INDEPENDENCE GROUP NL
ABN 46 092 786 304

ASX RELEASE

QUARTERLY ACTIVITIES REPORT
1 JANUARY TO 31 MARCH 2012

GROUP HIGHLIGHTS

- Tropicana Gold JV ("Tropicana") (IGO 30%) remains on schedule to pour first gold in December quarter 2013. Major Tropicana milestones include:
  - 220km site access road and the sealing of the aerodrome airstrip were completed in early April.
  - Tropicana Processing plant earthworks were nearing completion during the quarter.
  - Significant Gold intersections from ongoing exploration work.
- Strong balance sheet with $228.7 million cash at 31 March 2012 (excluding $9.5 million Copper concentrate shipment payment received in early April) and debt of $23.2 million.
- Long Nickel Operation (IGO 100%) continued its solid production performance, with contained nickel metal in ore of 2,250t during the quarter being 4% higher than budget. The Operation continues to exceed quarterly and annual production guidance. New Nickel zone intersected east of Moran.
- The new Jaguar/Bentley Operating Mining Plan (IGO 100%) was instigated in the month of March. It is targeting 600,000tpa mine production, HMS ore upgrade after waste removal and a milling rate of 450,000tpa. A total of 45,100t of ore as mined in March, a 98% production increase compared to the January-February average. This was the best monthly production figure and cost per tonne YTD. April performance continues to reflect the increased mining and milling rates.
- An intersection of 5.5m @ 1.1% Cu, 11.8% Zn, 129g/t Ag & 2.7g/t Au north of Bentley.
- An updated Karlawinda Gold Project (IGO 100%) resource estimate incorporating the latest drilling results is currently being compiled.
- An initial 29,800 Ni t Mineral Resource Estimate was completed during the quarter for the Rosie Nickel-Copper-Platinum group elements sulphide deposit within the Duketon Joint Venture (IGO earning 70% nickel rights).

MINING OPERATIONS

LONG OPERATIONS (Ni) (IGO 100%)

Production:
- Quarter – 66,901t @ 3.4% Ni for 2,250t payable Ni @ A$5.48/lb Ni cash costs. (Budget 56,603t @ 3.8% Ni for 2,160t Ni @ A$5.32/lb Ni).

Exploration:
- A new Nickel sulphide zone (1.6m @ 6.1% Ni) was intersected 110m east and 40m down dip of the Moran 2011 resource limits and remains open in all directions. 9.7m @ 4.8% Ni and 6.9m @ 6.2% Ni were intersected north of Long. (All intersections are down hole width.)

JAGUAR OPERATIONS (Cu, Zn, Ag) (IGO 100%)

Production:
- Quarter Milled – 79,127t @ 2.5% Cu, 5.7% Zn, 74g/t Ag for 1,697t Cu, 3,191t Zn @ A$0.56/lb payable Zn cash costs. (Budget 99,927t @ 3.0% Cu, 7.0% Zn, 97.0g/t Ag.) Changes to the mining schedule post June 2011 make comparisons to budget difficult.

Exploration:
- 5.5m @ 1.1% Cu, 11.8% Zn, 129g/t Ag and 2.7g/t Au (down hole width) intersected 105m down dip of Bentley Comet Lens massive sulphides.
- Significant base metal anomalism intersected at the Bentley South prospect.

PROJECTS IN DEVELOPMENT

TROPICANA JV (Au) (IGO 30%, AngloGold Ashanti 70% (Manager))

- Tropicana Gold JV development continues to meet scheduled engineering, procurement and site construction milestones to meet December quarter 2013 commissioning.
- On-site work force reached 206 at end of quarter. Project construction period remained LTI free.
- 92% of Project engineering and drafting is now complete and 97% of equipment and materials have been procured.
- 220km Site Access Road completed.
- Sealing of the aerodrome airstrip was completed in early April.
- Processing plant site earthworks were nearly completed and civil works commenced.
- Assembly of 250t dump trucks in Kalgoorlie is underway, ahead of mining fleet mobilisation to Site in June quarter 2012.
- Havana Deeps infill intersections included 25m @ 10.8g/t Au and 10m @ 7.9g/t Au (true width).
- 12.4m @ 5.6g/t Au (down hole width) intersected at the Voodoo Child prospect 45km north east of Tropicana.

FEASIBILITY STUDY

STOCKMAN (Cu, Zn, Ag, Au) (100% IGO)

- **Preparation of the Definitive Feasibility Study and Environmental Effects Statement continued.**
- **Drilling at the Big Foot prospect 300m north of the Currawong Deposit intersected significant base metal and Gold mineralisation including 3.1m @ 1.5% Cu, 8.4% Pb, 14.5% Zn and 188g/t Ag and 7g/t Au (down hole width).**

EXPLORATION HIGHLIGHTS

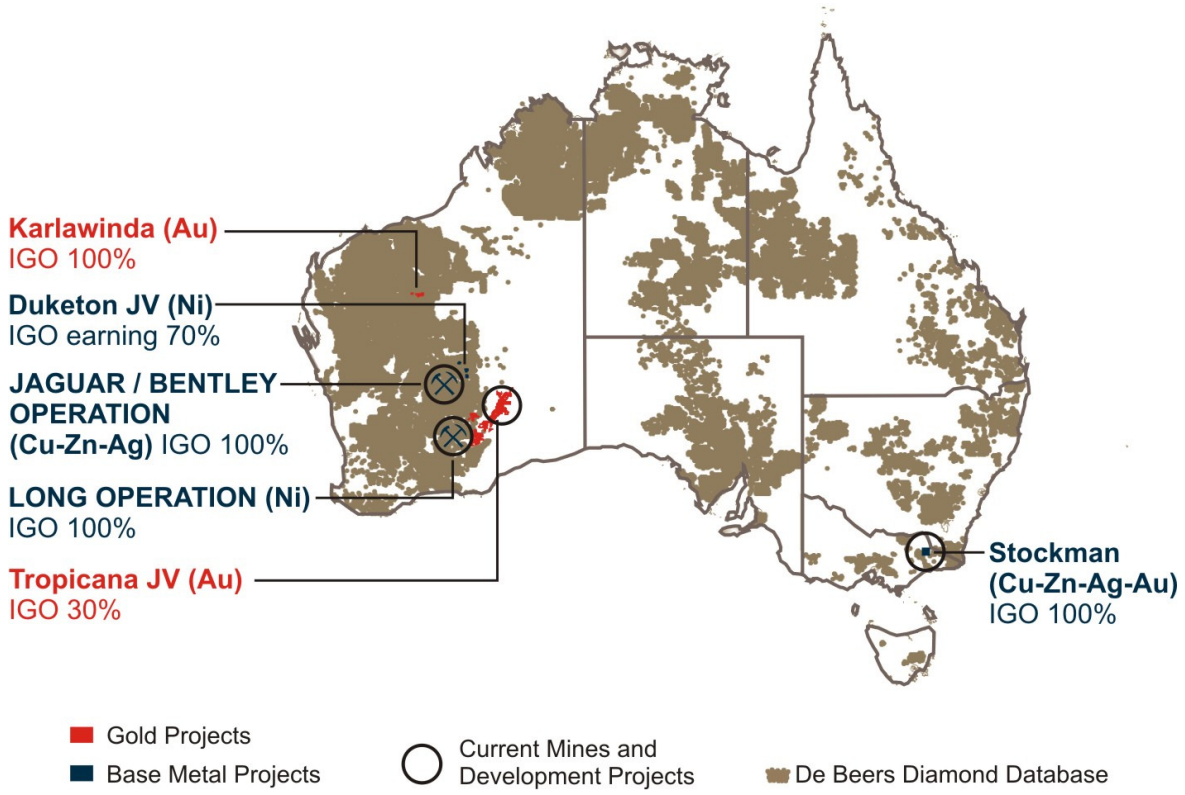
KARLAWINDA (Au) (IGO 100%)

- **Outstanding results from the December quarter resource extension drilling received this quarter included 41m @ 1.4g/t Au (including 17m @ 2.8g/t Au), 36m @ 1.3g/t au and 19m @ 1.3g/t Au. An updated resource estimate incorporating the latest results is currently being compiled.**
- **Intercepts in metallurgical test work diamond holes (twinning previous RC holes) included 24m @ 1.5g/t Au, 23m @ 1.2g/t Au, 22m @ 2.0g/t Au, 37m @ 1.1g/t Au and 13m @ 4.1g/t Au.**
- **The Scoping Study was commenced with heap leach metallurgical sample test work returning positive gold reconciliations.**

DUKETON NICKEL JOINT VENTURE (Ni) (IGO earning 70%)

- **Extension drilling at the Rosie and C2 Nickel sulphide prospects intersected a number of wide zones of disseminated sulphides and a 5m zone of stringer and matrix sulphides. Results awaited.**

Figure 1: IGO Major Project Locations



CORPORATE

PROFIT AND LOSS

The estimated and unaudited Net Loss After Tax for the March quarter was $0.98 million (December 2011 quarter loss of $136.1 million included an after tax impairment charge of $137.7 million). The estimated unaudited Net Loss After Tax for the 9 months to 31 March 2012 is $145.5 million ($7.8 million Net Loss After Tax before the impact of December's impairment charge).

ISSUED CAPITAL - CURRENT

232,882,535 ordinary shares.

CASH BALANCES

At the end of the quarter, the Company had $228.7 million cash (December 2011 quarter: $262.2 million). A $9.5 million Copper concentrate shipment payment received in early April is not included in this figure.

CASH FLOWS

Material cash flows during the quarter included:

- $1.4 million proceeds of SPP (share purchase plan) completed in January 2012.
- $11.8 million net inflow of cash from operating activities (excludes the receipt of $9.5 million for an early April Copper concentrate shipment, but includes a $10.1 million income tax refund).
- $2.2 million of bank interest revenue.
- $20.4 million contributions to the Tropicana JV.
- $4.5 million fully franked dividends.
- $8.8 million spent on Long, Jaguar/Bentley, Stockman, Karlawinda and regional exploration.
- $6.5 million spent on plant and equipment, including Long $3.7 million and Jaguar/Bentley $2.7 million.
- $3.4 million spent on the Stockman Feasibility Study, permitting and resource upgrade activities.
- $5.2 million capitalised development costs (Long $1.3 million and Jaguar/Bentley $3.9 million).
- $0.3 million net repayment of borrowings.

DEBT

The Company had debt at the end of the quarter of $23.2 million (December 2011 quarter: $23.2 million) comprising finance lease obligations of $15.4 million and a Silver loan of $7.8 million.

SALES PRICE CALCULATION

Sales for any given month are required to be estimated. One reason for this is as a consequence of the Nickel Off-take Agreement with BHP Billiton Nickel West Pty Ltd. The Agreement requires final settlement to be based on a future Nickel price. In addition, in relation to Copper and Zinc sales, customers of the Company will often negotiate a sale based on a future price for that particular metal. The Company is also required to estimate the USD/AUD exchange rate when calculating sales for any given month, since payment for metal sold is received in US dollars. When calculating the quarter's profits, revenue and receivables are determined with reference to future metal prices which are estimated using price information available at quarter end.

The net receivables figure above incorporates the estimated final USD metal payment converted to AUD, at the applicable exchange rate at quarter end.

TIMING OF CONCENTRATE SALES

Quarterly cash flows can be affected by timing issues where, for example, shipments of concentrate fall outside of the quarter in which costs have been incurred.

HEDGING

Total hedged Nickel metal at the end of March is 2,940 tonnes at an average price of A$25,924/t, of which 540 tonnes is scheduled to be delivered by June 2012 and 2,400 tonnes by June 2013.

Total hedged Zinc metal is 1,375t at US$1,939/t, which is scheduled to be delivered in June 2012. IGO also has US$1 million in foreign exchange forward contracts at an average rate of AUD:USD US$0.837, US$4 million in call options at an average strike of US$0.902, US$2 million collar options (cap: US$0.853 and floor: US$0.70), and US$5 million collar options (cap: US$0.97 and floor: US$0.83) – all expiring during April 2012 and June 2012.

INVESTMENTS UPDATE

IGO's portfolio of investments in companies outside of its group at the end of the quarter were unchanged from the portfolio disclosed in IGO's 2011 Annual Report.

PROJECTS IN DEVELOPMENT

TROPICANA JV (IGO 30%, AngloGold Ashanti Australia Limited, Manager 70%)

PROJECT DEVELOPMENT

Tropicana development continues to meet scheduled engineering, procurement and site construction milestones ahead of December quarter 2013 Plant commissioning. On-site Tropicana workforce reached 206 at the end of the quarter and construction remained LTI free.

92% of Tropicana engineering and drafting is now complete and 97% of equipment and materials have been procured.

The 220km Site Access Road ***(Figure 2)*** was completed, enabling transport of plant and equipment to site using double trailer rigs. The Tropicana airstrip was completed. CASA approval, which is expected in the June quarter 2012, will enable Site to be serviced by 100 seat jet aircraft directly from Perth. Other construction activities included Tropicana village, contractor laydown area, waste treatment plant and process plant civil works. Concrete batch plant and communications link to Kalgoorlie were commissioned.

Processing plant site earthworks were almost complete at the end of the quarter, ready for commencement of Plant construction in June quarter 2012.

Five 250t dump trucks were delivered to Kalgoorlie for assembly and subsequent commissioning ahead of fleet mobilisation to site in June quarter 2012.

TECHNICAL STUDIES

Pit scheduling was undertaken to evaluate the waste dump position, sequencing and haulage profiles that provide for a potential Havana pit expansion to incorporate Havana Deeps. The final decision on the pit expansion will be made once the Havana Deeps pre-Feasibility open pit versus underground trade-off assessment is completed in 2013.

Photo 1: Tropicana Gold Project Joint Venture - Aerial view looking north-west showing processing plant site clearing in the centre and Tropicana and Havana drill traverses in the foreground.

TROPICANA-HAVANA PROXIMAL EXPLORATION

During the quarter 66 holes were drilled (4,191m of RC drilling and 14,221m diamond drilling) proximal to the Tropicana – Havana planned open cut. All of this drilling was completed as part of the **Havana Deeps pre-Feasibility study,** evaluating the open pit and underground mining potential of the Havana Deeps mineralisation which extends for a significant distance down-dip from the proposed open-pit.

- HDD190: **25m @ 3.5g/t** Au from 237m including **10m @ 7.9g/t** Au from 251m plus **10m @ 2.6g/t** Au from 298m.
- HDD192: **6m @ 4.3g/t** Au from 242m including **3m @ 7.9g/t** Au from 245m.
- HDD195: **25m @ 10.8g/t** Au from 357m
- HDD197: **7m @ 6.5g/t** Au from 272m.

Significant Havana Deeps intercepts received during the quarter are listed in ***Table 1*** and shown in ***Figure 3.***

REGIONAL EXPLORATION

A total of 482 aircore holes (20,026m) were completed on a number of regional prospects including Wild Voodoo, Black Dragon and Beetle Juice.

No significant aircore results were received, however, assays have not been returned for the majority of the regional drilling completed during the quarter.

Several significant intercepts were received in diamond hole VCD002 from the Voodoo Child prospect (45km NE of Tropicana – ***Figure 2)*** including **12.4m @ 5.6g/t Au** from 109m. All significant results are listed in ***Table 2.***

Table 1: Significant March Quarter 2012 Havana Deeps Drilling Results

COLLAR							INTERCEPT DETAILS			
Hole No.	Northing (m)	Easting (m)	RL (mAHD)	Azi (deg.)	Dip (deg.)	Total Depth (m)	Depth From (m)	Depth To (m)	Width (m)	Au (g/t)
HDD179	650059	6761465	365.9	320.8	-58.7	447.5	391.0	395.0	4.0	6.2
HDD187	649940	6761408	367.8	321.1	-67.1	348.3	245.0	250.0	5.0	3.2
							305.0	322.0	17.0	2.4
						including	316.0	321.0	5.0	6.2
HDD190	649956	6761355	368.0	317.2	-75.2	363.7	237.0	262.0	**25.0**	**3.5**
						including	251.0	261.0	**10.0**	**7.9**
							298.0	308.0	10.0	2.6
HDD192	6761341	649900	368.4	322.6	-60.9	306.6	242.0	248.0	6.0	4.3
						including	245.0	248.0	3.0	7.9
HDD193	6761338	649902	368.6	320.4	-68.1	303.6	182.0	219.0	37.0	1.5
						including	215.0	218.0	3.0	4.6
							249.0	271.0	**22.0**	**3.6**
							267.0	271.0	**4.0**	**11.5**
HDD195	6761182	650059	364.5	323.1	-59.8	408.6	357.0	382.0	**25.0**	**10.8**
HDD197	6761217	649953	364.5	320.8	-60.0	339.7	272.0	279.0	**7.0**	**6.5**
HDD201W2	6760846	650925	359.0	312.3	-60.3	1045.9	990.0	1007.0	**17.0**	**3.3**
HDD213	6760989	651210	355.3	319.9	-61.3	1185.3	1097.0	1111.0	14.0	2.3
						including	1106.0	1111.0	5.0	4.1
HDD230	6762077	650251	359.5	316.7	-69.0	450.6	386.0	403.0	17.0	2.6
						including	394.0	403.0	9.0	4.3
TFD432	650288	6762757	349.7	316.0	-60.3	303.6	249.0	260.0	11.0	2.3
						including	252.0	260.0	8.0	3.0

RC = Reverse Circulation drill hole DD = Diamond drill hole

(Downhole widths approximate true width except where indicated as * not true width)

Table 2: Significant March Quarter 2012 Regional Exploration Drilling Results

COLLAR						INTERCEPT DETAILS				
Hole. No.	Northing (m)	Easting (m)	RL (mAHD)	Azi (deg.)	Dip (deg.)	Total Depth (m)	Depth From (m)	Depth To (m)	Width (m)	Au (g/t)
VCD002	6800357	674647		315	-60	195	100.7	106.0	5.3	1.1
							109.0	121.4	**12.4**	**5.6**
							157.2	161.4	4.2	2.2

RC = Reverse Circulation drill hole D = Diamond drill hole

(True widths are unknown at this stage and intercepts are downhole widths)

PROPOSED EXPLORATION ACTIVITIES FOR JUNE 2012 QUARTER

- Continued Havana Deeps drill testing.
- Gravity Survey north of Boston Shaker.
- Drill testing of Near Mine targets, north and south of Tropicana Havana trend.
- Continued regional and infill aircore and auger geochemical sampling.
- Regional airborne TEM survey over the northern part of the tenure to assist in prioritisation of regional aircore traversing.

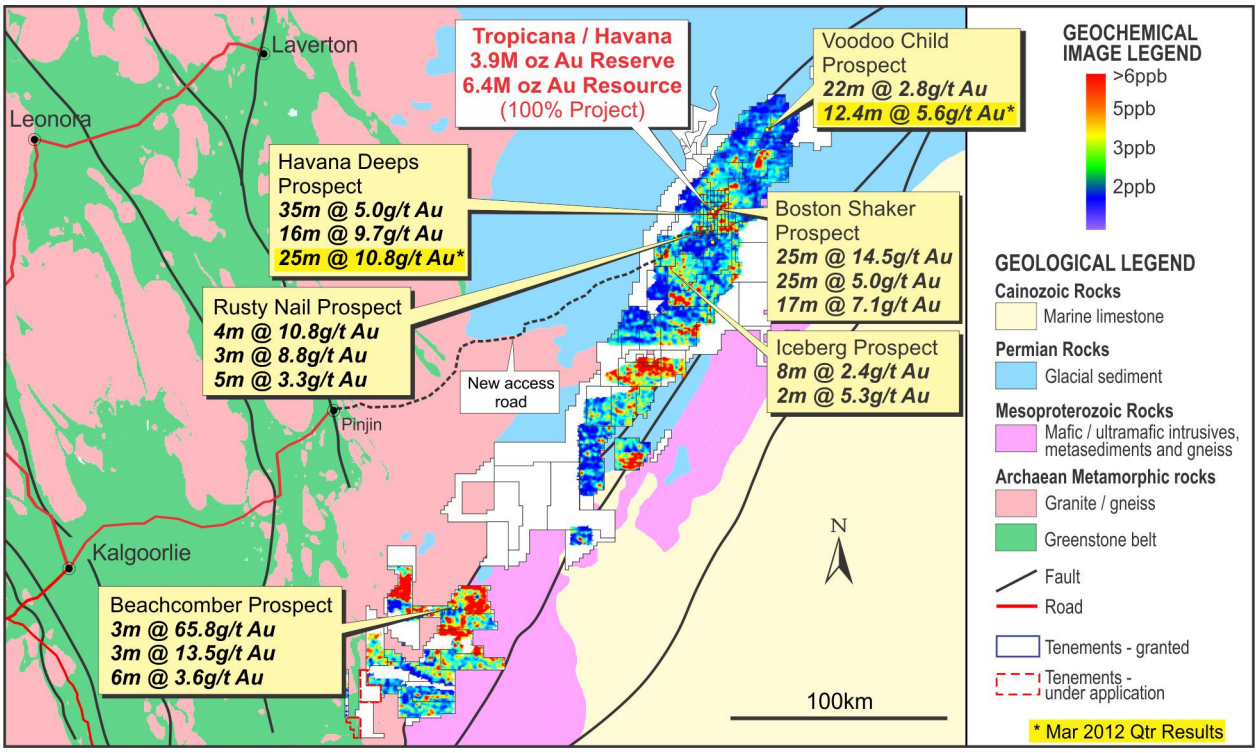


Figure 2: Tropicana JV – Tenure, Tropicana and Havana Reserve Locations, Gold Geochemical Anomalies, Significant Drill Intercepts and Selected Prospect Locations. *Please refer ASX releases of AngloGold Ashanti dated 27 July 2011 and 29 November 2011 for JORC Compliant Competent Persons' sign-offs.*

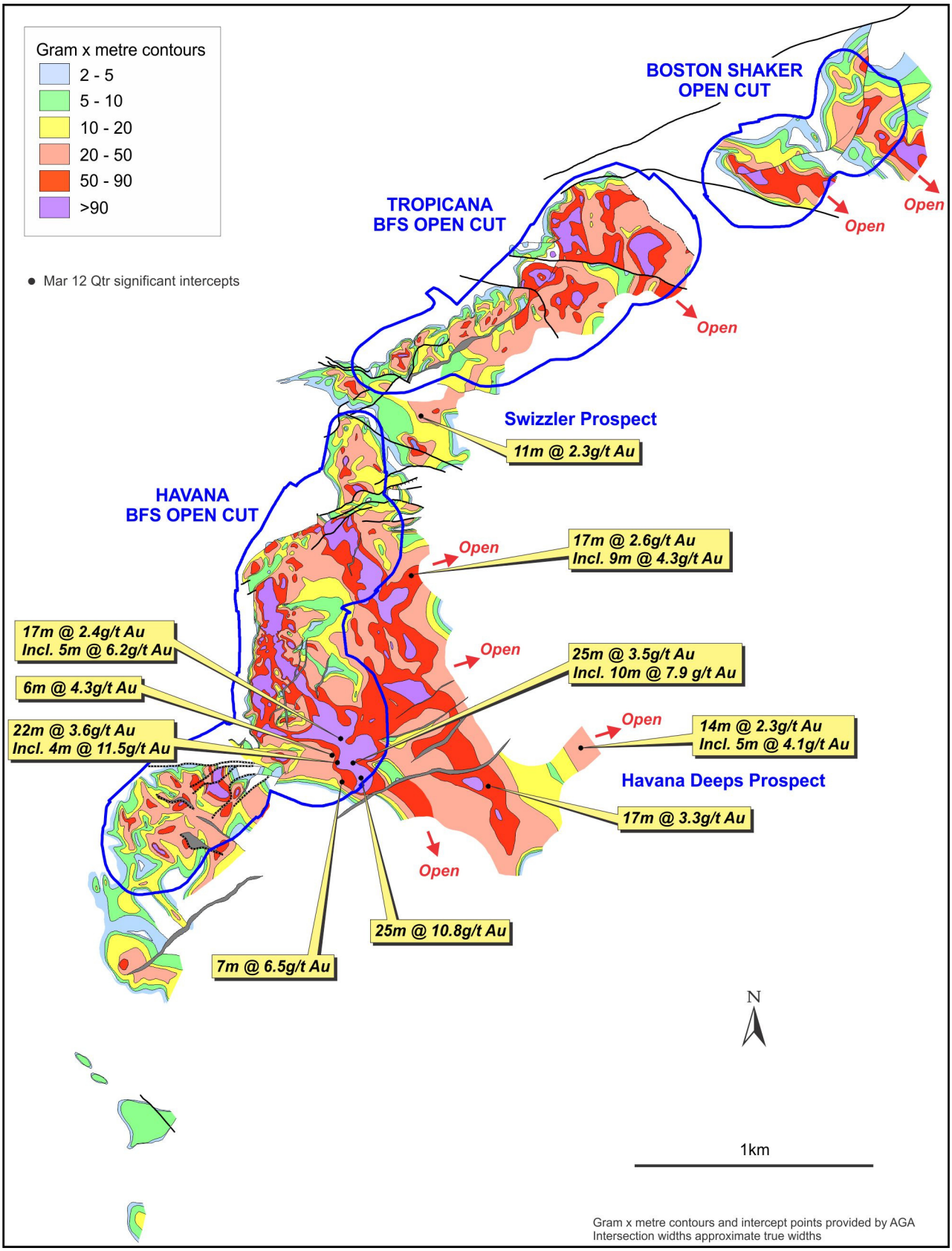


Figure 3: Tropicana JV – Proposed Boston Shaker, Tropicana, Havana and Havana South Open Pit Outlines, g/t Au x Thickness (m) Contours and significant March 2012 quarter intercepts.

MINING OPERATIONS

LONG NICKEL OPERATION (IGO 100%)

SAFETY

Lightning Nickel incurred one Lost Time Injury (LTI) during the quarter, increasing the Frequency Rate (LTIFR) to 7.12 over the more than 9 years life of the Operation.

The Operation continues to implement its Strategic Safety Management Plan for 2011-12, and is improving hazard identification through upgraded inspection and audit criteria.

Preparations have commenced for the implementation of INX software to improve Safety and Training systems.

PRODUCTION

Production for the quarter was 66,901t @ 3.36% Ni for 2,250t of contained Nickel.

PRODUCTION					
Jumbo Stoping	16,295t	@	2.6% Ni for	425	Ni t
Long-hole	14,195t	@	4.1% Ni for	589	Ni t
Hand-held	4,253t	@	4.4% Ni for	187	Ni t
Jumbo Development	32,158t	@	3.3% Ni for	1,049	Ni t
TOTAL	66,901t	@	3.4% Ni for	2,250	Ni t

Production was from the following areas:

Long	2,979t	@ 3.6% Ni for	108	Ni t
McLeay	29,127t	@ 2.6% Ni for	761	Ni t
Victor South	2,755t	@ 5.0% Ni for	138	Ni t
Moran	32,040t	@ 3.9% Ni for	1,244	Ni t
TOTAL	66,901t	@ 3.4% Ni for	2,250	Ni t

(See Figure 4 for ore body locations)

Contained Nickel metal was 4% higher than budget (2,160 Ni t).

Metal during the quarter was produced at a cash cost of $5.48c per payable pound of Nickel, versus a quarterly budget of $5.32/lb. Cash costs were slightly higher than budget due to lower grades from the southern end of McLeay and costs associated with unblocking a paste fill pipe.

Operational highlights for the quarter included:

- Moran mining areas out performed budget on tonnes at a slightly lower grade (+8,832t and -0.23% Ni respectively).
- A new Moran Life of Mine plan which increases productivity through increased long hole stope production, while decreasing $/t costs.
- Improved geotechnical QC systems and compliance reporting.
- Establishment of an electrical ring main to the Moran area.

DEVELOPMENT

CAPITAL DEVELOPMENT

During the quarter a total of 215.6 metres were advanced as capital development: 178.8 metres in Moran and 7.5 metres in 13/7 exploration drill drive and 29.3 metres in Victor South paste reticulation access.

OPERATING DEVELOPMENT

A total of 826.1 metres of operating development was also undertaken during the quarter: 405.6 metres in McLeay, 19.9 metres in Victor South with the remaining 400.6 metres in Moran. Operating development costs are included in cash costs.

FOCUS FOR JUNE 2012 QUARTER

The June quarter will see the Operation focus on:

- Implementation of INX software to support safety and training systems.
- Review of the Emergency Response Plan and scenario training.
- Development of the new Budget and Life of Mine Plan ("LOM").
- Drill testing of Moran South and Long North exploration targets.

EXPLORATION

DRILL DRIVE DEVELOPMENT

Development of the Long North 13/7 Drill Drive is complete. The Long North 16/5 Drill Drive is progressing.

MORAN SOUTH

Two drill holes (LSU-400 and LSU-367W4) are currently in progress to test two off hole TEM conductors south of Moran ***(Figure 4).*** