



25 September 2009

Australian Stock Exchange Limited
Company Announcements
Level 10, 20 Bond Street
SYDNEY NSW 2000

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LONG NICKEL MINE – JUNE 2009 RESOURCES AND RESERVES

Highlights

- **Largest resource and reserve in the history of Independence Group NL**
- **Mineral Resources: 1,685,000t @ 5.6% Ni - 93,900 Ni t (inclusive of reserves)**
- **Ore Reserves: 1,327,000t @ 3.9% Ni - 51,800 Ni t**
- **Approximately 42,100 resource tonnes of nickel remain in the Long Mine outside current reserves.**
- **Assuming current production rates, mine life has been extended to 2015 based on reserves only.**
- **Both the recently discovered high-grade Moran deposit and McLeay Shoot 3 remain open to the south-east. The Company has budgeted \$7 million to continue to explore these areas in 2009/10.**

Details

Independence Group NL ("IGO") is pleased to announce new resource and reserve estimates at the Long Nickel Mine, in accordance with the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "JORC" Code 2004).

To 30 June 2009, the Company had mined 55,496 tonnes of nickel metal at the Long Nickel Mine.

After mining depletion of 8,779 nickel tonnes (2008/9 production), resources increased by 40% from 75,800 Ni t in June 2008 to 93,900 Ni t in June 2009 (Figure 1).

After mining depletion of 8,779 nickel tonnes (2008/9 production), reserves increased by 82% from 37,200 Ni t in June 2008 to 51,800 Ni t in June 2009 (Figure 2).

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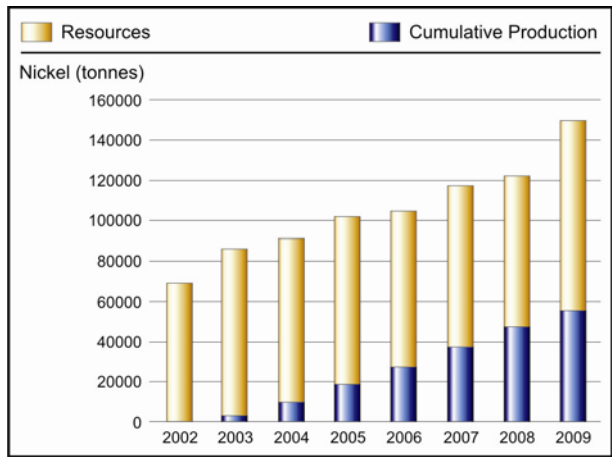


Figure 1: Accumulated Resource and Production Nickel Tonnes

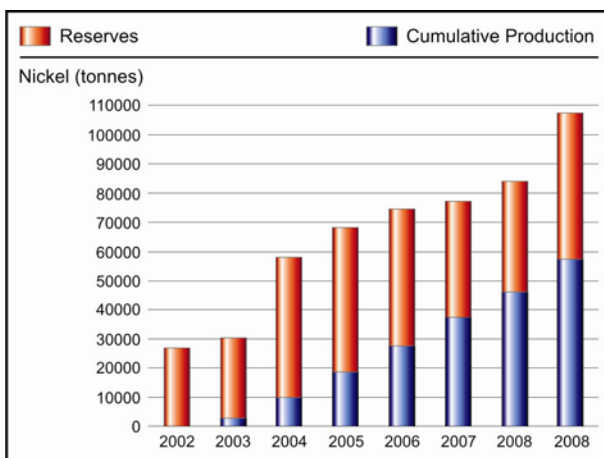


Figure 2: Accumulated Reserve and Production Nickel Tonnes

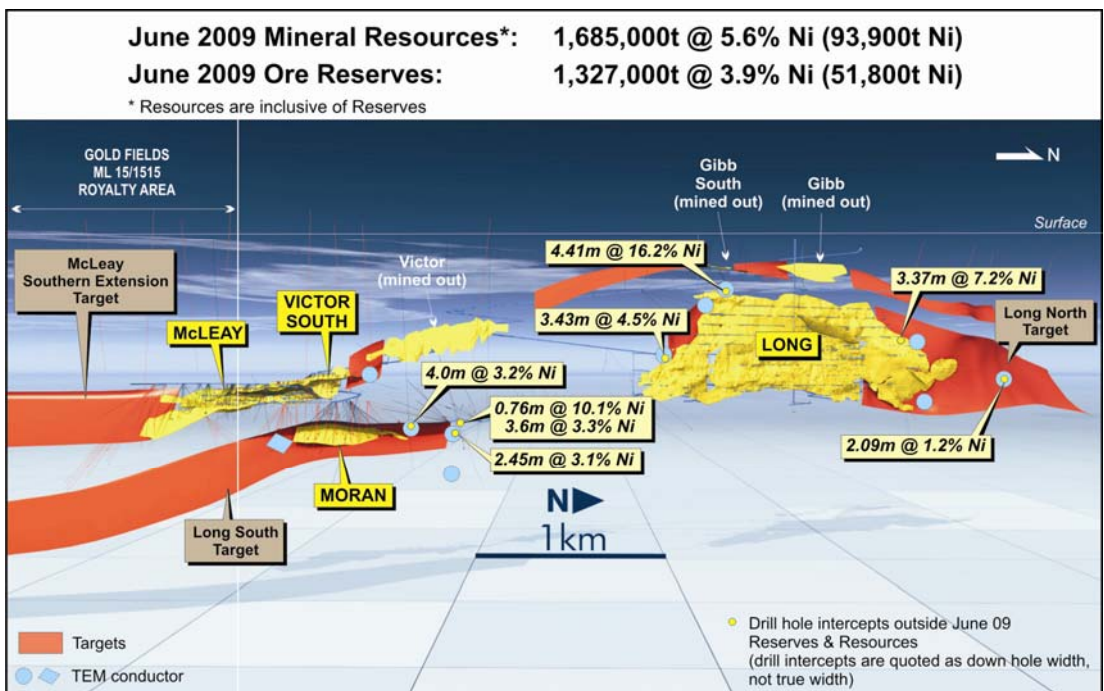


Figure 3: Long Nickel Mine – Longitudinal Projection Showing Ore Deposits (yellow), Targets, TEM Conductors and Significant Intercepts Outside Current Resources and Reserves

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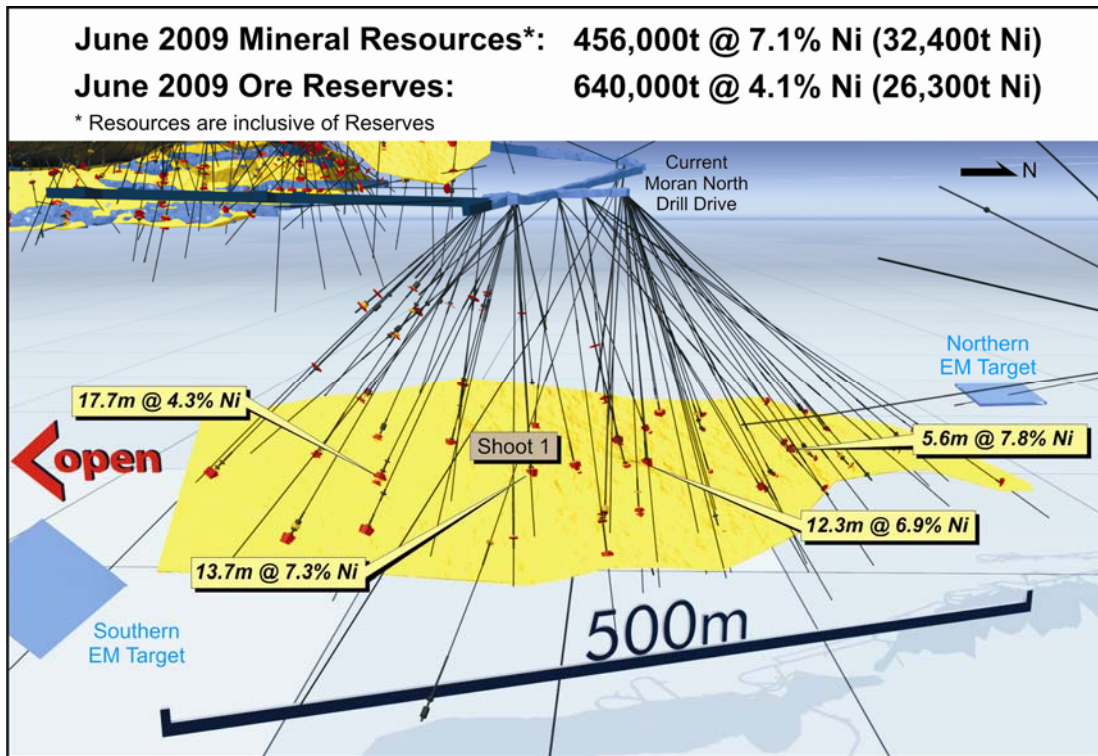


