INDEPENDENCE GROUP NL

QUARTERLY REPORT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2008

GROUP HIGHLIGHTS

- **Operating profit before write offs was $7.0 million for the quarter.**
- **NPAT was $1.3 million** after $4.1 million write down of listed investments and $1.6 million capitalised exploration write off.
- **$127.5 million cash and net receivables** (Jun $150.1 million).
- **5 cent fully franked 2007/8 final dividend paid to shareholders.**
- **Cash costs** – **A$4.32/lb** payable nickel (Budget A$4.38). **IGO continues to be the lowest cash cost mid-cap nickel producer in Australia.**
- **Discovery of the high grade Moran nickel deposit in the Long South target area (8m @ 5.6% Ni, 5m @ 6.9% Ni, 4m @ 6.4% Ni, 2m @ 11.7% Ni – true widths). Nickel sulphides intersected over a 200m strike length and open in all directions.**
- **Long North 07 shoot extensional drilling intersected 4m @ 6.5% Ni and 3m @ 5.4% Ni (true widths) above the shoot which remains open.**

OPERATIONS HIGHLIGHTS

- **Production** – **55,420t @ 3.6% Ni for 1,971 Ni t** (Budget 62,454t @ 3.5% for 2,182 Ni t). Production is still forecast to be in the range of 8,400 to 8,800 Ni t for the year.
- **June 2008: Resources: 1,420,000t @ 5.3% Ni – 75,800 Ni t. Reserves: 1,085,000t @ 3.4% Ni – 37,200 Ni t.**
- **Efficiency studies are in progress to maintain low cash costs on the mine.**

EXPLORATION HIGHLIGHTS

GOLD

- Tropicana JV
  - Prefeasibility study continued, focusing on the generation of a new resource model and pit design after the completion of the 25m x 25m infill drilling program. New intercepts outside the December 2007 resource model which are expected to add to resources include:
    - **21m @ 4.1 g/t Au** (including **6m @ 12.4 g/t Au**) and 19m @ 2.7 g/t Au (including 4m @ 9.8 g/t Au).
  - New infill drilling intercepts within the December 2007 resource model outline include:

Havana	Tropicana
17.0m @ 6.4g/t Au	16.0m @ 5.9g/t Au
38.0m @ 3.6g/t Au*	22.0m @ 3.9g/t Au
30.0m @ 4.5g/t Au*	14.0m @ 7.7g/t Au
18.0m @ 6.7g/t Au*	20.0m @ 4.1g/t Au
19.0m @ 8.0g/t Au	16.0m @ 4.7g/t Au
3.0m @ 94.4g/t Au	12.0m @ 6.4g/t Au

(All intercepts other than those suffixed with * approximate true width)

  - Aircore drilling north and south of Tropicana – Havana has intersected over 170 anomalous intercepts > 100ppb Au over a 45km strike length.
  - Surface sampling at the Black Dragon Prospect adjacent to an aircore anomaly returned a number of high order rock chips, including **573 g/t, 324 g/t, 157 g/t, 82 g/t and 60 g/t Au.**

NICKEL

- Duketon JV
  - RC Drilling intersected a disseminated nickel sulphide system with elevated copper and platinoid values, including 5m @ 1.14% Ni, 22m @ 0.70% Ni, 12m @ 0.76% Ni and 1m @ 2.11% Ni.

CORPORATE

DIVIDENDS

A 5 cent fully franked final dividend for 2007/8 was paid during the quarter.

ANNUAL REPORT

The financial statements for 2007/8 were lodged with ASX during the quarter and the 2008 Annual Report was lodged with ASX during October.

PROFIT

The estimated and unaudited NPAT for the quarter is $1.3 million, which was achieved after writing off exploration expenditure and the value of listed investments by $5.7 million. **The profit figures quoted in this report are subject to 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$20,081/t and are subject to possible audit adjustments.**

ISSUED CAPITAL - CURRENT

113,248,539 ordinary shares and 1,712,500 unlisted options. 3.4 million shares were bought back and cancelled under the on-market share buy-back program with a further 0.4 million bought back in October.

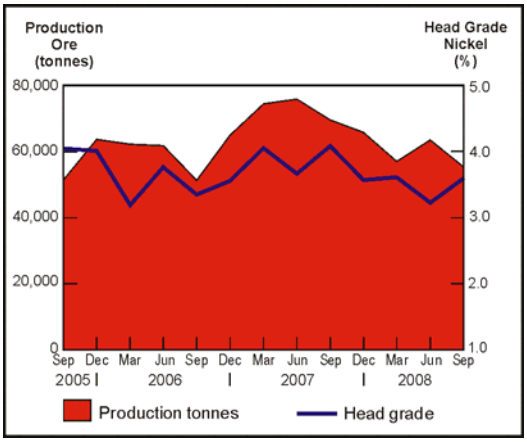
CASH AND DEBT

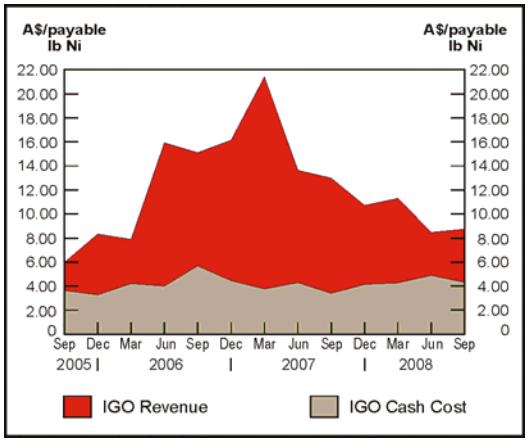
CASH RESERVES

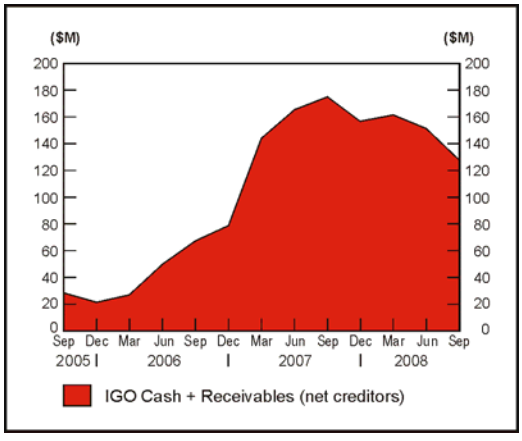
- $119.9 million cash (Jun $145.4M).
- $7.6 million nickel revenue in receivables net of creditors (Jun $4.7M).
- Total cash and net receivables were $127.5 million at the end of the quarter.
- **Unhedged receivables have been valued using AU$20,081/t Ni.**

Excluding operating cash costs, major cash expenditure in the quarter was:-

- $5.7 million on Long and regional exploration, including contributions to the Tropicana JV Fast Track feasibility program.
- $5.3 million income tax payments.
- $5.8 million shareholders dividend.
- $10.1 million share buy-back.







DEBT AT END OF THE QUARTER

The Company owed $0.3 million at the end of the quarter for leased mining equipment (Jun $0.6M).

NICKEL SALES PRICE CALCULATION

Due to the off-take agreement the Company has with BHP Billiton Nickel West Pty 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.

2008/9 EXPLORATION EXPENDITURE

$3.0 million exploration expenditure was incurred during the quarter.

HEDGING

Hedged nickel metal remaining at the date of this report was 1,800t at A$18,489/t, which is scheduled to be delivered at 200 tonnes per month during 2008/9.

INVESTMENTS

MATRIX METALS LIMITED (IGO 17.7%)

IGO has 128.9 million Matrix shares which were valued at $4.5 million at the end of the quarter (ASX Code: MRX).

BRUMBY RESOURCES LIMITED (IGO 11.5%)

IGO has 6 million Brumby shares and 2 million listed options which were valued at $0.8 million at the end of the quarter (ASX Codes: BMY and BMYO respectively).

MINING OPERATION

LONG NICKEL MINE
IGO 100%

SAFETY

Lightning Nickel's Lost Time Injury Frequency Rate (LTIFR) for the life of the operation is **3.51**, having incurred one LTI during the quarter (shoulder injury).

PRODUCTION

Production for the quarter was 55,420t at 3.56% Ni for 1,971 tonnes of contained nickel, which was mined by the following methods:

Jumbo Stoping	13,196	t @	2.5%	Ni for	332	Ni t
Long-hole	18,536	t @	4.1%	Ni for	760	Ni t
Hand-held	10,080	t @	4.0%	Ni for	398	Ni t
Jumbo Development	13,608	t @	3.5%	Ni for	481	Ni t
TOTAL	55,420	t @	3.6%	Ni for	1,971	Ni t

Production was from the following areas:

Long	33,327	t @	3.9%	Ni for	1,297	Ni t
McLeay	15,797	t @	3.1%	Ni for	491	Ni t
Victor South	6,296	t @	2.9%	Ni for	183	Ni t
TOTAL	55,420	t @	3.6%	Ni for	1,971	Ni t

The budget for the quarter was 62,454t @ 3.49% Ni for 2,182 tonnes of contained metal. Production was less than budgeted for the following reasons:

:

- Operator shortages on key pieces of equipment
- Geotechnical difficulties in mainly remnant long-hole stopes requiring a slowing down of production to maintain quality production in this area.

Although production was down against budget, the operation continues to produce low cost, high-grade ore. Highlights in the quarter included:

- Completion of phase 1 of the Victor South exploration drill drive
- Successful phase 1 drilling from the exploration platform into the 'Moran shoot'
- Better than budgeted cash costs

Metal during the quarter was produced at **a cash cost of A$4.32/lb payable nickel**, which was below the budgeted cost of A$4.38/lb. Independence continues to be the lowest cash cost mid-cap nickel producer in Australia.

DEVELOPMENT

CAPITAL DEVELOPMENT

A total of 310 metres of twin boom capital development was achieved during the quarter, with 84m completed in the Victor South phase 1 drill drive, 34m in the Long North drilling platform and 192m in the McLeay decline.

60 metres of capital development was undertaken by single boom jumbos.

NORMAL DEVELOPMENT

A total of 699 metres of normal development was also undertaken during the quarter, in the following areas:

- McLeay - Production development focused on the 460mRL, 500mRL and the 540mRL. A total of 454m of advancement was achieved.

- Victor South – 80m of mining was completed in the 505mRL and 45gmRL stopes.

- Long – 165m of production development occurred in Long, which included 68m development in ore. Areas targeted during the quarter included the 16 Sub, 16/5 and Rhondo ore blocks.

