INDEPENDENCE GROUP NL

QUARTERLY REPORT FOR THE THREE MONTHS ENDED 30 JUNE 2008

GROUP HIGHLIGHTS

- **Quarter NPAT – $5.0 million** (Mar $9.2 million).
- **2007/8 NPAT - $51.9 million (unaudited). NPAT is subject to audit and possible nickel price adjustments.**
- **$150.1 million cash and net receivables (unaudited)** (Mar $161.6 million).
- **Estimated fully diluted EPS for 2007/8 – 44 cents** (2006/7: 90 cents).
- **2007/8 final dividend to be announced after audit is completed.**

OPERATIONS HIGHLIGHTS

- **Production** – **63,590t @ 3.2% Ni for 2,041 Ni t** (Budget 59,692t @ 3.8% for 2,253 Ni t). **Production for 2007/8 was 255,988t @ 3.6% Ni for 9,275 Ni t** (Budget 235,227t @ 3.8% for 9,000 Ni t). The mine has not been affected by the Western Australian power shortages or the temporary closure of the Kalgoorlie Nickel Smelter.
- **Cash costs** – **A$4.88/lb** payable nickel (Budget A$4.32). **Cash costs for 2007/8 were $4.12/lb payable nickel** (Budget A$4.55).
- **Exploration** – **Infill and extensional drilling to test the new 07 Shoot north of Long intersected 3.5m @ 5.6%, 5.0m @ 4.5% and 3.2m @ 6.9% Ni (true widths). The Shoot remains open.**
- **Exploration** – **McLeay Shoot 3 extensional drilling intersected 5.0m @ 6.9% and 4.0m @ 11% Ni extending the Shoot to 450m in plunge length and 60m in dip extent. Both intercepts are true width and Shoot 3 remains open to the south.**
- **Exploration** – High resolution 3D surface seismic survey completed over the Long and Gibb-McLeay lava channels. Results are awaited.

EXPLORATION HIGHLIGHTS

GOLD

- Tropicana JV
  - Pre-feasibility Study is progressing but results of the study are now expected to be announced in the March 2009 quarter.
  - 25m x 25m drilling to convert resources to reserves nearing completion.
  - **New intercepts outside the November 2007 resource model which are expected to add to resources include:**

    34m @ 3.1 g/t, 7m @ 11.4 g/t, 18m @ 3.5 g/t, 22m @ 3.6 g/t, 12m @ 4.9 g/t, 9m @ 5.6 g/t and 18m @ 3.0 g/t Au.
  - **New infill drilling intercepts within the November 2007 resource model outline include:**

    51m @ 3.5 g/t, 25m @ 7.5 g/t, 18m @ 5.2 g/t, 20m @ 4.4 g/t, 23m @ 5.2 g/t, 25m @ 4.8 g/t, 21m @ 7.5 g/t, 18m @ 6.5 g/t, 16m @ 8.2 g/t and 22m @ 4.9 g/t Au.
- Karlawinda
  - Visible gold noted in drill-core from diamond drilling. Results are awaited.

NICKEL

- Duketon JV
  - Disseminated magmatic sulphides intersected. Results are awaited.
- Wiluna JV
  - Two strong TEM conductors identified at the Hayes Prospect.
- Mt Isdell JV
  - Agreement signed with Teck Cominco to farm into the project.

CORPORATE

DIVIDENDS

The final dividend for 2007/8 will be announced during the next quarter.

PRELIMINARY FINANCIAL RESULTS

Preliminary final results are due to be announced to ASX by 29 August.

PROFIT

The estimated and unaudited NPAT for the quarter is $5.0 million (YTD $51.9 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$22,408/t and are subject to possible audit adjustments.**

ISSUED CAPITAL - CURRENT

116,970,457 ordinary shares and 1,747,500 unlisted options.

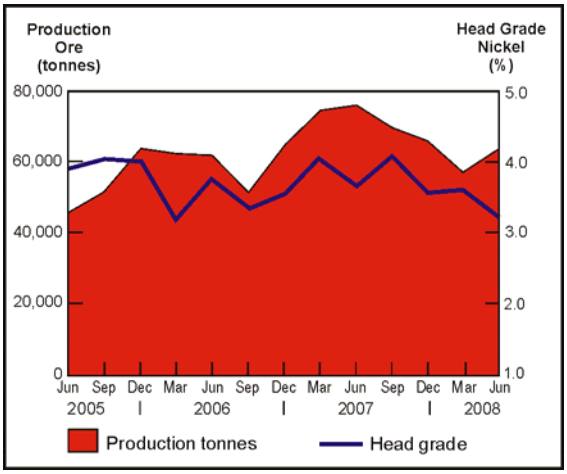
CASH AND DEBT

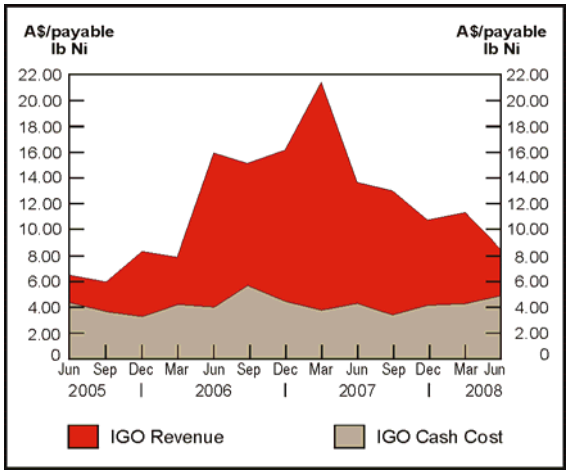
CASH RESERVES

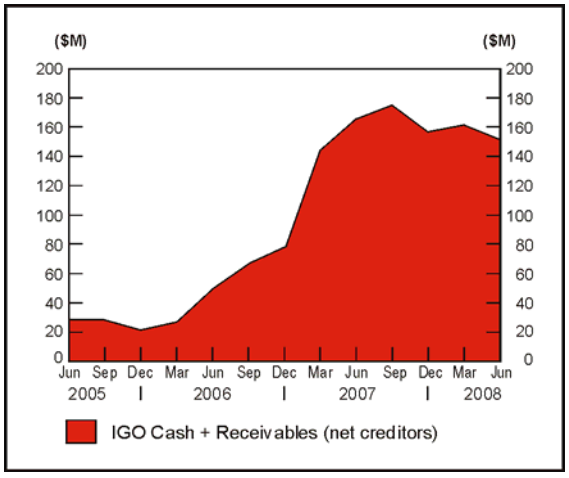
- $145.4 million cash (Mar $142.4M).
- $4.7 million nickel revenue in receivables net of creditors (Mar $19.2M).
- Total cash and net receivables were $150.1 million at the end of the quarter.
- **Unhedged receivables have been valued using AU$22,408/t Ni.**

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

- $8.9 million on Long and regional exploration, including contributions to the Tropicana JV Fast Track feasibility program.
- $7.6 million income tax payments.







DEBT AT END OF THE QUARTER

The Company owed $0.6 million at the end of the quarter for leased mining equipment (Mar $1.0M).

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.

2007/8 EXPLORATION EXPENDITURE

$6.1 million exploration expenditure was incurred during the quarter (Mar $6.7 million).

HEDGING

Hedged nickel metal remaining at the date of this report was 2,400t at A$18,489/t, which is scheduled to be delivered at 200 tonnes per month during 2008/9.

INVESTMENTS

SOUTHSTAR DIAMONDS LIMITED (IGO 50%)

The decision was made during the quarter to proceed to a voluntary winding up of the company.

MATRIX METALS LIMITED (IGO 17.7%)

IGO has 128.9 million Matrix shares which were valued at $7.1 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 $2.4 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 **3.08**, having incurred one LTI during the quarter.

PRODUCTION

Production for the quarter was 63,590t at 3.21% Ni for 2,041 tonnes of contained nickel, which was mined by the following methods:

Jumbo Stoping	16,942	t @	3.3%	Ni for	558	Ni t
Long-hole	11,745	t @	3.1%	Ni for	363	Ni t
Hand-held	8,056	t @	3.0%	Ni for	241	Ni t
Jumbo Development	26,847	t @	3.3%	Ni for	879	Ni t
TOTAL	63,590	t @	3.2%	Ni for	2,041	Ni t

Production was from the following areas within the mine:

Long	24,991	t @	3.2%	Ni for	793	Ni t
McLeay	23,377	t @	2.7%	Ni for	642	Ni t
Victor South	15,222	t @	4.0%	Ni for	606	Ni t
TOTAL	63,590	t @	3.2%	Ni for	2,041	Ni t

The budget for the quarter was 59,692t @ 3.77% Ni for 2,253 tonnes of contained metal. Production was slightly less than budgeted for the following reasons:

:

- Head grade lower than budget grade.
- Difficulties in long-hole mining in 16/3-2 Nth block, which is now completed.
- Less ore tonnes delivered by hand held mining than budgeted for the quarter.

Financial year production achieved 9,275 tonnes of contained nickel versus budget of 9,000 tonnes. Overall this represents a 3% above budget performance.

The mine has not been affected by the Western Australian power shortages or the temporary closure of the Kalgoorlie Nickel Smelter.

Metal during the quarter was produced at a cash cost of A$4.88/lb payable nickel, versus a year to date average costs of $4.12/lb. The quarter's cash costs reflect slightly higher operating costs (<1%) and reduced metal due to lower grade.

Highlights in the June quarter included:

- Continued drilling of new Long North region
- Commencement of a southern exploration drill drive targeting Long South EM plates from Victor South
- Ongoing mineralisation in McLeay
- Ongoing development and stoping of McLeay Shoot 1
- Mining of Shoot 4 in Victor South

DEVELOPMENT

CAPITAL DEVELOPMENT

- A total of 323 metres of capital development was mined during the quarter. Areas targeted were the McLeay Decline and the Long South Exploration drill drive.

NORMAL DEVELOPMENT

- McLeay - Production development focused on the 520mRL, 540mRL, and the 545mRL. A total of 186 metres of advancement was achieved.
- Victor South – 148 metres of mining was completed in the 505mRL and 445mRL stopes.
- Long – 164 metres of production development occurred in Long, which included 48m development in ore. Areas targeted during the quarter included the 16 Sub, 16/5 and Rhondo ore blocks.

FOCUS FOR 2008/9 MINING ACTIVITIES

The focus for the next financial year is as follows:

- Ongoing commitment to education & training to ensure a safe workplace for all employees
- Mine around 230,000 – 250,000 ore tonnes
- To deliver around 8,400 – 8,800 contained nickel tonnes
- Remain focused on costs and grade to continue being a low cost, high-grade producer of nickel

EXPLORATION

Long North 07 Shoot

Definition and extensional drilling from the new 13/7 footwall drill drive commenced during the quarter. A total of 19 holes for 2,699m were completed.

The new drilling platform enabled drilling of the 07 Shoot at more favourable angles. Results obtained during the quarter confirmed the thickness and grade of the mineralisation. The mineralised surface remains open in all directions, but is intruded by both contact-parallel and cross-cutting porphyry dykes similar to those present in the main Long ore body. Holes that failed to intersect mineralisation had been stoped out by porphyry.

The ongoing drilling program is designed to test up-dip and down-dip extensions of the 07 Shoot. The northernmost 07 Shoot intersection is 150m to the south of an historical WMC intercept (LG14-37 with 2.09m @ 1.2% Ni). The 13/7 drill drive will be extended a further 100m during the September quarter to enable extensional drilling to the north.

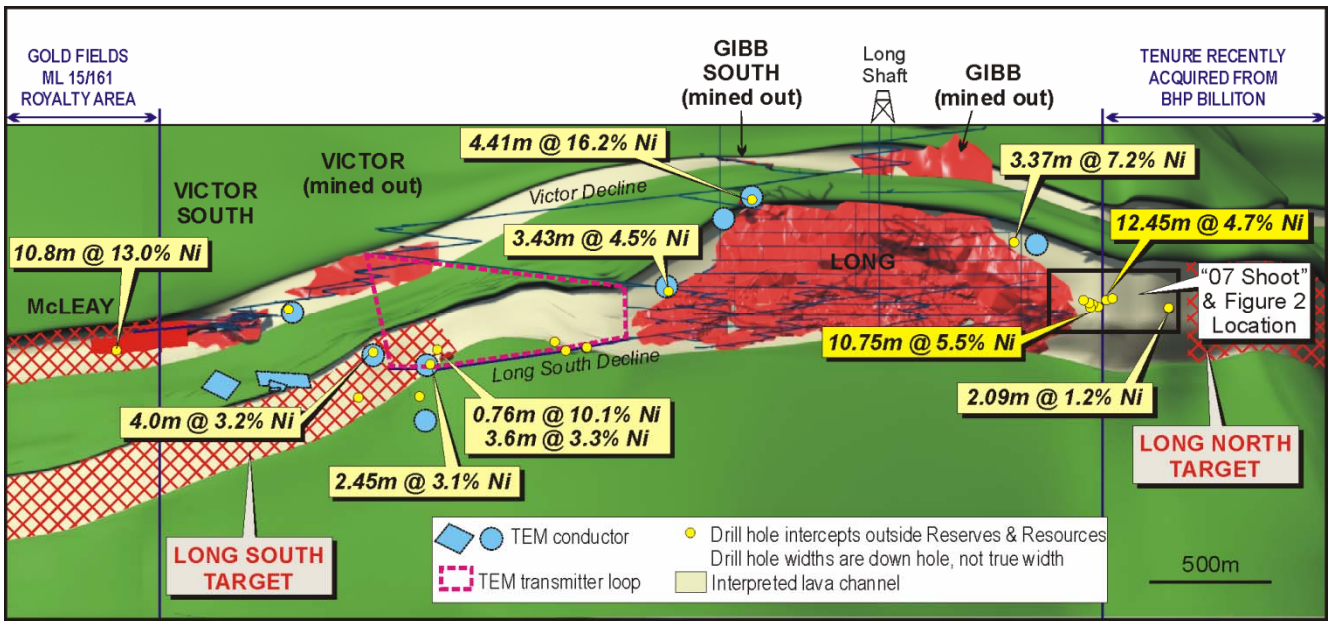


Figure 1: Long Nickel Mine – Longitudinal Section Showing New 07 Shoot, TEM Anomaly (Detail Figure 2), Long South TEM Anomaly Location, Lava Channels, and Significant Intercepts Outside Current Resources

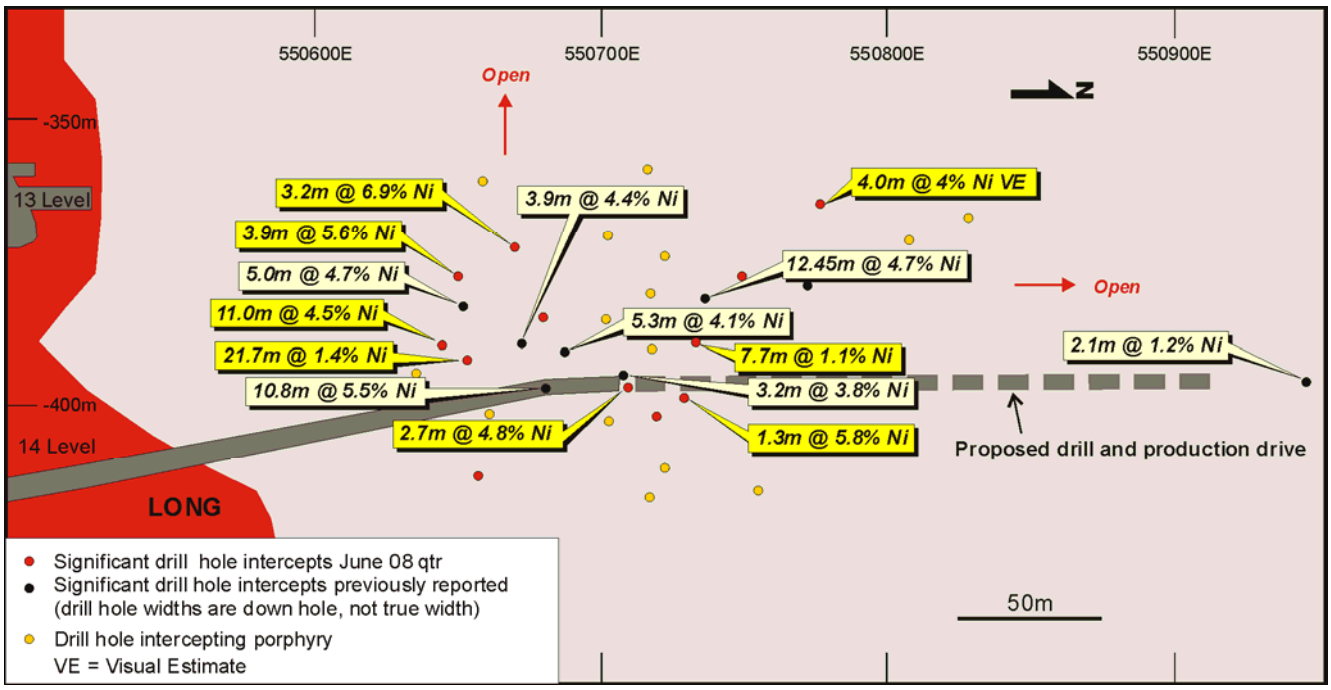


Figure 2: Long Nickel Mine – 07 Shoot Longitudinal Section Showing Drill Drive Proposed Extension and Recent Drill Intercepts

Table 1: Long North 07 Shoot – Significant New Intercepts Outside Reserves

Hole No.	Northing (m)	Easting (m)	RL (m)	Azimuth (degr)	Dip (degr)	EOH (m)	From (m)	To (m)	Width (m)	True Width (m)	Ni%
LG137-008	550702	374061	-392	48	27	128.6	81.72	84.67	2.95	2.9	4.2
LG137-010	550702	374061	-392	59	-5	104.5	66.95	68.45	1.5	1.5	5.8
LG137-012	550702	374061	-392	113	29	136.2	107.9	111.1	3.2	3.2	6.9
LG137-013	550702	374061	-392	105	16	119.4	83.73	84.63	0.9	0.9	5.1
LG137-015	550702	374061	-392	118	20	146.4	110.4	114.32	3.92	3.5	5.6
LG137-018	550702	374061	-392	123	7	141.7	107.8	118.8	11.0	5.0	4.5
LG13-027	*550702*	*374061*	*-392*	*140*	*36*	*48*			*4*		*4VE*
LG13-070	550600	374144	-365	350	-14	160.5	112.6	115.3	2.7	2.7	4.8

VE = Visual Estimate (assays awaited)

McLeay Extensional Drilling

The program of infill and extensional drilling from the McLeay 460 drill drive continued during the quarter, with 60 holes for 8,930m completed. The focus of the program was improved definition of McLeay Shoots 1 and 3.

Shoot 1

The latest phase of drilling indicates that the McLeay Shoot 1 basal contact is steepening and displaced to the east in this southern area. Assay results from previous drilling have returned better grade and thickness than initial visual estimates, due to higher than expected nickel tenor in stringer sulphides remobilised into the hanging wall **(Figure 3).**

Down-hole TEM surveying to confirm the continuity of Shoot 1 beyond the 2007 Inferred Resource boundary is planned for the September quarter.

