INDEPENDENCE GROUP NL

QUARTERLY REPORT FOR THE THREE MONTHS ENDED 31 DECEMBER 2007

GROUP HIGHLIGHTS

- **Quarter NPAT (unaudited) – $12.0 million** (Sep $23.6 million).
- **Half year NPAT (unaudited) - $35.6 million.**
- **$160.8 million cash and net receivables** after $31 million tax payments (Sep $175.2 million).

OPERATIONS HIGHLIGHTS

- **Production** – **65,878t at 3.56% Ni for 2,343 Ni t** (Budget 57,931t @ 3.77% for 2,186 Ni t).
- **Cash costs** – **A$4.16/lb** payable nickel (Budget A$4.81).
- **Exploration** – **New nickel shoot discovered north of Long -** Six holes drilled north of the Long ore body intersected new nickel sulphide mineralisation**, including 10.75m @ 5.5% Ni (5.0m true width), 5m @ 4.7% Ni (2m true width), and 12.45m @ 4.7% Ni (2m true width).** These intercepts are located **between 56m and 144m north of the June 2007 Resource boundary.**
- Exploration - McLeay Shoots 1 to 4 all remain open to the south and Shoot 3 has been extended by intersections including **10.8m @ 13.0% Ni (9.7m true width) and 7.4m @ 9.7% Ni (6.6m true width)**. Mineralisation in Shoot 3 is outside of June 2007 Resources and Reserves.

EXPLORATION HIGHLIGHTS

GOLD

- Tropicana JV
  - **Tropicana JV – Initial 4.1 million ounce gold JORC-compliant in-pit resource announced (62.8Mt @ 2.0g/t Au at 0.6g/t Au cut-off grade).**
  - Tropicana mining leases granted.
  - 25m x 25m drilling in progress to convert resources to reserves.
  - **Drilling intersected 20m @ 3.5g/t Au (including 13m @ 5.0g/t Au) down-dip of current Havana resource envelope.**
  - **Drilling intercepts of 14m @ 3.3g/t Au (including 5m @ 8.2g/t Au) and 6m @ 3.6g/t Au intersected down-dip of the previously reported 3m @ 65.8g/t Au intercept at Beachcomber.**
- Karlawinda
  - New gold project acquired in January 2008 with historic intercepts of 7m @ 4.6g/t Au and 6m @ 4.5g/t Au.

NICKEL

- Duketon JV
  - Large nickel anomaly defined by aircore drilling associated with disseminated nickel sulphides.
- Lake Lefroy
  - 5 TEM anomalies identified.
- Wiluna JV
  - 7 TEM anomalies identified, 3 of which are near the Bodkin nickel sulphide discovery.
- Riverina JV
  - New project with historic nickel sulphide intercepts of 2m @ 2.8% and 0.4m @ 10.9% Ni.

CORPORATE

HALF YEARLY REPORT

IGO's auditor will review the half yearly report for the 6 months ended 31 December 2007 which is due to be released by the end of February 2008.

AGM

The Annual General Meeting was held on 21 November 2007 and all resolutions were passed on a show of hands.

DIVIDENDS

The board will consider the payment of an interim dividend as soon as the half year net profit has been reviewed by the auditor.

PROFIT

The estimated and unaudited NPAT for the quarter is $12.0 million (YTD $35.6 million, Sep $23.6 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$30,509/t.**

ISSUED CAPITAL

At 30 January: 115,639,167 ordinary shares and 3,078,790 unlisted options.

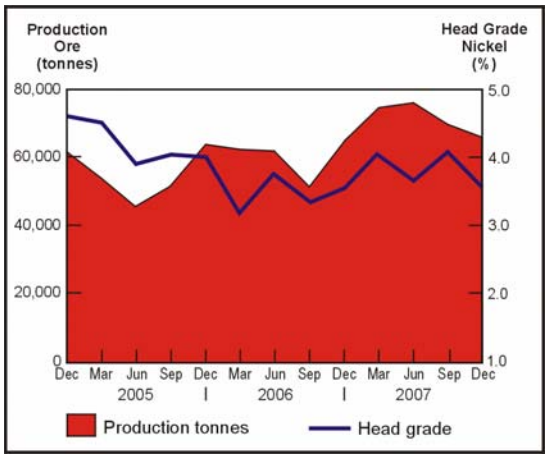
CASH AND DEBT

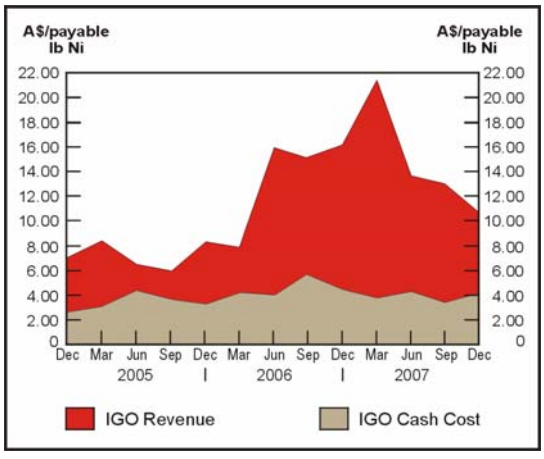
CASH RESERVES

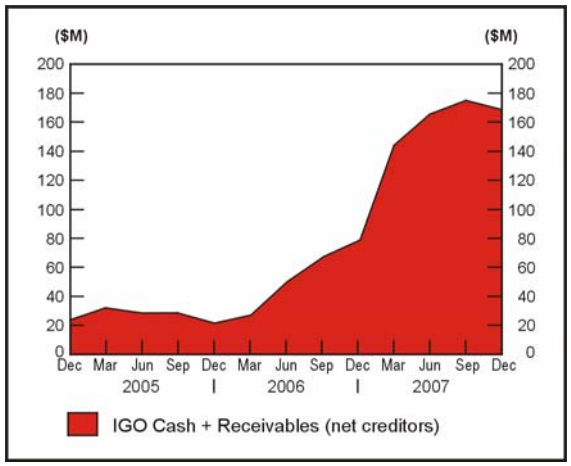
- $147.8 million cash (Sep $146.9M).
- $13.0 million nickel revenue in receivables net of creditors (Sep $28.3M).
- Total cash and net receivables were $160.8 million at the end of the quarter.
- **Unhedged receivables have been valued using AU$30,509/t Ni.**

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

- $0.9 million on Long and regional exploration.
- $31.0 million income tax payments.







DEBT AT END OF THE QUARTER

The Company owed $1.3 million at the end of the quarter for leased mining equipment (Sep $1.6M).

NICKEL SALES PRICE CALCULATION

Due to the off-take agreement the Company has with WMC Resources Ltd (now 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

- $0.9 million exploration expenditure was incurred during the quarter (Sep $2.5 million).

HEDGING

- Hedged nickel metal remaining at the date of this report was 3,600t at AU$18,289/t, which is scheduled to be delivered as follows:

2007/8	1,200t	Average AU$17,890/t
2008/9	2,400t	Average AU$18,489/t

INVESTMENTS

SOUTHSTAR DIAMONDS LIMITED (IGO 50%)

Exploration continued on diamond indicator anomalies generated from the De Beers database, including diamond-bearing intrusives.

MATRIX METALS LIMITED (IGO 17.7%)

IGO has 124.1 million Matrix shares which were valued at $13.0 million at the end of the quarter (ASX Code: MRX).

ATLAS IRON LIMITED

IGO sold its investment in Atlas Iron Limited during the quarter.

MINING OPERATION

LONG NICKEL MINE
IGO 100%

SAFETY

In excess of 83,000 man hours were worked during the period with no Lost Time Injuries. **Lightning Nickel's Lost Time Injury Frequency Rate (LTIFR) for the life of the operation is now 2.08, which is well below the Industry Average of 5.9.**

PRODUCTION

Production for the quarter was 65,878t at 3.56% Ni for 2,343 tonnes contained nickel, which was mined by the following methods:

Jumbo Stoping	18,578	t @	3.8%	Ni for	701	Ni t
Long-hole	17,445	t @	3.4%	Ni for	598	Ni t
Hand-held	4,885	t @	3.6%	Ni for	176	Ni t
Jumbo Development	24,970	t @	3.5%	Ni for	868	Ni t
TOTAL	65,878	t @	3.6%	Ni for	2,343	Ni t

Production was from the following areas within the mine:

Long	31,506	t @	3.2%	Ni for	1,014	Ni t
McLeay	24,968	t @	4.1%	Ni for	1,018	Ni t
Victor	2,114	t @	2.4%	Ni for	51	Ni t
Victor South	7,290	t @	3.6%	Ni for	260	Ni t
TOTAL	65,878	t @	3.6%	Ni for	2,343	Ni t

The budget for the quarter was 57,931t @ 3.77% Ni for 2,186 tonnes of contained nickel. Actual production during the quarter was 7% over budget in terms of contained metal.

Year to date production is 5,181 tonnes of contained nickel which is 17% above budget.

Metal during the quarter was produced at a cash cost of A$4.16/lb payable nickel, against a budget of A$4.81/lb. The 14% reduction in cash costs can be attributed to lower mining costs (9%), lower royalty costs and higher production rates (6.7%).

Highlights in the December quarter included:

- Lower cash costs versus budget.
- Continued improvement against budget, building to a solid first half production performance.
- Development of multiple ore drives on the Eastern edge of McLeay Shoot 1.
- Commencement of resue stoping in Victor South.

DEVELOPMENT

CAPITAL DEVELOPMENT

- A total of 96 metres of twin boom capital advancement was achieved during the quarter in the McLeay 460 Exploration Drill drive.

NORMAL DEVELOPMENT

- McLeay - Production development focused in the 520mRL, 540mRL, and the 545mRL. A total of 267 metres of advance was achieved.

- Victor South – 82 metres of resue mining was completed at Shoot 2 in the 505mRL.

- Long – 522 metres of production development occurred in Long, which included 242m development in ore. Areas targeted during the quarter included the 16/3, 16/4, 16/5 and 14/1 blocks.

QUARTERLY FORECAST

The focus for the March quarter will be:

McLeay

- Continued diamond drilling & interpretation on McLeay Shoot 3.
- Mechanised development to continue in the 540mRL and 545mRL horizons.
- Mechanised stoping to continue on the 500mRL & 540mRL.
- Re-commence resource drilling (both infill and extensional) in the 460 Exploration drive.

Victor South

- Commencement of stoping on Shoot 4.
- Ongoing production from the 505mRL resue stopes.

Long

- Stoping of the northern section of the 14/1 pillars.
- Continuation of long-hole stoping in the 16/1 & 16/3 blocks.
- Continued stoping in the 16/5, 15/10 and Rhondo ore blocks.
- Non-mechanised mining progressing onto 8 Level.

EXPLORATION

The Long North 07 shoot was discovered during the quarter.

Drilling outside resource/reserve boundaries in McLeay Shoot 1 and McLeay Shoot 3 identified additional high-grade nickel mineralisation. **All four McLeay ore shoots remain open.**

Widely spaced drill holes designed to test extensions of the Long South lava channel down-dip from the McLeay orebody intersected nickel sulphide mineralisation. Strong off-hole conductors were detected by DHTEM surveys in these holes.

Long North 07 Shoot

A potential new ore surface was discovered close to existing underground infrastructure during the quarter (announced to ASX on 13 December 2007).

Six holes drilled north of the Long ore body intersected new nickel sulphide mineralisation, including **10.75m @ 5.5% Ni** (5.0m true width), **5m @ 4.7% Ni** (2m true width), and **12.45m @ 4.7% Ni** (2m true width). These intercepts are located between 56m and 144m north of the June 2007 Long resource boundary.

A total of twelve exploration diamond holes were drilled from the northern end of the 13 Level footwall drive to test for extensions to the Long orebody (**Figures 1 and 2**). The following intercepts were returned:

Table 1: Long North - 07 Shoot Significant Drilling Intercepts

Hole No.	Easting (m) Collar	Northing (m) Collar	RL (m) Collar	Dip (degr) Collar	Azimuth (degr)	E.O.H. (m)	From (m)	To (m)	Width (m)	True Width (m)	Grade
LG13-049	374144	550600	-365	-20	1	144.9	86.1	96.85	10.75	5.0	5.5% Ni
LG13-052	374144	550600	-365	-1	5	95.6	52.2	57.2	5.0	2.5	4.7% Ni
LG13-054	374142	550600	-365	1	350	199	137.95	150.4	12.45	2.0	4.7% Ni
LG13-055	374142	550600	-365	2	348	230.5	175.5	176.5	1.0	0.6	2.7% Ni
LG13-056	374142	550600	-365	-12	351	210	113.3	116.5	3.2	1.2	3.8% Ni
LG13-058	374142	550600	-365	-10	357	115.1	74.03	77.1	3.9	2.0	4.4% Ni
LG13-058	374142	550600	-365	-10	357	115.1	89	94.3	5.3	3.0	4.1% Ni

(Intersections calculated by the specific gravity method)

The intercept in LG13-054 adds a strike length of >140m to the existing Long resource.

