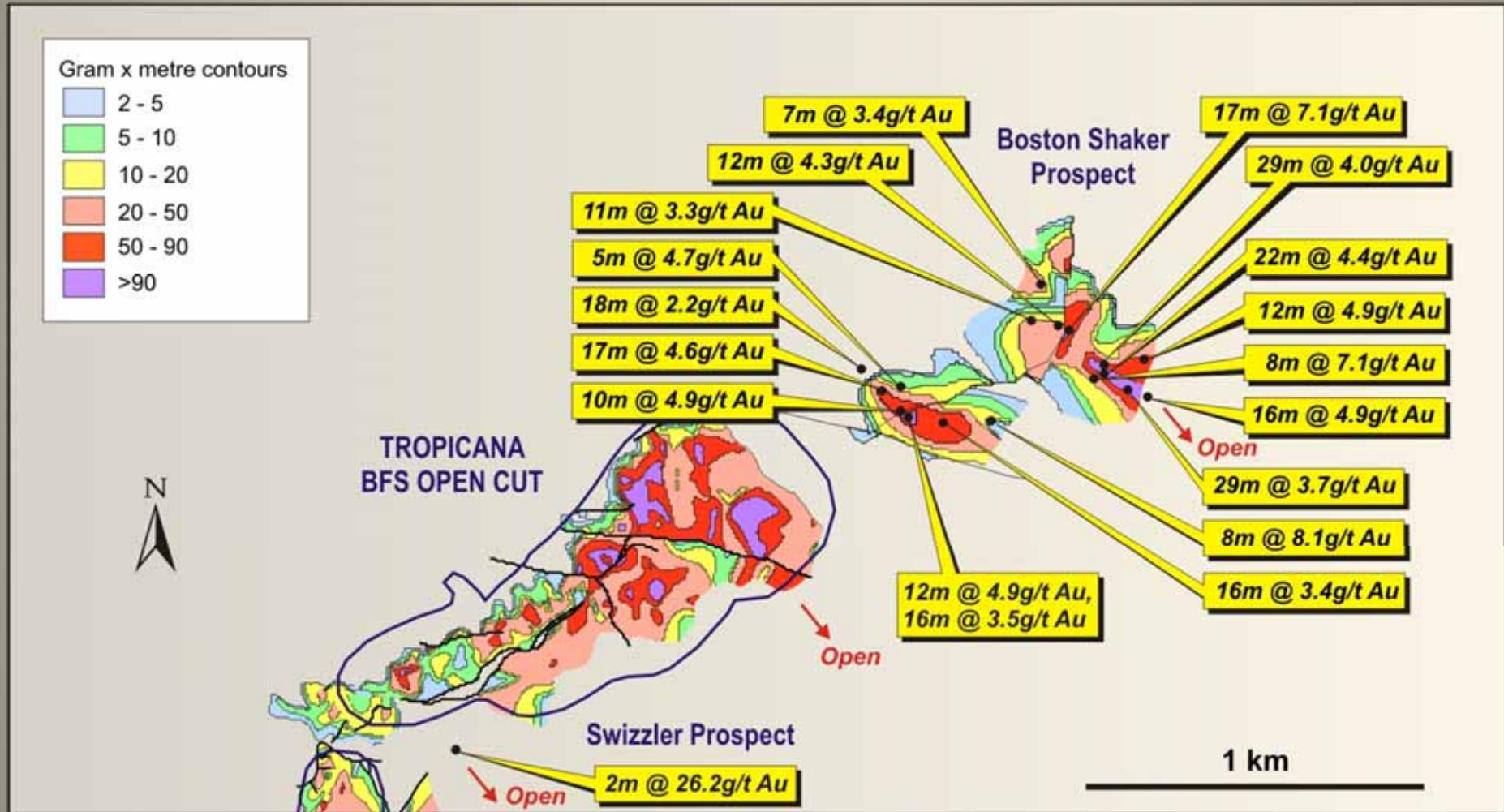
Nov 2010 Mining Inventory: 59Mt @ 2.0g/t Au – 3.8Moz (A\$1,100/oz)





TROPICANA JV NEW BOSTON SHAKER DISCOVERY

Boston Shaker is not included in BFS

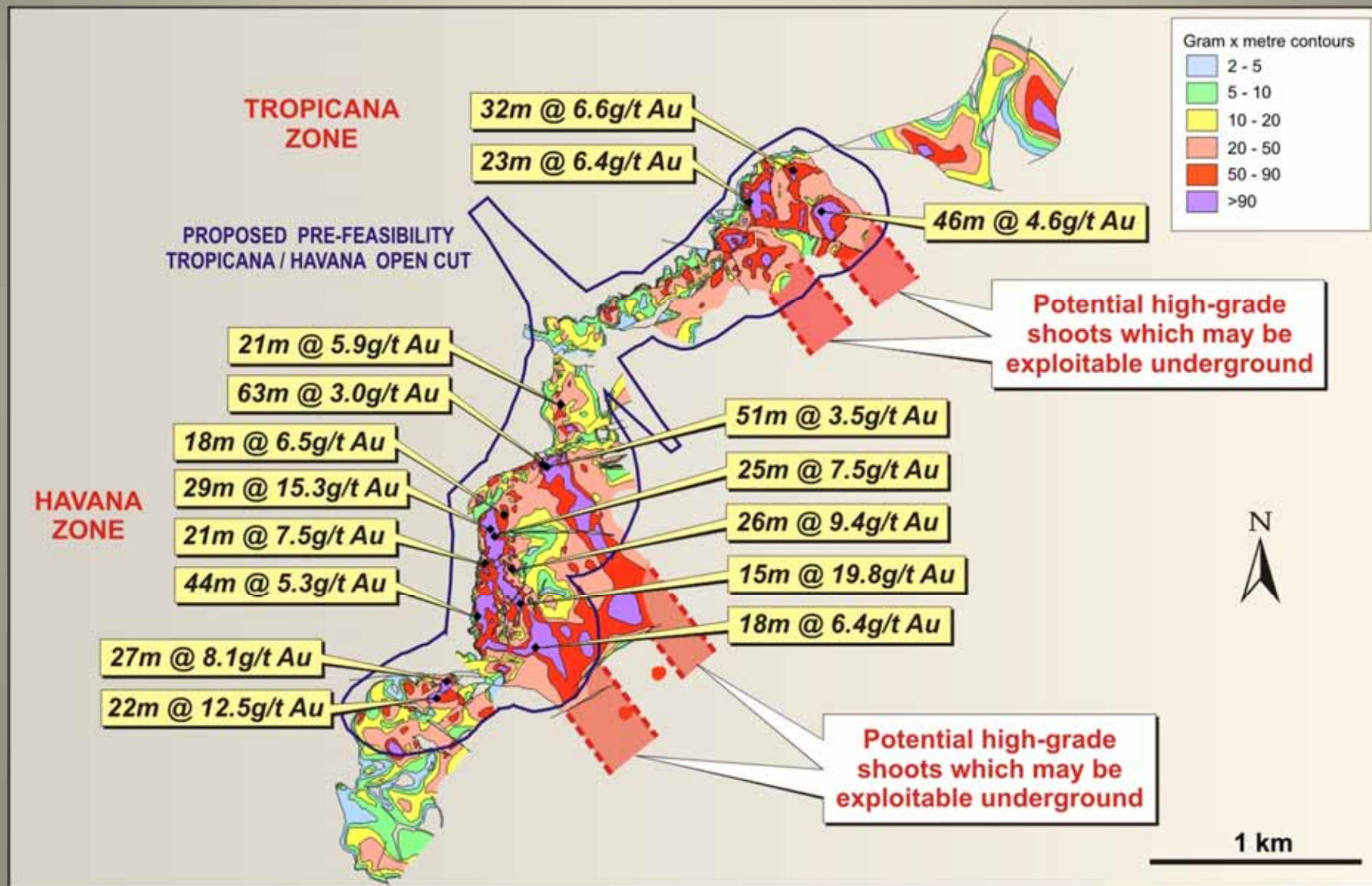


**Tropicana gold system still growing
along-strike and down-dip.**



TROPICANA JV UNDERGROUND POTENTIAL

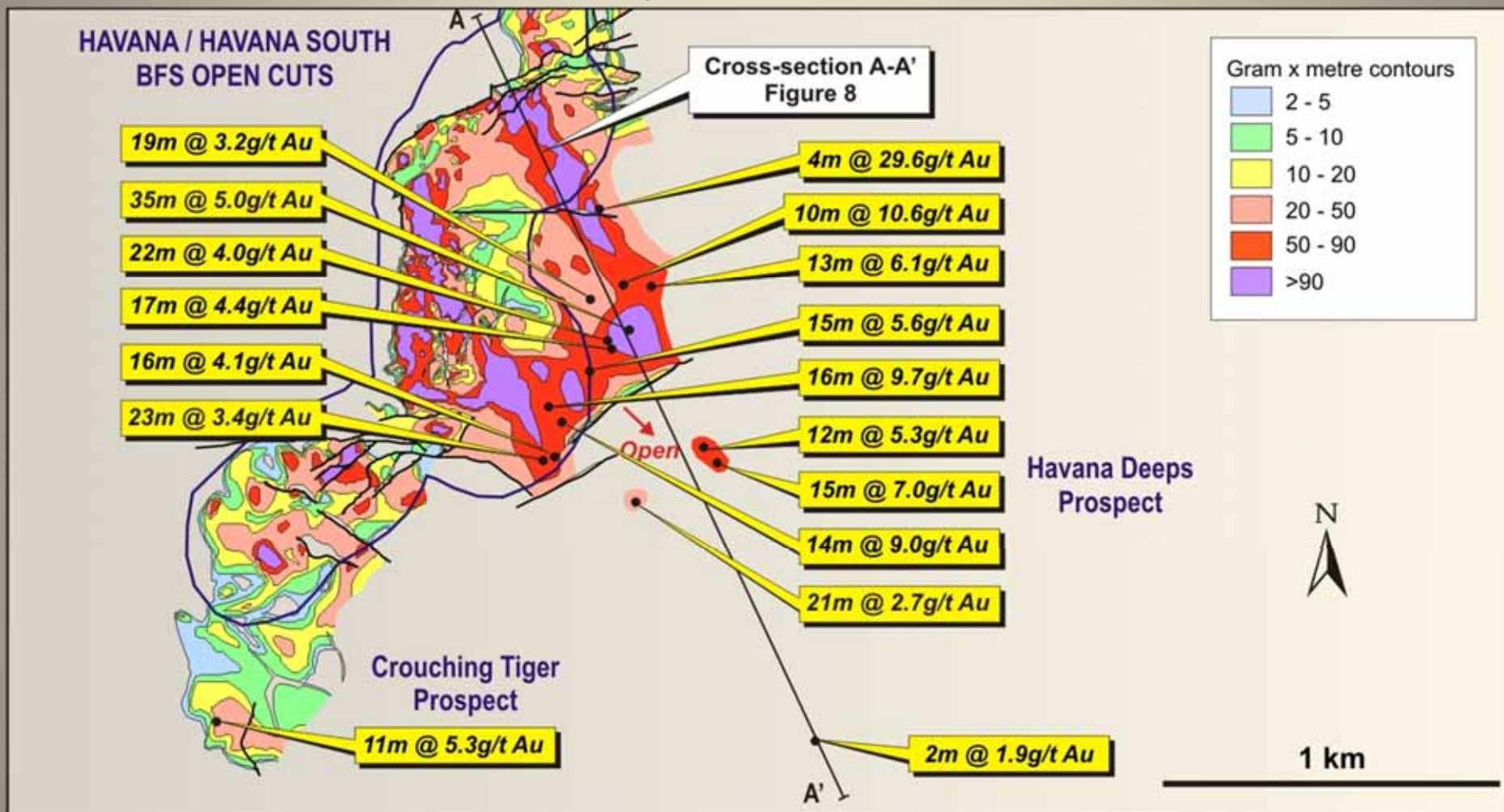
High-grade, true width in-pit gold intercepts suggest underground potential