FOCUS FOR DECEMBER QUARTER

The focus for the next quarter will be:

- Ongoing commitment to ensure a safe workplace for all employees
- Focus on costs and head grade to continue being a low cost producer of nickel
- Focus on efficiencies during the current low metal price environment

EXPLORATION

Moran Discovery at Long South

The Moran nickel deposit was discovered during the quarter (*see ASX Announcement on 2nd October 2008*).

A total of five exploration diamond holes were drilled from a new drill drive extending east from the Victor South decline to test a large DHTEM off-hole conductor. This conductor was detected by DHTEM surveys read in diamond holes LSU-140 and LSU-144.

All five holes intersected significant nickel sulphide mineralisation as follows:

Table 1: Moran Discovery Drilling Intersections

Hole No.	Northing (m)	Easting (m)	RL (m)	Azimuth (degr)	Dip (degr)	EOH (m)	From (m)	To (m)	Width (m)	True Width (m)	Ni%
LSU-150A	547634	375333	-521	1	-47	263.1	228.3	229.3	1.0	0.8	12.6
LSU-151	547635	375333	-521	3	-69	170.3	140.2	146.2	6.0	5	6.9
LSU-152	547633	375334	-521	46	-69	218.5	154.9	167.2	12.3	8	5.6
LSU-153	547634	375334	-521	73	-62	245.9	186.0	186.8	0.8	0.5	2.1
							202.4	204.9	2.5	2	11.7
LSU-154	547634	375334	-521	108	-73	201.4	128.5	133.7	5.3	4	6.4

High-grade nickel sulphide mineralisation has been intersected over a 200m strike length, centred approximately 400m south of the Long South drill drive face. Down-hole TEM surveys have defined a number of strong conductors, the largest interpreted to be 240m x 90m in plan size (Figures 1 and 2).

The new Moran Nickel Deposit is open to the north, south and up and down dip. Another strong conductor is situated approximately 200m to the south east, and will be drill tested during the next quarter.

Nickel sulphides discovered at Moran to date are higher tenor than those found in the Long ore body. Ground conditions appear to be very competent, with no stress discing observed in the core and no late felsic dykes have been intersected in the area tested to date.

Additional drill drive development will be completed, which will enable the Moran discovery to be drilled at 40m x 80m spacing during the next quarter. Drill-holes will also be collared in the 16/8 Long South Decline in order to test for northern extensions of the mineralisation.

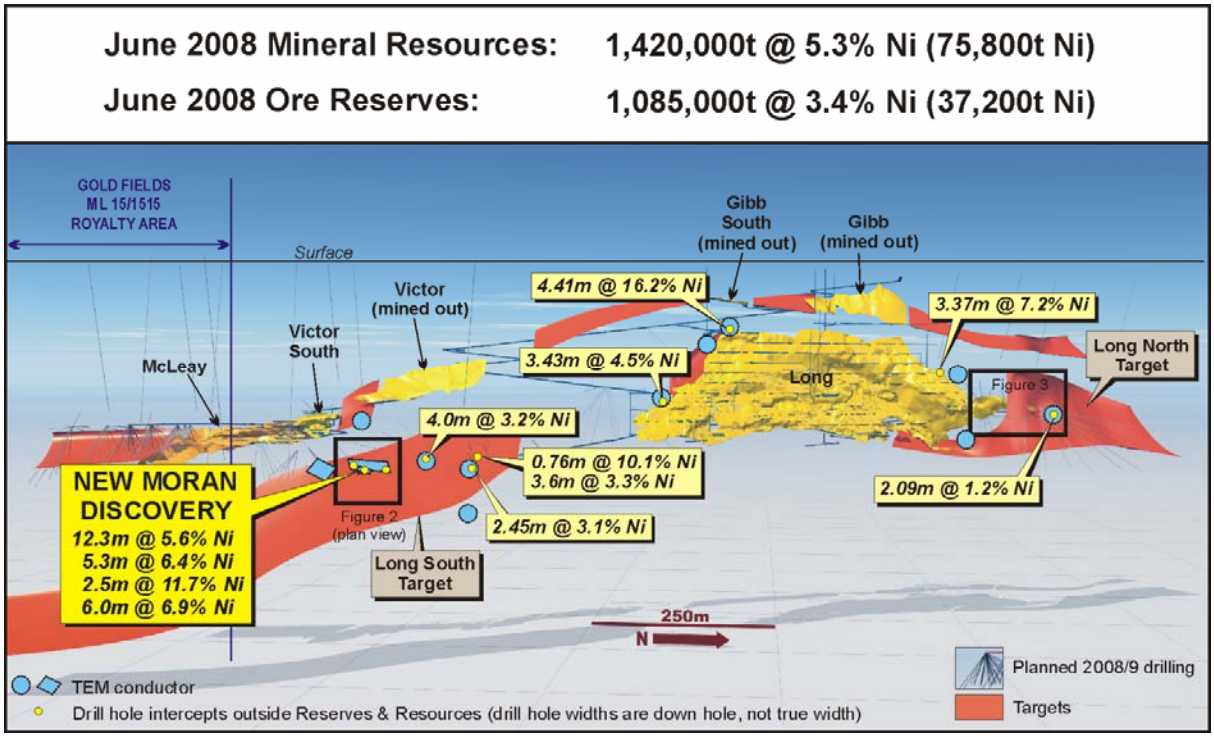


Figure 1: Long Nickel Mine - Longitudinal Projection Showing Target Areas, TEM Conductors, Significant Intercepts Outside Current Resources and Reserves, Proposed 2008/9 Exploration in Light Blue and Figures 2 and 3 Locations

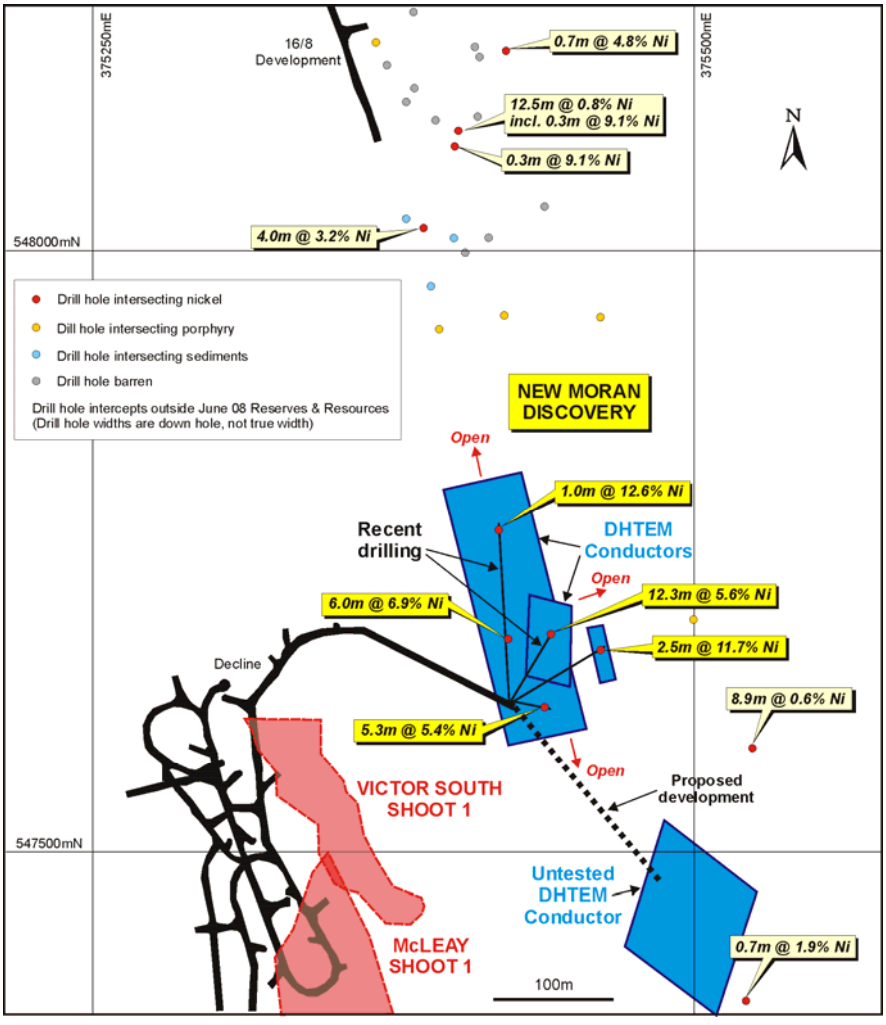


Figure 2: Moran Discovery - Plan Showing the Location of Long South Moran Discovery, Down-Hole TEM Anomalies, Significant Intercepts and Mine Workings

Long North 07 Shoot

Definition and extensional drilling of the Long North 07 Shoot was completed during the quarter. A total of 15m holes for 2,710m were completed. This allowed an initial 07 Shoot resource estimation of 73,000 tonnes @ 4.44% Ni for 3,200 nickel tonnes.

The best intercept from the drilling program was reported in hole LG137-027 (4.1m @ 6.5% Ni from 87.9m and 3.4m @ 5.5% Ni from 102.9m) (**Figure 3**). Four additional holes for 800m are planned for the next quarter to follow up this result and test for extensions 130m north of the last drill section.

Table 2: Significant Long North 07 Shoot Extensional Drilling Results

Hole No.	Northing	Easting	RL	Azimuth	Dip	EOH	From	To	Width	True Width	Ni%
	(m)	(m)	(m)	(degr)	(degr)	(m)	(m)	(m)	(m)	(m)	
LG13-027	550702	374061	-392	48	36	144.2	87.9	92	4.1	4	6.5
LG13-027	550702	374061	-392	48	36	144.2	102.9	106.3	3.4	3	5.4

The 13/7 drill and production drive was extended by 64m during the quarter, and another 50m of development is planned for the December quarter. This will allow testing between the northernmost 07 Shoot drill section and the historic intersection of 2.09m @ 1.2% Ni in hole LG14-37.