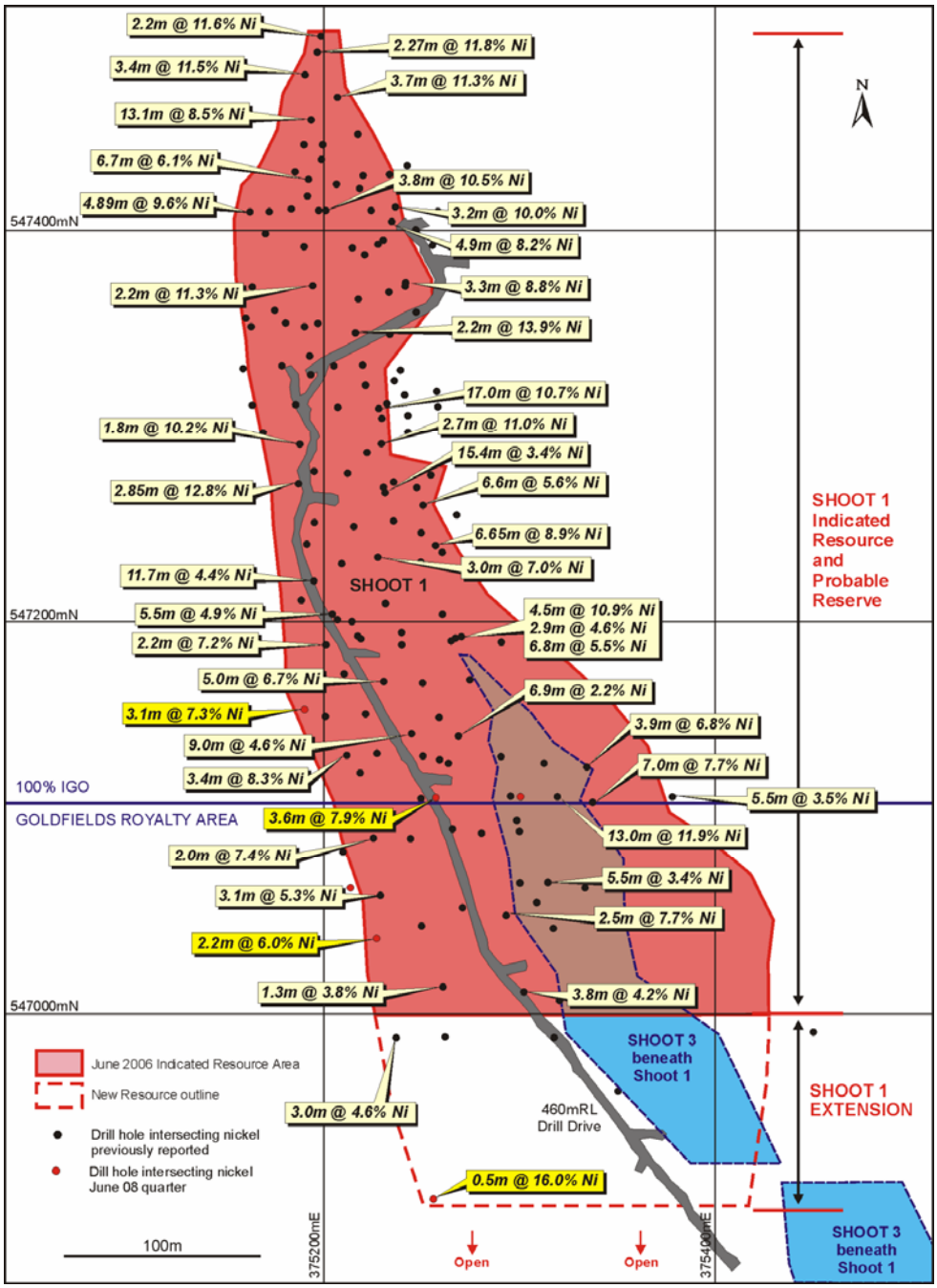


Figure 3: McLeay – Shoot 1 Plan Showing 460 Drill Drive, Significant Intercepts and Shoot 1 Outline

Table 2: McLeay Shoot 1 – Significant New Intercepts Outside Reserves

Hole No.	Northing (m)	Easting (m)	RL (m)	Dip (degr)	Azimuth (degr)	E.O.H (m)	From (m)	To (m)	Width (m)	TRUE Width (m)	Grade Ni%
MDU-372	547119	375262	-448	-70	101	141	80.87	84.11	3.24	3.2	3.7
MDU-373	547119	375262	-448	-59	101	133.9	109.7	115.2	5.5	5.5	3.4
MDU-375	547119	375262	-448	-39	95	181.1	148.65	154.15	5.5	3.0	3.5
MDU-376	547119	375262	-448	-78	195	101.8	72.9	76.55	3.65	3.0	7.9
MDU-383	547020	375288	-446	-47	242	119.7	87.03	90.03	3.0	2.5	4.6
MDU-390	546937	375353	-445	-38	252	152.5	131.25	131.75	0.5	0.5	16.0
MDU-408	547118	375248	-448	-32	197	119.7	93.32	95.52	2.2	2.2	6.0
MDU-418	547123	375251	-448	-36	302	112.6	77.7	80.8	3.1	3.0	7.3

Shoot 3

Drilling results obtained during the quarter have significantly altered the resource model for McLeay Shoot 3. The McLeay Shoot 3 model now has a 450m plunge extent and a 60m down-dip extent **(Figure 4).** The shoot remains open to the south, and the current model has been extended 210m to the south of the 2007 resource boundary.

Shoot 3 appears to be cut by a 20m thick porphyry dyke, which intersects the surface at 546900 North. To the south of this dyke, the ore thickness and grade increase. The best intersection was obtained in MDU-454 (6.4m @ 6.9% Ni from 154.5m).

Table 3: McLeay Shoot 3 – Significant New Intercepts Outside Reserves

Surface	Hole No.	Northing (m)	Easting (m)	RL (m)	Dip (deg)	Azimuth (deg)	E.O.H (m)	From (m)	To (m)	DH Width (m)	TRUE Width (m)	Grade
3	MDU-373	547119	375262	-448	-59	101	133.9	111.7	115.02	3.32	3.3	3.7
3	MDU-393	546938	375371	-446	-54	109	262.9	171.8	176.05	4.25	3.0	3.0
3	MDU-400	546875	375404	-445	-61	135	258.5	180.65	182.25	1.6	1.5	5.2
3	MDU-432	547182	375228	-50	-61	126	184.5	131.9	139.1	7.2	4.0	11.0
3	MDU-446	546936	375372	-444	-54	126	238.1	190	193.7	3.7	3.5	8.9
3	MDU-454	546937	375373	-446	-62	122	186	154.5	160.88	6.38	5.0	6.9

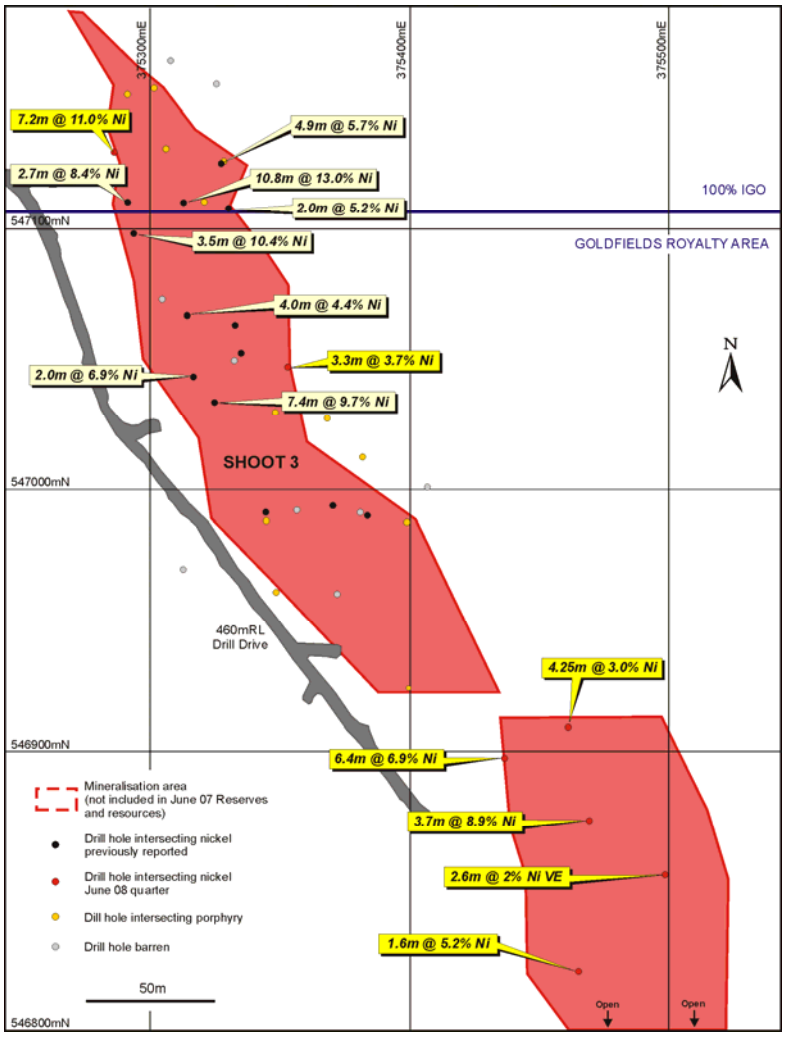


Figure 4: McLeay – Shoot 3 Plan Showing 460 Drill Drive and Recent Drill Intercepts

Long North to McLeay Seismic survey

The 3D seismic survey was completed during the June quarter, with 90% of the Long Victor Complex covered. Processing of the data has commenced, and initial images will be available in August 2008.

Long South Extension Drilling

Assay results were received for the intersection of high-tenor blebby and disseminated sulphide mineralisation at the primary (non-sheared) basalt ultramafic contact in hole LSU-144 reported in the March quarter.

This interval returned 4.8m @ 1.4% Ni, and lies down-dip from the strong conductor detected by DHTEM surveying in LSU-140 and LSU-144 **(Figures 1 and 5).** The LSU-144 intersection lies 480m south of the Long South 16/8 drill drive face within a linear trend that encompasses the previously reported intersections in LSU-099 (4m @ 3.2% Ni) and LSU-103 (0.7m @ 1.9% Ni).

In order to effectively test this high priority target, an extension to the Victor South decline is being developed as a drill platform. A total of 550m development was completed during the quarter and an additional 230m is planned. A drill program of 9 holes for 1,500m is planned to test the DHTEM targets during the September quarter **(Figure 5).**

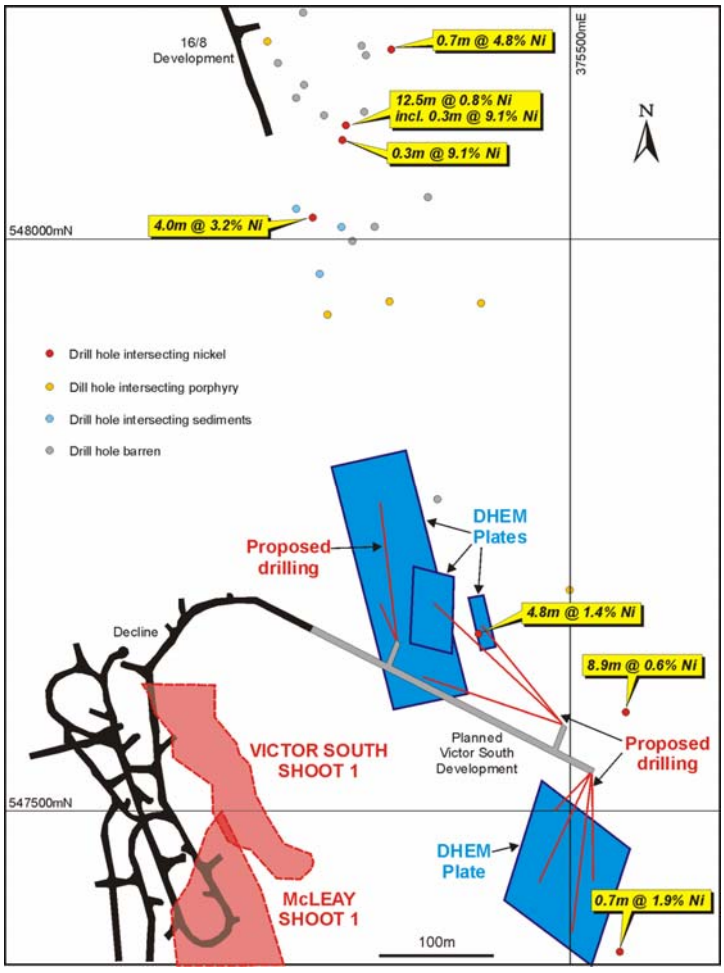


Figure 5: Plan Showing the Locations of Long South High Conductance TEM Plates and Proposed Drill Drive and Drill Holes in Relation to the 16-8 Long South Drill Drive, Victor South and McLeay Ore Bodies