TROPICANA JV HAVANA DEEPS INTERCEPTS

Havana Deeps is not included in BFS

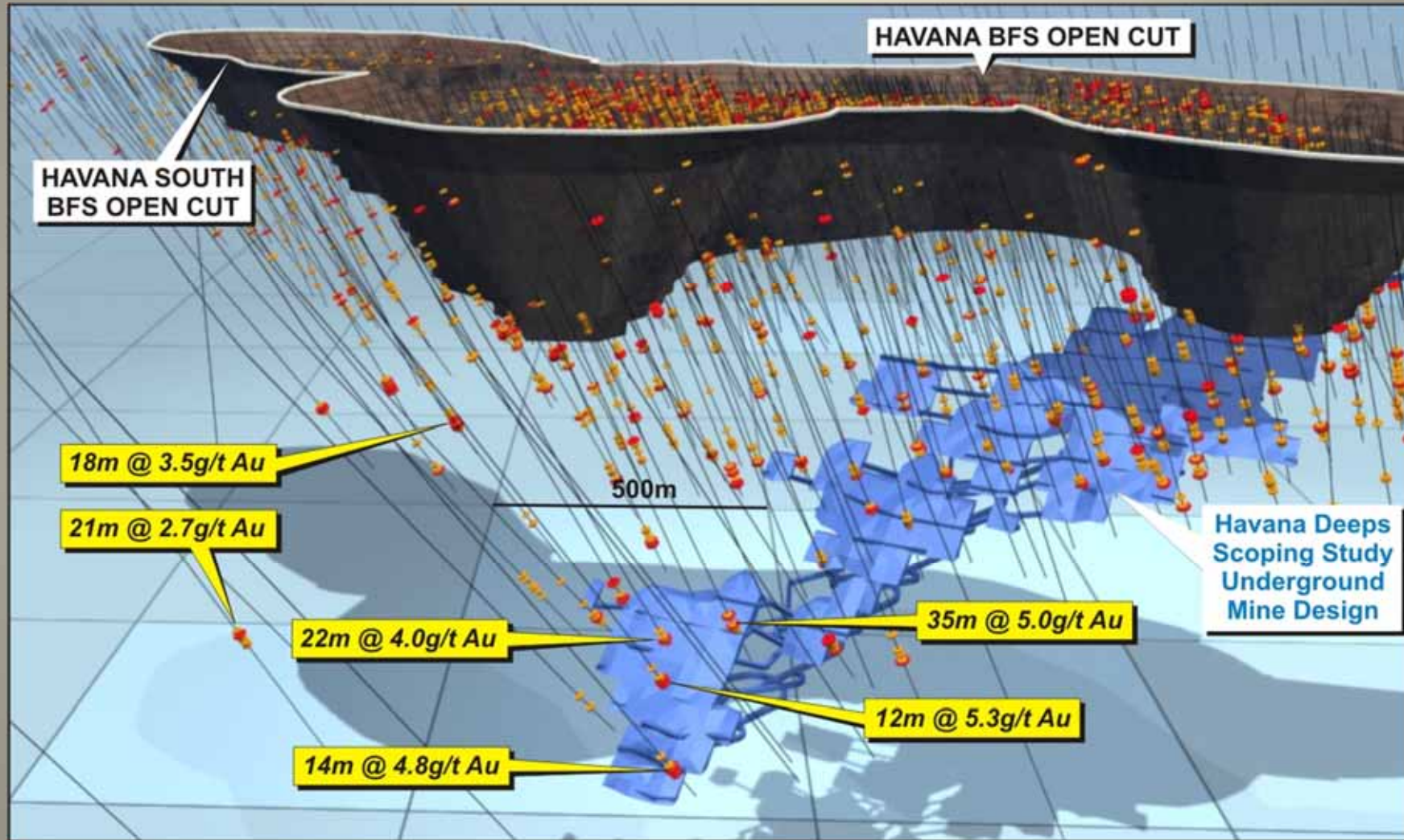


**Tropicana gold system still growing
along-strike and down-dip.**



TROPICANA JV HAVANA DEEPS DRILL INTERCEPTS

Havana Deeps is not included in BFS

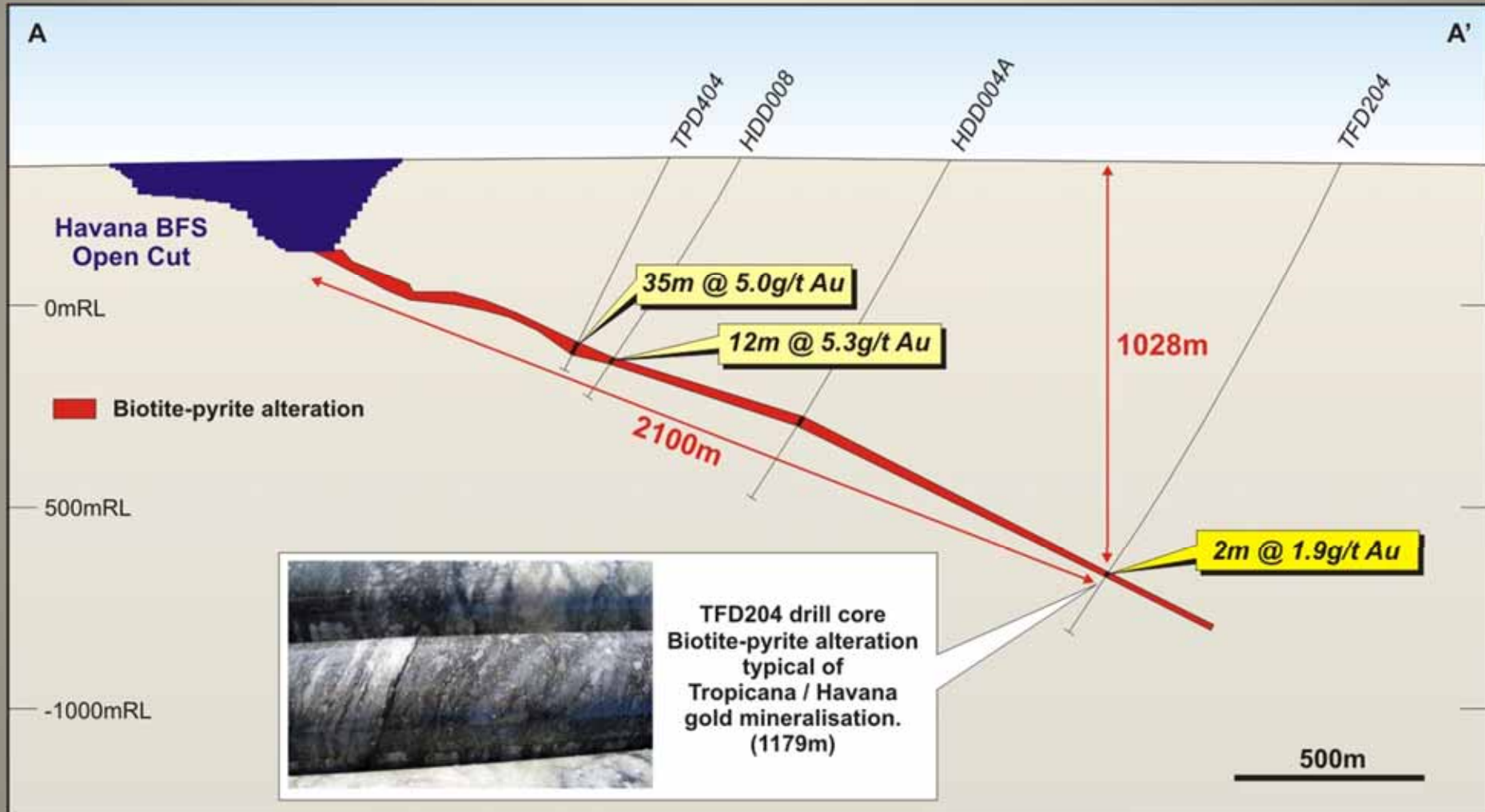


Tropicana gold system still growing along-strike and down-dip.