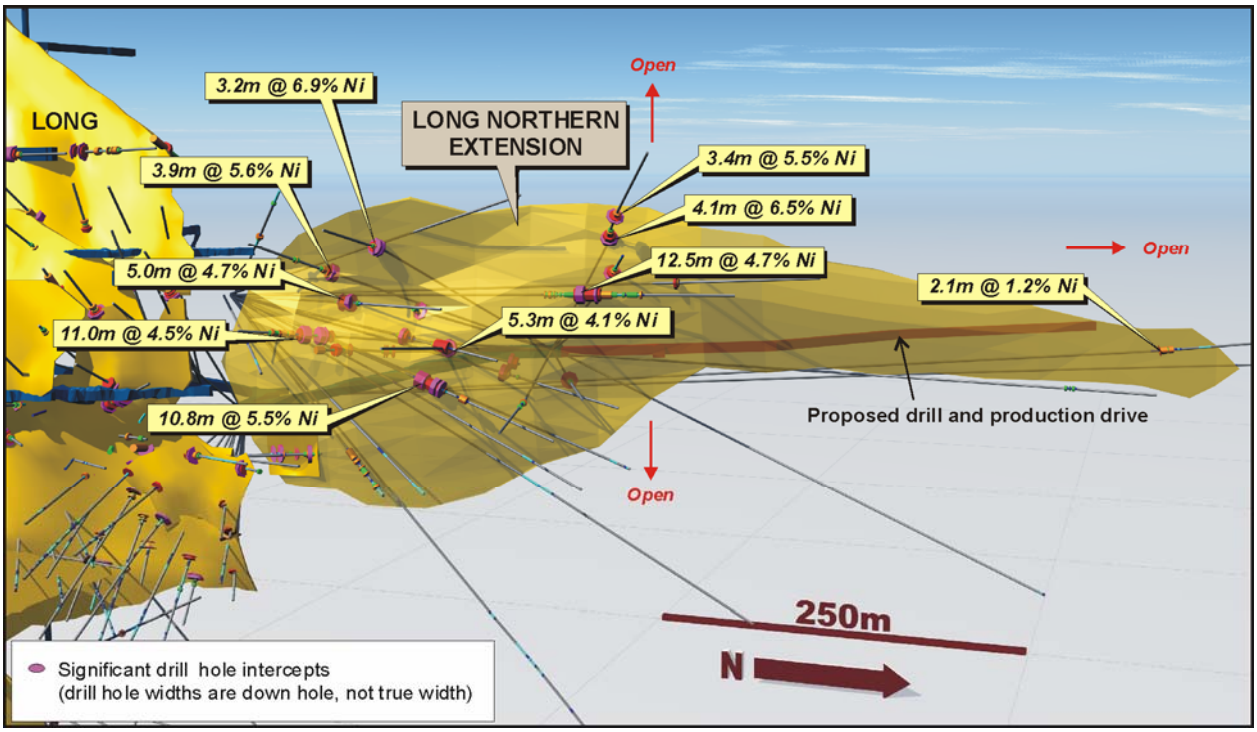


Figure 3: Long North 07 Shoot - Longitudinal Projection Showing Workings, Significant Intersections and Resource Boundary

McLeay Extensional Drilling

Drilling designed to extend the McLeay resource to the south continued during the quarter.

South of the 2008 resource limits (547000N), the McLeay Shoot 1 ore contact appears to rotate and steepen to the south-east. This contact contains sub-grade nickel sulphides. The McLeay Shoot 3 thickens in this region, and becomes the main ore zone, with nickel sulphides occurring in a basalt/basalt contact position to the west and low-grade mineralisation in the open contact (basalt/ultramafic) position to the east.

A further 85m of development is planned for the next quarter to enable infill and extension drilling to test McLeay Shoots 1, 3 and 5.

Shoot 1

Extension drilling to test McLeay Shoot 1 will continue once the 460 drill drive is extended in the next quarter.

Shoot 3

Eight exploration drill-holes for 1,225m were completed during the quarter, in order to delineate the eastern limits of McLeay Shoot 3. Only two holes were effective, with 6 holes unable to penetrate to the targeted contact position due to steepening of the ore contact position.

The latest resource model for McLeay Shoot 3 extends 450m in plunge extent and 200m in dip extent and is open to the south and east. The Shoot contains a zone of high-grade ore trending NNW which is approximately 50m wide and 330m in plunge extent. This zone was intersected by MDU-454 (6.4m @ 6.9% Ni from 154.5m) during the quarter.

DHTEM surveying was hampered by the length of the holes, and by technical issues. However, a moderate conductor (60m x 70m) was detected by a DHTEM survey read in hole MDU-433 located in the central portion of McLeay Shoot 3. Drill testing of this anomaly is planned for next quarter from the McLeay 500S ore drive.

Long Seismic survey

Processing of the 3D seismic survey continued during the quarter. Data acquisition was completed during the June quarter, with 90% of the Long Victor Complex covered. Processing by Curtin University has taken longer than expected, and post-stack migrated images should now be available by the end of October. The brute stack images define many coherent seismic reflectors, which indicate that the final data will provide a useful aid to structural interpretation and target generation.

JUNE 2008 RESOURCES AND RESERVES

During the quarter the June 2008 resources and reserves were released to the market as follows:

Resources:	1,420,000 @ 5.3% Ni – 75,800 Ni t
Reserves:	1,085,000 @ 3.4% Ni – 37,200 Ni t

Since IGO opened the mine in October 2002, IGO has mined 46,516 Ni t to the end of June 2008, compared to the 2002 start up reserve of 26,800 Ni t.

Despite 2007/8 production of 9,275 Ni t resources are now 75,800 Ni t. Approximately 38,600 Ni t in resources are outside current reserves. The company has budgeted $12 million for drill drive development and exploration drilling and geophysics at Moran, Long North and McLeay. Both the recently discovered Long North 07 shoot and McLeay Shoot 3 remain open along strike. The Moran deposit remains open in all directions and part of the $12M exploration budget will be used to drill out and extend this new exciting high grade discovery.

LONG NICKEL MINE PRODUCTION SUMMARY

	Note	Sep '08 Quarter	2008/9 FY to Date	*Prev. Corresp. Quarter (Sep '07)*
Mining Reserve (Dry Tonnes)				
Start of Period		1,085,000	1,085,000	*1,101,000*
- ROM Production	1	(55,420)	(55,420)	*(69,562)*
End of Period		1,029,580	1,029,580	*1,031,438*
Production Details:				
Ore Mined (Dry Tonnes)	1	55,420	55,420	*69,562*
Ore Milled (Dry Tonnes)		55,420	55,420	*69,562*
Nickel Grade (Head %)		3.56	3.56	*4.08*
Copper Grade (Head %)		0.27	0.27	*0.30*
Metal in Ore Production (Tonnes)				
Nickel delivered	2	1,971	1,971	*2,838*
Copper delivered	2	154	154	*208*
Metal Payable IGO share (Tonnes)				
Nickel		1,182	1,182	*1,715*
Copper		62	62	*84*
Hedging				
Tonnes delivered into Hedge		600	600	*600*
Average Price (AU$/t)		18,489	18,489	*17,451*

Note 1. Production is sourced from both reserves/inventory and outside reserves.
Note 2. The Recovery Rate is fixed with BHP 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***	***A$'000's***
Sales Revenue (incl. hedging)		22,789	22,789	*49,559*
Cash Mining/Development Costs		(7,233)	(7,233)	*(8,275)*
Other Cash Costs	3	(4,033)	(4,033)	*(4,652)*
Depreciation/Amortisation/Rehabilitation		(2,256)	(2,256)	*(2,664)*
Total Unit Cost Summary		***A$/lb Total Metal Produced***	***A$/lb Total Metal Produced***	***A$/lb Total Metal Produced***
Cash Mining/Development Costs		1.67	1.67	*1.32*
Other Cash Costs	3	0.93	0.93	*0.74*
Depreciation/Amortisation/Rehabilitation		0.52	0.52	*0.43*
Revenue/Cost Summary		***A$/lb Payable Metal***	***A$/lb Payable Metal***	***A$/lb Payable Metal***
Sales Revenue (incl. hedging)	4	8.75	8.75	*13.11*
Cash Mining/Development Costs		2.78	2.78	*2.19*
Other Cash Costs	3	1.54	1.54	*1.23*
Depreciation/Amortisation/Rehabilitation		0.87	0.87	*0.70*

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		1	1	*2*
- Medically Treated IFR		59.8	59.8	*51.5*
- Nickel Productivity Rate	5	67.9	67.9	*97.0*

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

Development/Exploration Drilling	**Metres**	**Metres**	***Metres***
Development	-	-	-
Production	625	625	*3,095*
Exploration	9,228	9,228	*4,326*
	9,853	9,853	*7,421*

REGIONAL GOLD EXPLORATION

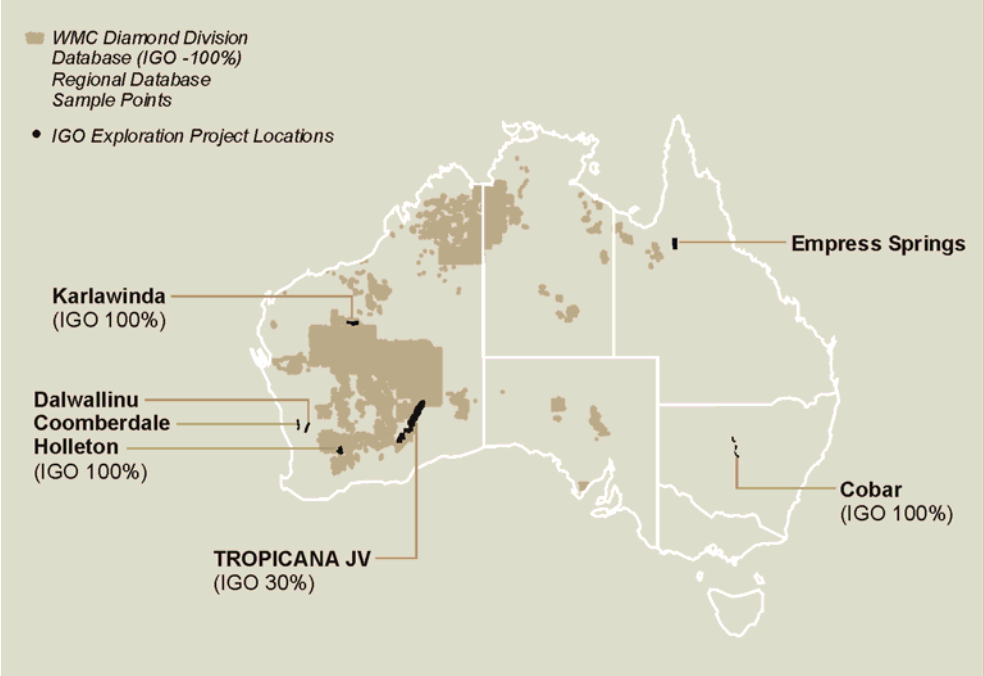


Figure 4: IGO Gold and Non-Nickel Base Metal Project Locations

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

The Tropicana Joint Venture comprises approximately 12,500km^2 of largely unexplored tenure over a strike length of 330km along the Yilgarn Craton – Fraser Range Mobile Belt collision zone. In December 2007 the Joint Venture manager announced a maiden resource of **62.8Mt at 2.01 g/t Au for 4.05M gold ounces** (at a 0.6 g/t Au cut-off grade) from the Tropicana/Havana area, which only included mineralisation potentially exploitable via open-pit mining.