Figure 4: Moran - 3D Isometric Model Showing Nickel Shoots, Drill-Holes and Development

The 2009 reserve estimate includes the initial reserve for the new Moran deposit south of the Long ore body (Figure 5). The Moran deposit remains open to the south-east.

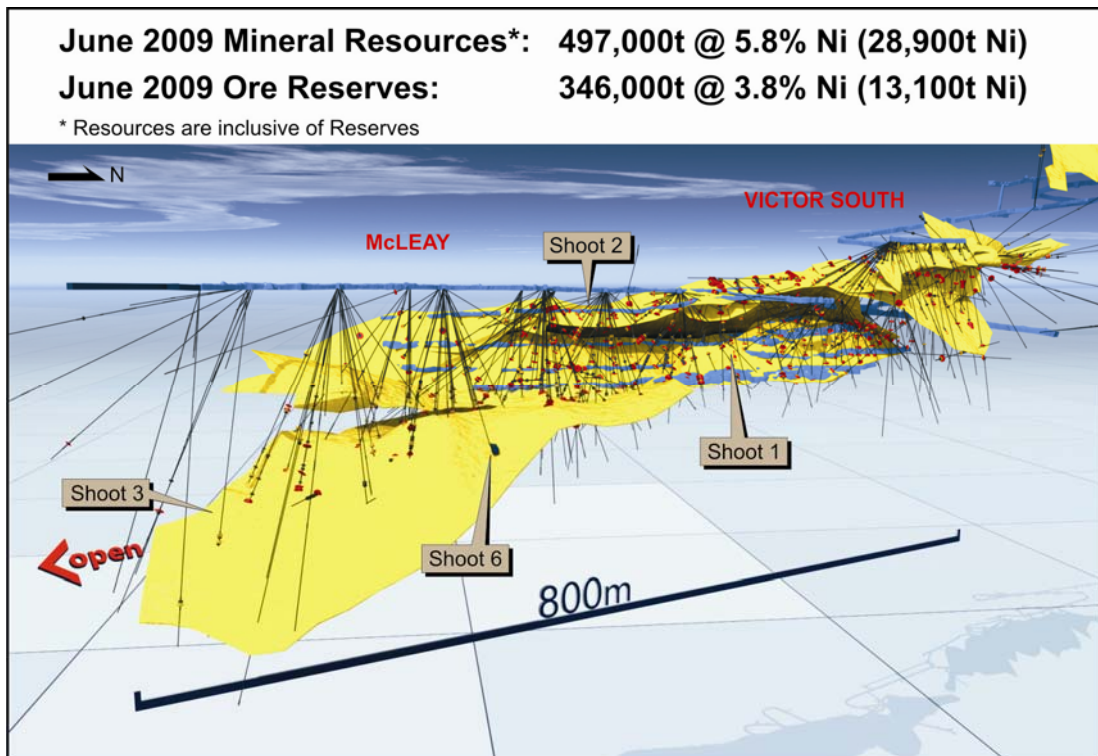


Figure 5: McLeay - 3D Isometric Model Showing Nickel Shoots, Drill-Holes and Development