TROPICANA JV HAVANA DEEPS CROSS-SECTION

Tropicana JV Havana Deeps Step Out Hole





TROPICANA FLY THROUGH



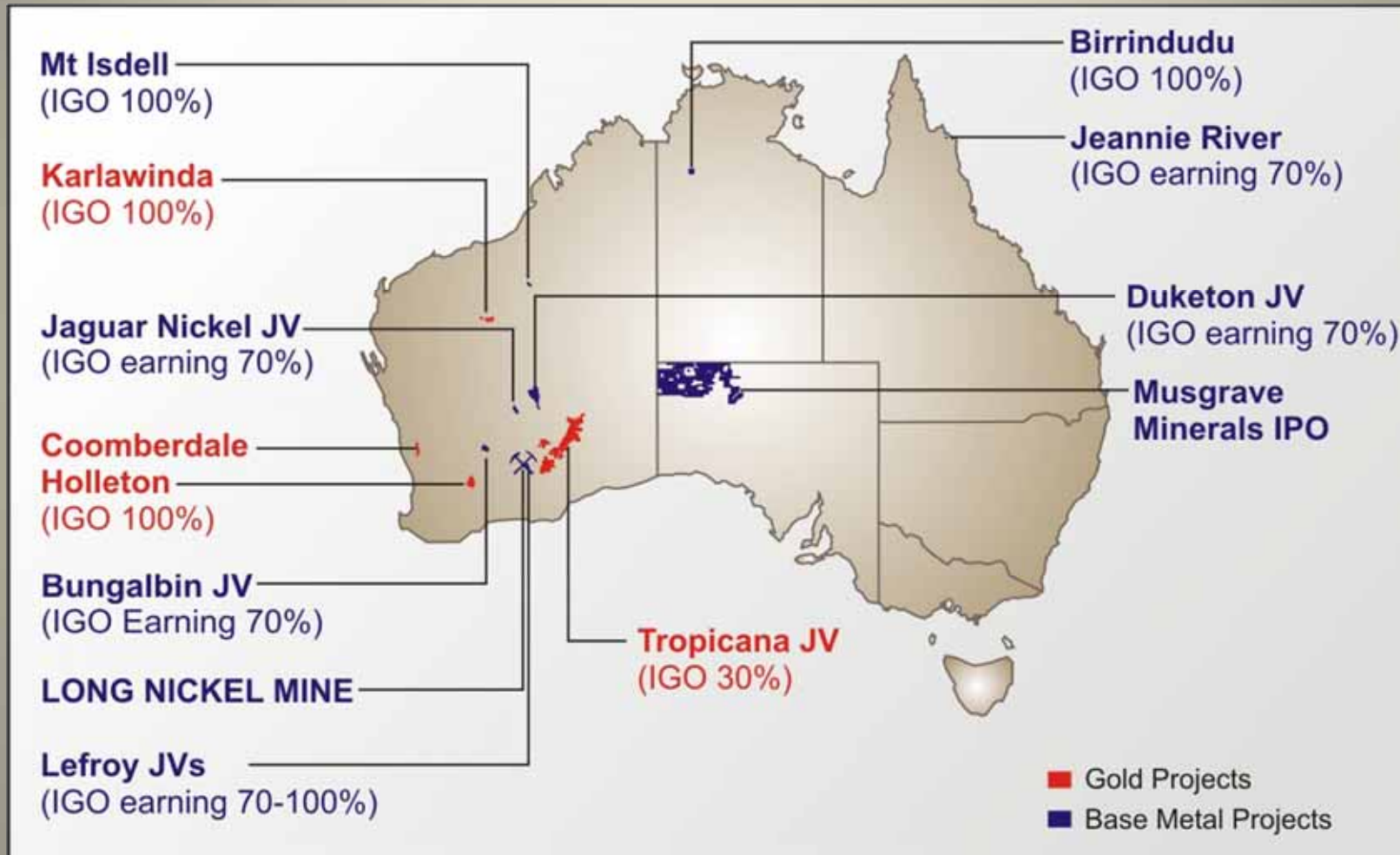
ANGLOGOLD ASHANTI
AUSTRALIA

Tropicana JV



INDEPENDENCE GOLD AND BASE METAL EXPLORATION PROJECTS

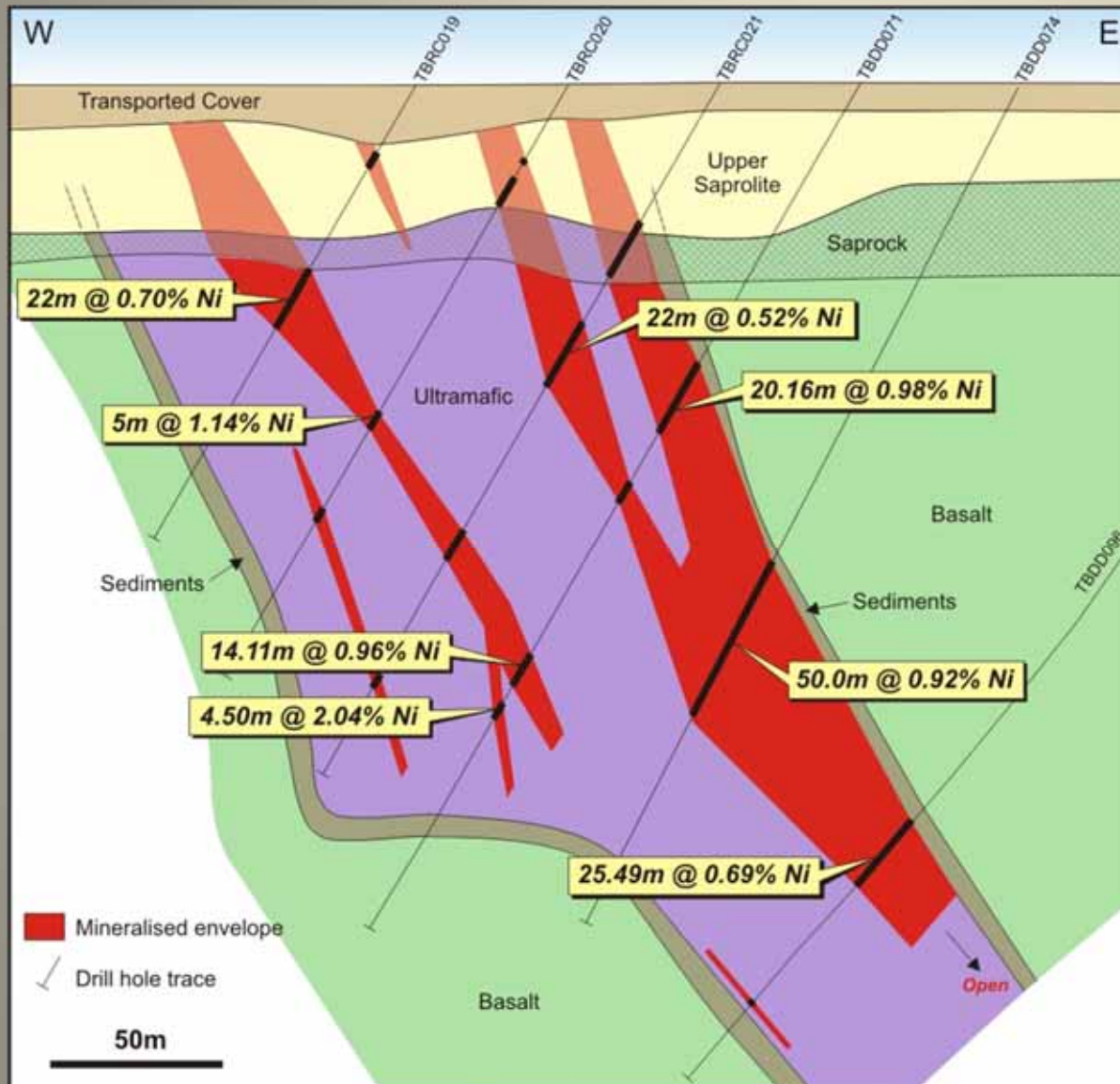
High quality nickel, gold, copper-lead-zinc and tin exploration projects



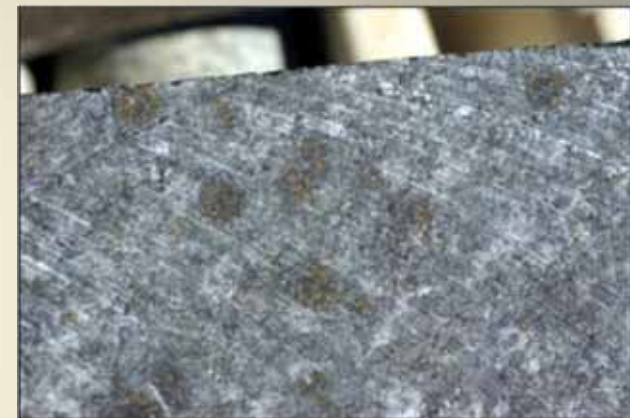


DUKETON JV – C2 PROSPECT

DISSEMINATED NICKEL SULPHIDES (IGO earning 70%)



C2 Prospect cross-section



C2 Prospect disseminated NiS



C2 Prospect stringer NiS



DUKETON JV – ROSIE PROSPECT

MASSIVE NICKEL SULPHIDES (IGO earning 70%)

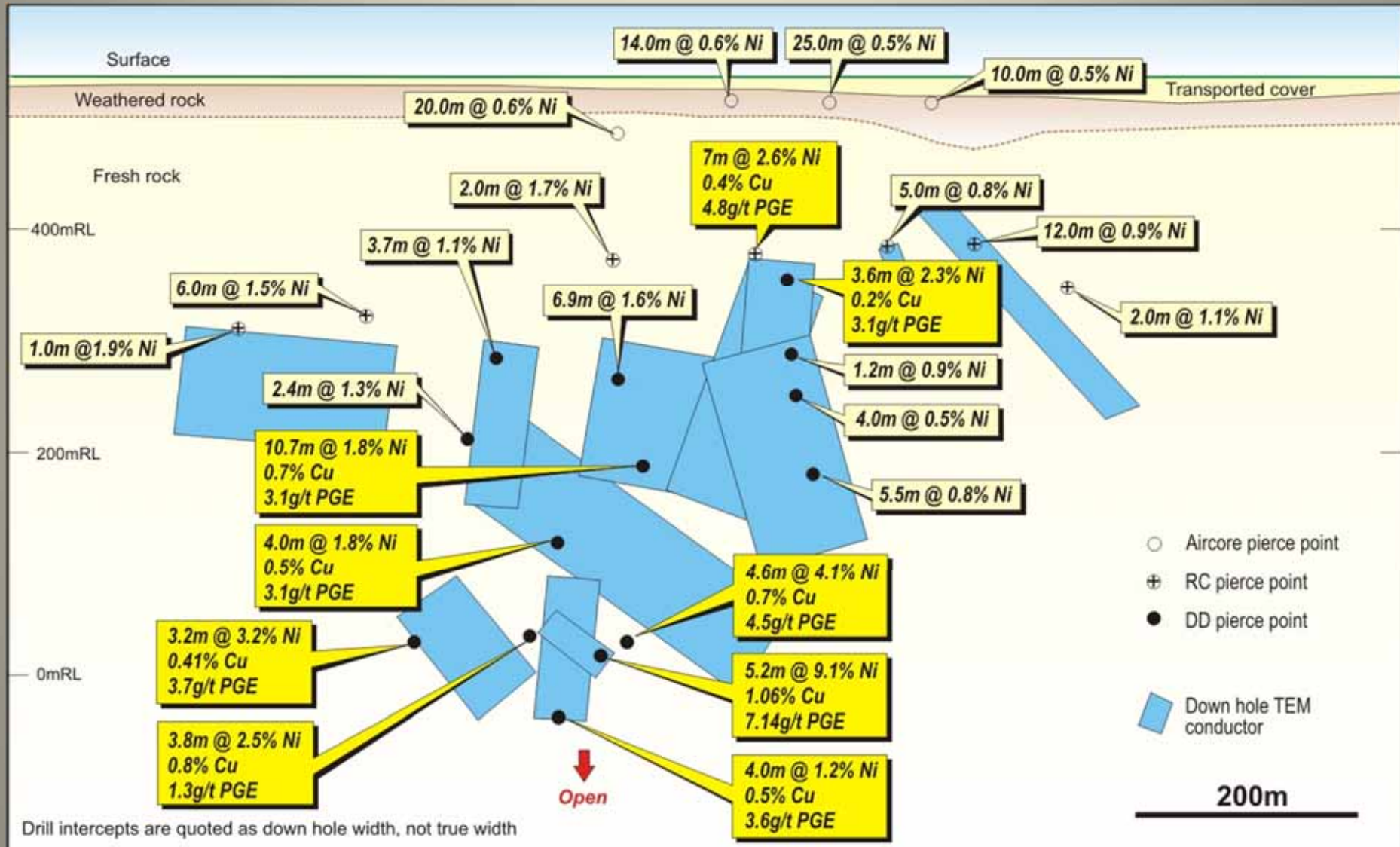


**Rosie Prospect
massive nickel sulphides
assaying:**

**5.2m @ 9.1% Ni,
1.1% Cu,
0.2% Co,
7.1g/t PGE's
(2.2g/t Pt, 1.7g/t Pd,
1.8g/t Ru & 0.8g/t Rh)**



DUKETON JV - ROSIE PROSPECT LONGITUDINAL PROJECTION (IGO earning 70%)

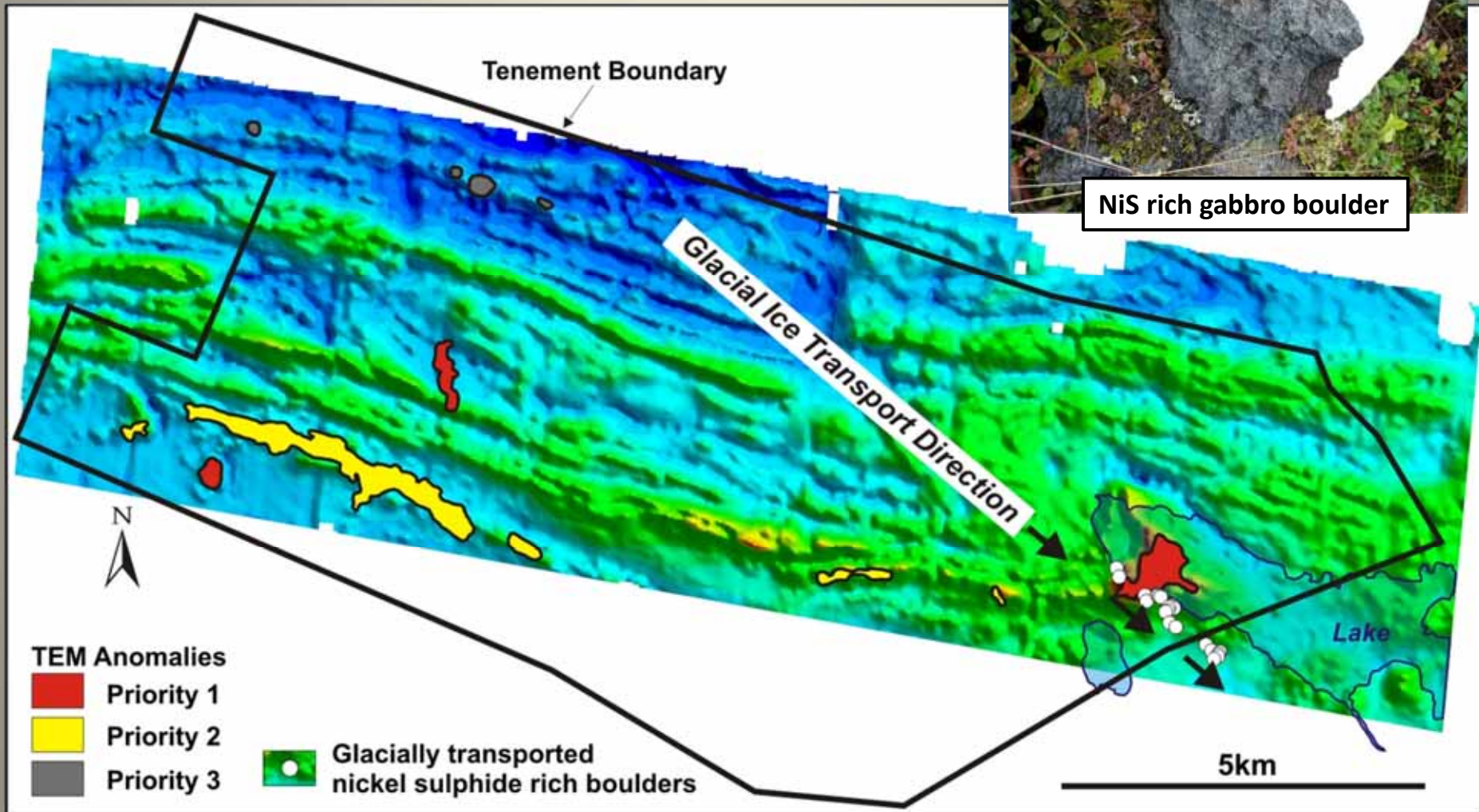




ORRBACKEN NICKEL PROJECT - SWEDEN

(JV: IGO earning up to 73%)

Numerous concealed TEM anomalies

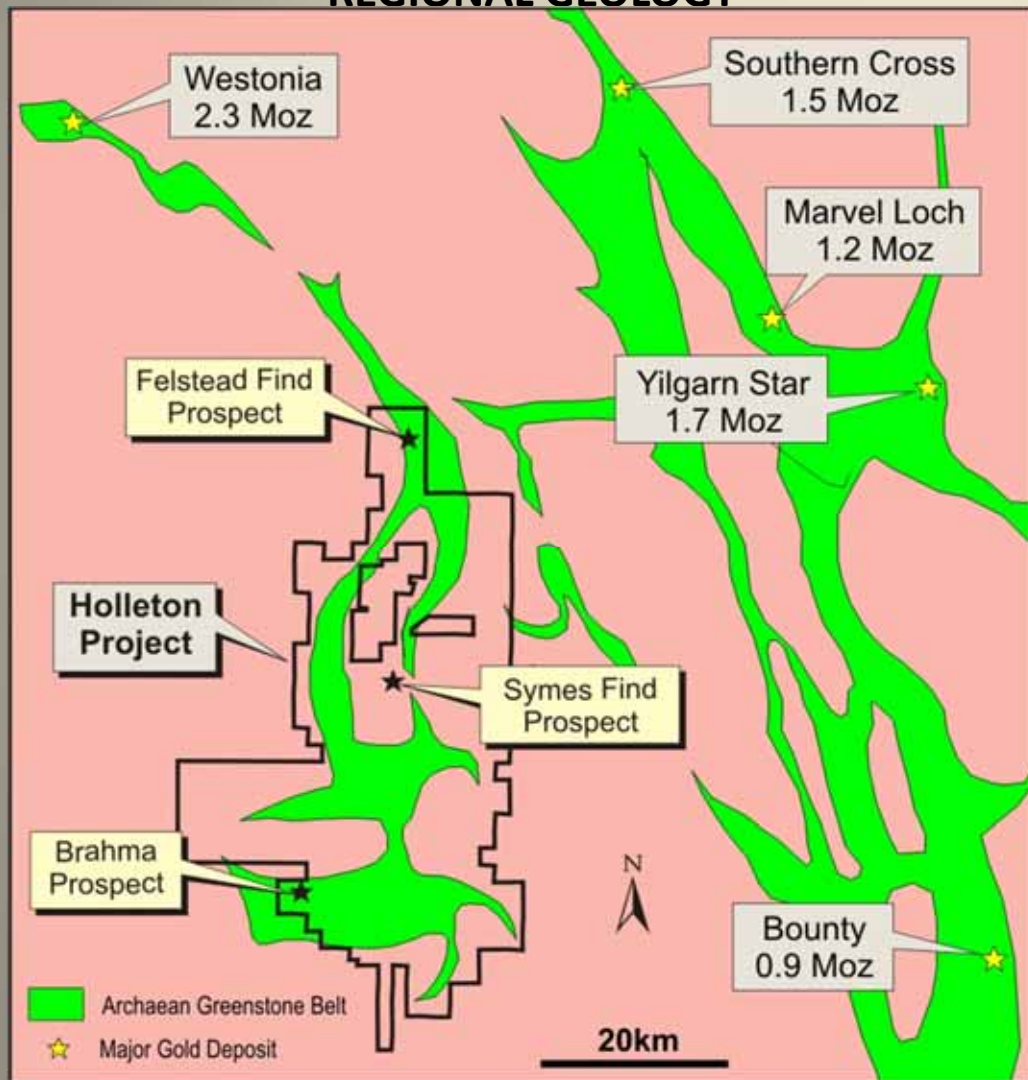




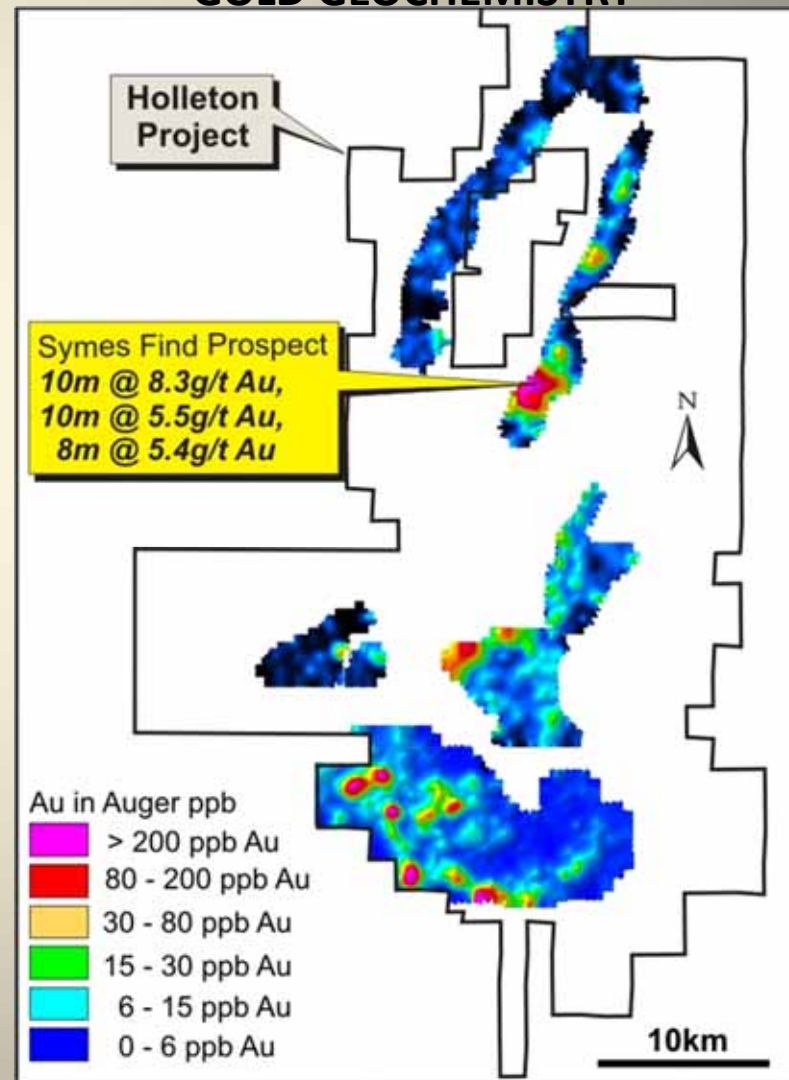
HOLLETON GOLD PROJECT (IGO 100%)

Large gold anomaly discovered under cover

REGIONAL GEOLOGY



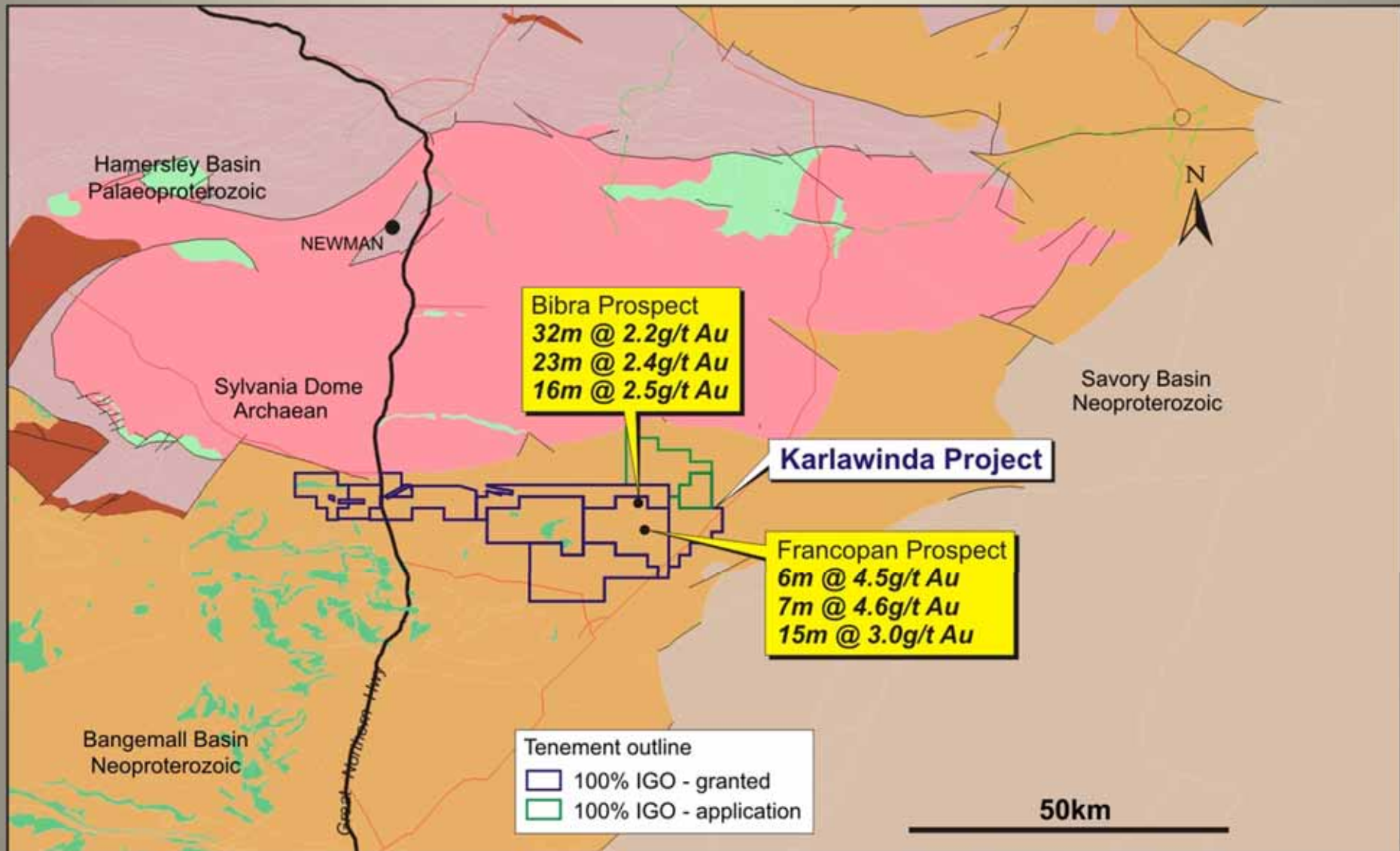
GOLD GEOCHEMISTRY





KARLAWINDA GOLD PROJECT LOCATION (IGO 100%)

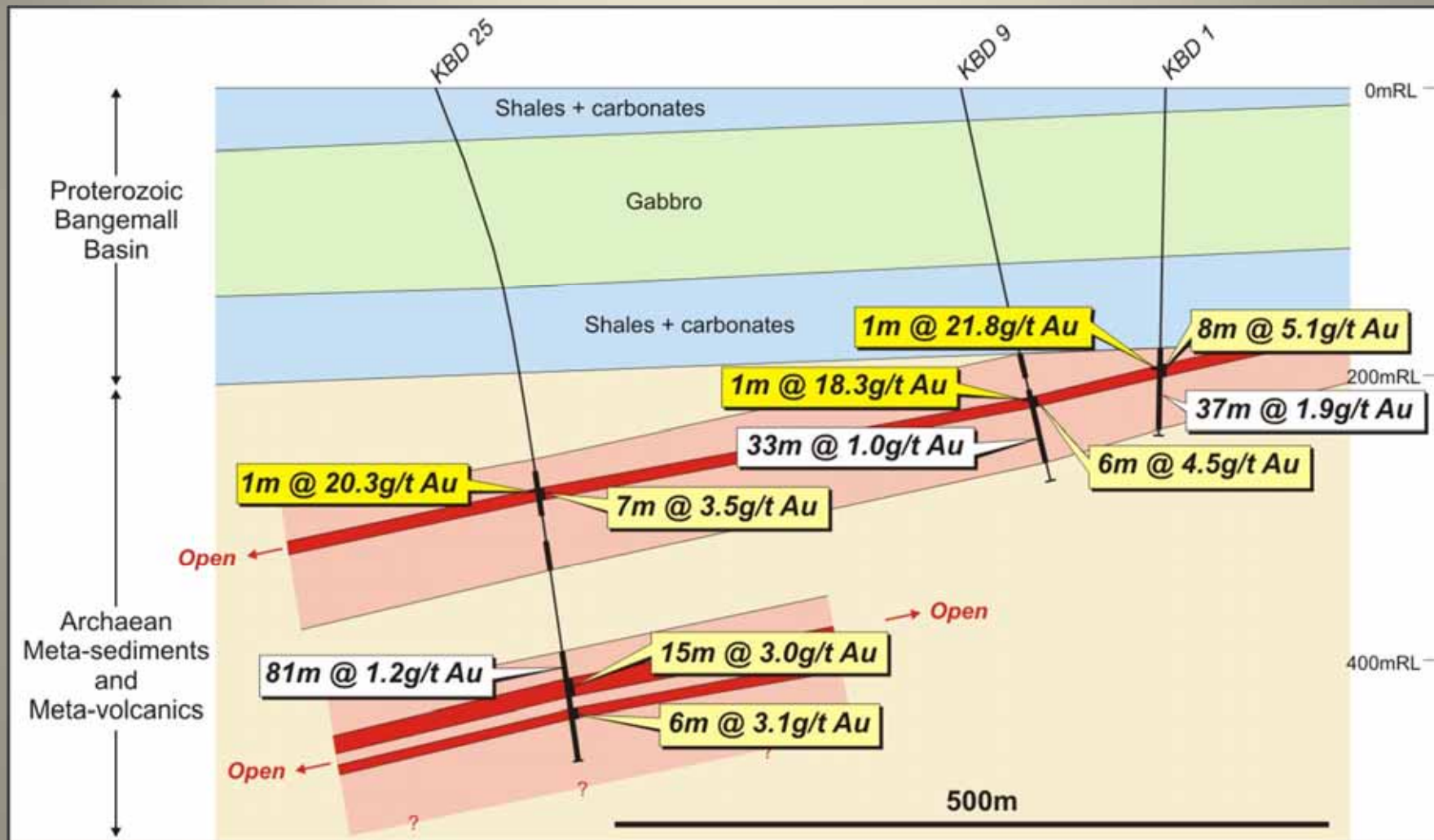
Large new gold system close to gas pipeline and existing infrastructure





KARLAWINDA - FRANCOBAN PROSPECT CROSS-SECTION

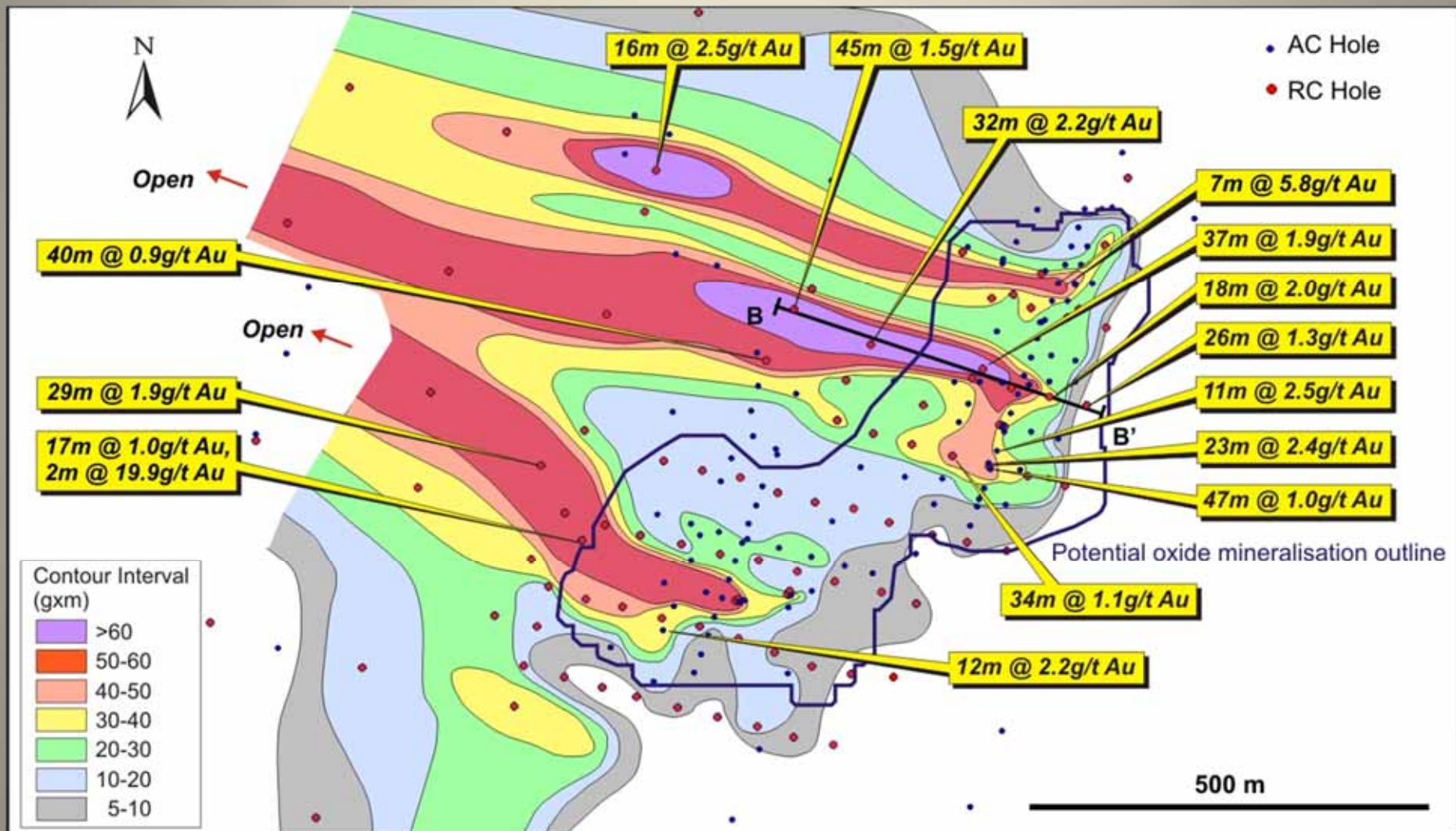
Very large gold system





KARLAWINDA GOLD PROJECT BIBRA PROSPECT (IGO 100%)

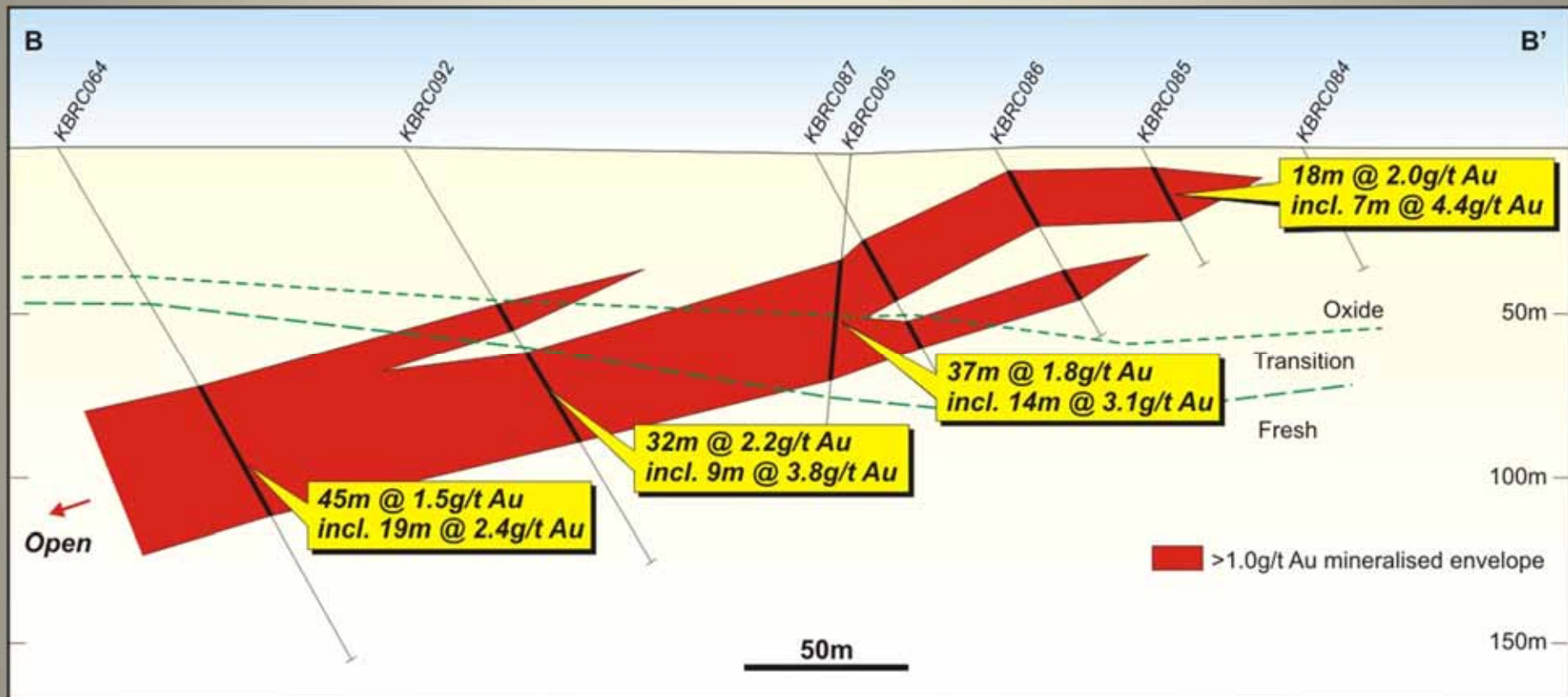
Potential heap leach gold operation





KARLAWINDA GOLD PROJECT BIBRA PROSPECT (IGO 100%)

Cross-section B-B'