These intercepts are consistent with the characteristics of the Long orebody, which has a 3.7% Ni historical reconciled head grade and an average width of 2.6m. Two holes remain to be drilled followed with DHTEM survey during the March quarter.

The resource boundary on the 13 Level had previously been defined by a porphyry dyke, which was interpreted to stope out the ore. However, these intersections indicate that potentially economic nickel mineralisation extends north of the dyke.

The LG13-054 intercept (**12.45m @ 4.7% Ni**) is located on tenure recently acquired from BHP Billiton.

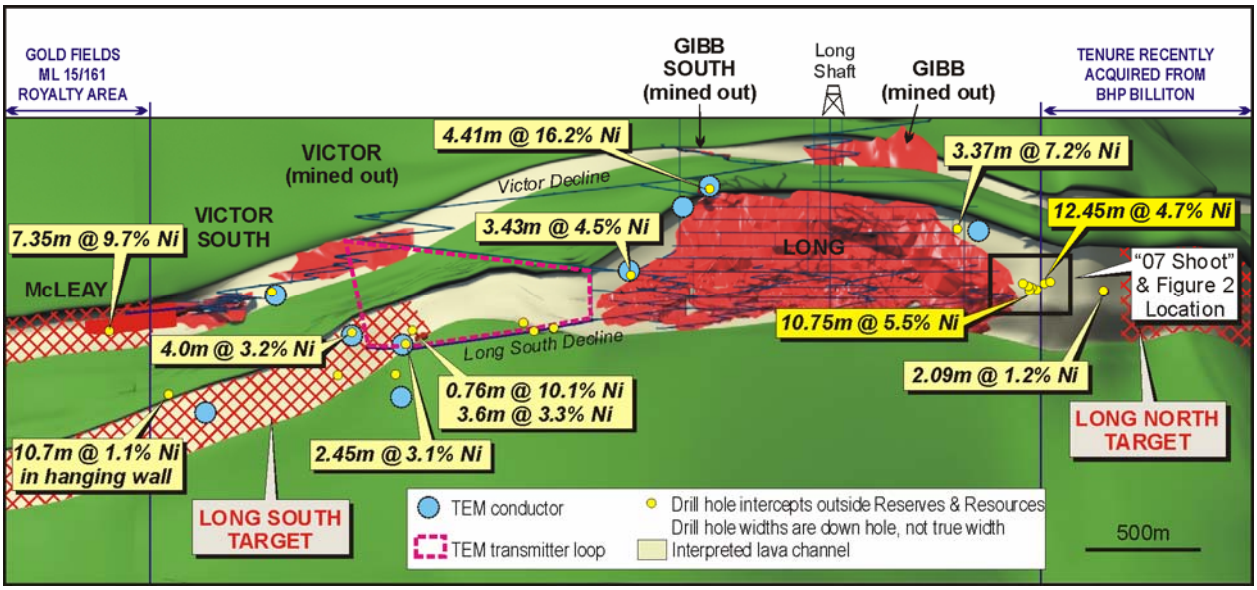


Figure 1: Long Nickel Mine – Longitudinal Section Showing New "07 Shoot" Location (Detail Figure 2), Lava Channels, and Significant Intercepts Outside Current Resources

The prospective ultramafic lava channel is interpreted to extend northward from the Long Mine along the eastern flank of the Kambalda Dome. However, little exploration drilling has been completed north of the current Long mineral resource boundary.

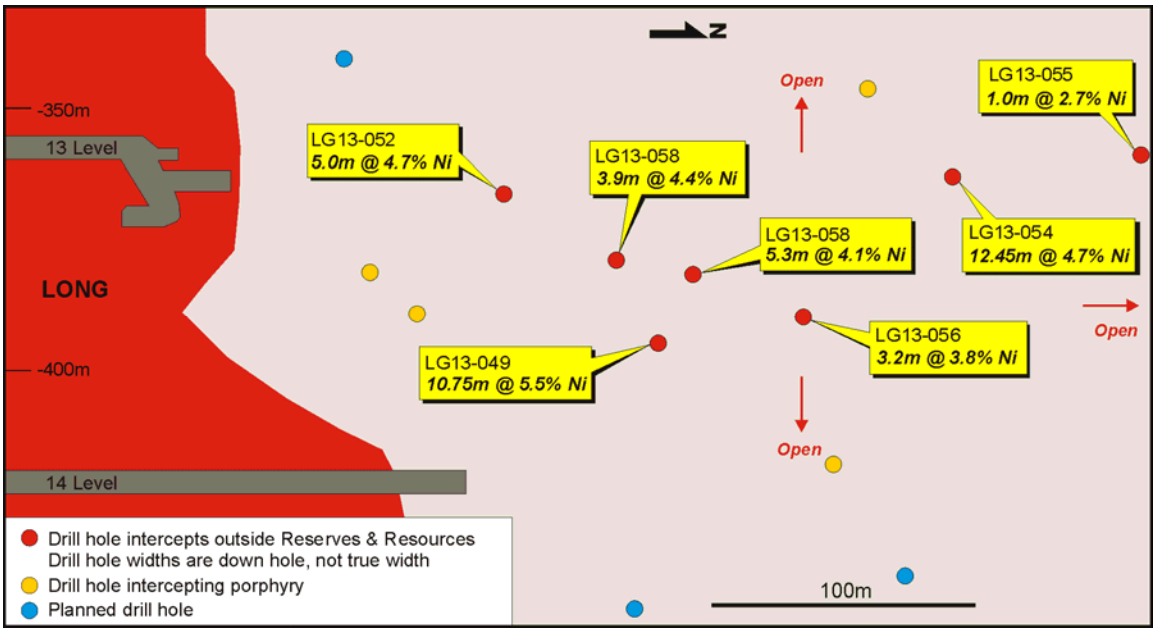


Figure 2: Long Nickel Mine – "07 Shoot" Longitudinal Section Showing Significant Intercepts, June 2007 Long Resource Boundary and Footwall Drive Locations

McLeay Extensional Drilling

Availability of drill sites in the McLeay ore stope access drives has allowed testing of McLeay Shoot 1 east of current mine development. Drilling identified **McLeay Shoot 1** nickel mineralisation outside resource limits between 547330mN and 547280mN. Results include **3.6m** @ **3.8% Ni** (3m true width), **3.7m** @ **15.5% Ni** (3m true width) and **2.0m** @ **6.2% Ni** (2m true width) (**Table 2**). In this area the McLeay Shoot 1 is rotated to a steeper position than previously interpreted. The ore is remobilised from an open basalt/ultramafic contact position into the footwall basalt. This drilling adds 40m strike length to McLeay Shoot 1.

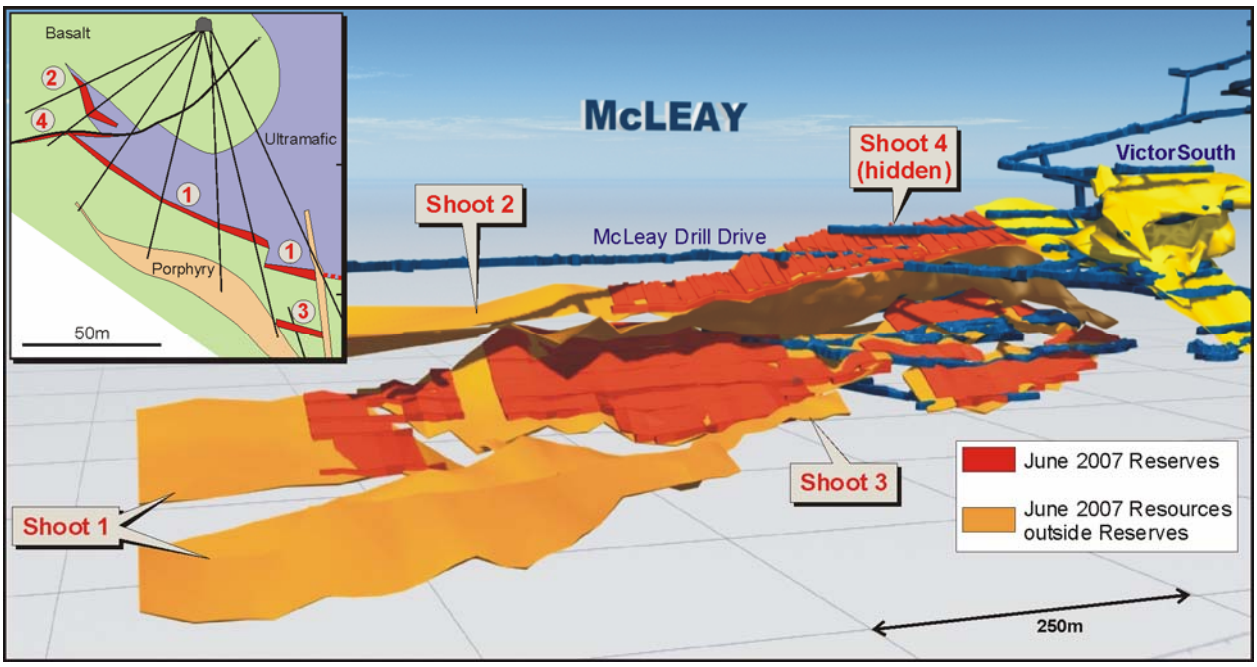


Figure 3: McLeay – 3D Isometric Model Showing Nickel Shoots

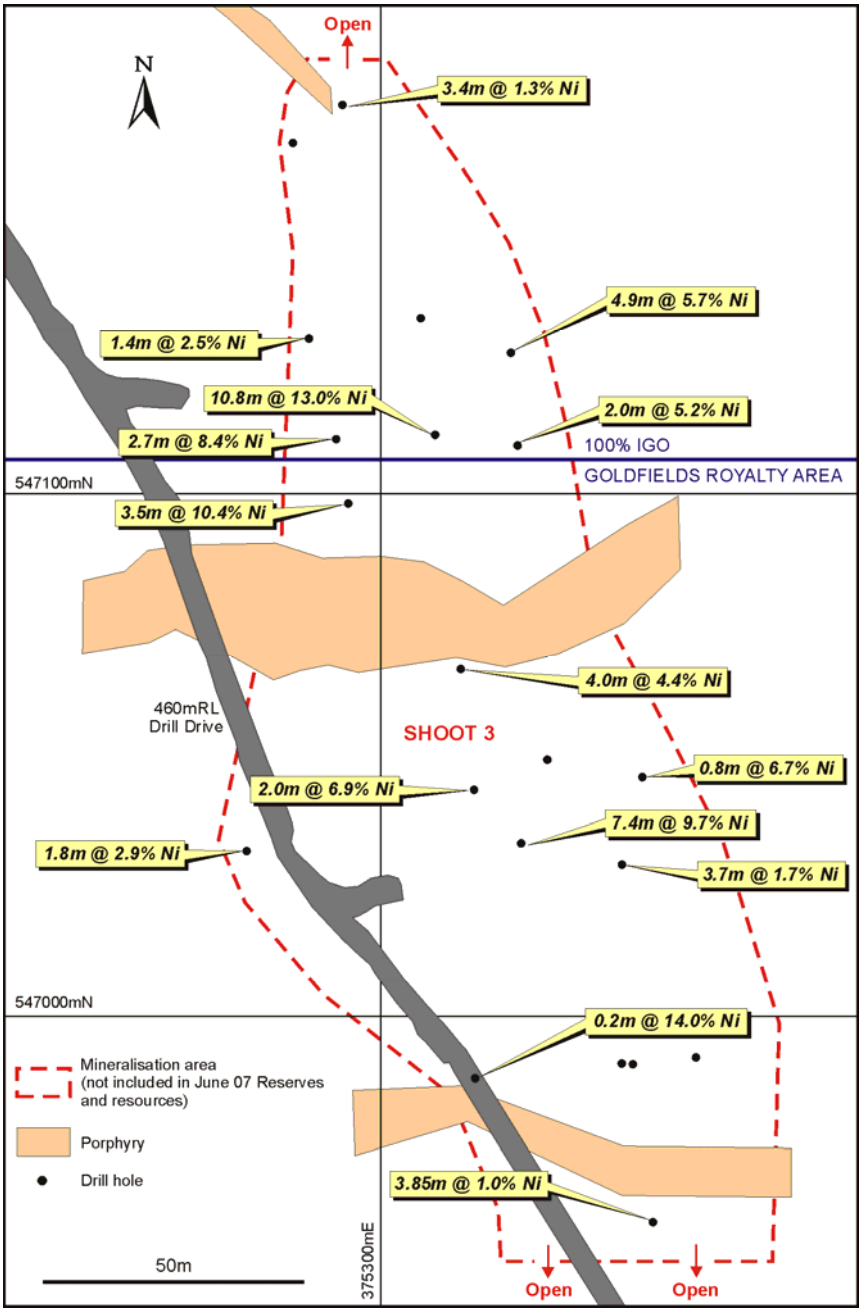


Figure 4: McLeay - Shoot 3 Plan Showing Significant Intercepts, Shoot Boundaries and Drill Drive Location. Intersection Widths are Down-hole widths

Drilling east of **McLeay Shoot 1 and McLeay Shoot 3** between 547060mN and 547200mN has resulted in improved definition of ore geometry. Results confirm that the previous interpretation for this part of McLeay Shoot 1 is robust, with little change resulting from the drilling.