LONG NICKEL MINE PRODUCTION SUMMARY

	Note	Jun '08 Quarter	2007/8 FY to Date	*Prev. Corresp. Quarter (Jun '07)*
Mining Reserve (Dry Tonnes)				
Start of Period		908,602	1,101,000	*923,544*
- ROM Production	1	(63,590)	(255,988)	*(75,986)*
End of Period		845,012	845,012	*847,558*
Production Details:				
Ore Mined (Dry Tonnes)	1	63,590	255,988	*75,986*
Ore Milled (Dry Tonnes)		63,590	255,988	*75,986*
Nickel Grade (Head %)		3.21	3.62	*3.67*
Copper Grade (Head %)		0.25	0.27	*0.27*
Metal in Ore Production (Tonnes)				
Nickel delivered	2	2,041	9,275	*2,790*
Copper delivered	2	156	697	*202*
Metal Payable IGO share (Tonnes)				
Nickel		1,216	5,570	*1,686*
Copper		63	282	*82*
Hedging				
Tonnes delivered into Hedge		600	2,400	*450*
Average Price (AU$/t)		18,063	17,670	*17,835*

Note 1. Production is sourced from both reserves/inventory and outside reserves.
Note 2. The Recovery Rate is fixed with WMC 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$'000's***
Sales Revenue (incl. hedging)		22,678	137,665	*51,105*
Cash Mining/Development Costs		(8,199)	(31,462)	*(8,722)*
Other Cash Costs	3	(4,892)	(19,132)	*(7,265)*
Depreciation/Amortisation/Rehabilitation		(2,282)	(9,028)	*(2,699)*
Total Unit Cost Summary		***A$/lb Total Metal Produced***	***A$/lb Total Metal Produced***	***A$/lb Total Metal Produced***
Cash Mining/Development Costs		1.82	1.54	*1.42*
Other Cash Costs	3	1.09	0.94	*1.18*
Depreciation/Amortisation/Rehabilitation		0.51	0.44	*0.44*
Revenue/Cost Summary		***A$/lb Payable Metal***	***A$/lb Payable Metal***	***A$/lb Payable Metal***
Sales Revenue (incl. hedging)	4	8.46	11.21	*13.75*
Cash Mining/Development Costs		3.06	2.56	*2.35*
Other Cash Costs	3	1.83	1.56	*1.95*
Depreciation/Amortisation/Rehabilitation		0.85	0.74	*0.73*

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	2	*0*
- Medically Treated IFR		95.4	79.0	*109.2*
- Nickel Productivity Rate	5	70.1	94.8	*95.4*

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

Development/Exploration Drilling	**Metres**	**Metres**	***Metres***
Development	0	76	*4,278*
Production	5,305	12,492	*3,054*
Exploration	8,279	26,947	*4,038*
	13,584	39,515	*11,370*

QUARTERLY REPORT FOR THE THREE MONTHS ENDED 30 JUNE 2008

REGIONAL GOLD EXPLORATION

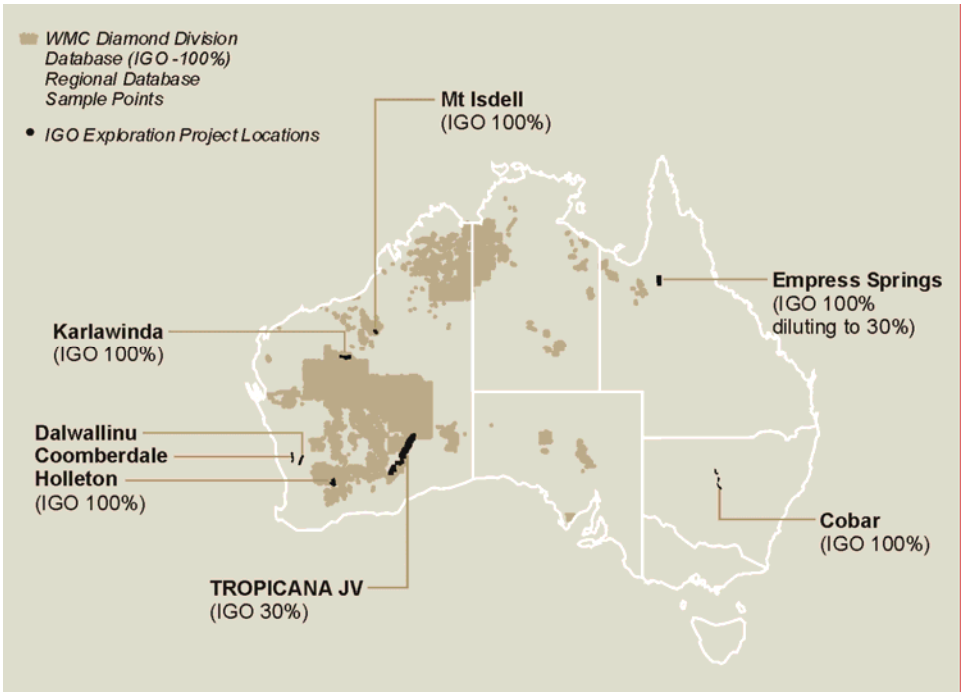


Figure 6: IGO Gold and Non-Nickel Base Metal Project Locations

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 November 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

- Tropicana and Havana high-grade zones remain open down-plunge.
- Infill resource drilling has identified **additional gold mineralisation outside the November 2007 resource model**, including:

Tropicana down-dip extensions	**Havana down-dip extensions**
34m @ 3.1 g/t Au from 274m	22m @ 3.6 g/t Au from 370m
22m @ 2.6 g/t Au from 275m	18m @ 3.0 g/t Au from 394m
7m @ 11.4 g/t Au from 327m	20m @ 2.7 g/t Au from 237m
18m @ 3.5g/t Au from 79m*	
Tropicana up-dip extensions	**Havana up-dip extensions**
7m @ 3.4 g/t Au from 19m	21m @ 2.0 g/t Au from 27m*
5m @ 3.5 g/t Au from 35m	9m @ 5.6 g/t Au from 29m*
	12m @ 4.9 g/t Au from 55m*
	2m @ 13.3 g/t Au from 3m*

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

Havana	Tropicana
16m @ 8.2 g/t Au from 36m*	23m @ 3.1 g/t Au from 30m
18m @ 6.5 g/t Au from 81m*	12m @ 6.4 g/t Au from 138m
21m @ 7.5 g/t Au from 34m	22m @ 4.9 g/t Au from 39m
25m @ 4.8 g/t Au from 45m	18m @ 3.5 g/t Au from 79m*
23m @ 5.2 g/t Au from 93m*	12m @ 6.5 g/t Au from 36m
20m @ 4.4 g/t Au from 137m	45m @ 2.3 g/t Au from 34m
25m @ 7.5 g/t Au from 55m*	
18m @ 5.2 g/t Au from 96m*	
51m @ 3.5 g/t Au from 108m*	

** These intercepts are not true width due to the necessity to drill some of the 25m x 25m infill holes from existing cleared drill pads.*

Tropicana Pre-feasibility Study

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

The parameters for the 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.

This additional work will delay the announcement of the results of the PFS, which is now expected to be in the March 2009 quarter.

Key activities for the quarter are summarised below.

Drilling

- Drilling of 40,077 metres occurred during the quarter.
- Fast Track 25m x 25m RC drilling over the proposed Tropicana and Havana starter pits was nearing completion at quarter's end. Results include a number of significant intercepts outside the November 2007 resource model outline (**Figure 7**). These results are likely to increase the existing Tropicana and Havana in pit resources.
- Drilling from within the November 2007 resource outline also resulted in a number of wide high-grade intercepts (**Figure 8**) which are yet to be incorporated in the resource model.
- All significant results are given in **Tables 4 - 7.** Holes with the prefix "TFRC" or "TFD" refer to 25m x 25m infill holes drilled as part of the Fast Track Budget.
- RC follow-up of the AC sterilisation drilling program for the proposed mill and tailings location was completed.

Mining

- A conceptual level study for underground mining opportunities is in progress to consider underground mining as an adjunct to the potential large-scale open pit mining operation.
- 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.
- Tailings storage facility (TSF) and Waste Dump 1 location - a number of designs for different configurations were prepared to

assist in selecting the optimal location for the TSF and the waste dump.

Metallurgy

- High pressure grinder roller test work continued.

Leasing

- All mining leases are granted and various key miscellaneous leases applied for.

Water

- Drilling has now demonstrated that an aquifer situated approximately 45km from Tropicana extends over an area of at least 30km x 30km providing a substantial water resource. Pump testing is ongoing, however results to date indicate the aquifer is of a size sufficient to sustain the envisaged operation.

Environmental

- Environmental baseline studies for the project have been substantially completed.

Stakeholder Engagement

- The project team has been actively engaging project stakeholders including state and local government, aboriginal custodians and NGOs. Discussions to date have generally been positive.