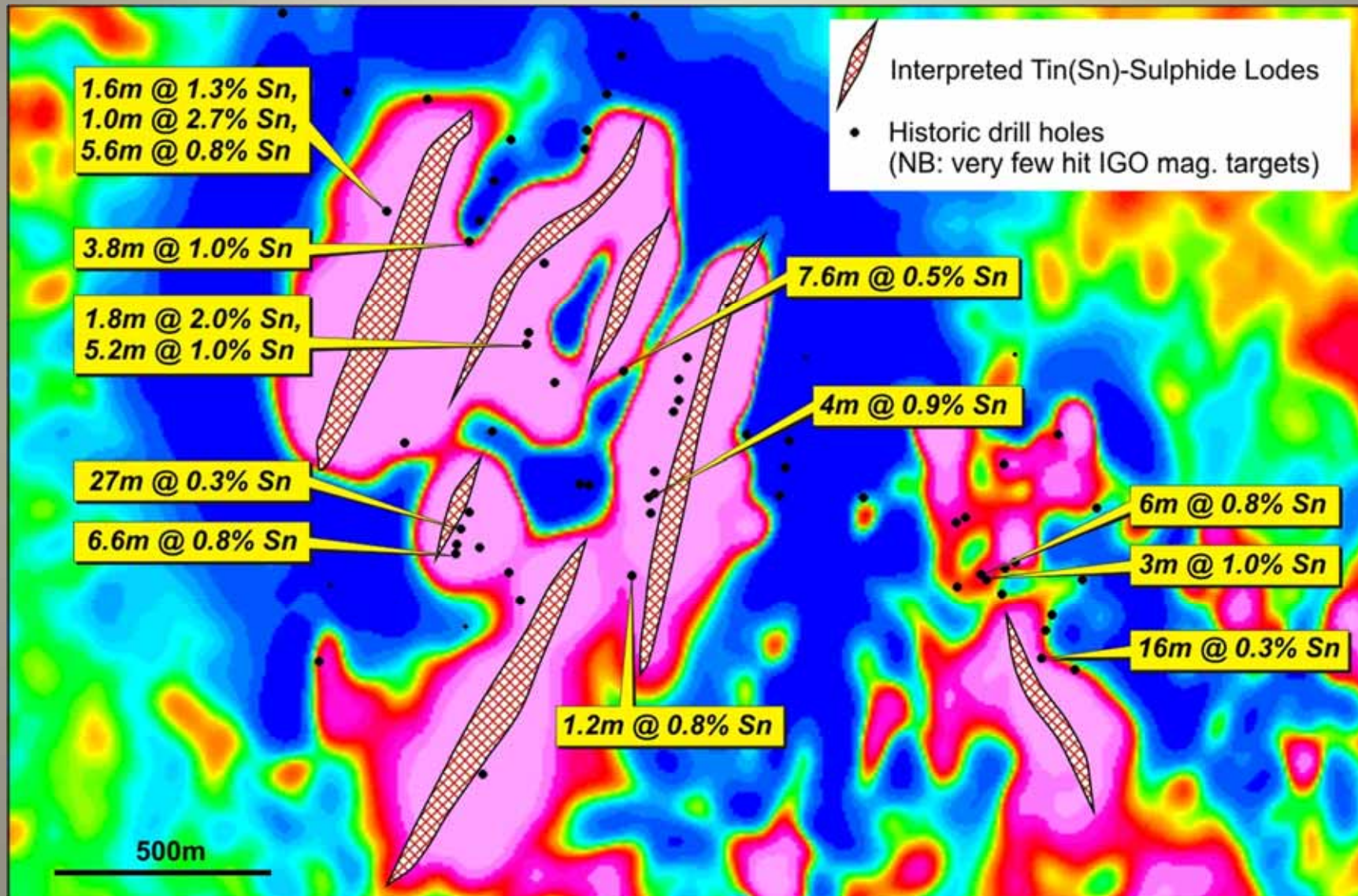




JEANNIE RIVER TIN PROJECT

(JV: IGO earning 70%)

Historic drilling failed to test magnetic targets identified by IGO

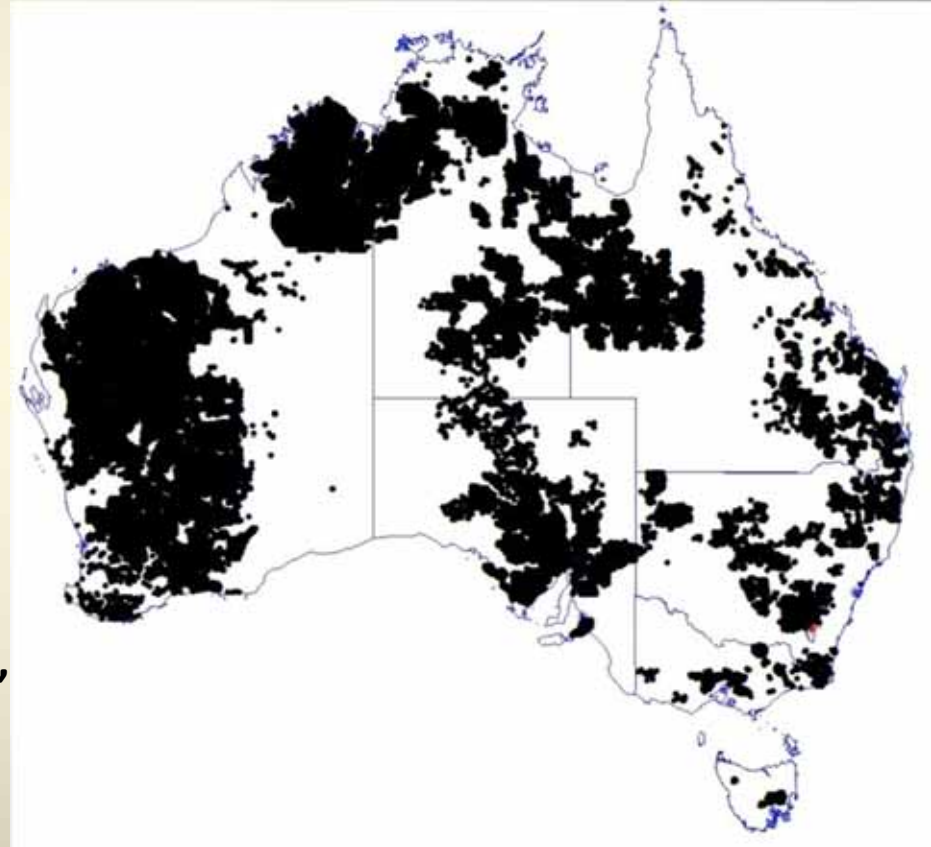




PROJECT GENERATION DE BEERS DATABASE (IGO 100%)

No buy-back or royalties on future mineral discoveries

- Long term exploration asset to find new Australian mineral camps.
- 293,000 geochemical samples collected.
- 2,278 samples reporting visible gold.
- 2,025 geophysical surveys.
- IGO analysing samples for 57 elements including Ni, Cu, Pb, Zn, Au, Ag, Pt, Pd, Ur, rare earths, Sn, Li, K etc.
- 28,385 sampled analysed by IGO to-date. Numerous new metal anomalies.





DE BEERS DATABASE STORAGE WAREHOUSE

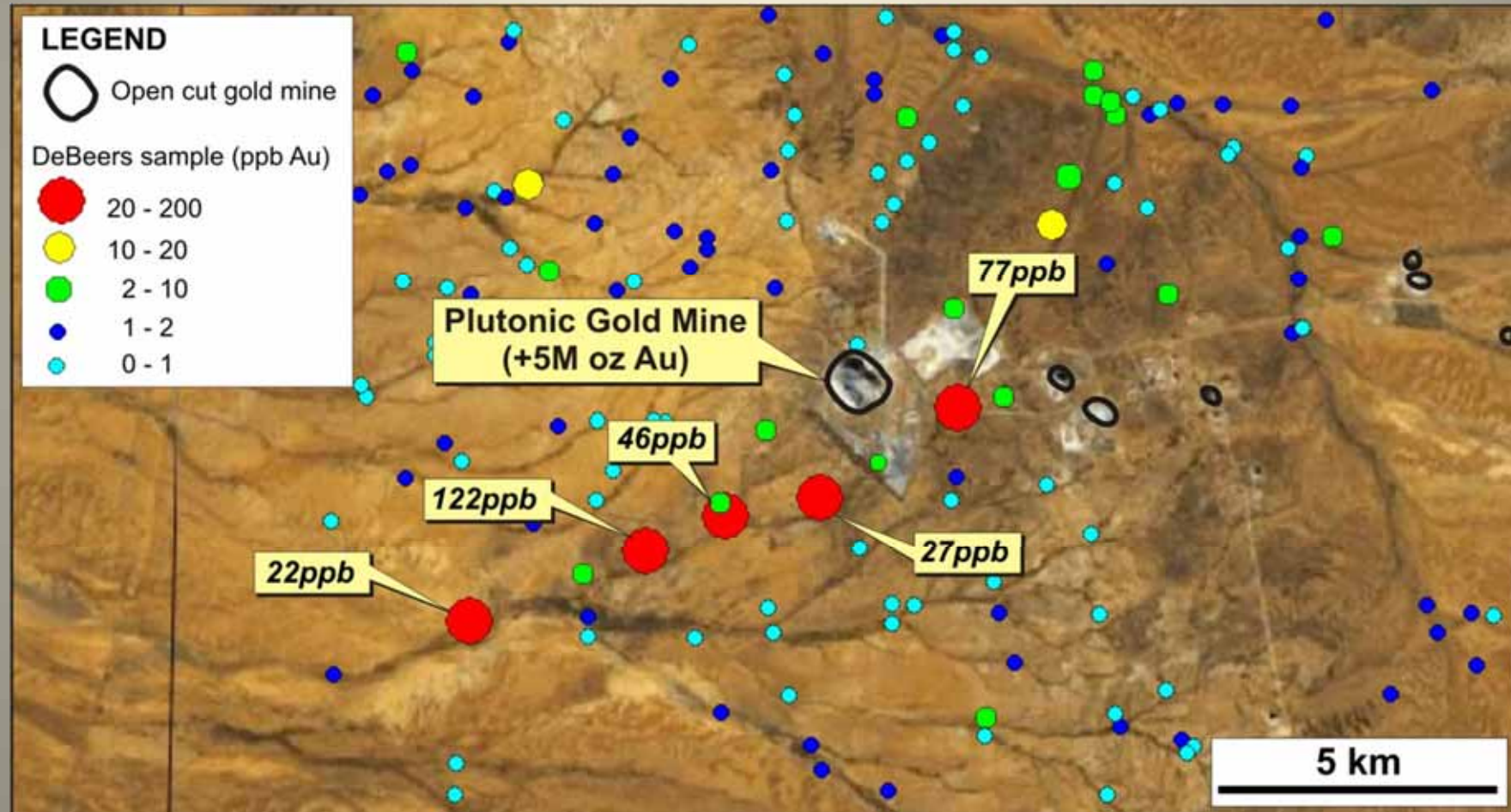
Preparing geochemical samples for analysis





EXAMPLE: POTENTIAL TO FIND NEW MINES DE BEERS DATABASE (IGO 100%)