Data obtained from drilling and recent mine development has prompted a reinterpretation of McLeay Shoot 3, resulting in a significant volume increase. McLeay Shoot 3, which is not in current resources or reserves, appears to be shallowly dipping to the west within the basalt footwall, but rotates to near vertical up dip, extending above the open contact McLeay Shoot 1 and remaining mineralised in the ultramafic hanging wall. **Current interpretation indicates that McLeay Shoot 3 is open in all directions and potentially larger than previously interpreted (Figure 4).** This shoot will be further tested in the March quarter.

Down-hole TEM surveying of drill hole MDU-398 has detected a conductor lying at a higher RL than the southerly projection of known ore surfaces. This target will be tested following completion of the current 460 drill drive extension.

Table 2: McLeay December Quarter Significant Intercepts – Outside June 2007 Resources and Reserves

Shoot	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%
1	MDU-356	547308	375194	-529	-7	87	91.6	53.0	56.6	3.6	3.0	3.8
1	MDU-351	547308	375194	-529	-2	87	75.8	49.8	53.5	3.7	3.0	15.5
1	MDU-350	547308	375194	-529	5	96	69.7	46.3	49.9	3.6	3.0	2.0
1	MDU-349	547308	375194	-529	-1	107	80.3	49.3	51.3	2.0	2.0	6.2
3	MDU-185	547044	375316	-564	-45	139	176.5	160.1	162.1	2.0	2.0	6.9
3	MDU-201	547111	375313	-558	-64	99	164.2	110.3	121.1	10.8	9.7	13.0
3	MDU-231	547067	375314	-567	-63	124	149.1	127.9	131.9	4.0	3.6	4.4
3	MDU-247	547034	375325	-564	-80	65	160.1	113.0	120.4	7.4	6.6	9.7
3	MDU-262	547111	375292	-564	-75	107	128.9	118.7	121.4	2.7	1.4	8.4
3	MDU-263	547099	375294	-565	-72	129	150.9	119.6	123.1	3.5	3.2	10.4
3	MDU-267	547109	375327	-539	-55	97	189.9	109.6	111.6	2.0	1.8	5.2
3	MDU-281	547127	375327	-546	-56	85	175.7	112.0	116.9	4.9	4.4	5.7
3	MDU-336	547054	375304	-567	-77	11	139.0	120.7	122.8	2.1	1.9	4.9

(Intersections calculated by the specific gravity method)

McLeay Infill Drilling

Nine definition drill holes were completed in **McLeay Shoot 2** to better define the eastern reserve margin in preparation for ore development. The southern extension of this shoot will be drill tested in the March quarter.

Long South Definition Drilling

Infill definition drilling on a 60m x 60m spacing continued in the Long South decline with 7 drill holes completed. Results to date have been mainly negative, with two holes intersecting low grade stringer and disseminated mineralisation and the remainder intersecting porphyry obscured contact. Drill intersections included:

LSU-117 0.1m @ 8.5% Ni from 54m

LSU-127 2.4m @ 0.8% Ni from 97m

Eleven holes remain to be drilled from this program.

Final evaluation of the area is pending completion of DHTEM surveys using the new high-powered transmitter.

Long South Step-Out Drilling

The program of wireline drilling to improve definition of the Long South komatiitic lava channel down-dip from McLeay continued through the quarter. Two holes (LSU-140 and LSU-141) were drilled to test the channel between the previously reported nickel intersections in LSU-103 (0.6m @ 1.9% Ni) and LSU-099 (4.0m @ 3.2% Ni).

Hole LSU-140 intersected low-tenor disseminated and blebby magmatic sulphides (**8.3m @ 0.6% Ni**) in ultramafic rocks, but the basal contact was stoped out by a porphyry intrusive.

Hole LSU-141 was designed to intersect the ultramafic-basalt contact 120m down-dip from LSU-140. However, the hole deviated downwards and remained in basalt to over its entire length.

DHTEM surveys read in LSU-140, LSU-141 and LSU-128 **detected a strong conductor** which is interpreted to lie on the ultramafic-basalt contact between holes LSU-140 and LSU-141. A previous DHTEM survey of hole VR15-172 had detected another strong conductor located between this new target and the McLeay orebody. Both targets will be tested in the March quarter.

LONG NICKEL MINE PRODUCTION SUMMARY

	Note	Dec '07 Quarter	2007/8 FY to Date	*Prev. Corresp. Quarter (Dec '06)*
Mining Reserve (Dry Tonnes)				
Start of Period		1,031,438	1,101,000	*1,062,978*
- ROM Production	1	(65,878)	(135,440)	*(64,399)*
End of Period		965,560	965,560	*998,579*
Production Details:				
Ore Mined (Dry Tonnes)	1	65,878	135,440	*64,399*
Ore Milled (Dry Tonnes)		65,878	135,440	*64,399*
Nickel Grade (Head %)		3.56	3.83	*3.56*
Copper Grade (Head %)		0.27	0.28	*0.26*
Metal in Ore Production (Tonnes)				
Nickel delivered	2	2,343	5,181	*2,289*
Copper delivered	2	177	385	*169*
Metal Payable IGO share (Tonnes)				
Nickel		1,407	3,122	*1,337*
Copper		72	156	*69*
Hedging				
Tonnes delivered into Hedge		600	1,200	*450*
Average Price (AU$/t)		17,451	17,451	*17,168*

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$'000's***
Sales Revenue (incl. hedging)		33045	82,604	*47,189*
Cash Mining/Development Costs		(7,971)	(16,246)	*(7,917)*
Other Cash Costs	3	(4,915)	(9,567)	*(4,969)*
Depreciation/Amortisation/Rehabilitation		(2,285)	(4,949)	*(2,290)*
Total Unit Cost Summary		***A$/lb Total Metal Produced***	***A$/lb Total Metal Produced***	***A$/lb Total Metal Produced***
Cash Mining/Development Costs		1.54	1.42	*1.57*
Other Cash Costs	3	0.95	0.84	*0.98*
Depreciation/Amortisation/Rehabilitation		0.44	0.43	*0.45*
Revenue/Cost Summary		***A$/lb Payable Metal***	***A$/lb Payable Metal***	***A$/lb Payable Metal***
Sales Revenue (incl. hedging)	4	10.66	12.00	*16.01*
Cash Mining/Development Costs		2.57	2.36	*2.68*
Other Cash Costs	3	1.59	1.39	*1.69*
Depreciation/Amortisation/Rehabilitation		0.74	0.72	*0.78*

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		0	0	*0*
- Medically Treated IFR		60.0	87.8	*87.7*
- Nickel Productivity Rate	5	79.4	87.8	*78.3*

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

Development/Exploration Drilling	**Metres**	**Metres**	***Metres***
Development	76	76	*779*
Production	2,100	5,195	*798*
Exploration	6,092	10,418	*4,440*
	8,268	15,689	*6,017*

REGIONAL GOLD EXPLORATION

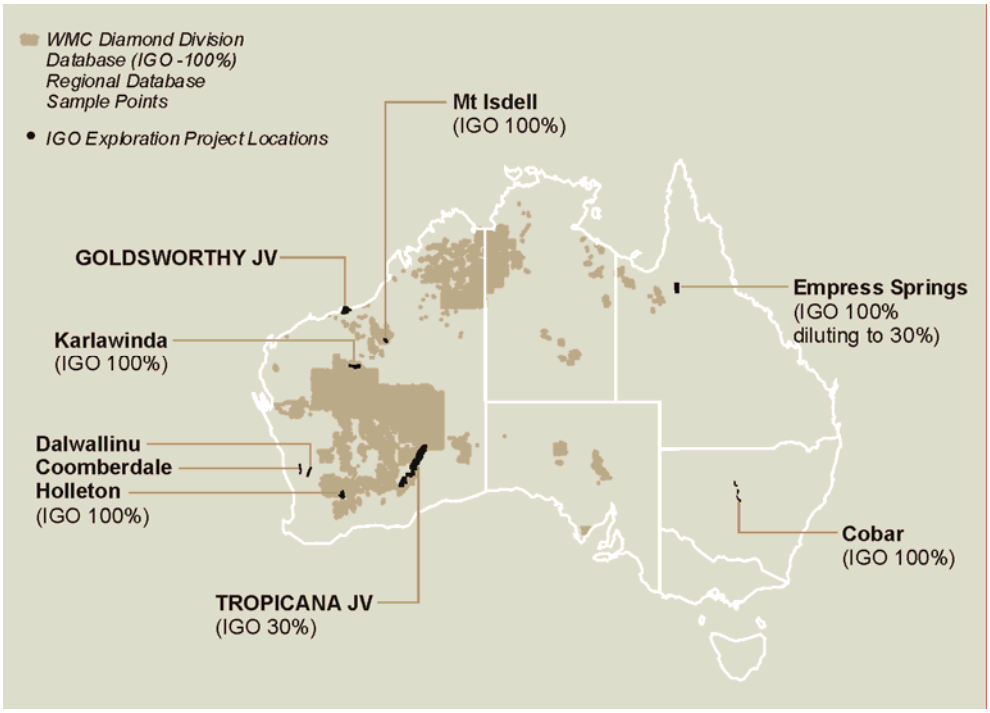


Figure 5: IGO Gold and Base Metal Project Locations

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

The Tropicana Joint Venture comprises approximately 13,000km^2 of largely unexplored tenure over a strike length of 330km along the Yilgarn Craton – Fraser Range Mobile Belt collision zone.

Highlights during the quarter

- AngloGold Ashanti released an **initial** JORC-code compliant resource of **62.8Mt at 2.01g/t gold for 4.05Moz** at a 0.6g/t Au cut-off grade constrained by a A$985/oz open pit shell.
- **The initial resource includes open-cut gold only. It does not include recent intersections outside the initial resource area, or gold mineralisation intercepted at depth.**
- Approximately 60% of the initial resource is above a 2.0g/t Au cut-off grade and **80-85% of the resource is expected to convert to reserves.**
- 31 mining leases were granted on 13 December.

Tropicana Pre-feasibility Study

AngloGold Ashanti made significant progress on the Tropicana PFS during the quarter which is on schedule for completion by mid-2008. Key activities for the quarter are summarised below:

Resource Estimation

The Pre-feasibility Study resource model was completed during the quarter and the results announced to the ASX on 3 December 2007.

The resource at a 0.6g/t cut-off grade constrained by a A$985/oz shell totals 62.8Mt at 2.0g/t gold for 4.05Moz as per the classifications below:

CLASSIFICATION (JORC-code)	Ore (million tonnes)	Grade (g/t Au)	Contained Au (million ounces)
Indicated	31.1	2.09	2.09
Inferred	31.7	1.93	1.96
Total	**62.8**	**2.01**	**4.05**

At a cut-off grade of 0.8g/t Au the resource is 55.28Mt @ 2.2g/t Au for 3.9 million ounces, at a 1g/t cut-off grade the resource is 47.75Mt @ 2.4g/t for 3.7 million ounces, or using a 2.0g/t cut-off grade the resource is 21.5Mt @ 3.5g/t Au for 2.5 million ounces.

The pit shells used as a basis for the pit designs indicate a strip ratio of between 6:1 and 7:1 (at a cut-off grade of 0.6g/t Au). The Pre-feasibility Study will assess mining and milling at different rates between 4 and 6.5Mt pa. Based on current information it is expected that cash costs will be at the lower end of the Australian gold producers' cash cost curve.

Metallurgy

- Metallurgical testwork has been substantially completed. Reagent optimisation showed moderate reagent consumption rates and a possible recovery benefit from oxygen assisted leaching. Results to date indicate a moderate hardness (bond work index 16.9kWh/t) and recoveries of 91.5% via a direct leach of ore ground to -75µm.

Leasing

- 31 mining leases were granted on 13th December. This significant achievement is due to the relationship AngloGold Ashanti holds with the Wongatha community. The JV partners are in the process of developing a community partnership agreement.

Water

- A large moderately saline water aquifer has been discovered to the north-west of Tropicana. Drilling and pump-testing is planned for next quarter.

Flora and Fauna

- Baseline flora and fauna surveys have been substantially completed in the Tropicana/Havana area. Additional surveying for rare or endangered species, short range endemics, stygofauna and troglofauna are in progress.

Ethnographic and Archaeological

- Archaeological surveys have been completed over the main Tropicana/Havana Area.
- Ethnographic surveys with Traditional Owners have been completed for the project other than the Pinjin road access route. No significant concerns were identified during the surveys.

Other

- Other studies completed include blasting, surface hydrology, pit dewatering, power options studies, ancillary metallurgical testwork, and assessment of tailings options and design.

Pre-feasibility Study activities are currently focused on the selection of optimal operating scale, site layout, plant layout and analysis of project economics.