Highlights during the quarter

- RC and diamond drilling has now been completed in the resource area and a new resource is being estimated.
- Results from holes located within the southern high-grade portion of the Havana and Tropicana starter pits suggest the zones will broaden and extend further both up and down dip.
- Drilling to define the limits of mineralisation in Tropicana and Havana exit ramp positions are encouraging and indicate that the pits may extend and possibly coalesce.
- An updated 3D geological interpretation has been completed in preparation for completing a new resource estimate.

  Significant new intercepts from within the December 2007 resource model boundary included:

Tropicana	Havana
16m @ 5.9 g/t Au	31m @ 3.8 g/t Au
22m @ 3.9 g/t Au	18m @ 4.7 g/t Au
13m @ 4.9 g/t Au	17m @ 6.4 g/t Au
14m @ 7.7 g/t Au	38m @ 3.6 g/t Au *
16m @ 4.0 g/t Au	30m @ 4.5 g/t Au *
20m @ 4.1 g/t Au	18m @ 6.7 g/t Au *
14m @ 5.4 g/t Au	20m @ 4.6 g/t Au *
22m @ 3.6 g/t Au	19m @ 8.0 g/t Au
16m @ 4.7 g/t Au	21m @ 4.2 g/t Au
12m @ 6.4 g/t Au	3m @ 94.4 g/t Au

*(All intercepts other than those suffixed * with approximate true width)*

All significant results are given in **Tables 3 – 6**. "TFRC" or "TFD" refer to 25m x 25m infill holes drilled as part of the fast track budget. TP prefixed holes refer to pre-feasibility drilling.

Significant Havana **intercepts from resource drilling falling outside the December 2007 resource model**, which are likely to add to resources include **21m @ 4.1 g/t Au (including 6m @ 12.4 g/t Au**), and 19m @ 2.7 g/t Au (**including 4m @ 9.8 g/t Au**) (**Figure 5 and Table 7**).

Tropicana Pre-feasibility Study

AngloGold Ashanti continued to make good progress on the enhanced Tropicana PFS during the quarter.

The parameters of the original PFS have been broadened to allow for the incorporation of drilling results since October 2007 into the resource model, additional power generation studies, further bore field testing, and an underground mining study to enable the determination of the optimum depth of the open-cut pits.

The enhanced PFS is expected to be completed in April 2009.

Key activities for the quarter are summarised below.

Drilling

- Drilling of 5,896 metres of RC and 1,474 metres of diamond core occurred during the quarter.
- Since the completion of the December 2007 resource model 66.89km of RC and 16.01km of DD drilling have been completed on the project predominantly at Tropicana-Havana.

Mining

- A draft report detailing the results of a conceptual level study for underground mining opportunities has been received and is currently being reviewed.
- The current project base case is modelled on a 5.5Mtpa plant with an operation producing >300K oz per year over a 9 to 10 year period. Sensitivities to operating scale are being assessed within the range of 3.5Mtpa to 7.5Mtpa to enable a recommendation on project scale.
- A preferred location for the Tailings Storage Facility (TSF) and waste dump have been selected.

Metallurgy

- Phase 4 of the metallurgical testwork program has been finalised.

Leasing

- All mining leases are granted and various key infrastructure miscellaneous leases applied for.
- Miscellaneous Licence L38/188 covering a proposed access route via the Cable Haul Road has been granted.

Infrastructure

- A range of alternative power options are being considered. A number of suppliers have been contacted regarding various hybrid diesel/gas and solar thermal options for a power plant in the range of 25 to 30MW. Cost estimates are awaited.
- The final PFS report for the water exploration program has been received and is currently being reviewed.

Environment and Heritage

- The draft environmental scoping document was finalised and submitted to the EPA at the end of September.
- Archaeological studies are in the final stages with reports and recommendations being reviewed.
- The project team continues to actively engage project stakeholders including state and local government, aboriginal custodians and NGOs. Discussions to date have generally been positive.

Table 3: Significant Tropicana RC Drilling Intercepts Inside Resource

Hole No.	Easting (m)	Northing (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H. (m)	From (m)	To (m)	Intercepts
TFRC1114	650147	6763073	347	317	-60	90	67	79	12 m @ 2.2 g/t Au
TFRC1133	650057	6763020	347	326	-63	85	44	54	10 m @ 2.2 g/t Au
TFRC1928	649899	6762683	348	319	-62	70	36	48	12 m @ 2.2 g/t Au
TFRC1929	649933	6762647	349	321	-60	102	56	65	9 m @ 2.3 g/t Au
TFRC1933	649880	6762667	349	325	-63	80	25	40	15 m @ 2.5 g/t Au
TFRC1934	649916	6762633	350	318	-61	90	46	60	14 m @ 2.5 g/t Au
TFRC1938	649863	6762648	349	317	-62	60	24	34	10 m @ 4.0 g/t Au
TFRC1939	649901	6762613	350	316	-62	80	31	49	18 m @ 3.0 g/t Au
TFRC1940	649934	6762577	352	318	-62	90	43	66	23 m @ 1.6 g/t Au
						Incl.	60	65	5 m @ 4.7 g/t Au
TFRC1944	649880	6762594	352	314	-63	85	30	37	7 m @ 9.4 g/t Au
TFRC1972	650145	6763143	345	320	-64	*60*	31	38	7m @ 6.0 g/t Au
TFRC1975	650163	6763090	346	319	-61	100	61	77	16 m @ 5.9 g/t Au
						Incl.	68	77	9 m @ 10.2 g/t Au
TFRC1977	650115	6763110	346	325	-64	114	31	45	14 m @ 3.2 g/t Au
TFRC2505	651049	6763763	340	327	-59	110	47	78	31 m @ 2.1 g/t Au
TFRC2508	650995	6763781	340	322	-61	70	38	53	15 m @ 3.6 g/t Au
TFRC2511	650978	6763762	340	325	-60	80	39	61	22 m @ 3.9 g/t Au
						Incl.	39	52	13 m @ 5.5 g/t Au
TFRC2514	650961	6763744	340	322	-60	80	41	67	26 m @ 1.8 g/t Au
TFRC2516	650907	6763762	340	324	-60	70	35	48	13 m @ 4.9 g/t Au
TFRC2518	650854	6763780	340	323	-60	50	20	25	5 m @ 3.6 g/t Au
TFRC2519	650889	6763745	341	325	-62	70	34	48	14 m @ 7.7 g/t Au
TFRC2524	650858	6763748	341	325	-62	70	37	39	2 m @ 10.2 g/t Au
TFRC2527	650819	6763745	340	324	-60	50	24	27	3 m @ 6.5 g/t Au
TFRC2528	650854	6763709	340	325	-62	80	32	60	28 m @ 1.9 g/t Au
TFRC2531	650819	6763675	341	322	-61	80	30	43	13 m @ 1.9 g/t Au
							47	63	16 m @ 2.7 g/t Au
TFRC2532	650854	6763639	341	319	-60		54	90	36 m @ 2.2 g/t Au
						Incl.	73	89	16 m @ 4.0 g/t Au
TFRC2535	650784	6763673	341	322	-62	70	34	50	16 m @ 3.6 g/t Au
TFRC2536	650832	6763623	341	318	-61	100	36	41	5 m @ 7.8 g/t Au
							44	83	39m @ 2.5 g/t Au
						Incl.	62	82	20m @ 4.1 g/t Au
TFRC2546	650642	6763426	342	325	-63	70	38	52	14 m @ 5.4 g/t Au
						Incl.	44	50	6 m @ 11.8 g/t Au
TFRC2547	650677	6763391	343	322	-63	90	53	75	22 m @ 3.6 g/t Au
TFRC2550	650642	6763356	343	320	-61	100	62	67	5 m @ 3.1 g/t Au
TFRC2558	650554	6763268	342	323	-59	93	56	72	16 m @ 4.7 g/t Au
TFRC2562	650536	6763250	342	318	-60	100	56	70	14 m @ 2.7 g/t Au
TFRC2569	650483	6763197	343	319	-61	100	67	78	11 m @ 2.7 g/t Au
TFRC2571	650430	6763215	342	323	-60	84	56	69	13 m @ 2.2 g/t Au
TFRC2575	650412	6763197	343	321	-55	90	47	50	3 m @ 5.0 g/t Au
							54	68	14 m @ 2.2 g/t Au

*(All intercepts other than those suffixed with * approximate true width)*

Table 4: Significant Tropicana Diamond Drilling Intercepts Inside Resource

Hole No.	Easting (m)	Northing (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H. (m)	From (m)	To (m)	Intercepts
TFD138	650765	6763230	342.9	325	-60	164.7	134	146	12 m @ 6.4 g/t Au
TFD147	651013	6763550	341.1	322	-64	210.05	143	164	21 m @ 3.0 g/t Au
TFRC601D	650695	6763231	342.6	322	-59	180.9	116	125	9 m @ 2.5 g/t Au

Table 5: Significant Havana RC Drilling Intercepts Inside Resource

Hole No.	Easting (m)	Northing (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H. (m)	From (m)	To (m)	Intercepts
TFRC1157	649952	6762772	347	316	-60	80	50	54	4 m @ 6.2 g/t Au
TFRC1165	649883	6762807	347	324	-57	60	24	36	12 m @ 2.0 g/t Au
TFRC1167	649953	6762737	347	322	-58	96	63	79	16 m @ 3.1 g/t Au
						Incl.	70	79	9 m @ 5.1 g/t Au
TFRC1175	649953	6762666	348	321	-64	110	67	78	11 m @ 2.7 g/t Au
TFRC806	649509	6761693	363	318	-53	80	14	17	3 m @ 3.6 g/t Au
							25	47	22 m @ 3.8 g/t Au
TFRC807	649618	6761585	365	317	-65	135	44	47	3 m @ 12.1 g/t Au
						Incl.	88	100	12 m @ 2.0 g/t Au
TFRC815	649562	6761677	363	317	-63	110	69	82	13 m @ 3.6 g/t Au
TFRC817	649634	6761606	365	315	-63	150	33	51	18 m @ 1.6 g/t Au
							107	116	9 m @ 2.9 g/t Au
							120	131	11 m @ 2.3 g/t Au
TFRC819	649524	6761786	361	318	-61	75	33	57	24 m @ 2.2 g/t Au
TFRC823	649614	6761699	365	319	-56	135	85	116	31 m @ 3.8 g/t Au
						Incl.	103	116	13 m @ 7.0 g/t Au
TFRC828	649638	6761707	366	320	-69	168	113	130	17 m @ 3.6 g/t Au
TFRC846	649636	6761816	364	316	-65	135	41	61	20 m @ 2.3 g/t Au
							102	119	17 m @ 6.4 g/t Au
TFRC851 *	649516	6762005	360	283	-89	56	28	39	11 m @ 2.7 g/t Au
TFRC852	649543	6761974	361	317	-64	85	32	50	18 m @ 1.6 g/t Au
TFRC853	649563	6761958	361	316	-62	100	40	67	27 m @ 1.6 g/t Au
TFRC856 *	649582	6761977	361	317	-77	115	55	93	38 m @ 3.6 g/t Au
						Incl.	67	90	23 m @ 5.2 g/t Au
TFRC861 *	649560	6762027	362	332	-64	75	36	48	12 m @ 4.1 g/t Au
							51	73	22 m @ 2.6 g/t Au
TFRC862 *	649562	6762022	362	326	-78	85	40	70	30 m @ 4.5 g/t Au
TFRC863 *	649603	6761991	362	318	-74	115	81	99	18 m @ 6.7 g/t Au
TFRC864 *	649633	6761963	362	316	-72	145	93	102	9 m @ 2.9 g/t Au
							105	125	20 m @ 4.6 g/t Au
TFRC221	649617	6761517	365	316	-64	120	56	75	19 m @ 8.0 g/t Au
TFRC226	649546	6761658	363	315	-62	110	48	80	32 m @ 2.3 g/t Au
TFRC227	649582	6761623	364	320	-62	130	48	108	60 m @ 1.4 g/t Au
TFRC239	649511	6761801	361	323	-63	75	25	39	14 m @ 3.7 g/t Au
TPRC773	649599	6762134	359	322	-63	108	53	74	21 m @ 4.2 g/t Au