Table 1: Long Nickel Mine – Resources

		<i>Undiluted Resources at 1% Ni Cut-off¹ as at 30 June 2008²</i>			<i>Undiluted Resources at 1% Ni Cut-off¹ as at 30 June 2009²</i>		
		<i>Tonnes</i>	<i>Ni %</i>	<i>Ni Tonnes</i>	<i>Tonnes</i>	<i>Ni %</i>	<i>Ni Tonnes</i>
Long	Measured	167,000	6.5	10,800	64,000	6.4	4,100
	Indicated	401,000	5.2	20,900	298,000	5.2	15,500
	Inferred	77,000	4.9	3,800	61,000	4.4	2,700
	Sub-Total	645,000	5.5	35,500	423,000	5.3	22,300
Moran	Measured	-	-	-	-	-	-
	Indicated	-	-	-	401,000	6.9	27,800
	Inferred	-	-	-	55,000	8.4	4,600
	Sub-Total	-	-	-	456,000	7.1	32,400
Victor South	Measured	-	-	-	-	-	-
	Indicated	303,000	3.9	11,700	305,000	3.2	10,100
	Inferred	-	-	-	-	-	-
	Sub-Total	303,000	3.9	11,700	305,000	3.2	10,100
McLeay	Measured	-	-	-	118,000	6.8	8,000
	Indicated	267,000	7.0	18,800	217,000	5.6	12,100
	Inferred	205,000	4.8	9,800	162,000	5.4	8,800
	Sub-Total	472,000	6.0	28,600	497,000	5.8	28,900
Broken Stocks	Measured	-	-	-	4,000	5.0	200
	Sub-Total	-	-	-	4,000	5.0	200
TOTAL		1,420,000	5.3	75,800	1,685,000	5.6	93,900

Resources are inclusive of reserves

Table 2: Long Nickel Mine – Reserves

		<i>Mining Reserve at Economic Ni Cut-off as at 30 June 2008²</i>			<i>Mining Reserve at Economic Ni Cut-off as at 30 June 2009²</i>		
		<i>Tonnes</i>	<i>Ni %</i>	<i>Ni Tonnes</i>	<i>Tonnes</i>	<i>Ni %</i>	<i>Ni Tonnes</i>
Long	Proven	124,000	3.9	4,800	70,000	3.5	2,500
	Probable	288,000	2.9	8,400	155,000	2.9	4,500
	Sub-Total	412,000	3.2	13,200	225,000	3.1	7,000
Moran	Proven	-	-	-	-	-	-
	Probable	-	-	-	640,000	4.1	26,300
	Sub-Total	-	-	-	640,000	4.1	26,300
Victor South	Probable	286,000	3.1	9,000	112,000	4.6	5,200
	Sub-Total	286,000	3.1	9,000	112,000	4.6	5,200
McLeay	Proven	-	-	-	170,000	3.7	6,400
	Probable	387,000	3.9	15,000	176,000	3.8	6,700
	Sub-Total	387,000	3.9	15,000	346,000	3.8	13,100
Broken Stocks	Proven	-	-	-	4,000	5.0	200
	Sub-Total	-	-	-	4,000	5.0	200
TOTAL		1,085,000	3.4	37,200	1,327,000	3.9	51,800

Reserves are included in resources

Notes:

¹ The cut-off grade used for Victor South resources is 0.6% Ni.

² Ore tonnes have been rounded to the nearest thousand tonnes and nickel tonnes have been rounded to the nearest hundred tonnes.

Reserves Broken Down by Mining Method

Reserves broken down by mining method are as follows:

Mining Method	Ni Tonnes
Mechanised jumbo stoping	16,700
Mechanised long-hole	16,900
Mechanised development	14,200
Air-leg	4,000
TOTAL	<u>51,800</u>

Resource and Reserve Estimation

Resource and reserve estimation methodology is detailed in Appendix 1.

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The Company has budgeted \$7.1 million in 2009/10 to continue Moran, Long South and McLeay exploration drilling and capital drill drive development with the aim of bringing forward the conversion of resources to reserves.



Christopher Bonwick
Managing Director

Note: The information in this report that relates to Exploration Results is based on information compiled by Christopher Bonwick. The information in this report that relates to Mineral Resources is based on information compiled by Somealy Sheppard and Mark Zammit. The information in this report that relates to Ore Reserves is based on information compiled by Brett Hartmann and Phil Bremner. Christopher Bonwick, Somealy Sheppard and Brett Hartmann are full-time employees of the Company and are members of the Australasian Institute of Mining and Metallurgy or the Australian Institute of Geoscientists. Mark Zammit is a consultant for Cube Consulting Pty Ltd and Phil Bremner is a consultant for MiningOne Pty Ltd and are members of the Australasian Institute of Mining and Metallurgy. Christopher Bonwick, Brett Hartmann, Somealy Sheppard, Mark Zammit and Phil Bremner have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and consent to the inclusion in the report of the matters based on their 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.

Board of Directors

Oscar Aamodt	Non-Executive Chairman
Chris Bonwick	Managing Director
Kelly Ross	Executive Director
John Christie	Non-Executive Director
Rod Marston	Non-Executive Director
Peter Bilbe	Non-Executive Director

Contact

Address:	PO Box 496 South Perth, WA, 6951
Telephone:	+61 8 9479-1777
Facsimile:	+61 8 9479-1877
Email:	contact@igo.com.au
Website:	www.igo.com.au

Share Registry

Security Transfer Registrars Pty Ltd	
770 Canning Highway	
Applecross, WA 6153	
Telephone:	+61 8 9315-0933
Facsimile:	+61 8 9315-2233

Stock Exchange Listing

Australian Stock Exchange
ASX Code: IGO

Capital Structure

Ordinary Shares	113,651,039
Unlisted Options	
Various Expiry Dates	1,250,000

Substantial Shareholders

JP Morgan Chase & Co	8.74%
National Australia Bank	6.00%
Orion Asset Management	5.19%

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Appendix 1

June 2009 Resource Estimation Parameters

The resource was estimated using 2D and 3D metal accumulation of grade, thickness and density interpolated by kriging.

Data

The following geological information and data were incorporated into the estimation process:

- Drill-hole data
- Ore and porphyry intrusive (barren) locations defined by drilling and/or underground mapping
- Survey pick up of mining depletion boundaries
- X-Pillar outlines (non-recoverable)

Cut-offs, Modelling Technique and Cell Size

	Long	Victor South	McLeay	Moran
Lower cut offs	1.0% Ni	0.6% Ni	1.0% Ni	1.0% Ni
Modelling technique	2D longitudinal kriging	01, 04 Surfaces – 3D ordinary block kriging 02 Surface – horizontal 2D planar kriging	Horizontal 2D planar kriging	Horizontal 2D planar kriging
Parent cells	2D 10mN x 8mRL 3D 10mN x 4mE x 4mRL	3D 10mN x 4mE x 4mRL	2D 20mN x 12mE	2D 20mN x 20mE 3D 10mN x 4mE x 4mRL
Block discretisation points (metres)	2D interpolation - 5 x 5 x 1 (XYZ)	3D interpolation - 4 x 5 x 2 (XYZ) 2D interpolation - 5 x 5 x 1 (XYZ)	2D interpolation - 5 x 5 x 1 (XYZ)	2D interpolation – 5 x 5 x 1 (XYZ)

Mining Depletion, Pillars and Porphyry Intrusives

- Mining depletion - Depletion areas were stamped into each mineralised surface of Long using 2D string outlines. Depletion areas in Victor South and McLeay were constrained by 3D survey pickups of the mined areas.
- X-Pillar (non-recoverable) - X-Pillars were stamped into each mineralised surface using 2D string outlines.
- Porphyry Intrusives - Porphyry intrusion wire frames (0.01% Ni, 2.7t/m³) were used to constrain the porphyry interpretation within the ore models.

June 2009 Reserve Estimation Parameters

The reserve was estimated using stoping wire frames overlaid on resource block models.

Reserve estimation parameters are as follows:

- Nickel metal price - AU \$17,283/ Ni (in-house estimate).
- Grade cut-off - 2.2% Ni site average but varies by area depending on development requirements.
- This cut-off has been used as an average for a combination of stoping methods and includes all operating costs and expected nickel recoveries.

Extractions and dilution factors:	Extraction	Dilution
Long-hole stopes	95%	25 - 35%
Flat-back stope	100%	5%
Room and pillar stopes	80%	5%
Air-Leg slotting	90%	5%

- Geotechnical loss - 1.3% subtracted from reserves in the Long deposit to represent the remnant nature of the reserves in this area.
- Method - Stopes were designed in 3 dimensions using the above inputs and resource block models. Final reserves were estimated after the subtraction of porphyry, unextractable X-Pillars and mining depletion.

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