Tropicana Prospect Drilling Results

Drilling during the quarter focused on Fast Track Budget (where the joint venture partners are funding selected post-PFS activities) infill drilling at Havana and Tropicana on 25m and 50m centres within the resource areas

and twinning RC holes as part of the Pre-feasibility Study. Several MIMDAS geophysical anomalies to the west of Tropicana were tested by RC drilling. Aircore drilling was conducted to follow-up targets within the proposed infrastructure footprint. Results have been received for the majority of this drilling. Total metres drilled during the quarter were as follows:

	RC (m)	Diamond (m)	Total (m)
Pre-feasibility	5,677	2,524	8,201
Fast track feasibility	8,251	4,552	12,803
Total	13,928	7,076	21,004

At both the Tropicana and Havana Zones confirmed the grade and continuity of high-grade zones. Encouraging results were also received from holes drilled down-dip of the current resource envelope at Havana including 20m @ 3.5g/t from 392m (**including 13m @ 5.0g/t Au**) in TPD173. These zones remain open down-dip.

Some of the better intercepts from drilling during the quarter include:

Tropicana Zone

- 18m @ 4.4g/t Au from 110m in TFRC010
- **15m @ 6.6g/t Au from 43m in TFRC033**
- 31m @ 2.9g/t Au from 86m in TFRC054
- 18m @ 4.0g/t Au from 65m in TFRC064
- 10m @ 4.4g/t Au from 98m in TFRC070
- 12m @ 4.4g/t Au from 39m in TFRC083
- **15m @ 5.5g/t Au from 72m in TFRC084**
- 17m @ 4.0g/t Au from 35m in TFRC090
- **21m @ 5.2g/t Au from 44m in TFRC091**
- 19m @ 3.3g/t Au from 61m in TFRC092
- **18m @ 7.5g/t Au from 33m in TFRC095**
- **37m @ 3.7g/t Au from 30m in TFRC096**
- **16m @ 9.3g/t Au from 32m in TFRC102**
- **26m @ 5.3g/t Au from 42m in TFRC104**
- 16m @ 3.8g/t Au from 45m in TFRC111
- 42m @ 2.3g/t Au from 48m in TPD350
- **31m @ 4.7g/t Au from 60m in TPD352**
- 14m @ 4.5g/t Au from 69m in TPRC791
- **13m @ 5.1g/t Au from 100m in TPRC793**
- 17m @ 3.5g/t Au from 34m in TPRC809
- 12m @ 4.5g/t Au from 44m in TPRC815
- **15m @ 7.2g/t Au from 96m in TPRC818**

Havana Zone

- **13m @ 5.0g/t Au from 399m in TPD173**
- **15m @ 7.2g/t Au from 96m in TPRC818**
- 17m @ 4.6g/t Au from 92m in TPRC819
- **32m @ 4.5g/t Au from 79m in TPRC820**
- 28m @ 3.0g/t Au from 80m in TPRC821
- **21m @ 8.4g/t Au from 109m in TPRC822**
- 18m @ 4.4g/t Au from 113m in TPRC824

All significant results are given in **Tables 3 - 7** and shown in **Figure 6**. All intersections approximate true width unless otherwise stated. Holes with the prefix “TFRC” refer to infill holes drilled as part of the Fast Track Budget.

Economic mineralisation appears to be open to the north-east of Tropicana where the conceptual pit design is currently constrained by a lack of drilling.

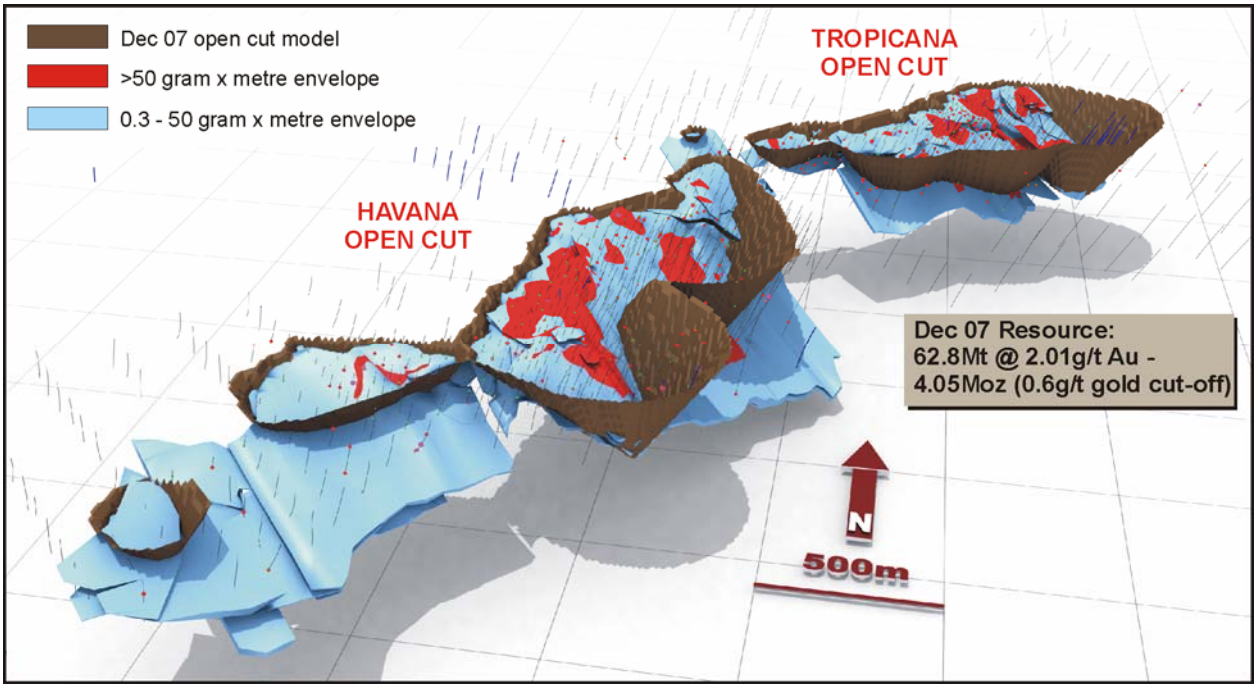


Figure 6: Tropicana JV – Isometric Model Showing 0.3g/t Au Mineralised Envelope, 50g/t Au x Thickness (m) Contours, and the December 2007 Conceptual Open-Pit Outline at a Gold Price of US$800/oz

Table 3: Tropicana Prospect – Significant Infill RC Drilling Inside Pit Shells

Hole No.	Easting (m)	Northing (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H. (m)	From (m)	To (m)	Intercepts
TFRC002	650554	6763303	342	324	-58	80	44	54	10 m @ 2.9 g/t Au
							Incl. 44	47	3 m @ 5.1 g/t Au
							Incl. 51	54	3 m @ 4.0 g/t Au
TFRC004	650590	6763268	342	323	-60	95	70	84	14 m @ 2.1 g/t Au
							Incl. 80	83	3 m @ 7.0 g/t Au
TFRC010	650659	6763230	342	320	-63	138	89	111	*22 m @ 3.7 g/t Au*
							Incl. 92	110	*18 m @ 4.4 g/t Au*
TFRC021	650625	6763337	343	325	-62	95	49	52	3 m @ 5.1 g/t Au
							Incl. 49	51	2 m @ 7.3 g/t Au
							55	59	4 m @ 3. 5 g/t Au
							Incl. 55	57	2 m @ 6.4 g/t Au
TFRC033	650642	6763390	343	322	-60	80	43	58	*15 m @ 6.6 g/t Au*
							Incl. 47	58	*11 m @ 8.8 g/t Au*
TFRC046	650660	6763442	342	321	-60	81	45	61	16 m @ 2.7 g/t Au
							64	69	5 m @ 3.4 g/t Au
							Incl. 64	68	4 m @ 4.1 g/t Au
TFRC047	650695	6763406	342	322	-61	120	56	88	*32 m @ 2.0 g/t Au*
							Incl. 56	87	*31 m @ 2.0 g/t Au*
TFRC048	650731	6763371	342	320	-63	122	75	112	*37 m @ 2.6 g/t Au*
							Incl. 75	111	36 m @ 2.6 g/t Au
TFRC051	650660	6763478	342	319	-61	75	43	60	17 m @ 2.2 g/t Au
TFRC052	650678	6763460	342	318	-59	85	47	71	*24 m @ 2.5g/t Au*
							Incl. 47	56	9 m @ 4.3 g/t Au
TFRC053	650713	6763424	342	319	-64	117	38	52	14 m @ 2.8 g/t Au
							Incl. 45	51	6 m @ 4.1 g/t Au
							66	93	*27 m @ 2.5 g/t Au*
TFRC054	650748	6763389	342	319	-63	135	86	117	*31 m @ 2.9 g/t Au*
							99	116	*17 m @ 4.3 g/t Au*

Table 3: Tropicana Prospect – Significant Infill RC Drilling Inside Pit Shells (cont).

Hole No.	Easting (m)	Northing (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H. (m)	From (m)	To (m)	Intercepts
TFRC058	650748	6763427	342	323	-60	130	81	114	*33 m @ 2.3 g/t Au*
							Incl. 82	90	8 m @ 3.5 g/t Au
							Incl. 97	110	13 m @ 3.2 g/t Au
TFRC063	650713	6763496	342	321	-61	95	46	55	9 m @ 3.9 g/t Au
TFRC064	650748	6763459	342	322	-65	117	69	87	*18 m @ 4.1 g/t Au*
							Incl. 75	87	*12 m @ 5.7 g/t Au*
TFRC065	650784	6763425	342	325	-63	140	78	87	9 m @ 2.8 g/t Au
							Incl. 79	86	7 m @ 3.4 g/t Au
							92	122	*30 m @ 1.8 g/t Au*
							Incl. 107	117	10 m @ 3.2 g/t Au
TFRC070	650801	6763444	342	320	-62	150	98	108	10 m @ 4.4 g/t Au
TFRC076	650748	6763531	341	319	-63	85	37	48	11 m @ 3.6 g/t Au
							Incl. 37	44	7 m @ 5.3 g/t Au
TFRC077	650785	6763496	341	322	-61	110	43	60	17 m @ 2.1 g/t Au
							Incl. 45	60	15 m @ 2.3 g/t Au
TFRC083	650802	6763513	341	316	-61	80	33	55	*22 m @ 2.6 g/t Au*
							Incl. 39	51	*12 m @ 4.4 g/t Au*
TFRC084	650838	6763479	341	322	-59	96	72	87	*15 m @ 5.5 g/t Au*
							Incl. 72	86	*14 m @ 5.8 g/t Au*
TFRC090	650782	6763566	341	316	-63	100	27	53	*26 m @ 2.9 g/t Au*
							Incl. 35	52	*17 m @ 4.0 g/t Au*
							93	95	2 m @ 5.3 g/t Au
TFRC091	650820	6763532	341	316	-64	100	38	65	*27 m @ 4.2 g/t Au*
							Incl. 44	65	*21 m @ 5.2 g/t Au*
TFRC092	650854	6763495	341	318	-62	121	58	80	*22 m @ 2.9 g/t Au*
							Incl. 61	80	*19 m @ 3.3 g/t Au*
TFRC095	650767	6763620	341	318	-63	65	33	51	*18 m @ 7.5 g/t Au*
							Incl. 33	50	*17 m @ 7.9 g/t Au*
TFRC096	650803	6763584	341	316	-62	85	30	67	*37 m @ 3.7 g/t Au*
							Incl. 53	66	13 m @ 9.0 g/t Au
TFRC101	650748	6763672	341	325	-61	60	15	25	*10 m @ 8.2 g/t Au*
							Incl. 15	24	*9 m @ 9.1 g/t Au*
TFRC102	650767	6763652	341	320	-62	75	32	48	*16 m @ 9.3 g/t Au*
TFRC103	650783	6763636	341	317	-62	85	34	55	*21 m @ 3.0 g/t Au*
							Incl. 40	55	*15 m @ 3. 9 g/t Au*
TFRC104	650799	6763617	341	316	-63	105	42	68	*26 m @ 5.3 g/t Au*
							Incl. 47	67	*20 m @ 6.7 g/t Au*
TFRC110	650767	6763689	341	319	-62	60	25	40	*15 m @ 4.0 g/t Au*
							Incl. 26	36	*10 m @ 5.7g/t Au*
TFRC111	650803	6763654	341	322	-63	80	30	61	*31 m @ 2.9 g/t Au*
							Incl. 30	37	*7 m @ 3.4 g/t Au*
							Incl. 45	61	*16 m @ 3.8 g/t Au*
TFRC117	650802	6763691	340	319	-60	70	36	49	*13 m @ 3.4 g/t Au*
							Incl. 36	48	*12 m @ 3.6 g/t Au*
TFRC125	650837	6763692	340	322	-61	85	31	65	34 m @ 2.4 g/t Au
							Incl. 31	43	12 m @ 2.4 g/t Au
							Incl. 51	65	14 m @ 3.4 g/t Au
TFRC126	650871	6763656	341	319	-62	110	*Incl.* 74	91	17 m @ 2.3 g/t Au
TFRC127	650907	6763620	341	316	-62	135	74	83	9 m @ 3.2 g/t Au
							Incl. 75	80	5 m @ 5.2 g/t Au
TFRC148	650997	6763638	341	319	-61	153	109	135	*26 m @ 2.4 g/t Au*
							Incl. 109	116	7 m @ 3.6 g/t Au

							Incl. 119	132	13 m @ 2.5 g/t Au

Table 3: Tropicana Prospect – Significant Infill RC Drilling Inside Pit Shells (cont).