Table 4: Tropicana Prospect – Havana RC Drilling

Hole No.	Easting (m)	Northing (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H. (m)	From (m)	To (m)	Intercepts
TFRC206	649546	6761517	363	322	-66	90	18	23	5 m @ 6.7 g/t Au
							29	44	15 m @ 6.0 g/t Au
TFRC218	649510	6761622	362	319	-65	100	20	40	20 m @ 3.4 g/t Au
TFRC236	649688	6761588	367	315	-68	157	122	132	10 m @ 3.0 g/t Au
TFRC250	649546	6761836	361	319	-63	90	42	55	13 m @ 2.9 g/t Au
TFRC255	649546	6761872	361	324	-61	90	34	52	18 m @ 2.7 g/t Au
TFRC259	649545	6761906	361	319	-62	90	34	55	21 m @ 7.5 g/t Au
TFRC610	649953	6762701	348	317	-63	100	71	79	8 m @ 3.4 g/t Au
TFRC611	649989	6762665	349	320	-61	120	93	101	8 m @ 3.7 g/t Au
TFRC613	649847	6762737	347	321	-59	70	23	28	5m @ 3.7 g/t Au
TFRC614	649883	6762701	348	320	-63	60	23	45	22 m @ 2.5 g/t Au
TFRC615	649918	6762665	349	324	-65	80	47	63	16 m @ 2.2 g/t Au
TFRC619	649882	6762630	350	319	-61	70	30	39	9 m @ 4.4 g/t Au
TFRC620	649918	6762595	351	318	-60	80	45	60	15 m @ 3.7 g/t Au
TFRC629	649508	6761520	363	321	-61	70	32	55	23 m @ 2.9 g/t Au
TFRC651	649883	6762376	353	313	-70	180	96	105	9 m @ 9.3 g/t Au
							136	167	31 m @ 1.7 g/t Au
TFRC655	649847	6762345	353	320	-73	170	108	159	51 m @ 3.5 g/t Au
TFRC656	649812	6762310	355	321	-71	150	112	132	20 m @ 2.0 g/t Au
TFRC657	649838	6762282	356	319	-75	180	140	164	24 m @ 3.1 g/t Au
TFRC661A	649821	6762233	357	319	-66	170	136	154	18 m @ 2.5 g/t Au
TFRC662	649679	6762311	357	319	-82	80	55	67	12 m @ 4.9 g/t Au
TFRC665	649604	6762311	355	251	-89	55	27	38	12 m @ 3.3 g/t Au
TFRC667	649708	6762205	359	325	-76	120	86	108	22 m @ 2.4 g/t Au
TFRC672	649642	6762204	358	313	-78	80	62	69	7 m @ 6.8 g/t Au
TFRC677	649636	6762129	362	326	-75	110	81	99	18 m @ 6.5 g/t Au
TFRC681	649547	6762150	357	193	-89	70	36	52	16 m @ 8.2 g/t Au

Table 4: Tropicana Prospect – Havana RC Drilling (cont.)

Hole No.	Easting (m)	Northing (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H. (m)	From (m)	To (m)	Intercepts
TFRC682	649584	6762113	360	211	-88	100	51	84	33 m @ 2.8 g/t Au
TFRC687	649586	6762038	363	321	-76	120	55	80	25 m @ 7.5 g/t Au
TFRC688	649621	6762007	363	311	-73	132	96	114	18 m @ 5.2 g/t Au
TFRC692	649516	6762042	361	198	-89	60	27	48	21 m @ 2.0 g/t Au
TFRC693	649550	6762004	361	324	-80	75	34	64	30 m @ 3.2 g/t Au
							Incl. 44	*62*	*18 m @ 4.6 g/t Au*
TFRC694	649530	6761955	360	204	-88	60	29	38	9 m @ 5.6 g/t Au
TFRC695	649568	6761916	361	325	-77	90	47	70	23 m @ 2.8 g/t Au
TFRC696	649598	6761884	362	322	-75	110	90	99	9 m @ 3.5 g/t Au
TFRC697	649648	6761839	363	321	-67	150	45	70	25 m @ 4.8 g/t Au
							96	121	25 m @ 1.9 g/t Au
TFRC698	649688	6761801	364	317	-64	170	74	92	18 m @ 3.0 g/t Au
							137	150	13 m @ 2.8 g/t Au
TFRC699	649538	6761740	364	311	-82	96	31	39	8 m @ 4.5 g/t Au
							43	74	31 m @ 3.1 g/t Au
TFRC700	649601	6761675	364	314	-74	130	93	116	23 m @ 5.2 g/t Au
TFRC702	649708	6761496	366	323	-70	146	122	132	10 m @ 3.0 g/t Au
TFRC703	649744	6761459	367	321	-66	168	137	157	20 m @ 4.4 g/t Au
TFRC705	649640	6761426	365	261	-87	160	122	146	24 m @ 2.7 g/t Au
TFRC715	649371	6761335	360	338	-69	130	60	88	28 m @ 3.1 g/t Au
TFRC717	649391	6761257	360	327	-56	200	163	169	6 m @ 15.2 g/t Au
TFRC720	649284	6761282	357	331	-70	160	122	133	11 m @ 2.5 g/t Au
TFRC721	649140	6761357	355	155	-87	60	3	5	2 m @ 13.3 g/t Au
TFRC836	649527	6761853	361	320	-62	75	33	45	12 m @ 6.5 g/t Au
TFRC837	649564	6761817	362	318	-61	95	33	44	11 m @ 2.3 g/t Au
							49	72	23 m @ 2.7 g/t Au

Table 5: Tropicana Prospect – Havana Diamond Drilling

Hole No.	Easting (m)	Northing (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H. (m)	From (m)	To (m)	Intercepts
TFD016	649795	6761693	368	322	-64	240.6	206	224	18 m @ 2.4 g/t Au
TFD123	650165	6761818	360	320	-65	435.9	378	389	11 m @ 4.1 g/t Au
TFD124	650130	6761783	361	322	-63	425.3	370	392	22 m @ 3.6 g/t Au
							Incl. 370	*375*	*5 m @ 9.8 g/t Au*
TFD125	650093	6761678	362	319	-66	441.8	394	412	18 m @ 3.0 g/t Au
							Incl. 396	*407*	*11 m @ 4.4 g/t Au*
TFD152	649741	6761853	365	324	-67	204.8	180	187	7 m @ 4.3 g/t Au
TFD166	649946	6761327	369	328	-59	330.8	148	159	11 m @ 3.2 g/t Au
TFD168	649884	6761318	369	324	-69	283	237	257	20m @ 2.7 g/t Au
TFRC624D	649723	6761587	367	321	-61	208	129	159	30m @ 2.8 g/t Au
TFRC626D	649794	6761515	368	316	-60	234.7	149	159	10 m @ 3.0 g/t Au

Table 6: Tropicana Prospect – Tropicana RC Drilling

Hole No.	Easting (m)	Northing (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H. (m)	From (m)	To (m)	Intercepts
TFRC040	650660	6763408	343	321	-61	80	45	63	18 m @ 3.3 g/t Au
TFRC042	650694	6763373	342	315	-60	100	63	86	23 m @ 2.6 g/t Au
TFRC119	650837	6763656	341	318	-62	93	34	79	45 m @ 2.3 g/t Au
							Incl. 56	*78*	*22 m @ 3.0 g/t Au*
TFRC156	650943	6763761	340	322	-62	75	30	53	23 m @ 3.1 g/t Au
TFRC169	651013	6763761	340	325	-60	80	43	67	24 m @ 2.1 g/t Au
TFRC174	650997	6763814	340	325	-62	50	19	26	7 m @ 3.4 g/t Au
TFRC175	651013	6763831	340	322	-63	50	35	40	5 m @ 3.5 g/t Au
TFRC568	650130	6763089	346	320	-63	80	39	61	22 m @ 4.9 g/t Au
TFRC574	650199	6763160	345	321	-62	70	34	39	5 m @ 14.2 g/t Au
TFRC577	650375	6763124	345	315	-60	120	84	96	12 m @ 3.4 g/t Au
TFRC580D	650410	6763159	344	327	-61	144.7	80	102	22 m @ 2.8 g/t Au
TFRC583	650409	6763231	342	320	-60	70	36	48	12 m @ 6.5 g/t Au
TFRC641	650142	6763040	347	321	-74	100	79	97	18 m @ 3.5 g/t Au

Table 7: Tropicana Prospect – Tropicana Diamond Drilling

Hole No.	Easting (m)	Northing (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H. (m)	From (m)	To (m)	Intercepts
TFD118	651236	6763362	342	325	-64	351.5	*274*	*308*	*34 m @ 3.1 g/t Au*
TFD120	651207	6763320	342	324	-64	321.9	275	297	22 m @ 2.6 g/t Au
							Incl. 285	*295*	*10 m @ 4.5 g/t Au*
TFD136	651278	6763249	342	327	-62	373	327	334	7 m @ 11.4 g/t Au
							Incl. 331	*333*	*2 m @ 37.7 g/t Au*
TFD138	650765	6763230	343	323	-61	165	134	146	12m @ 6.4 g/t Au
TFD139	650801	6763267	343	315	-60	159.8	138	154	16 m @ 4.0 g/t Au
TFD140	650801	6763336	342	315	-60	180.9	143	156	13 m @ 3.1 g/t Au
TFD141	650834	6763304	342	324	-64	198.8	160	178	18 m @ 2.6 g/t Au
TFD147	651013	6763550	341	322	-61	210	143	164	21m @ 3.0 g/t Au
TFRC182D	650852	6763393	342	320	-62	207.7	145	163	18 m @ 2.3 g/t Au
							Incl. 149	*160*	*11 m @ 3.5 g/t Au*