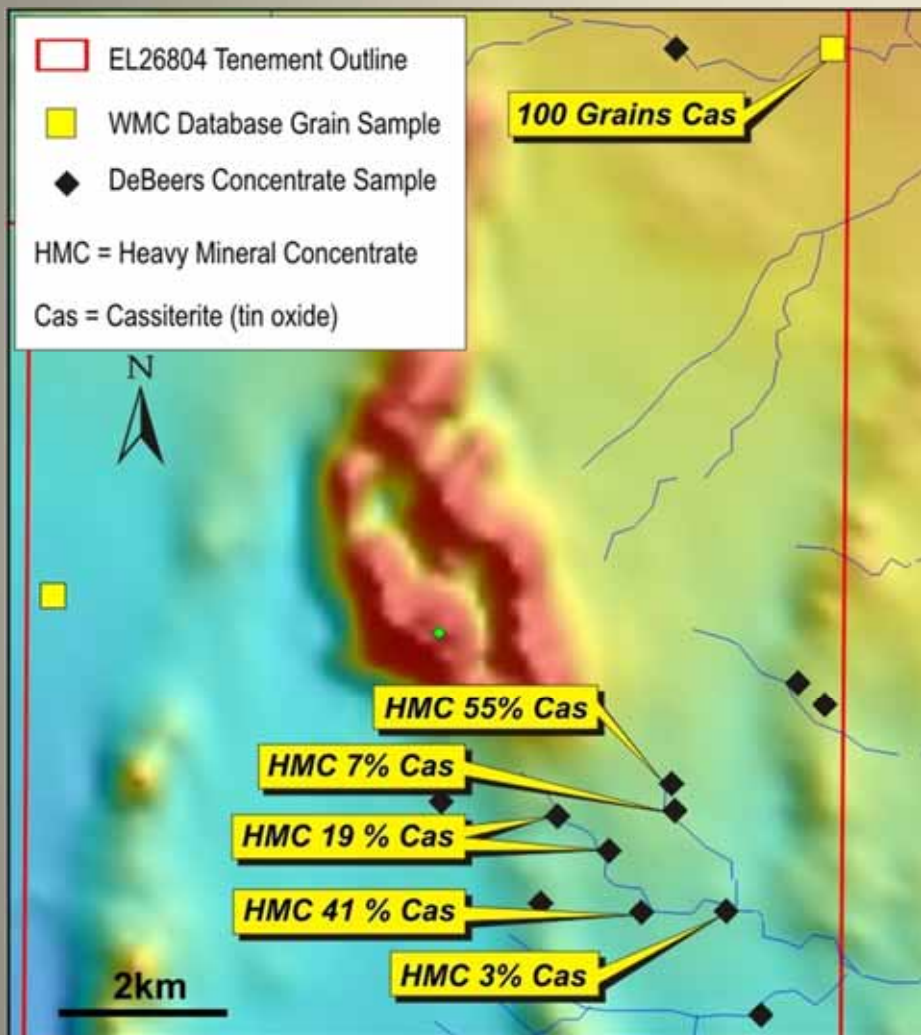
IGO 2009 gold analysis of De Beers samples collected before the discovery of the Plutonic Gold Mine (WA)





BIRRINDUDU TIN PROJECT NORTHERN TERRITORY (IGO 100%)

New Australian tin discovery



Cassiterite rich heavy mineral concentrate





FY2010-11 PROPOSED GROUP EXPLORATION, DEVELOPMENT & CAPITAL EQUIPMENT BUDGET

LONG NICKEL MINE
Budget: A\$39.6M

Capital equipment	A\$19.4M
Moran development	A\$13.5M
Exploration	A\$6.7M

TROPICANA JV
Budget: A\$31.5M
(IGO share)

Finalise Bankable Feasibility Study	A\$1.4M
Mine capital development	A\$20.8M
Exploration and new feasibility studies	A\$9.3M

**REGIONAL
EXPLORATION**
Budget: A\$12.9M

Duketon JV - Ongoing exploration (excludes resource drilling)
Karlawinda - Ongoing exploration (excludes resource drilling)
Holleton - First pass drilling
De Beers Database - On-going analysis and target follow-up

TOTAL: A\$84.0M



INDEPENDENCE CORPORATE GOALS

To improve shareholder returns by growing a great multi commodity Australian mining company

Focus on:

Low cash costs

Mine longevity

Innovative exploration

Strong balance sheet



INDEPENDENCE CONTACT DETAILS

Perth Office

Managing Director – Chris Bonwick

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Belmont, Western Australia

Postal: PO Box 496, South Perth,
Western Australia 6951

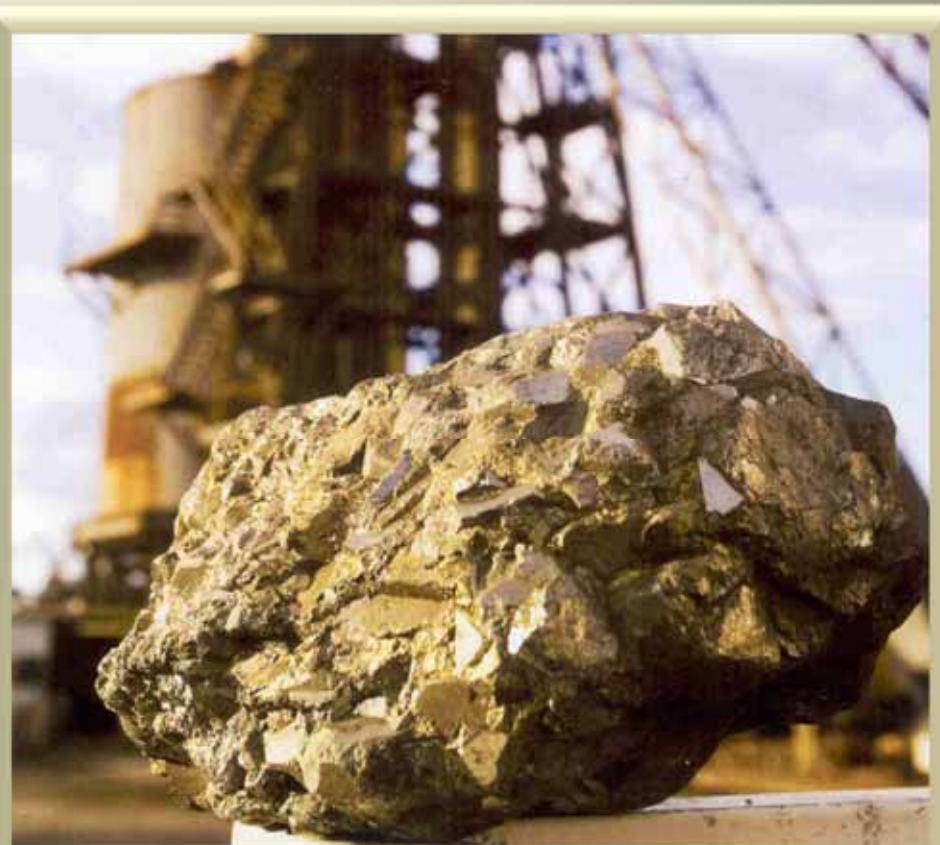
Telephone: +61 8 9479 1777

Facsimile: +61 8 9479 1877

Email: contact@igo.com.au

Website: www.igo.com.au

ASX Code: IGO





LONG NICKEL MINE

JUNE 2010 RESOURCES AND RESERVES

RESOURCES					MINING RESERVE				
Undiluted at 1% Ni Cut-off ^{1,2}					as at 30 June 2010				
		Tonnes	Ni %	Ni Tonnes		Tonnes	Ni %	Ni Tonnes	
LONG	Measured	26,000	5.6	1,500	LONG	Proven	15,000	2.8	400
	Indicated	215,000	4.8	10,300		Probable	98,000	2.9	2,900
	Inferred	105,000	4.4	4,600					
	Sub-Total	346,000	4.7	16,400		Sub-Total	113,000	2.9	3,300
MORAN	Measured	-	-	-	MORAN	Proven	-	-	-
	Indicated	494,000	7.2	35,700		Probable	739,000	4.4	32,700
	Inferred	52,000	7.1	3,700					
	Sub-Total	546,000	7.2	39,400		Sub-Total	739,000	4.4	32,700
VICTOR SOUTH	Measured	17,000	7.0	1,200	VICTOR SOUTH	Proven	24,000	4	1,000
	Indicated	232,000	2.7	6,300		Probable	55,000	5.1	2,800
	Inferred	131,000	1.7	2,200					
	Sub-Total	380,000	2.6	9,700		Sub-Total	79,000	4.8	3,800
McLEAY	Measured	85,000	8.1	6,900	McLEAY	Proven	121,000	3.9	4,700
	Indicated	248,000	5.7	14,200		Probable	261,000	3.4	8,800
	Inferred	94,000	5.1	4,800					
	Sub-Total	427,000	6.1	25,900		Sub-Total	382,000	3.5	13,500
BROKEN STOCKS	Measured	3,000	4.0	100	BROKEN STOCKS	Proven	2,000	3.0	100
	Sub-Total	3,000	4.0	100		Sub-Total	2,000	3.0	100
TOTAL		1,702,000	5.4	91,500	TOTAL	1,315,000	4.1	53,400	

Reserves are included in resources

Notes:

- 1 The cut-off grade used for the Victor South resource is 0.6% Ni.
- 2 Ore tonnes have been rounded to the nearest thousand tonnes and nickel tonnes have been rounded to the nearest hundred tonnes.



TROPICANA JV 2011 RESOURCES AND 2010 BFS RESERVES

Contract Open Cut Mining

January 2011 Open Pit Resources

	Tonnes (Mt)	Grade (g/t)¹	Contained Gold (Moz)²
Measured	25.8	2.2	1.80
Indicated	28.8	2.0	1.89
Inferred	21.9	2.3	1.59
TOTAL	76.5	2.2	5.28

Contract Mining Costs

November 2010 Open Pit Reserves

	Tonnes (Mt)	Grade (g/t)³	Contained Gold (Moz)⁴
Proved	24	2.3	1.8
Probable	24	2.1	1.6
TOTAL	48	2.2	3.4

1 Cut-offs: 0.5g/t Au oxide, 0.6g/t Au fresh ore.

2 Havana and Tropicana A\$1,281/oz Au and Boston Shaker A\$1,309/oz Au optimisation.

3 Cut-off: 0.7g/t Au oxide ore, 0.8g/t Au fresh ore.

4 A\$1,100/oz optimisation

5 See final slide for JORC required competent person sign-off.



COMPETENT PERSON STATEMENT

Note: The information in this presentation 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.