Hole No.	*Easting (m)*	*Northing (m)*	*RL (m)*	*Azimuth (degr)*	*Dip (degr)*	*E.O.H. (m)*	*From (m)*	*To (m)*	*Intercepts*
TPRC191	650568	6763109	345	326	-63	162	122	134	12 m @ 2.2 g/t Au
TPRC589	650394	6763145	344	318	-62	120	*Incl.* 73	76	3 m @ 2.8 g/t Au
							82	97	15 m @ 1.4 g/t Au
							Incl. 89	97	8 m @ 2.0 g/t Au
TPRC591	650269	6763199	344	322	-59	50	33	41	8 m @ 2.1 g/t Au
							Incl. 34	38	4 m @ 3.7 g/t Au
TPRC787	650803	6763551	341	318	-62	90	39	63	*24 m @ 3.1 g/t Au*
							Incl. 41	63	*22 m @ 3.2 g/t Au*
TPRC788	650837	6763514	342	327	-63	110	37	78	*41 m @ 1.5 g/t Au*
							Incl. 56	76	20 m @ 2.2 g/t Au
TPRC789	650871	6763479	341	320	-61	130	69	90	*21 m @ 3.6 g/t Au*
TPRC790	650907	6763444	341	321	-63	170	113	127	14 m @ 1.6 g/t Au
							Incl. 121	127	6 m @ 2.9 g/t Au
TPRC791	650837	6763585	341	320	-60	110	67	85	*18 m @ 3.6 g/t Au*
							Incl. 69	83	*14 m @ 4. 5 g/t Au*
TPRC792	650871	6763551	341	312	-63	130	80	99	19 m @ 2.0 g/t Au
							Incl. 90	99	9 m @ 3.4 g/t Au
TPRC793	650907	6763515	341	315	-65	140	100	113	*13 m @ 5.1 g/t Au*
							Incl. 107	112	*5 m @ 12.3 g/t Au*
TPRC795	650872	6763620	341	316	-61	120	54	62	8 m @ 3.8 g/t Au
							Incl. 54	60	6 m @ 4.8 g/t Au
							67	101	*34 m @ 1.8 g/t Au*
							Incl. 89	101	12 m @ 3.5 g/t Au
TPRC797	650942	6763550	341	314	-63	145	102	105	3 m @ 7.0 g/t Au
							118	123	5 m @ 2.3 g/t Au
TPRC802	650978	6763586	341	322	-62	160	114	121	7 m @ 2.9 g/t Au
							Incl. 115	121	6 m @ 3.3 g/t Au
TPRC809	650768	6763513	341	318	-63	110	34	56	*22 m @ 2.8 g/t Au*
							Incl. 34	51	*17 m @ 3.5 g/t Au*
TPRC810	650801	6763478	341	321	-64	135	60	68	8 m @ 2.2 g/t Au
TPRC812	650729	6763479	342	322	-62	110	42	61	19 m @ 2.0 g/t Au
							Incl. 47	61	14 m @ 2.3 g/t Au
TPRC813	650765	6763442	342	320	-60	135	68	75	7 m @ 2.0 g/t Au
TPRC814	650802	6763407	342	321	-63	160	107	144	*37 m @ 1.6 g/t Au*
							Incl. 121	129	8 m @ 2.2 g/t Au
							132	142	10 m @ 2.4 g/t Au
TPRC815	650696	6763443	342	320	-62	110	44	86	*42 m @ 2.7 g/t Au*
							Incl. 44	56	*12 m @ 4.5 g/t Au*
							Incl. 59	73	14 m @ 2.0 g/t Au
							Incl. 76	86	10 m @ 2.8 g/t Au
TPRC816	650730	6763408	342	320	-60	135	77	103	26 m @ 1.6 g/t Au
							Incl. 87	103	16 m @ 2.0 g/t Au
TPRC817	650765	6763374	342	320	-63	160	100	127	*27 m @ 2.0 g/t Au*
							Incl. 110	127	*17 m @ 2.8 g/t Au*

Table 4: Tropicana Prospect – Significant Infill Diamond Drilling Inside Pit Shells

Hole No.	Easting (m)	Northing (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H. (m)	From (m)	To (m)	Intercepts
TPD350	650659	6763375	343	318	-60	83	48	69	21 m @ 2.7 g/t Au
							Incl. 49	67	*18 m @ 3.0 g/t Au*
TPD351	650759	6763417	342	318	-60	169	74	116	*42 m @ 2.3 g/t Au*
							Incl. 103	116	*13 m @ 5.0 g/t Au*
TPD352	650849	6763604	341	317	-60	120	41	49	8 m @ 2.7 g/t Au
							Incl. 43	48	5 m @ 3.9 g/t Au
							60	91	*31 m @ 4.7 g/t Au*
							Incl. 77	91	*14 m @ 9.5 g/t Au*

Table 5: Havana Prospect – Significant Diamond and RC Drilling Outside December 2007 Pit Shells

Hole No.	Easting (m)	Northing (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H. (m)	From (m)	To (m)	Intercepts
TPD173	650200	6761782	360	327	-70	477	392	412	*20 m @ 3.5 g/t Au*
							Incl. 399	412	*13 m @ 5.0 g/t Au*
TPRC608	650102	6762928	348	330	-66	*195*	*160*	168	*8 m @ 3.9 g/t Au*
							Incl. 160	167	*7 m @ 4.3 g/t Au*
TPRC610	649967	6762999	347	323	-64	*125*	*98*	103	*5 m @ 2.3 g/t Au*
							Incl. 100	103	*3 m @ 3.2 g/t Au*
TPRC612	649964	6762935	348	340	-61	*180*	*Incl. 152*	158	*6 m @ 2.5 g/t Au*

Table 6: Havana Prospect – Significant Infill Diamond Drilling Inside Pit Shells

Hole No.	Easting (m)	Northing (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H. (m)	From (m)	To (m)	Intercepts
TPD285	650181	6762149	360	326	-55	399	349	368	19 m @ 1.9 g/t Au
							Incl. 350	354	4 m @ 4.5 g/t Au
TPD372	650072	6761549	364	325	-63	453	406	422	*16 m @ 2.8 g/t Au*
							Incl. 408	422	*14 m @ 3.1 g/t Au*
TPD380	649953	6761462	368	327	-65	372	*Incl.* 263	284	21 m @ 2.0 g/t Au
TPD381	650021	6761389	367	326	-59	198	96	98	2 m @ 3.5 g/t Au

Table 7: Havana Prospect – Significant Infill RC Drilling Inside Pit Shells

Hole No.	Easting (m)	Northing (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H. (m)	From (m)	To (m)	Intercepts
TPRC750	649581	6761659	364	317	-60	140	52	85	33 m @ 1.6 g/t Au
							Incl. 78	85	7 m @ 5.0 g/t Au
TPRC818	649615	6761943	362	319	-58	130	45	48	3 m @ 3.3 g/t Au
							84	113	*29 m @ 4.1 g/t Au*
							Incl. 96	111	*15 m @ 7.2 g/t Au*
TPRC819	649614	6761940	362	318	-61	131	92	111	*19 m @ 4.2 g/t Au*
							Incl. 92	109	*17 m @ 4.6 g/t Au*
TPRC820	649614	6761938	362	320	-68	130	33	43	10 m @ 2.8 g/t Au
							Incl. 33	39	6 m @ 4.3 g/t Au
							79	111	*32 m @ 4.5 g/t Au*
							Incl. 86	110	*24 m @ 5.6 g/t Au*
TPRC821	649612	6761937	362	317	-72	130	31	41	10 m @ 4.8 g/t Au
							80	108	*28 m @ 3.0 g/t Au*
							Incl. 87	107	*20 m @ 3.8 g/t Au*
TPRC822	649646	6761903	363	317	-58	150	99	105	6 m @ 2.7 g/t Au
							Incl. 99	103	4 m @ 3.9 g/t Au
							109	130	*21 m @ 8.4 g/t Au*
							Incl. 109	123	*14 m @ 11.2 g/t Au*
							Incl. 127	130	3 m @ 5.9 g/t Au

Table 7: Havana Prospect – Significant Infill RC Drilling Inside Pit Shells (cont).

Hole No.	Easting (m)	Northing (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H. (m)	From (m)	To (m)	Intercepts
TPRC823	649649	6761904	363	316	-69	150	51	67	16 m @ 1.6 g/t Au
							Incl. 58	67	9 m @ 2.1 g/t Au
							103	120	*17 m @ 3.4 g/t Au*
							Incl. 103	106	3 m @ 3.9 g/t Au
							Incl. 112	118	6 m @ 7.2 g/t Au
							Incl. 130	133	3 m @ 3.1 g/t Au
TPRC824	649651	6761907	363	316	-72	150	113	131	*18 m @ 4.4 g/t Au*
							Incl. 113	117	4 m @ 12.1 g/t Au
							Incl. 120	122	2 m @ 3.1 g/t Au
							Incl. 125	131	6 m @ 3.7 g/t Au
TPRC826	649690	6761868	364	321	-64	175	132	157	25 m @ 1.9 g/t Au
							Incl. 132	136	4 m @ 3.6 g/t Au
							Incl. 139	141	2 m @ 2.8 g/t Au
							Incl. 144	150	6 m @ 2.0 g/t Au
							Incl. 153	157	4 m @ 2.3 g/t Au

Regional Exploration

Auger Drilling

Auger drilling defined anomalies at Beachcomber and Tropicana Group 4 tenements at the far southern end of the project area, with the Beachcomber anomaly being partially tested by aircore drilling.

Aircore and RC Drilling

During the quarter a total of 625 aircore holes were drilled for 27,057m and 46 RC holes for 6,636m. This included follow-up aircore drilling at Screaming Lizard and Beachcomber, first-pass aircore drilling at Black Dragon, Beachcomber and east of Tropicana, and first-pass RC drilling at Crouching Tiger, Double Vision and Beachcomber.

Significant RC results from Beachcomber are illustrated in **Figure 7** and include the following intercepts, which are down-dip from the previously reported intercept of 3m @ 65.8g/t Au:

- **14m @ 3.3g/t Au including 5m @ 8.2g/t Au** from 90m in BCRC008
- **6m @ 3.6g/t Au** from 58m in BCRC007

All significant results from RC and aircore drilling are included in **Tables 8 and 9**.

Table 8: Regional Aircore Drilling

Hole No.	Easting (m)	Northing (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H. (m)	From (m)	To (m)	Intercepts
BCA078	527106	6575394	353	360	-90	60	52	60	8 m @ 0.38 g/t Au
BCA079	527210	6575400	353	360	-90	51	46	51	5 m @ 0.85 g/t Au
BCA091	526913	6575209	351	360	-90	60	51	55	4 m @ 0.17 g/t Au
BCA093	527089	6575192	351	360	-90	59	53	57	4 m @ 0.21 g/t Au
BCA332	526990	6575593	353	0	-90	56	52	56	4 m @ 0.51 g/t Au
BCA334	527200	6575600	355	0	-90	48	28	36	8 m @ 0.29 g/t Au
BDA094	666290	6776882	367	270	-90	57	16	20	4 m @ 0.14 g/t Au
SBA192	652700	6758400	335	0	-90	12	7	11	4 m @ 0.26 g/t Au
SBA291	654000	6760400	328	0	-90	47	38	44	6 m @ 0.20 g/t Au
SLA278	652200	6754200	343	360	-90	44	32	44	12 m @ 0.28 g/t Au

Table 9: Beachcomber RC Drilling

Hole No.	Easting (m)	Northing (m)	RL (m)	Azimuth (degr)	Dip (degr)	E.O.H. (m)	From (m)	To (m)	Intercepts
BCRC007	527650	6574982	348	276	-58	150	48	64	16 m @ 1.4 g/t Au
							Incl. 58	64	6 m @ 3.6 g/t Au
BCRC008	527700	6574980	350	276	-58	150	86	100	14 m @ 3.3 g/t Au
							Incl. 90	95	5 m @ 8.2 g/t Au
							Incl. 98	100	2 m @ 2.1 g/t Au
BCRC016	527100	6575404	350	278	-58	150	31	46	15 m @ 0.6 g/t Au
							Incl. 36	38	2 m @ 1.2 g/t Au
BCRC017	527150	6575404	353	275	-54	150	52	55	3 m @ 1.5 g/t Au
BCRC019	527250	6575404	353	278	-58	150	47	77	30 m @ 0.4 g/t Au
							84	93	9 m @ 0.6 g/t Au
TPRC915	649036	6759486	367	319	-55	159	82	88	6 m @ 1.6 g/t Au