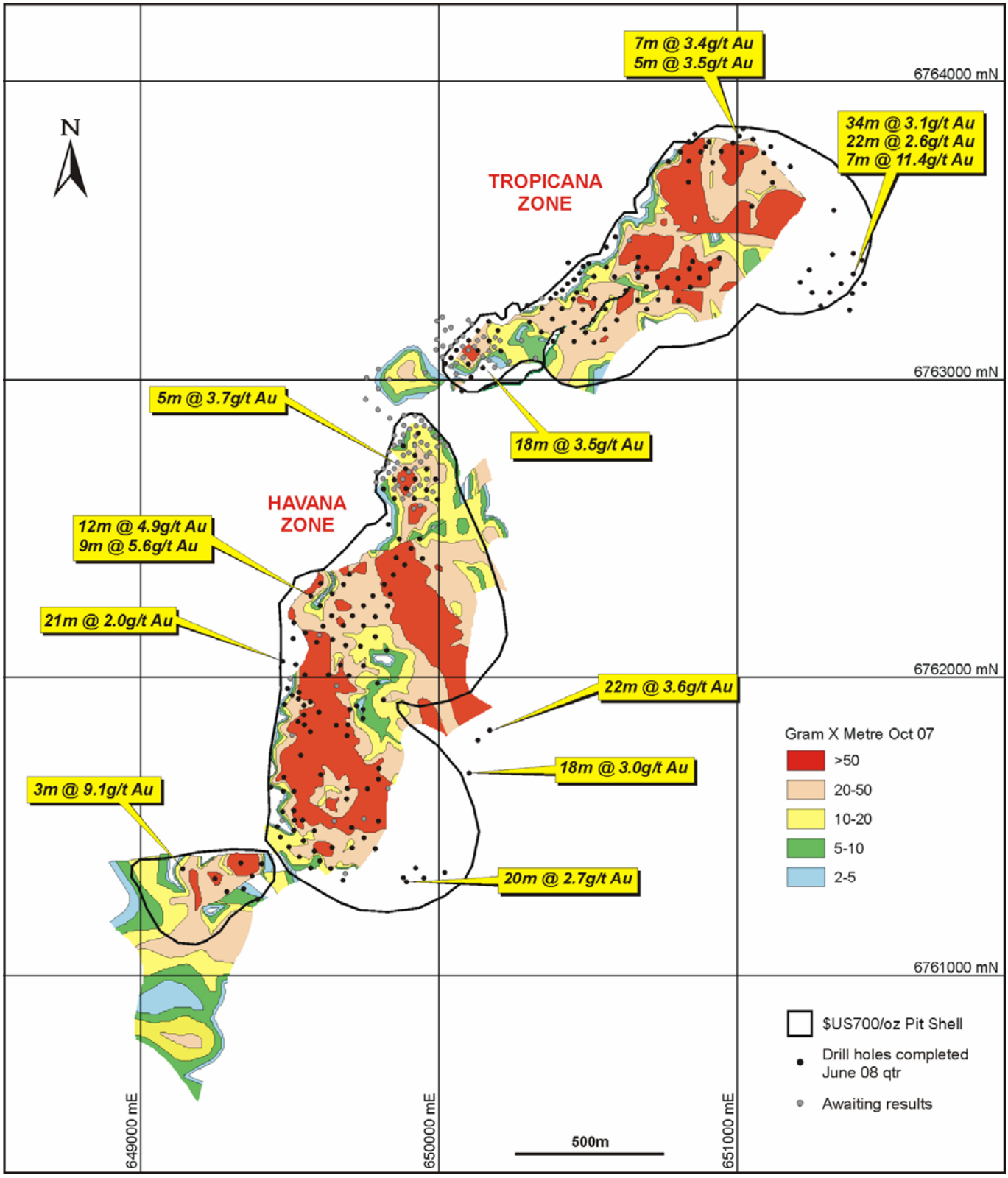


Figure 7: Tropicana JV – Prospect Plan Showing Significant Intercepts Outside November 2007 Resource Outline, g/t Au x Thickness Contours and Location of Havana and Tropicana Open Pit Resource Outlines

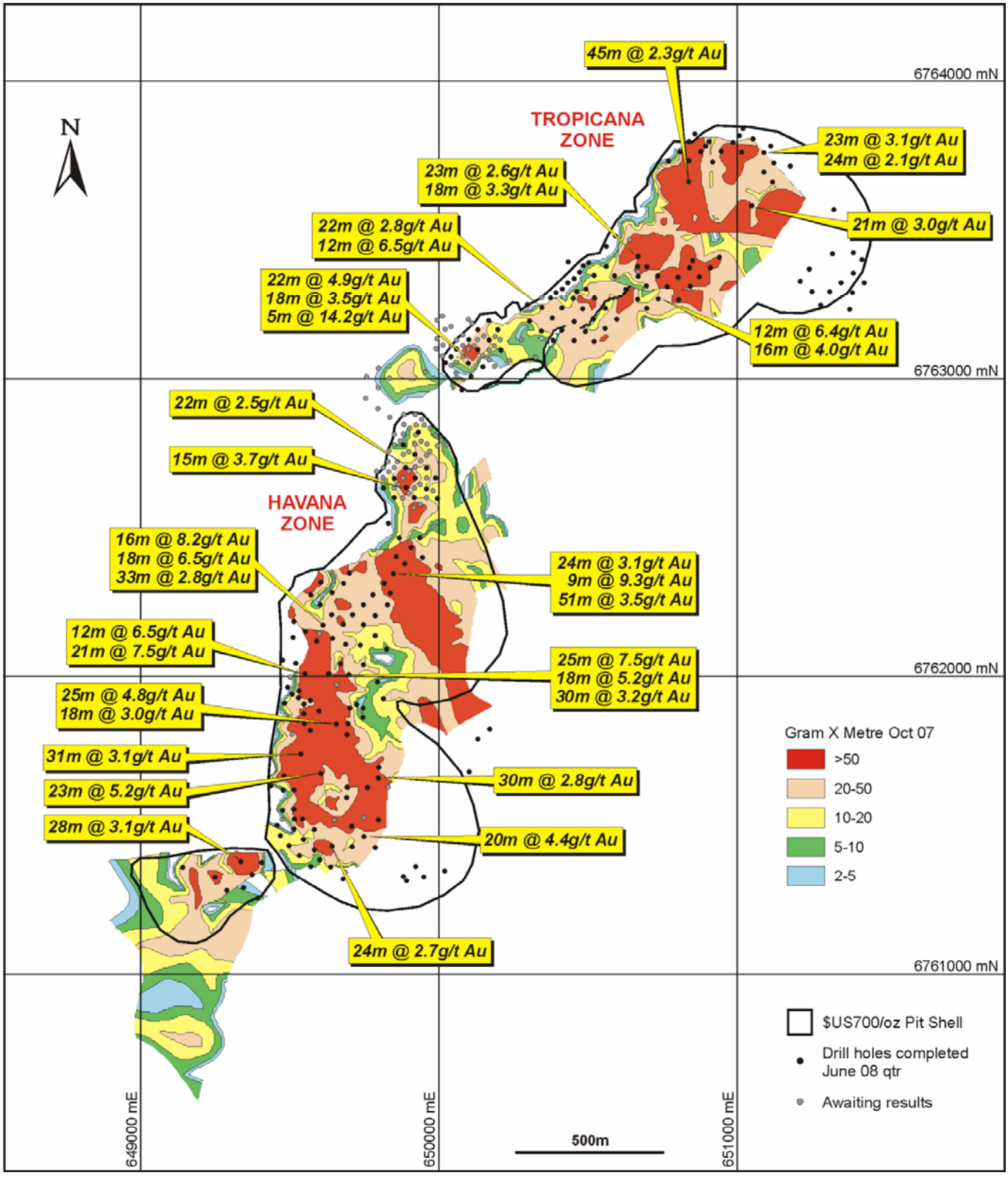


Figure 8: Tropicana JV – Prospect Plan Showing Significant Intercepts Within November 2007 Resource Outline, g/t Au x Thickness Contours and Location of Havana and Tropicana Open Pit Resource Outlines

Regional Exploration

During the quarter the following work was completed on regional exploration programs:

Type	Metres drilled/samples taken
Diamond	0
RC	150
RAB/Aircore	21,148
Rock chip samples	155
Auger samples	4,977
Soil samples	596

Auger

Orientation soil sampling (results awaited) covered the Black Dragon prospect 30km north of Tropicana where rock chip sampling reported last quarter returned results up to 22.2 g/t Au, 16.7 g/t Au and 15.9 g/t Au (**Figure 9**). Soil samples were also collected over Group 2 tenements. Auger sampling continued around Group 4 (Beachcomber) (**Figure 10**). Results received from auger sampling completed in the previous quarter have highlighted zones of anomalism around the Beachcomber area that require infill sampling (**Figure 9**).

Aircore

Aircore drilling was completed in the Tropicana Group 2, Group 3 and Group 4 (Beachcomber) and Tropicana West (Purple Haze) areas (**Figure 10**). No significant results were received from aircore drilling apart from anomalism along-strike from the Snowball Prospect (57km SSE of Tropicana) that requires follow-up.

RC

Four RC pre-collars in preparation for diamond drill testing of targets at the Rusty Nail prospect (8.7km SSE of Tropicana) were completed.

Diamond drilling

No diamond drilling was completed on regional prospects, however logging of core from drilling at Beachcomber in the preceding quarter highlighted zones of visible gold. Assay results from these zones are not yet available.

Geophysics

An aeromagnetic survey has commenced over large parts of Group 1 and Group 4 tenements. Results will be integrated with surface geochemical data to assist in delineation and prioritisation of drill targets. At the end of the quarter a total of 15,684 line kilometres had been flown representing 48% of Tropicana Group 4 tenements.

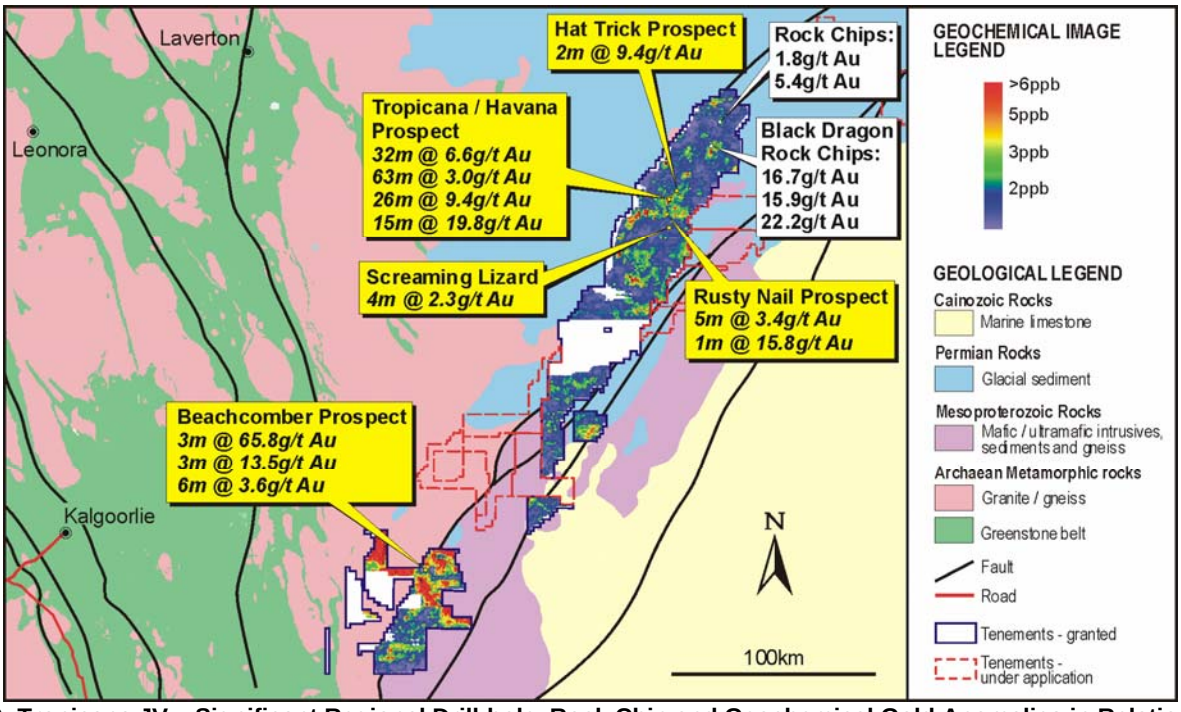


Figure 9: Tropicana JV – Significant Regional Drill-hole, Rock Chip and Geochemical Gold Anomalies in Relation to Tropicana/Havana Prospects