*(All intercepts other than those suffixed with * approximate true width)*

Table 6: Significant Havana Diamond Drilling Intercepts Inside Resource

Hole No.	Easting (m)	Northing (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H. (m)	From (m)	To (m)	Intercepts
TPRC160D	649395	6761255	360	328	-60	234.8	174	177	3 m @ 94.4 g/t Au
TFD154	649792	6761658	368	322	-62	243.8	203	217	14 m @ 2.4 g/t Au
TFD156	649724	6761658	368	320	-64	216.9	120	141	21 m @ 1.9 g/t Au
							164	179	15 m @ 2.9 g/t Au
TFD161	649919	6762138	360	328	-65	270.8	211	222	11m @2.9 g/t Au
TFD163	649919	6761498	368	323	-67	352	237	260	23 m @ 2.4 g/t Au
							303	322	19 m @ 1.7 g/t Au
TFD164	650012	6761349	368	325	-58	396.8	278	298	20 m @ 1.3 g/t Au
							303	311	8 m @ 2.1 g/t Au
							372	381	9 m @ 3.6 g/t Au
TFD165	649917	6761358	368	328	-61	328	269	294	25 m @ 2.3 g/t Au
TFD166	649946	6761327	369	328	-59	330.8	292	319	27 m @ 3.3 g/t Au
TFD167	649881	6761322	369	326	-59	279.8	211	219	8 m @ 3.0 g/t Au
TFD168 *	649884	6761318	369	323	-68	282.8	237	257	20 m @ 2.7 g/t Au
						Incl.	250	255	5 m @ 8.1 g/t Au
TFD170 *	649805	6761320	369	328	-67	229.1	193	208	15 m @ 1.7 g/t Au
TPD361 *	649725	6761776	365	251	-62	206.1	106	125	19m @ 1.5 g/t Au
							161	168	7 m @ 8.3 g/t Au
TPD364 *	649702	6761795	365	253	-63	201.8	83	96	13m @ 2.0 g/t Au
							133	151	18 m @ 4.7 g/t Au
TPD365 *	649725	6761801	365	254	-62	216.9	87	108	21 m @ 3.7 g/t Au
							138	160	22 m @ 4.6 g/t Au
						Incl.	154	160	6 m @ 10.3 g/t Au
TPD366 *	649746	6761813	365	252	-62	231.9	102	121	19 m @ 2.5 g/t Au
							156	175	19 m @ 2.3 g/t Au
TFD003	649688	6761658	367	311	-63	186	137	159	22 m @ 2.8 g/t Au
						Incl.	148	159	11 m @ 4.9 g/t Au
TFD004	649723	6761622	367	320	-65	203.3	168	177	9 m @ 4.3 g/t Au
TFD009	649724	6761694	367	320	-65	216.9	122	142	20 m @ 1.8 g/t Au
							160	167	7 m @ 6.3 g/t Au
							173	176	3 m @ 15.8 g/t Au
TFD015	649718	6761766	365	322	-64	204.9	146	170	24 m @ 2.7 g/t Au
						Incl.	158	170	12 m @ 4.4 g/t Au
TFD040	649777	6761924	365	321	-66	237.8	195	205	10 m @ 2.2 g/t Au
TFD153	649687	6761835	364	321	-67	173.1	85	101	16 m @ 1.7 g/t Au
							134	150	16 m @ 2.2 g/t Au
						Incl.	143	150	7 m @ 4.0 g/t Au
TFRC690D *	649725	6761898	364	321	-69	216.8	161	179	18 m @ 2.5 g/t Au
TFRC679D	649738	6762033	366	325	-55	216.7	165	181	16 m @ 2.4 g/t Au
TFRC683D	649661	6762035	365	326	-56	213.2	120	142	22 m @ 2.9 g/t Au
TFRC689A *	649657	6761967	363	323	-73	165	118	145	27 m @ 2.0 g/t Au
TFRC624D	649723	6761587	367	317	-65	207.8	129	159	30 m @ 2.8 g/t Au
						Incl.	143	156	13 m @ 4.5 g/t Au
TPRC632D	650151	6762463	353	329	-55	240.8	185	195	10 m @ 2.3 g/t Au
TPRC736D	649617	6761410	365	324	-59	144.9	99	110	11 m @ 2.5 g/t Au

*(All intercepts other than those suffixed with * approximate true width)*

Table 7: Significant Havana Diamond Drilling Intercepts Outside Resource

Hole No.	Easting (m)	Northing (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H. (m)	From (m)	To (m)	Intercepts
TPRC161D*	649456	6761194	359	322	-52	268	233	254	21 m @ 4.1 g/t Au
						Incl.	233	239	6 m @ 12.4 g/t Au
TPD095	649617	6761161	363	329	-65	340	303	327	24 m @ 1.1 g/t Au
TFD104	650358	6761690	361	333	-65	599.5	497	516	19 m @ 2.7 g/t Au

(All intercepts other than those suffixed with approximate true width)*

Regional Exploration

Regional exploration during the quarter included the completion of 742 geochemical aircore holes (40,132m), soil and rock chip sampling reverse circulation and diamond drilling.

Aircore
Aircore drilling was completed at Tropicana West and on Group 1 and Group 4 tenements (**Table 8**).

A review of aircore drilling to date has highlighted a 45km long corridor extending from the Kamikaze Prospect south west of Havana to the Black Dragon prospect 30km north east of Tropicana, which has over 170 anomalous intercepts greater than 100 ppb Au (**Figure 6**) (refer to ASX announcement of 15 October).

Rock Chips/SoilsAuger
Auger infill was completed along strike from Tropicana and Havana and Tropicana Group 4 tenements.

Soil and rock chip sampling was completed at Black Dragon, which was done to follow up high-grade rock chips reported in the June quarter and comprised 81 samples over a surface area of 250m x 250m. Results included 27 samples grading in excess of 1 g/t Au including 12 samples grading over 5 g/t Au.

The best results included 573 g/t Au, 324 g/t Au, 157 g/t Au, 82 g/t Au, 60 g/t Au and 31 g/t Au (Figure 7). RC drill testing of the Black Dragon Prospect will commence in October (refer to ASX announcement of 15 October).

RC and Diamond
RC drilling was completed at Beachcomber and Ambrosia and diamond drilling was completed at Stromboli, Screaming Lizard and Rusty Nail Prospects.

Better results included 3m @ 8.8 g/t Au from Rusty Nail and 2m @ 3.6 g/t Au from Beachcomber.

All significant intercepts from this drilling are included in **Table 8**:

Diamond drilling
Six holes were drilled at Rusty Nail and Stromboli. No assay results from this work have been received.

Geophysics

A substantial aeromagnetics survey has been completed over Group 4 and parts of Group 1 and Group 2 tenements not covered by detailed historical surveys. This data will assist in developing interpretive geological maps that will be used in ongoing targeting.

Table 8: Significant Regional RC Drilling Intercepts

Hole No.	Easting (m)	Northing (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H. (m)	From (m)	To (m)	Intercepts
AMRC002	535651	6585008	359	275	-62	150	60	68	8 m @ 1.1 g/t Au
						Incl	65	67	2 m @ 3.0 g/t Au
BCRC028	527703	6575052	350	279	-59	150	124	126	2 m @ 2.4 g/t Au
BCRC032	527649	6574925	348	271	-58	150	57	59	2 m @ 1.6 g/t Au
							114	116	2 m @ 1.0 g/t Au
							137	139	2 m @ 3.1 g/t Au
BCRC034	527750	6574928	350	270	-55	150	108	111	3 m @ 1.0 g/t Au
BCRC035	527799	6574928	350	271	-58	150	148	150	2 m @ 3.6 g/t Au
RNRC015	647373	6756285	376	315	-58	180	54	57	3 m @ 8.8 g/t Au
						Incl	54	56	2 m @ 13.0 g/t Au

(True widths yet to be determined)