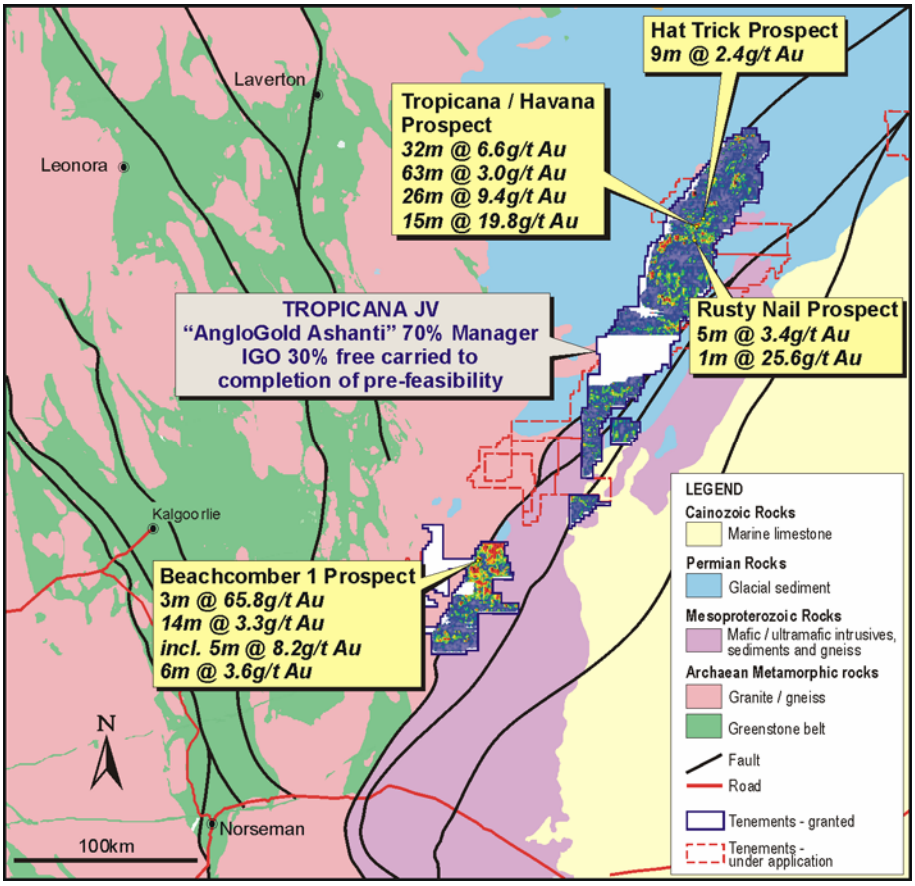


Figure 7: Tropicana JV – Significant Regional Drilling Results

Proposed March Quarter Exploration Programs

RC and diamond drilling in the next quarter will focus on 25m x 25m infill drilling of the proposed starter pits, completing drill-testing of MIMDAS anomalies to the west of the resource areas, and continue step-out drilling where conceptual pit designs are currently constrained by lack of drilling. The objective is to complete drilling of the starter pit resources to Measured and Indicated status by mid-year to enable preparation of a feasibility study resource and reserve model.

Fast Track activities will include ongoing water exploration programs, drilling for comminution and geotechnical samples, comminution testwork,

environmental studies for endangered species and baseline studies for road and water supply areas.

Regional exploration programs during the next quarter will include aircore drill-testing of numerous other geochemical anomalies in the project area.

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.

DALWALLINU (IGO 100%)

The Dalwallinu Project is situated at the southern margin of the Murchison Province of the Yilgarn Block in Western Australia between the Boddington Gold Mine (+20M oz resource) and the Mt Gibson Gold Mine (+1M oz).

Previous exploration by IGO has located the Pithara Prospect which comprises a discrete narrow high grade shoot (7m @ 30.1g/t Au from 46m) with RAB and Aircore drilling identifying mineralisation in a 4km corridor north and south of Pithara.

An RC program to test the down-plunge potential of the high-grade shoot and RAB and aircore targets within the mineralised corridor will be undertaken as soon as a suitable drilling rig can be sourced.

COOMBERDALE (IGO 100%)

Coomberdale is located within freehold farm land approximately 60kms west-north-west of the Dalwallinu Project and covers a shallowly covered and largely unexplored greenstone belt with an interpreted strike length of up to 60kms.

Previous drilling by IGO has delineated a north-west trending gold anomalous corridor over a strike length of 10km. Petrographic work suggests that mineralisation represents a typical greenschist facies shear hosted lode-gold system.

A stream sediment sampling program to assist in prioritisation of targets areas was completed and highlighted two anomalous areas. It is anticipated that drill testing will recommence in the March quarter.

COBAR (IGO 100%)

Two prospects, Prince William and Sir Lancelot, identified during the regional surface geochemical sampling and subsequent RAB drilling remain to be tested by RC drilling as soon as a suitable drill rig can be sourced.

The Prince William prospect comprises wide-spread low level gold mineralisation (100 – 300ppb) associated with pyrite altered felsic volcanic rocks. Metallurgical testwork on a number of grab samples from the outcropping portions of the volcanics has confirmed that gold mineralisation is contained within the pyrite with analysis of flotation concentrates returning an average 2.3ppm Au to a maximum value of 7.3ppm Au. An IP survey is scheduled for the March quarter to test the felsic volcanics under cover for zones of more intense pyrite alteration prior to drill testing.

HOLLETON
(IGO 90-100%)

The Holleton Project comprises numerous tenements and tenement applications covering an area of 1,257 km^2 over the largely unexplored Holleton greenstone belt in the Southern Cross Province of the Archaean Yilgarn Craton.

IGO's main interest in the project is a large area of interpreted amphibolite facies greenstone under cover that has yet to be subject to any effective exploration for gold. During the quarter work was completed on the Gibb Rock Prospect and a regional scale roadside geochemical program was completed over the broad project area.

Gibb Rock Prospect

A 1,300 hole auger sampling program was completed over the Gibb Rock Prospect area located to the south-west of the Holleton Mining centre (**Figure 8**). This program was designed to confirm and better delineate areas of gold anomalism identified by Normandy Mining Ltd during exploration in the 1990's which were not adequately followed up due to management changes.

A number of gold anomalous areas were defined by the auger program.

The most significant anomaly is located in the north of the sampled area and comprises a coincident Au+As anomaly, approximately 300m in true width extending at least 2.5km north-east along strike where it remains open and to the south-west where it becomes obscured by cover. The anomaly peaks at 200ppb Au with a core of >100ppb along its length and was also detected in roadside sampling which returned 10.9ppb in a soil sample at the north-east end.

A further anomaly with results up to 1,310ppb Au was identified at the southern end of the auger sampling coincident with laterite and covers an area of approximately $1km^2$.

Regional Roadside Sampling

Preliminary results from the regional roadside sampling program have been received. A number of anomalies have been identified and will be followed-up once final results have been received and interpreted.

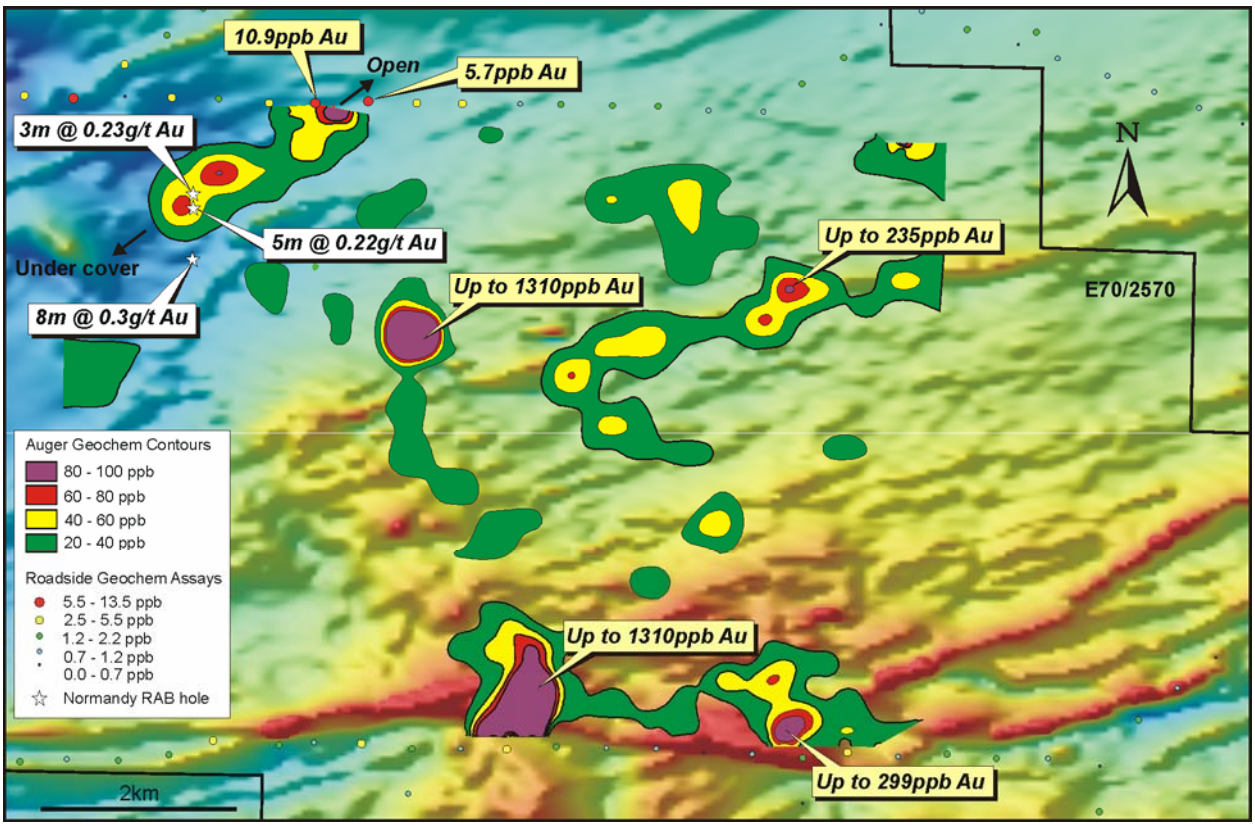


Figure 8: Holleton Project – Gibb Rock Prospect Auger Geochemistry Over Aeromagnetics

KARLAWINDA (IGO 100% BHPB – CLAWBACK RIGHTS)

Since the end of the quarter IGO purchased the Karlawinda Project from BHP Billiton. BHP Billiton retains a 70% clawback right on discoveries over 5 million ounces of gold or 120,000 tonnes of nickel.

Historic limited drilling (**Figure 9**) has returned low-grade gold anomalism within wide zones of strong pervasive potassic alteration and quartz veining including:

- 37m @ 1.9g/t Au
- 32m @ 1.0g/t Au
- 70m @ 0.4g/t Au
- 76m @ 0.4g/t Au

Within the broad low-grade intercepts, higher grade zones include:

- **7m @ 4.6g/t Au**
- **6m @ 4.5g/t Au**

Gold mineralisation has been defined over an area of 600m x 400m at the Frankopan Prospect and is open in all directions, from limited drilling. IGO has planned an aggressive RC and diamond drilling campaign designed to delineate known mineralisation and to test for extensions.

The project is located 65kms south-east of Newman, close to road and gas pipeline infrastructure (**Figure 10**). Refer to ASX Announcement dated 21 January 2008 for further details.