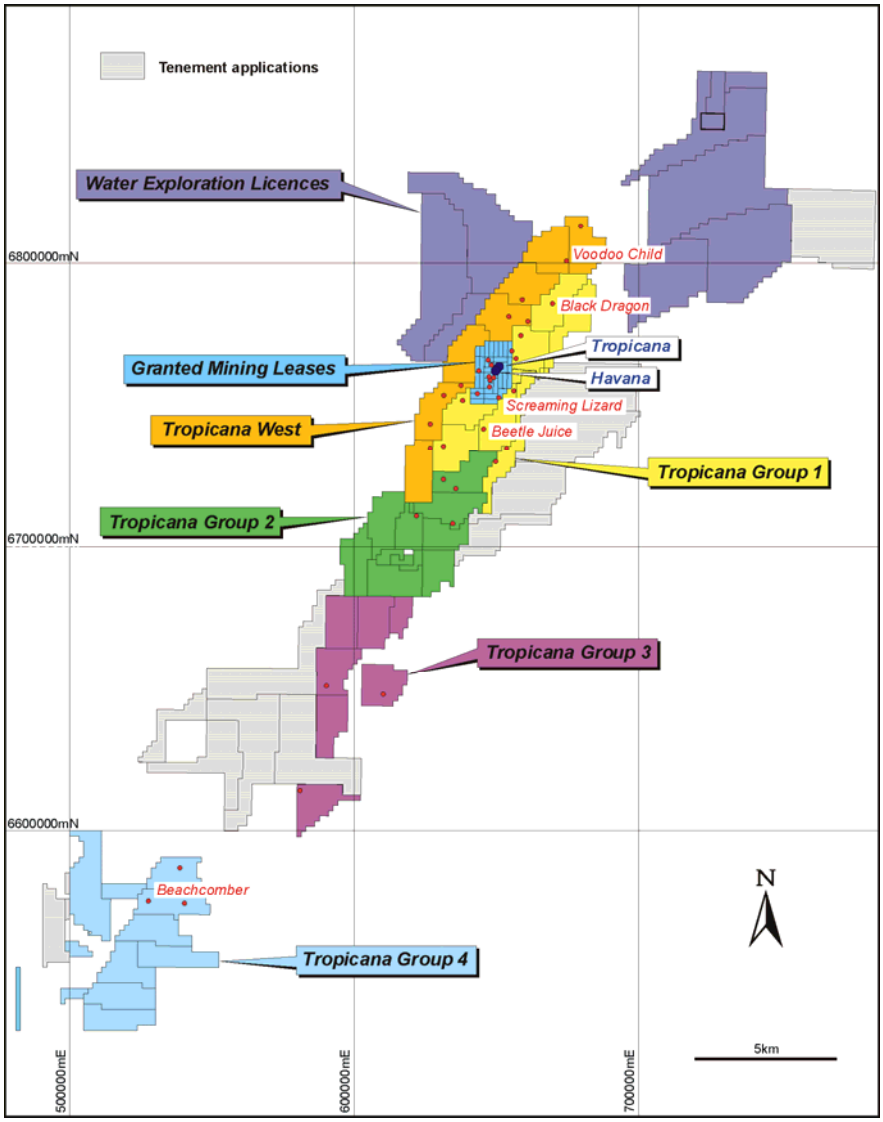


Figure 10: Tropicana JV – Tenement Groups and Prospect Locations

Proposed September Quarter Exploration Programs

Pre-feasibility Study

Pre-feasibility Study activities are currently focused on:

- Completion of resource drilling
- Economic optimisation studies
- Review of high pressure grinder roller metallurgical test work results
- Alternative power sources
- Continuation of bore field test work
- Continuation of underground studies

Fast Track activities will include:

- Completion of 25m x 25m infill drilling in the proposed starter pits

Regional Exploration

Following the completion of Tropicana and Havana infill resource drilling early in the September quarter, regional exploration will be accelerated with the aim of locating additional open pittable mineralisation within economic trucking distance of the proposed Tropicana plant site.

Regional exploration programs during the next quarter will include:

- Surface sampling of target areas on Group 1 and Group 4 tenements (**Figure 10**)
- Aircore drill testing of targets at Tropicana West and Black Dragon
- RC testing the Beachcomber area (**Figure 9**)
- Diamond drill testing of targets adjacent to Tropicana-Havana including Rusty Nail (8km SSE of Tropicana)
- Continuation of the aeromagnetic survey to assist in delineation of targets on Group 1 and Group 4 tenements

JV Background

The Tropicana project was generated by IGO 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.

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 11**).

An 11,000m aircore program testing these anomalies commenced during the quarter and is approximately 80% complete. Assay results are awaited.

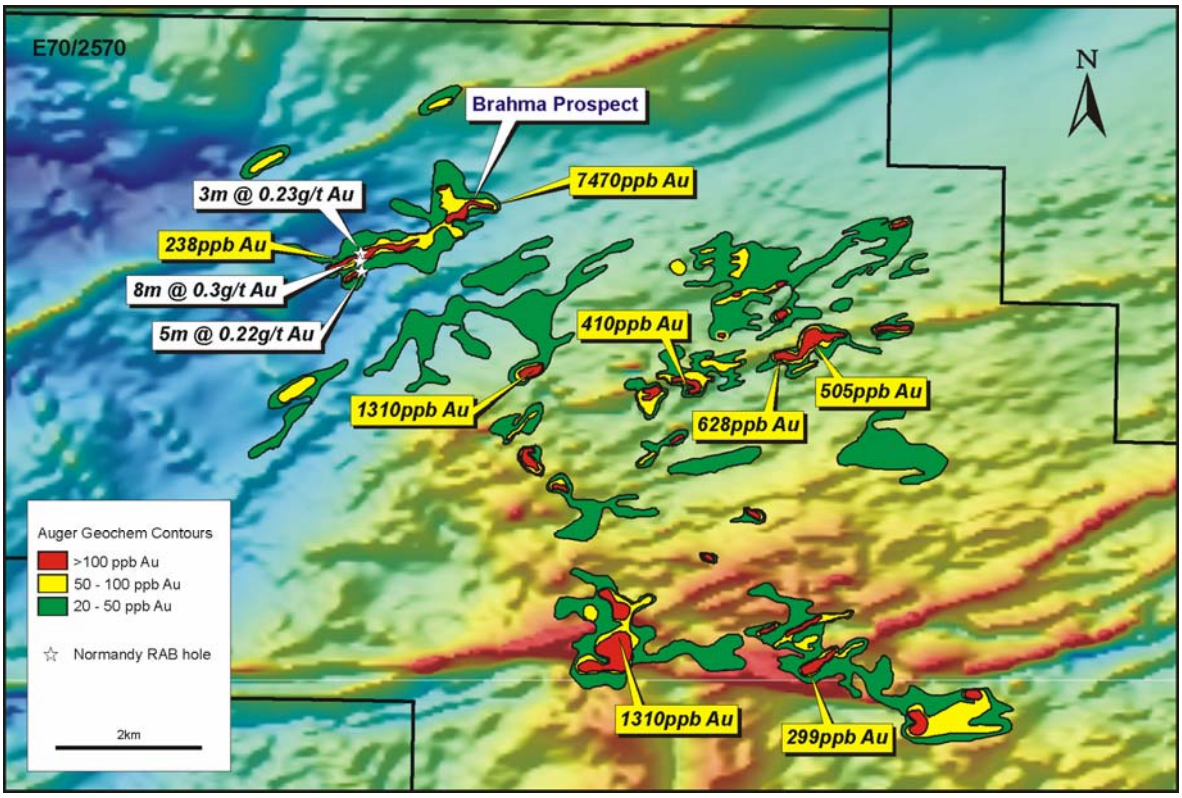


Figure 11: Holleton – Gibb Rock Prospect Soil Geochemical Results Over Magnetics and Aircore Holes

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.

During the quarter a diamond drilling program was completed within and proximal to the Frankopan prospect area. Three holes (KBD19 – KBD21) drilled proximal to BHP Billiton drilling to verify mineralisation, intersected broad zones of bitotie/pyrite and chlorite/carbonate alteration in the expected position. A fourth hole (KBD 22), located 300m to the north west of known mineralisation to provide information on strike direction, did not intersect alteration but did intersect galena/sphalerite/pyrite rich calcite veining potentially indicating that the hole is located in the hanging wall above the mineralised zone.

To date only the first batch of assays for the top half of KBD19 have been received with better results including 5m @ 1.4 g/t Au from 223m and 13m @ 1.4 g/t Au from 262m (including 1m @ 10.3 g/t Au). These results correspond well with historical BHP Billiton drilling results.

A step-out drilling program will be undertaken once the results have been integrated with historical drilling results and an updated geological interpretation has been completed.

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.

During the quarter 629 auger holes were drilled on a property previously inaccessible due to freehold landowner constraints. Results from the auger confirm that the greenstone belt of interest is likely to continue for at least a further 4km to the south where it becomes obscured by transported cover material. Follow-up RC testing of auger anomalism will be completed later in the year following the cropping season.

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 was completed over the prospect during the quarter to test the felsic volcanics under cover for zones of more intense pyrite alteration prior to drill testing. The survey identified a number of chargeability anomalies potentially representing disseminated sulphides which require drill follow-up. A drill rig has been secured and testing of this prospect is scheduled to take place in August.