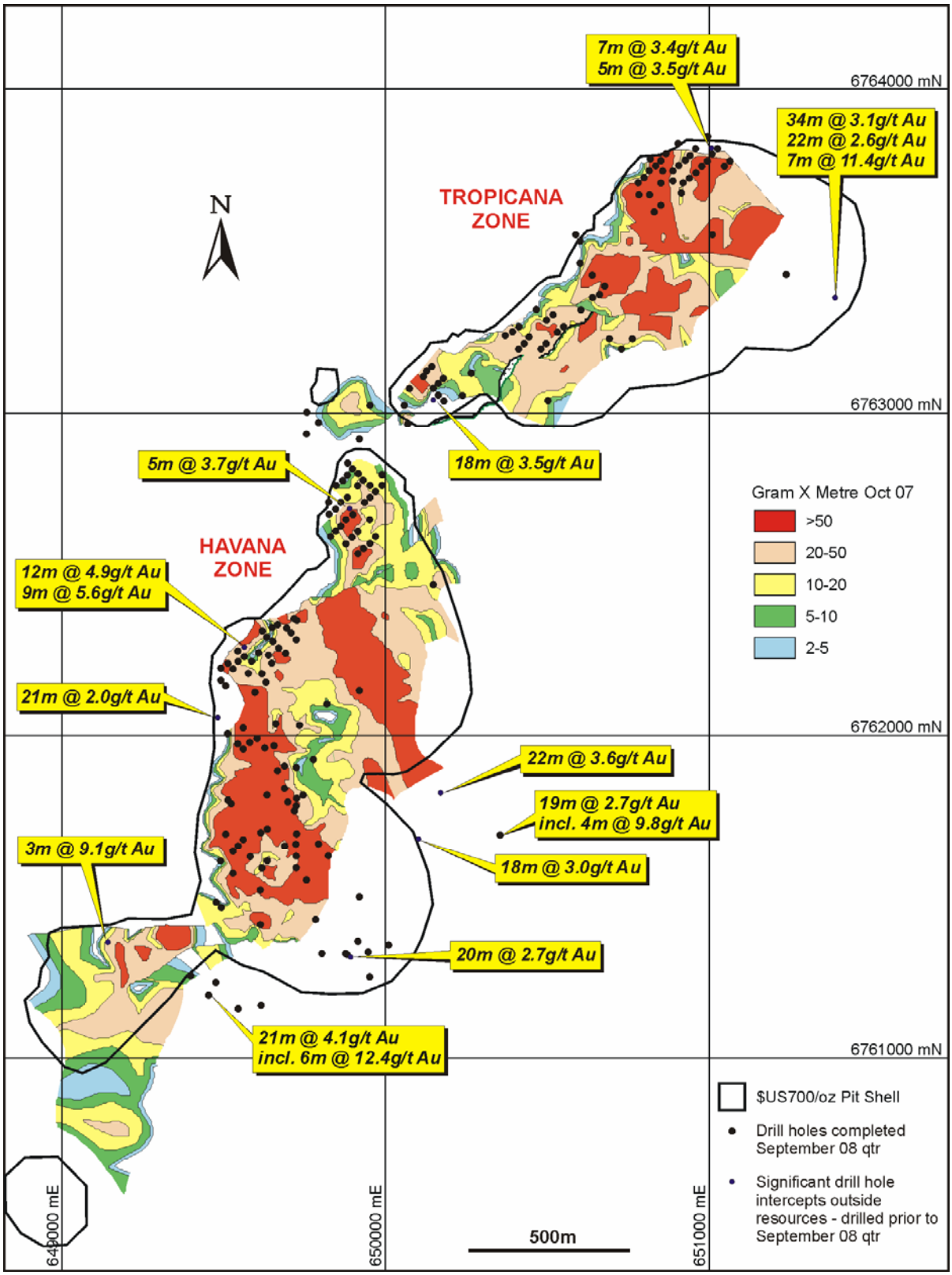


Figure 5: Tropicana JV – Prospect Plan Showing Significant Intercepts Outside December 2007 Resource Outline, g/t Au x Thickness Contours and Location of Havana and Tropicana Open Pit Resource Outlines

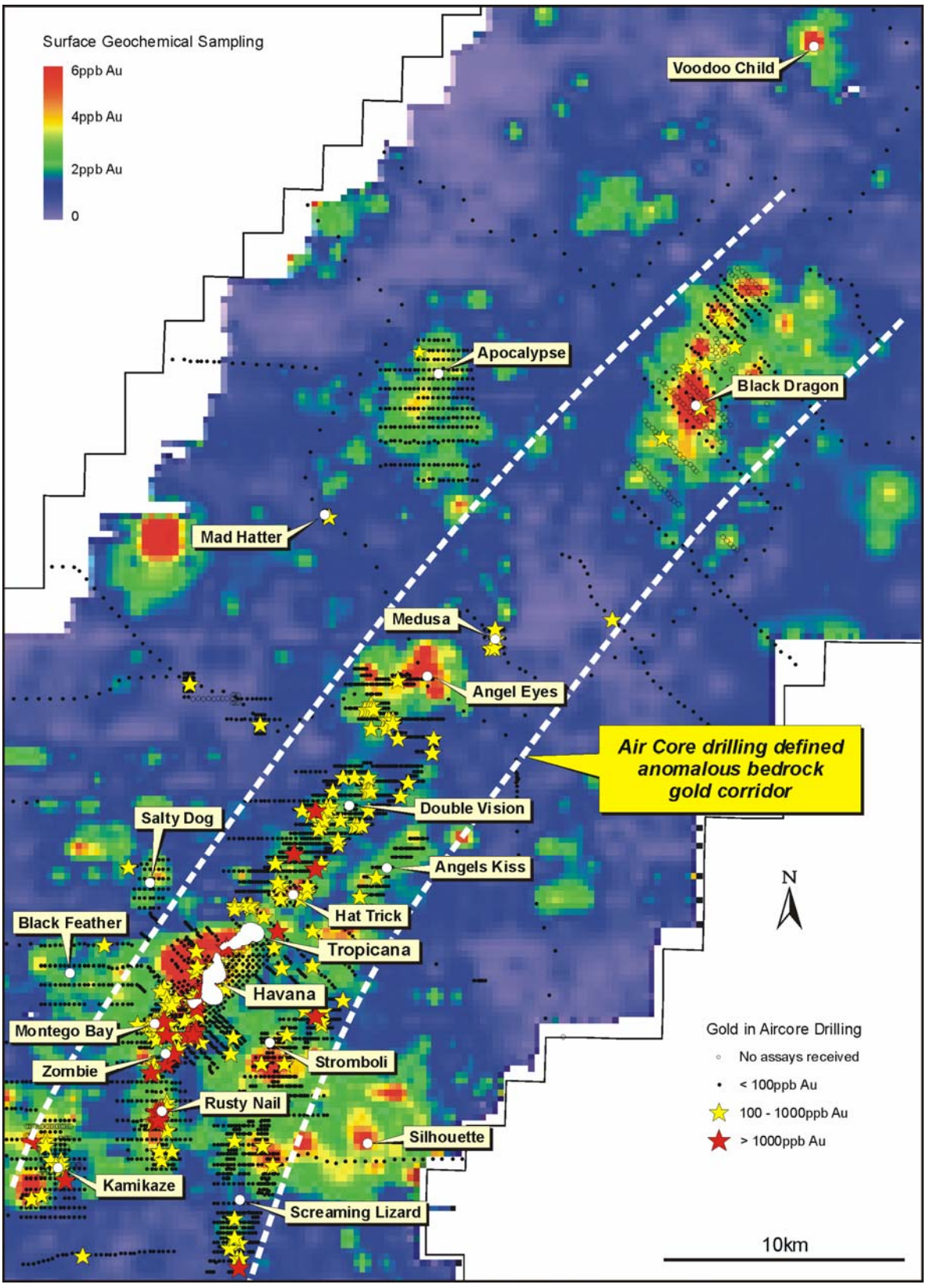


Figure 6: Tropicana JV – Aircore Drilling Defined Anomalous Bedrock Gold Corridor and Significant Intercepts Over Regional Geochemical Image, North and South of the Tropicana Prospect Gold Resource

Proposed December Quarter Exploration Programs

Pre-feasibility Study

Pre-feasibility Study activities are currently focused on:

- Updated resource estimation

- Economic optimisation studies
- Reviewing and costing of alternative power sources
- Continued stakeholder liaison

Regional Exploration

Regional exploration will be focussed on locating additional open pittable mineralisation within economic trucking distance of the proposed Tropicana plant site.

Programs during the next quarter will include:

- Surface sampling over the target zone between Tropicana Group 1 and Tropicana West to tighten up the sample spacing around the resource and infill target areas
- Aircore drilling at Tropicana Group 1 and Group 4 and Tropicana West
- RC drilling at Black Dragon, Stromboli, Screaming Lizard, Crouching Tiger and Rusty Nail (**Figure 8)**

JV Background

The Tropicana project was generated by IGO geologists 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.

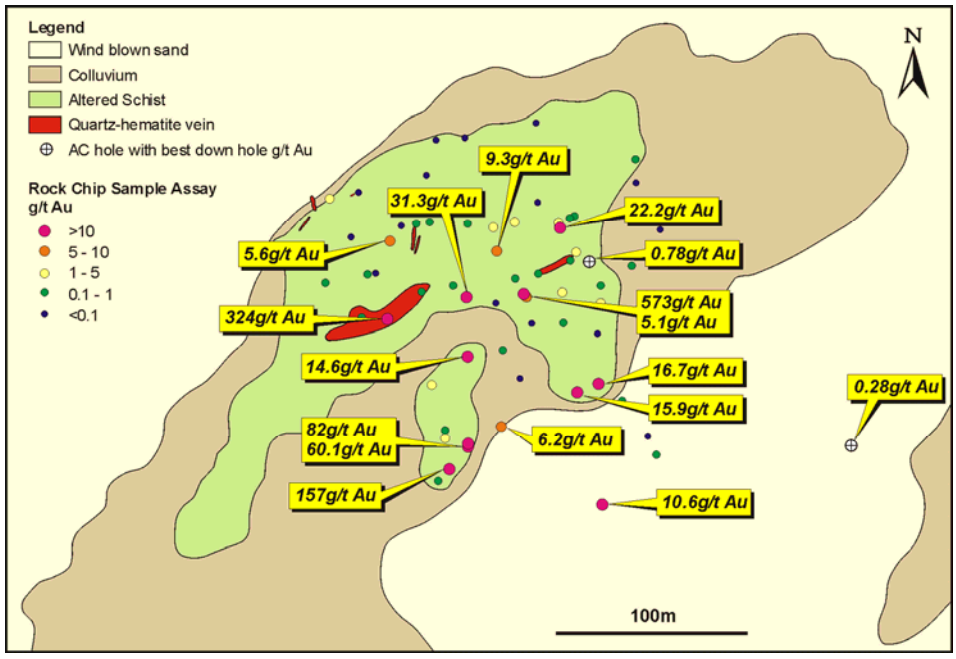


Figure 7: Tropicana JV – Significant Black Dragon Rock Chip Results

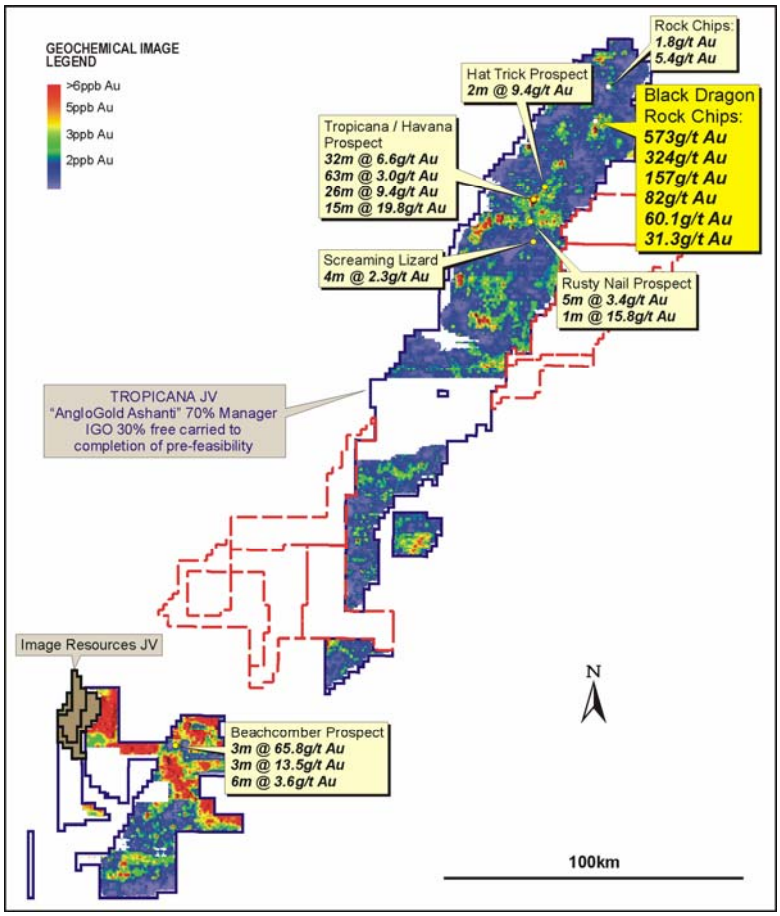


Figure 8: Tropicana JV – Tenure, Gold Geochemical Anomalies, Significant Drill Intercepts and Rock Chip Results, Tenement Groups and Prospect Locations

HOLLETON (IGO 90-100%)

The Holleton Project covers an area of 1,257 km^2 over the largely unexplored Holleton greenstone belt in the Southern Cross Province of the Archaean Yilgarn Craton.

Gibb Rock Prospect

Seven auger geochemical anomalies were generated in the Gibb Rock Prospect area in the March quarter approximately 10km south west of the old Holleton Mining Centre. The highest priority anomaly is Brahma which consists of a north east trending >150ppb Au anomaly (peak 7,470 ppb Au) which is continuous over a strike length of 2.5km and a width of 200m (**Figure 9**).

Over the past two quarters first pass and follow-up aircore programs totalling 12,708m for 449 holes have tested each of the anomalies. Assay results have been returned for all first pass holes including some 1m re-splits. Results for the follow-up holes have not been received in full to date. Brahma and Barnveldor are the standout prospects with mineralisation being intercepted in weathered bedrock material in both, including:

Brahma

- 14m @ 0.72 g/t Au (incl 1m @ 4.25 g/t Au) from 13m
- 5m @ 0.94 g/t Au from 15m
- 3m @ 1.46 g/t Au from 13m

Barnveldor

- 5m @ 1.39 g/t Au from 38m

On the basis of these results, a small diamond drilling program commenced late in the quarter to obtain information on mineralisation style and structural

controls prior to planning a more extensive RC follow-up program. No assays have been received from the diamond drilling to date.

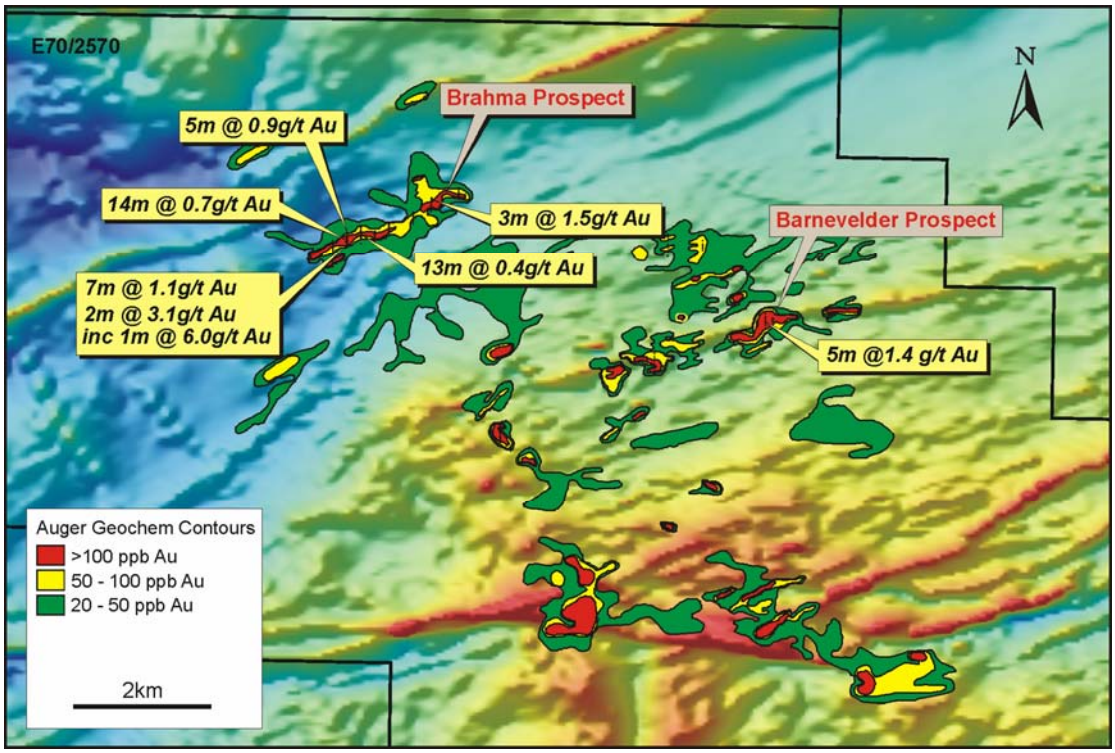


Figure 9: Holleton – Gibb Rock Prospect Aircore Traverse Locations, Significant Aircore Results and Auger Geochemical Anomalies Over Magnetics

KARLAWINDA (IGO 100% BHPB – CLAWBACK RIGHTS)

The Karlawinda Project is located within the Pilbara Craton some 65km south-east of Newman, close to road and gas pipeline infrastructure.

Limited drilling by BHP Billiton (then WMC) defined gold mineralisation (including 7m @ 4.6 g/t and 6m @ 4.5 g/t Au) over an area of 600m x 400m at the Frankopan Prospect and is open in all directions. Host lithologies together with mineralisation and alteration style suggest good potential for the delineation of a significant Archaean mesothermal lode gold system.

Last quarter it was reported that three holes (KBD19-KBD21) were drilled to verify BHP Billiton mineralisation and a fourth hole (KBD22) was drilled 300m to the north-west of known mineralisation to provide information on strike direction. Final assay results for all four holes were received during the quarter. The results correlate well with previous nearby intercepts and in the case of KBD22 confirm that the mineralised system does continue to the north-west for at least a further 300m.

A second phase diamond drilling program commenced in September comprising three holes designed to test for strike extensions to the north-west (KBD23) and south-east (KBD24) and down dip extensions to the south-west (KBD25). At the time of writing KBD 23 and 24 had been completed with both holes exhibiting multiple zones of pyrite alteration and quartz veining similar to that observed in the mineralised zone of earlier holes at Frankopan. Assay results are expected in November.

COOMBERDALE (IGO 100%)

Coomberdale is located within freehold farm land approximately 180km north of Perth and covers a shallowly covered and largely unexplored greenstone belt with an interpreted strike length of up to 40kms.

Previous drilling by IGO has delineated a north-west trending gold anomalous corridor over a strike length of 10km.

No further work is possible on the project until the end of the harvest in early 2009 when follow-up aircore and RC drilling is planned.

COBAR
(IGO 100%)

The Prince William prospect was identified during regional surface geochemical sampling and subsequent RAB drilling and comprises wide-spread low level gold mineralisation (100 – 300ppb) associated with pyrite altered felsic volcanic rocks. An IP survey completed last quarter identified a number of chargeability anomalies potentially representing disseminated sulphides. During the quarter an RC program testing the anomalies intersected sulphidic carbonaceous shales above the targeted pyritic felsic volcanic unit. The carbonaceous shale is considered to be the source of the IP anomalism.

A best intercept of 5m @ 0.29 g/t Au within the felsic volcanic has downgraded the prospect. A final decision will be made once the results of a petrographic analysis have been received.

REGIONAL NICKEL EXPLORATION

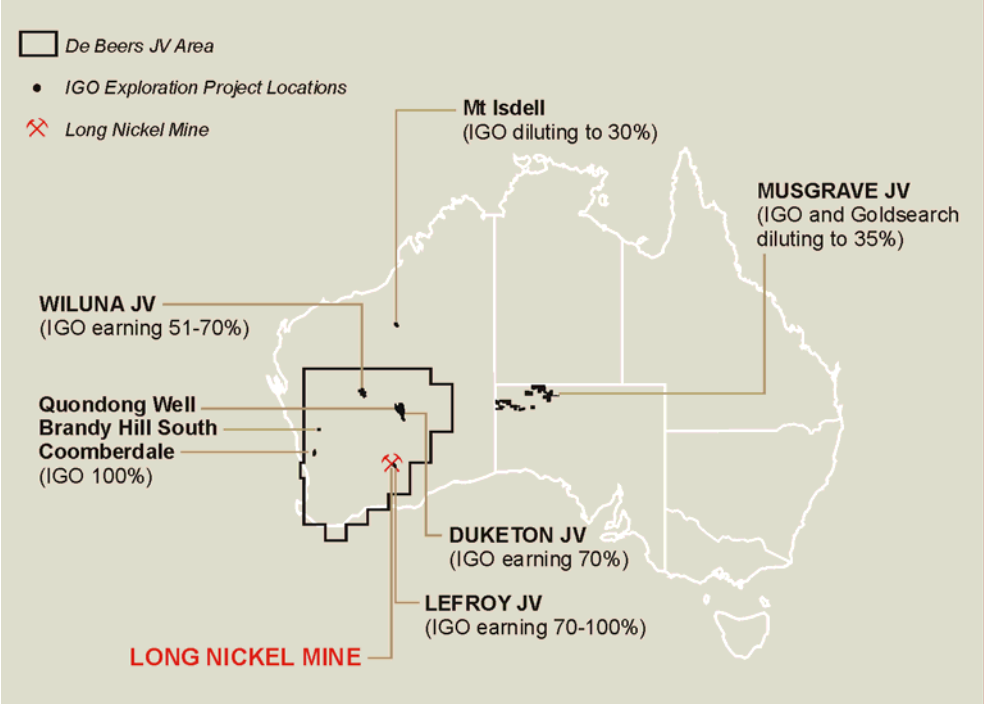


Figure 10: IGO Nickel Project Locations

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

The Duketon Nickel JV covers approximately 60km of strike of ultramafic rich stratigraphy in the Duketon Greenstone Belt. The majority of work during the quarter focused on the Bulge area, a thickened package of ultramafic stratigraphy on the western flank of the project.

An RC drill program testing the extent of disseminated nickel sulphide mineralisation associated with the Bulge ultramafic was completed during the quarter. A total of 55 holes for 7,722 metres were completed as illustrated in **Figure 11**.

Better results from this program include:

- **5m** @ **1.14% Ni** (0.20% Cu + 0.91g/t Pt+Pd) from 127m in TBRC020 incl. 1m @ 2.25% Ni
- **22m** @ **0.70% Ni** (0.30% Cu, 0.98g/t Pt+Pd) from 68m in TBRC019
- **12m** @ **0.76% Ni** from 172m in TBRC021 incl. 1m @ 1.57% Ni
- **4m** @ **0.77% Ni** from 90m in TBRC067
- **1m** @ **2.11% Ni** from 279m in TBRC066
- **7m** @ **0.59% Ni** (110m) TBRC018,

The most encouraging results to date come from the C2 Area in the north-west portion of the Bulge where semi-continuous mineralisation has been defined over at least 700m of strike extending approximately 200m below the surface where it remains open down dip.

In addition to the mineralisation at C2, 7 further RC holes returned values greater than 0.5% Ni with elevated Cu and Pt+Pd. One of these holes (TBRC034) returned 16m @ 1.1g/t Pt+Pd.

As a result of this and previous drilling programs at the Bulge, mineralisation grading in excess of 0.5% with elevated Cu, Pt+Pd has now been intercepted over a total strike length of over 2kms and 200m down dip where it remains open. Importantly grades of up to 2.25% Ni and greater than 1g/t Pt+Pd have been intersected, providing support that discrete higher grade zones may be present.

Mineralisation is present on or near both the western and eastern ultramafic contacts, and also about 60m off the western contact within the ultramafic unit.

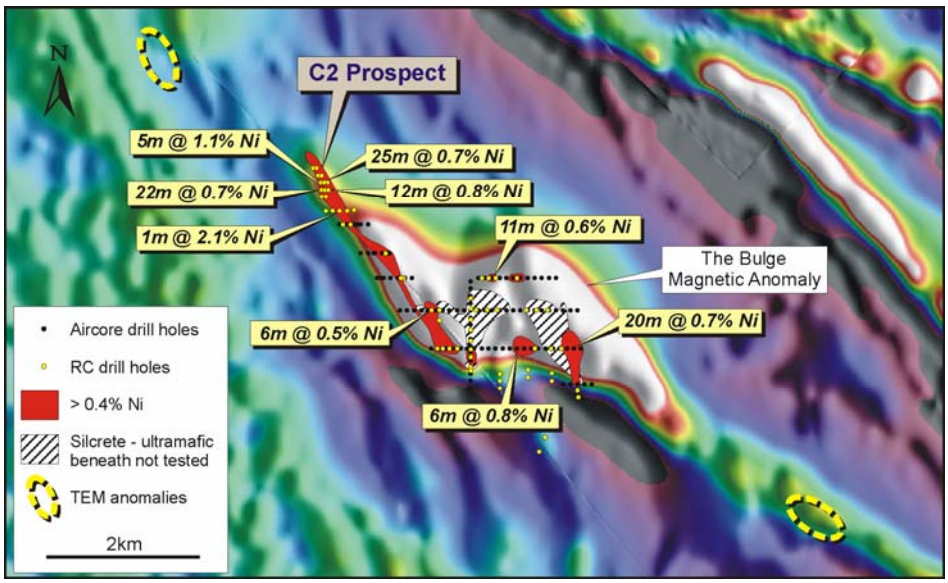


Figure 11: Duketon JV – Bulge C2 Prospect Magnetic Anomaly, Significant RC and AC Drill Results, > 0.4% Ni Anomalism and TEM Anomalies Over Aeromagnetic Image

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 the 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, Leinster, Cosmos and Honeymoon Well.

The JV tenure covers approximately 40kms of strike of the ultramafic trend immediately north of Honeymoon Well and the Wedgetail Deposit.

A number of prospect areas are currently being evaluated.

Lake Way

The Lake Way Prospect comprises approximately 9 strike kilometres of prospective ultramafic stratigraphy immediately north-west of the Wedgetail deposit. The prospect has not previously been systematically tested as conventional TEM techniques are ineffective in areas covered by conductive saline lake sediments. A TEM survey incorporating a sensitive Cesium Vapour sensor capable of "seeing" beneath the conductive surficial material commenced in October.

Hayes

Two TEM targets at Hayes Prospect were tested by 3 RC holes during the quarter. None of the holes intersected an obvious conductor. Similarly down-hole EM, which was only possible in two holes due to caving in the third, did

not locate any significant conductor. It is planned to complete a fixed loop EM survey over the original Moving Loop EM conductors in an attempt to improve the resolution of the conductors for a follow-up drill test if warranted.

Prodo South Prospect

At Prodo South disseminated nickel sulphide (130m @ 0.6% Ni) was intersected in a drill-hole (PDW-028) completed in 1971 beneath thin Proterozoic cover.

An RC hole drilled during the quarter to confirm this historic intersection did not encounter any nickel sulphide mineralisation and no further work is planned.

LAKE LEFROY JV'S (IGO EARNING 70% -100% NICKEL SULPHIDE RIGHTS)

SQUID EM testing of ultramafic stratigraphy obscured by conductive lake sediments was undertaken in the Gladiator JV tenements over the Lisa's Dune target area. Testing of this area is now approximately xx% complete and will recommence when Anglo American make the SQUID sensor available again, likely to be in the December quarter.

Work to date has defined a number of very large conductors which because of their size are thought to most likely represent conductive metasediments. However the possibility that they represent large nickel sulphide systems cannot be discounted and a drill program to test this possibility will be planned once the first pass and infill SQUID surveying has been completed.

RIVERINA JV (IGO EARNING UP TO 70% NICKEL SULPHIDE RIGHTS)

A TEM survey completed over the final target area in August did not locate any conductors with a signature consistent with nickel sulphide mineralisation.

IGO withdrew from the Riverina JV during the quarter.

RAVENSTHORPE JV (IGO EARNING 51% - EXCLUDING NICKEL LATERITE AND IRON)

Field checking and sampling of five Airborne EM and geochemical target areas within the Gap prospect area did not locate targets that warranted drill testing.

As these were the last remaining priority target areas to be tested by IGO a decision was made to withdraw from the Joint Venture on 14th October 2008.

MUSGRAVE JV (IGO 51%/GOLDSEARCH 49% BHP BILLITON EARNING 65%)

IGO is managing exploration on the Musgrave Joint Venture, which comprises tenements and applications covering approximately 18,000km^2 of the South Australian portion of the Musgrave block. Most of the project area is held under Aboriginal Freehold tenure and as a result has only been subject to cursory exploration in the past.

The principal target is Ni-PGE-Co mineralisation associated with the feeder conduits and dykes forming part of the extensive mafic-ultramafic Giles Complex. Further to the west, Giles Complex intrusives host BHP Billiton's Nebo and Babel nickel sulphide discoveries.

Two tenements (from a total of 13 applications) have been granted to date. One of the granted tenements contains the Tuckerbox Prospect, a nickel sulphide occurrence identified and partially tested by platinum explorers in the 1970's.

Seven priority areas have been defined on basis of aeromagnetics, Landsat, radiometrics and limited surface geological information.

During the quarter regional broad-spaced soil sampling (500m x 1000m) was completed over six of the areas and assay results were received. Gravity surveying has been completed over all seven areas to assist in delineation of the prospective mafic intrusives.

A statistical analysis of geochemical results has identified four "highly anomalous" samples and a further 29 "anomalous samples". All highly anomalous samples and 8 of the anomalous samples are associated with the mafic intrusion hosting the Tuckerbox occurrence.

Infill geochemical sampling of anomalous areas has commenced and preparations are being made to commence an EM program that will assist in delineation of drill targets.

Progress is being made towards grant of additional tenements with a "consent to negotiate" being given for 5 of the remaining applications.

MT ISDELL JV (TECK COMINCO EARNING 51-70%)

IGO has signed an option agreement with Teck Cominco Australia Pty Ltd ("Teck Cominco"), a subsidiary of Teck-Cominco Limited, whereby Teck Cominco has an exclusive option to earn 51% of the Mt Isdell Project by spending $2.1 million within 3 years. Teck Cominco then has the option to earn an additional 19% by spending a further $3 million.

The Mt Isdell Project covers over 400 square kilometres and is located 35km south of the 26M ounce Telfer gold resource and 80km south-east of the Nifty Copper Mine. Reconnaissance and infill lag sampling by IGO has delineated a 5km x 5km area of high order zinc, lead, copper, cobalt and gold anomalism.

Teck-Cominco is planning a drill program to test these targets which to take place in H1 2009.

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:	Ravensthorpe:	All priority targets tested. Withdrawn from JV
	Riverina:	Ni-Cu sulphide drill intersections not likely to lead to an economic deposit. Withdrawn from JV
	Quondong Well:	RC test of EM targets intersected barren sulphides. JV partner sought to test gold and disseminated base metals potential
BASE METAL/GOLD PROJECTS:	Brandy Hill:	JV partner being sought to test Cu, Au, PGE and Ag potential (including intersection of 6m @ 1.7% Cu, 0.43 g/t Au, 28.17 g/t Ag and 202ppm Pt+Pd)
	Dalwallinu:	JV partner being sought to test targets in the Pithara gold mineralised corridor and continue exploration on regional tenure. Discussions have commenced with interested parties

DECEMBER QUARTER EXPLORATION PROGRAM

REGIONAL NICKEL EXPLORATION	Duketon:	Planning of follow-up programs testing mineralisation at the Bulge
	Wiluna:	Fixed Loop EM survey over the Hayes TEM targets. TEM testing of the Lake Way prospect
	Musgrave:	Infill surface geochemistry and TEM testing of Tuckerbox Prospect and peripheral target areas
	Lefroy:	SQUID surveying on IGO 100% and Gladiator and Yamarna JV's tenure. Drill-hole targeting of large conductors at Lisa's Dune Prospect
REGIONAL GOLD EXPLORATION	Tropicana:	Continuation of Pre-feasibility Study over Tropicana and Havana Zones and on-going exploration of regional targets including RC follow-up of Black Dragon high grade rock chips
	Karlawinda:	Diamond drill testing for extensions to Frankopan Prospect
	Holleton:	Follow-up drill testing of targets in the Gibb Rock area

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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.

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