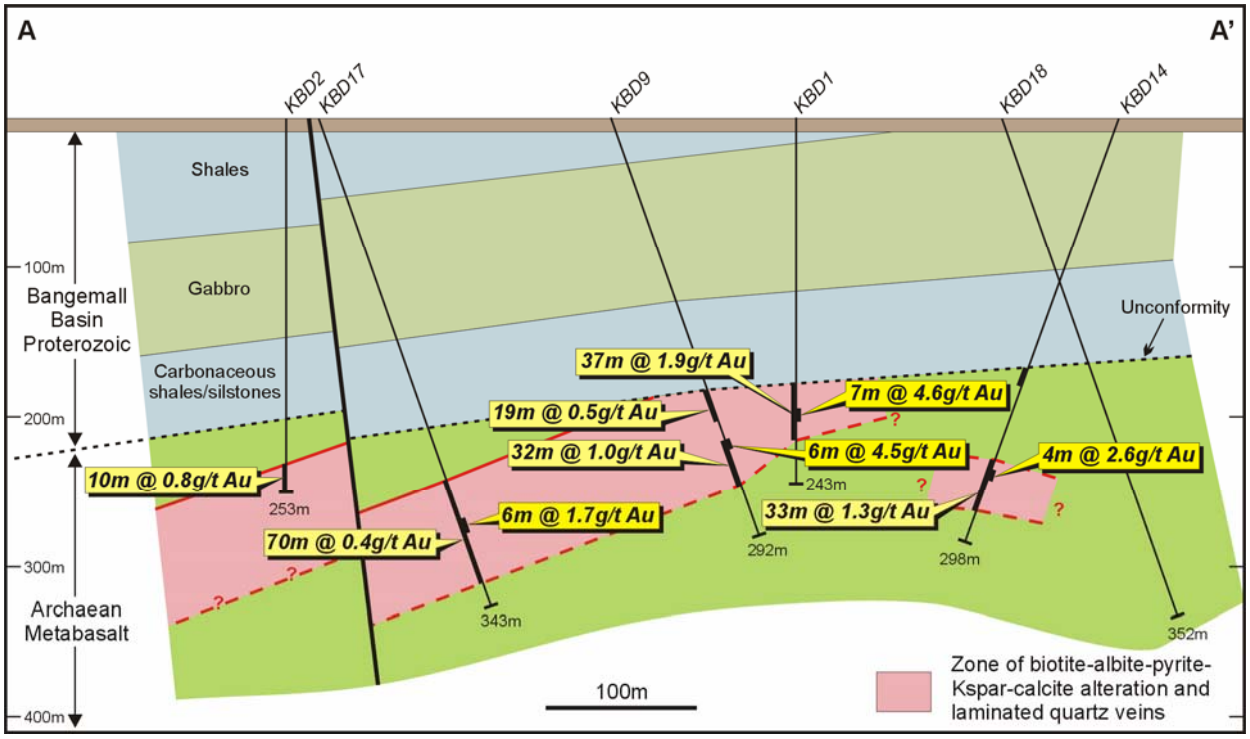


Figure 9: Karlawinda Project – Cross-Section Showing Significant Drilling Results

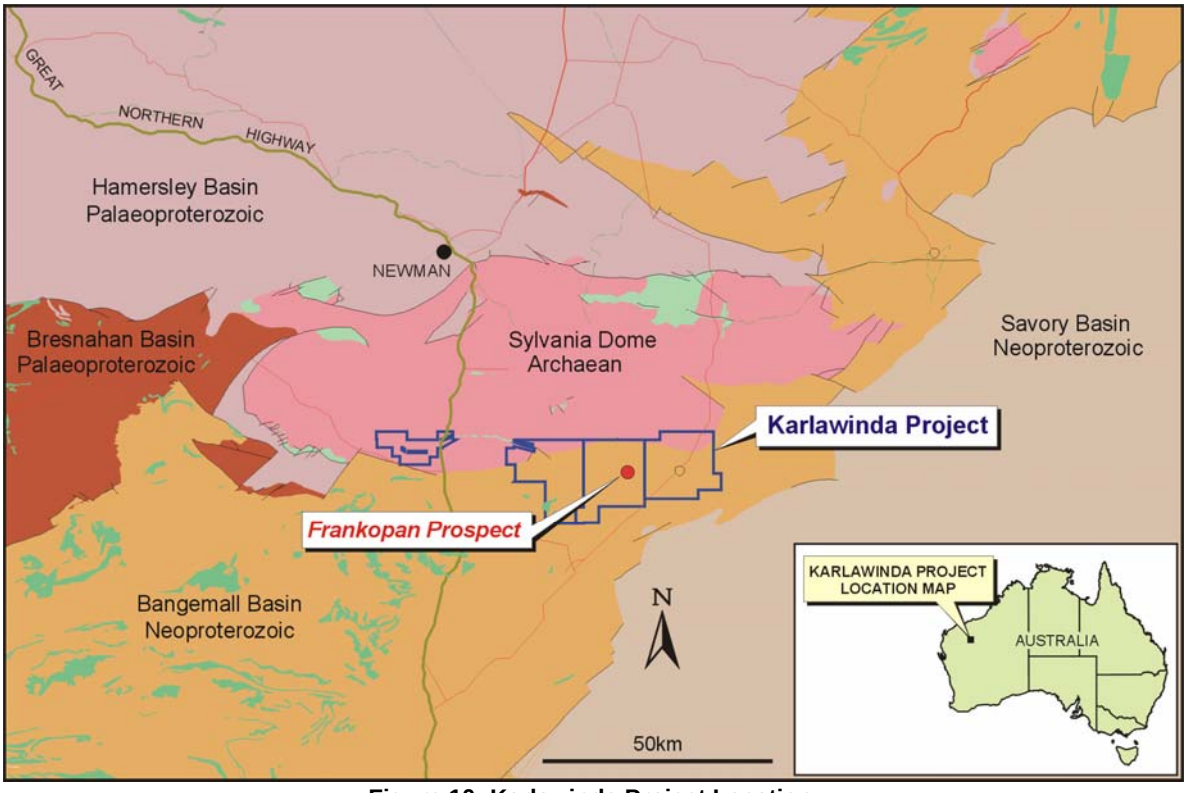


Figure 10: Karlawinda Project Location

REGIONAL NICKEL EXPLORATION

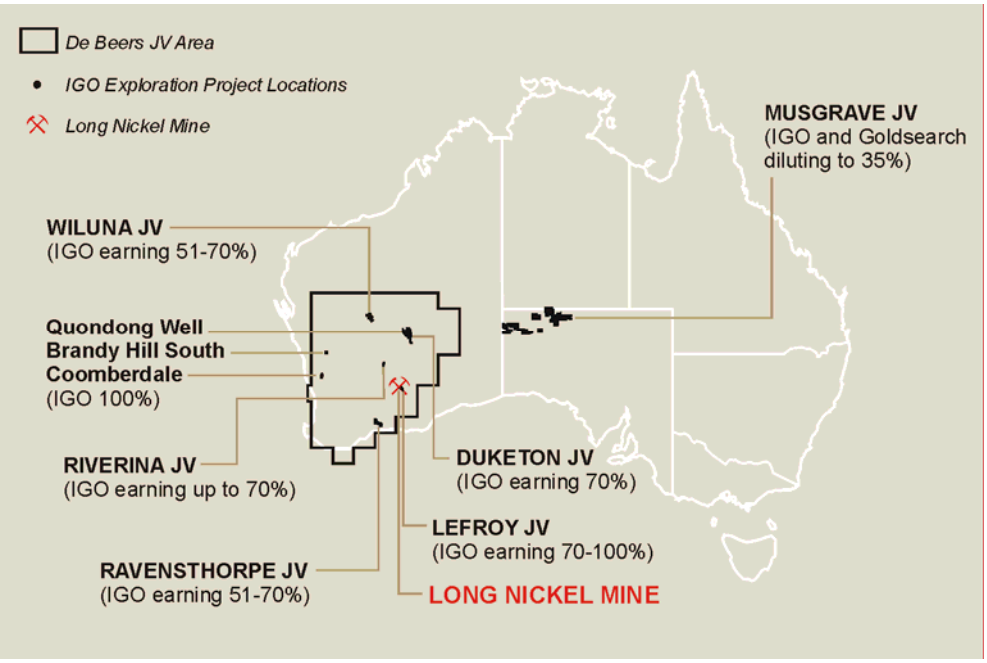


Figure 11: IGO Nickel Project Locations

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

The Duketon Nickel JV covers approximately 60kms of strike of ultramafic rich stratigraphy in the Duketon Greenstone Belt. The belt is prospective for Ni-Cu-PGE mineralisation and prior to IGO's involvement had not been subjected to modern nickel sulphide exploration techniques.

The Bulge

Previous limited RC drilling at the Bulge Prospect (**Figure 12**) has confirmed the presence of disseminated nickel sulphide mineralisation with associated PGE anomalism. A broad follow-up aircore program comprising 101 holes on 400m x 100m centres was completed during the September quarter to delineate the potential extent of mineralisation. Approximately 25% of the area could not be tested effectively due to a thick silica cap rock which could not be penetrated by the aircore rig.

Results from the aircore program have now been received. In the portions that could be tested effectively, nickel anomalism of 0.4% or greater was defined over an area of approximately 1.5km^2 coincident with the Bulge ultramafic. The extent of this anomalism provides ample scope for the presence of a significant accumulation of disseminated nickel sulphide. A large RC drilling program to test the anomaly is planned for the first half of 2008.

Robinson Prospect

A TEM survey testing ultramafic stratigraphy at the Robinson Prospect, located between the Bulge and the Camp Oven Ni-Cu-PGE occurrence has been completed. One conductor delineated during the survey (Anomaly B) is closely associated with a magnetic anomaly at the interpreted ultramafic contact. The anomaly is 400m long with a sub-vertical dip and is considered a high priority nickel sulphide target.

Bulge Bandya

A TEM survey has been completed at the Bulge-Bandya area testing ultramafic stratigraphy south-east along strike from the Bulge. A strong,

short strike length anomaly consistent with a nickel sulphide response has been identified close to or on the ultramafic-sediment contact.

Priority conductors at the Robinson and Bulge-Bandya prospects will be drill tested once access issues have been finalised.

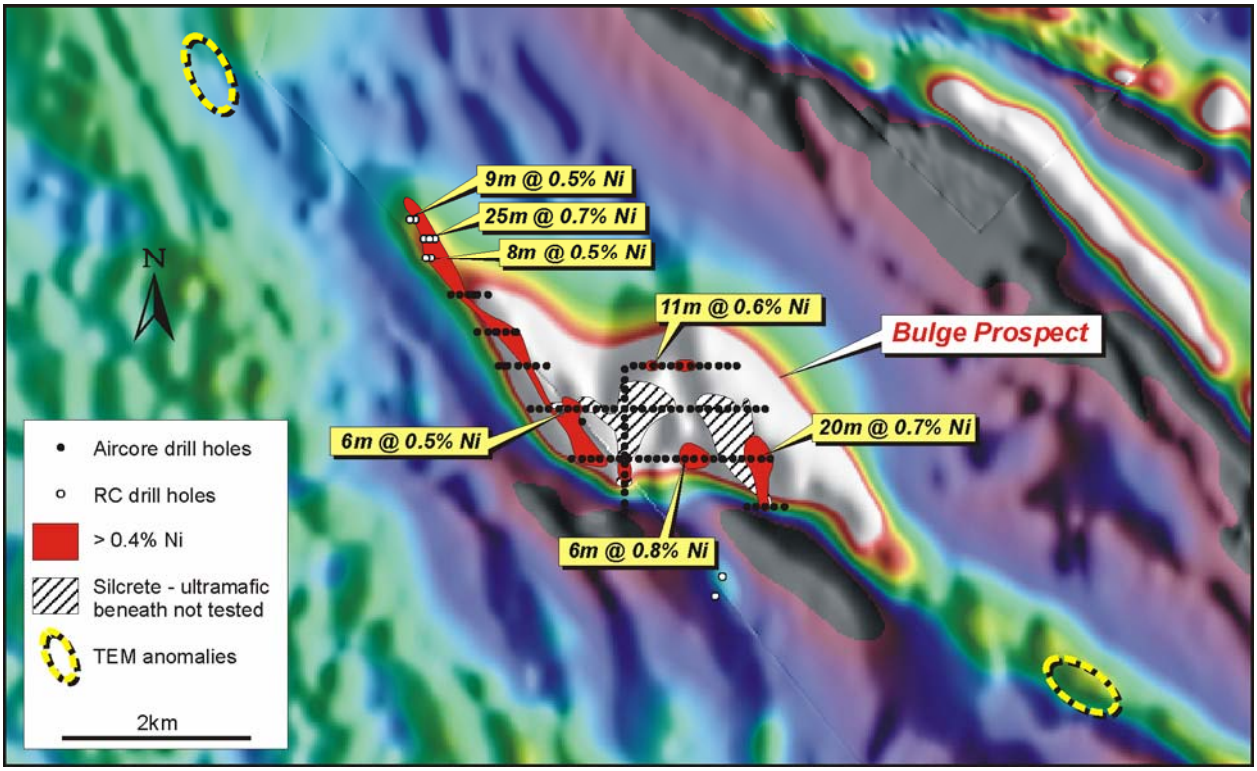


Figure 12: Duketon JV – Bulge Prospect – Drilling Results and TEM Anomalies Over Magnetic Image

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

IGO is earning a 51% interest in Traka Resources Limited's ("Traka") Ravensthorpe Nickel Project by spending $5 million on exploration and/or development (excluding nickel laterite and iron ore rights).

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.

RAV4 and RAV4W

The RAV4 and RAV4W prospects comprise small shallow sub-economic nickel sulphide deposits whose mineralogy is dominated by the non-conductive supergene nickel sulphide mineral violarite. The down-plunge potential of one area was tested using IGO's proprietary High-Powered EM Transmitter coupled with a very sensitive Cesium Vapour Magnetometer as the receiver. It was anticipated that this combination of instruments would detect the presence of more conductive pentlandite-pyrrhotite mineralisation at depth beneath the supergene zone.

No significant anomalies were detected in the area tested, however further TEM surveys are planned on other areas yet to be tested.

Mt Short

At Mt Short in the north western portion of the project, TEM surveys testing an extensive covered ultramafic horizon have located a conductor (MS7) associated with RAB anomalies up to 0.6% Ni and 0.8% Cu within a broad

area of surface anomalism. This high priority target will be drill tested once all Western Australian Government access approvals are in place.

Other Prospects

Prospective ultramafic and interpreted ultramafic stratigraphy yet to be tested by TEM for nickel sulphide mineralisation includes:

- The Gap (7.7 strike km)
- Mt Short Eastern Limb (9.5 strike km)
- Mt Short Western Limb (8.2 strike km)
- Mt Short North (9.1 strike km).

A combination of rugged terrain, thick scrub, and cropping activities make these areas difficult to access for surface TEM surveys and consequently an airborne EM survey was completed over these areas in early January 2008. Final results are awaited.

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 18,000 square kilometres 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. IGO has reached an exploration agreement with the Aboriginal owners and two priority exploration licences have been granted.

An agreement is in place with BHP Billiton whereby they can earn a 65% equity in the project by spending $25m or by completion of a bankable feasibility study. BHP Billiton has approved an initial budget of $631,000 to commence exploration of the two granted tenements.

One of the two granted tenements contains the Wanka Wanka Prospect, a nickel sulphide occurrence identified and partially tested by explorers in the 1970's. A program of surface sampling and gravity and TEM surveying is planned to test this prospect as soon as access is finalised. An access clearance survey by the Traditional Owners is scheduled for early February.

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 40kms 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 including:

Bodkin

Previous RC testing of the Bodkin prospect 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. This mineralisation is open down-dip to the east and a TEM survey using IGO's proprietary high-powered transmitter is planned to assist in targeting the next round of deeper drill testing (**Figure 13**).

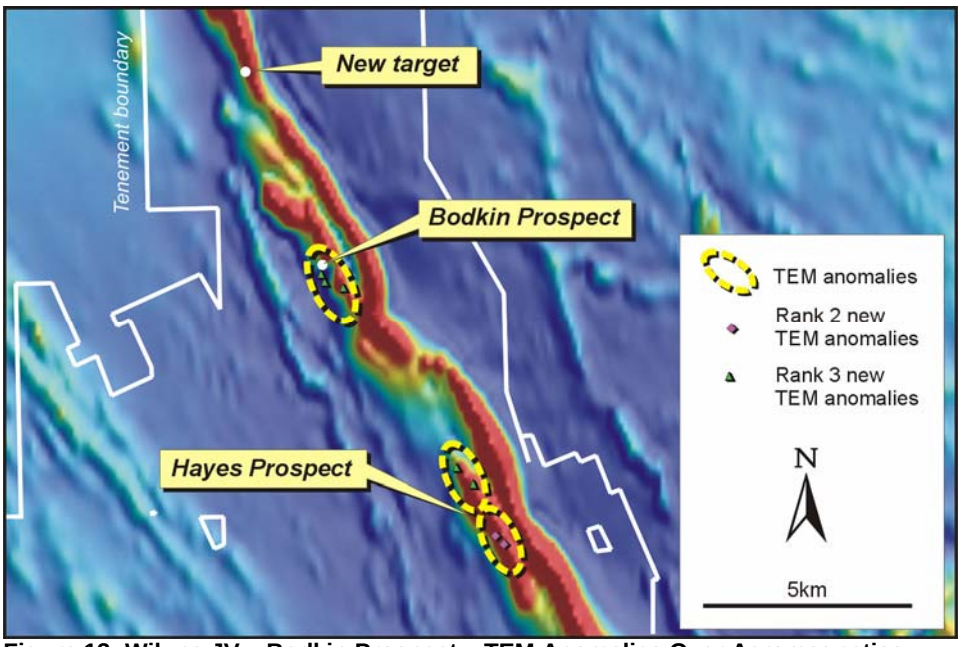


Figure 13: Wiluna JV – Bodkin Prospect – TEM Anomalies Over Aeromagnetics

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. IGO plans to test the area using a sensitive Cesium Vapour magnetometer as the TEM receiver which should enable an effective test of bedrock for nickel sulphides beneath the lake cover.

Other

A detailed re-appraisal of all TEM surveys to date has identified 7 TEM anomalies that have not been adequately tested by followed up exploration. The anomalies all lie along the main ultramafic trend extending north from Honeymoon Well. Three anomalies are in the vicinity of the Bodkin nickel sulphide discovery and the other 4 are along strike from the Hayes Prospect approximately 10km south east of Bodkin.

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

Through a number of JV agreements IGO is exploring tenure covering magnetic features representing known and interpreted ultramafic stratigraphy prospective for nickel sulphide mineralisation under the Lake Lefroy salt lake system 15-30 kms east of Kambalda. The stratigraphy and structural setting of these features is potentially analogous to the Kambalda Dome Nickel Camp. Various targets are being tested using a proprietary "Low Temperature SQUID" EM sensor under licence from Anglo American who retain various clawback rights in the event of a major discovery. Unlike conventional techniques the SQUID sensor is capable of detecting nickel sulphides beneath conductive salt lake cover.

During the quarter a survey was commenced over the Anglo Gold Ashanti and Gladiator JV areas. The survey was terminated before completion due to an unidentified external "noise" signal. The survey is expected to recommence in February.

Five anomalies have been detected by the survey to date (**Figure 14**).

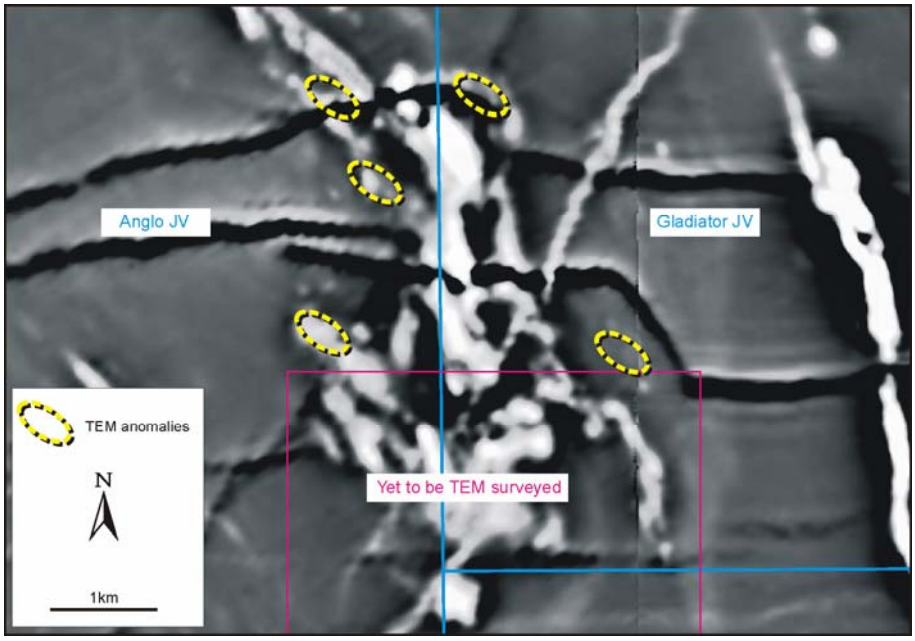


Figure 14: Lake Lefroy JV's – TEM Anomalies Over Magnetic Image

Two anomalies are located on the Gladiator JV (IGO earning 70% nickel rights). The northern most anomaly is associated with the "Lisa's Dune" ultramafic trend and requires infill TEM readings whilst the southern anomaly is thought to be sediment related.

Three anomalies are located on the AngloGold JV Ground (IGO 100% nickel rights). The two northern anomalies are located on an extension of ultramafic stratigraphy confirmed previously by IGO in drill testing of an anomaly on the Excalibur JV ground. Both anomalies require infill EM surveying before a drill target can be modelled. The third anomaly is located in an area that may be underlain by sediments and is therefore lower priority.

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

IGO has reached 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 140km 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. The tenements contain an extensive package of ultramafic lithologies which are at varying stages of exploration.

Exploration by Riverina at the Martins Zone ultramafic has delineated an advanced nickel sulphide target that includes remobilised massive sulphide intersections of 2m @ 2.8% Ni from 152m (~ 20cm massive sulphide) in GNRC028 and 0.37m @ 10.9% Ni from 250.78 in GNDD004 adjacent to an ultramafic footwall contact. This prospect will be IGO's initial focus where a drilling program to test the down-plunge potential is planned (**Figure 15**).

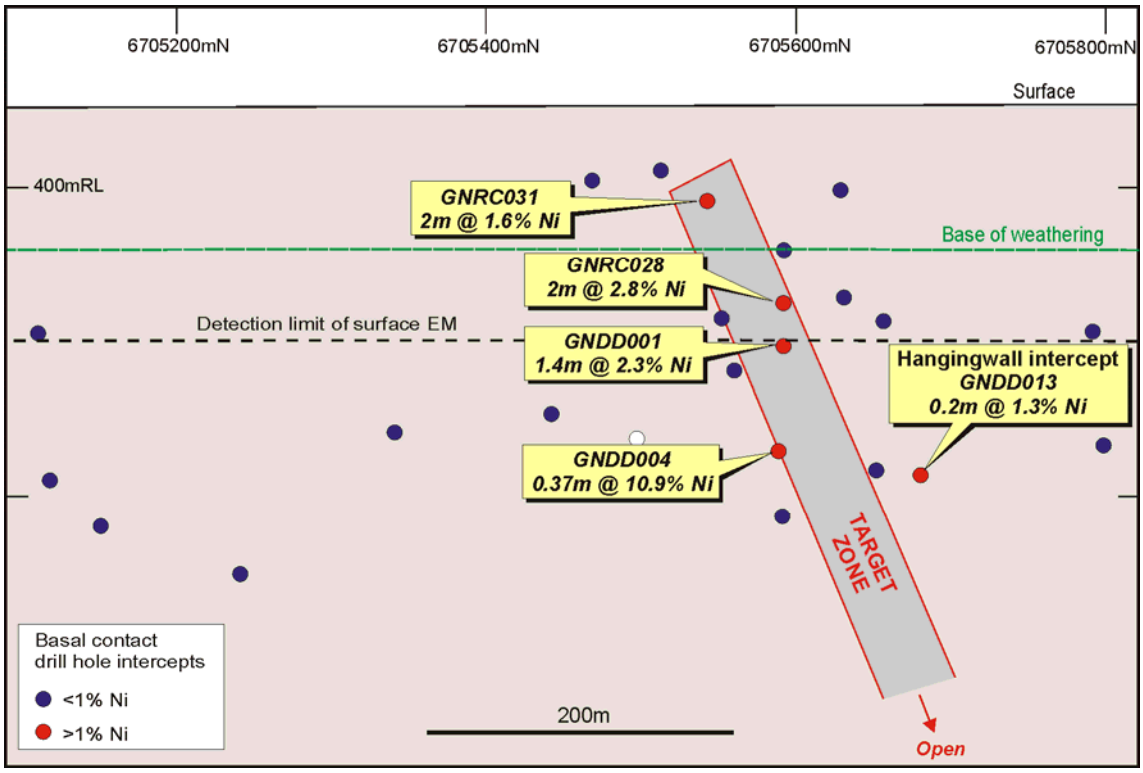


Figure 15: Riverina JV – Martins Zone – Longitudinal Projections Showing Nickel Intercepts and Target Zone

Soil sampling has been completed over all ultramafic units within the Project area. Nickel in soil anomalism and interpretation of surface geological mapping indicate that at least two additional ultramafic units may also be prospective for massive sulphide mineralisation. Of particular interest is a prospect at the northern end of the tenement package where rock chip sampling of a gossanous outcrop adjacent to an ultramafic unit returned results up to 0.48% Ni, 962ppm Cu and 322ppm Pt+Pd. These targets have not been tested by surface EM surveys and contain little or no drilling.

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:	Royal North:	RC test of EM targets intersected barren sulphides. JV partner sought to test gold and 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)
MAGNETITE PROJECTS:	Goldsworthy:	JV partner being sought to assess magnetite iron ore potential

MARCH QUARTER EXPLORATION PROGRAM

REGIONAL NICKEL EXPLORATION	Ravensthorpe:	Drill testing new MS7 target at Mt Short
	Duketon:	Drill testing of TEM conductors at the Robinson and Bandya prospects. Continued TEM testing of prospective ultramafics
	Lefroy:	SQUID surveying on AngloGold Ashanti and Gladiator JV's
	Wiluna:	TEM testing of Bodkin mineralisation and Lake Way prospect
	Riverina:	Drill testing Martin's Zone nickel sulphide and EM testing ultramafic stratigraphy and gossans
	Musgrave:	Surface geochemistry and TEM testing of Wanka Wanka Prospect (subject to access)
REGIONAL GOLD EXPLORATION	Tropicana:	Diamond, RC and aircore infill and regional drilling towards completion of Pre-feasibility Study over Tropicana and Havana Zones and regional target assessment
	Holleton:	RAB/Aircore testing auger and RAB anomalies
	Coomberdale:	Stream sediment survey on southern tenements
	Duketon :	RC drill testing targets in Pithara area
	Cobar :	IP testing Prince William prospect
IGO EMAIL SERVICE	To receive copies of ASX announcements including quarterly reports via email, please register for Email Alerts via the Investor Centre page of the website: igo.com.au.	

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.

PO BOX 893
SOUTH PERTH WA 6951
T: +61 8 9367 2755 **F:** +61 8 9367 3288 **E:** contact@igo.com.au **W:** www.igo.com.au