REGIONAL NICKEL EXPLORATION

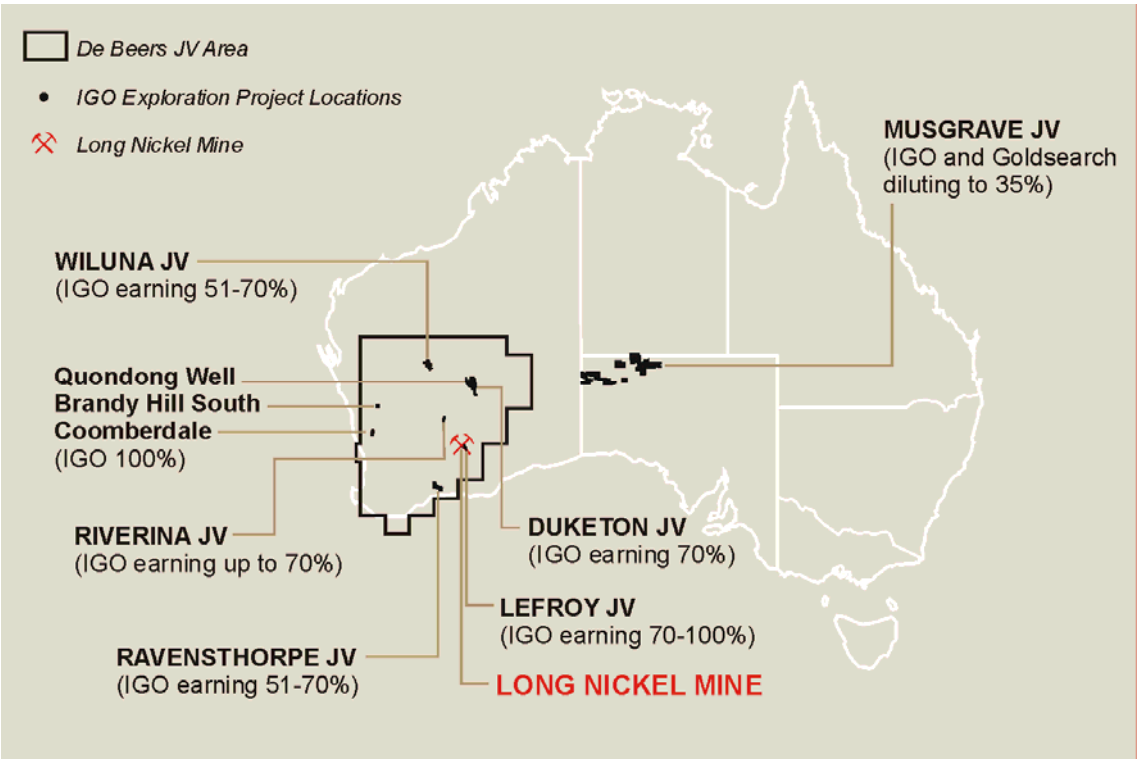


Figure 12: IGO Nickel Project Locations

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 Bulge

Aircore and RC programs at the Bulge have confirmed the presence of disseminated nickel sulphide mineralisation with associated PGE anomalism. Anomalism of 0.4% Ni or greater has been defined over an area of approximately 1.5km^2 coincident with the Bulge ultramafic providing ample scope for the presence of a significant accumulation of disseminated nickel sulphide. An RC drilling program comprising 47 holes for approximately 6500m commenced in June to test the potential for economic accumulations of disseminated Ni (Cu-PGE) mineralisation. At quarter's end 34 holes had been completed with some intersecting disseminated magmatic sulphides. Assay results are awaited.

Other

Geochemical and TEM testing is continuing on a number of other prospect areas throughout the project area.

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

The project covers about 60 kilometres of prospective ultramafic stratigraphy along strike from the RAV8 nickel sulphide deposit, which historically produced 443,000t at 3.46% Ni for 15,350t Ni.

Mt Short

A diamond drill hole was completed to test the MS7 target comprising a TEM conductor and coincident RAB geochemical anomalism (up to 0.6% Ni and 0.8% Cu). The hole intersected a package of mafic, ultramafic and sedimentary rocks including a 30cm band of massive pyrrhotite and minor chalcopyrite at 160.4m down-hole. As the interpreted target depth was 160m it is clear that this band was the source of the TEM anomaly and hence no further testing is warranted.

Heliborne EM survey

A heliborne EM survey comprising 1,197 line km on 50m line spacings was completed during the quarter to test 4 areas of covered prospective ultramafic in the central and north western portions of the project area.

Following integration with geological and geochemical information five target areas have been identified for potential aircore follow-up testing, all within The Gap Prospect. The Gap comprises fairly rugged and inaccessible terrain, however sub-cropping bedrock partly obscured by scree is common throughout the area and detailed surface mapping and sampling is planned for July to determine if follow-up drilling is warranted.

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.

One of the two granted tenements contains the Tuckerbox Prospect, a nickel sulphide occurrence identified and partially tested by platinum explorers in the 1970's.

During the quarter regional soil sampling and gravity surveying commenced over seven broad target areas defined from aeromagnetics, radiometrics and limited geological information.

Broad-spaced soil sampling (500m x 1000m) of blocks 1, 3 and 4 is now complete with assay results received for a portion of block 1. Results confirm that sampling is successfully testing bedrock and a preliminary review indicates that a number of low level coincident Ni and Cu anomalies have been defined.

Sampling of the remainder of the target blocks is expected to be completed in the September quarter.

A gravity survey on spacings of 1000m x 1000m has been completed which will assist in highlighting potential Giles Complex intrusives and to prioritise anomalies for geochemical infill and follow-up TEM surveys.

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 (2.3M Ni t resource), Leinster (1.7M Ni t), Cosmos group (0.4M Ni t) and Honeymoon Well (1M Ni t).

The JV tenure covers approximately 40km of strike of the ultramafic trend immediately north of Honeymoon Well and the Wedgetail Deposit (resource of 1Mt @ 6.9% Ni).

A number of prospect areas are currently being evaluated as follows:

Prodo South Prospect

At Prodo South at the northern end of the project area disseminated nickel sulphide was intersected in a drill hole (PDW-028) completed in 1971 beneath thin Proterozoic cover (**Figure 13**).

The hole contained an intersection of 130m averaging 0.6% Ni with elevated Cu (up to 1,200ppm) **including a bottom of hole sample of 1% Ni in serpentinised ultramafic.** Verification sampling of poorly preserved drill spoil by IGO during the quarter confirmed a nickel sulphide signature.

There is ample space immediately along strike from PWD028 for a steeply plunging sulphide body. Two RC holes are planned to test this target early in the September quarter.

Hayes

Five historic TEM targets at Hayes Prospect, comprising a covered ultramafic unit approximately 10km south-east of Bodkin, were tested by a follow-up moving loop TEM survey during the quarter. This survey confirmed the presence of two high priority conductors with a signature consistent with nickel sulphide mineralisation (**Figure 13**). An RC drill test of these targets is planned for the September quarter.

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 will be attempted once the lake is sufficiently dry to enable access.

Bodkin Prospect

Previous RC testing by IGO intersected nickel sulphide mineralisation on a basal ultramafic contact including 1m @ 6.4% Ni, 0.5% Cu and 2.5g/t Pt+Pd from 72m. A fixed loop TEM survey using IGO's proprietary high powered transmitter was completed over the Bodkin Prospect during the quarter. This survey failed to detect any conductive response to the east of the prospect

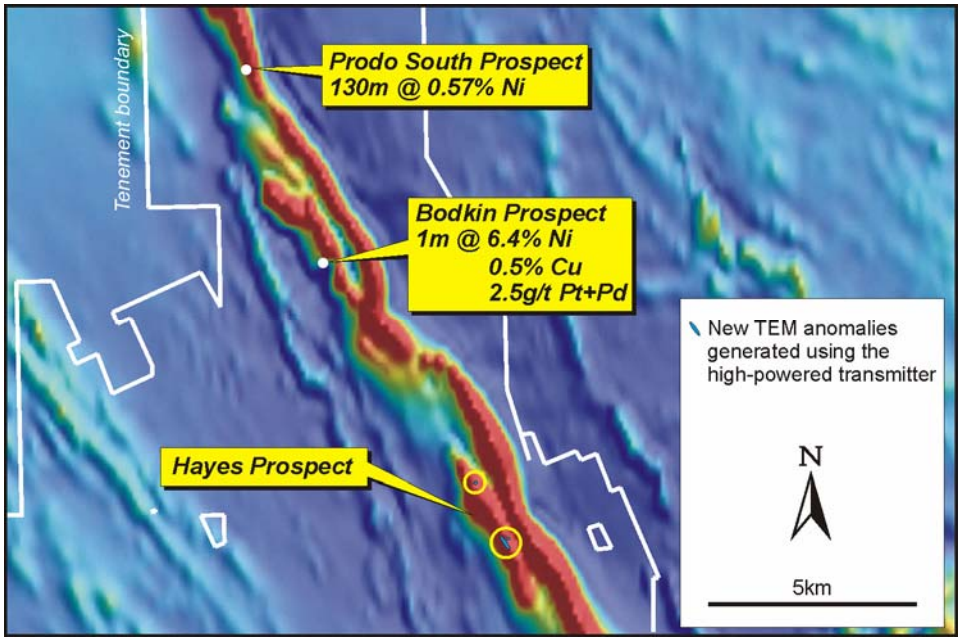


Figure 13: Wiluna JV – Prodo South, Bodkin and Hayes Prospect Locations, Significant Drill Results and New Hayes TEM Anomalies Over Aeromagnetics

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

IGO has an agreement with Riverina Resources Pty Ltd and Barra Resources Ltd to earn up to a 70% interest in the nickel rights in their Riverina Project located 140kms north-west of Kalgoorlie.

The Riverina Project comprises tenements totalling 115km^2 situated along the Ida Fault on the south-eastern side of the Riverina dome.

Diamond drill testing during the quarter of the down-plunge potential at the Martin's Zone ultramafic (previous intersections 2m @ 2.8% Ni from 152m and 0.4m @ 10.9% Ni from 251m) intersected zones of weakly disseminated nickel sulphide mineralisation but did not intersect massive sulphide. Follow-up down-hole EM surveying did not locate off-hole conductors and it is therefore considered unlikely that mineralisation of economic significance exists within explorable depths.

TEM testing of nickel in soil anomalies elsewhere within the tenement package has not identified any conductors warranting follow-up drilling.

One remaining ultramafic unit in the north west of the project area remains to be tested with TEM. This test is scheduled to take place in August.

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

SQUID EM testing of ultramafic units obscured by conductive lake sediments is planned for the September quarter. Surveys are planned over the IGO 100% tenements as well as the Gladiator and Yamarna JV's.

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 $2.1m within 3 years. Teck Cominco then has the option to earn an additional 19% by spending a further $3m.

The Mt Isdell Project has an area of 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.

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:	Storbodsund	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, 0.43g/t Au, 28.17g/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

SEPTEMBER QUARTER EXPLORATION PROGRAM

REGIONAL NICKEL EXPLORATION	Ravensthorpe:	Ground check and sampling of TEM anomalies at the Gap for drill targeting
	Duketon:	Continued RC drill-testing potential of The Bulge ultramafic and on-going TEM testing of prospective ultramafics
	Wiluna:	Drill testing of Hayes TEM targets and historic Ni sulphide intercept at Prodo South. TEM testing of the Lake Way prospect (subject to suitable ground conditions)
	Riverina:	TEM testing ultramafic stratigraphy
	Musgrave:	Surface geochemistry, gravity and TEM testing of Tuckerbox Prospect and peripheral target areas
	Lefroy:	SQUID surveying on IGO 100% and Gladiator and Yamarna JV's

REGIONAL GOLD EXPLORATION	Tropicana:	Continuation of Pre-feasibility Study over Tropicana and Havana Zones and on-going exploration of regional targets
	Karlawinda:	Diamond drill testing for extensions to BHP Billiton intersections
	Holleton:	Aircore testing auger and RAB anomalies in the Gibb Rock area. Follow-up RC drilling
	Cobar:	RC drill-test the Prince William prospect

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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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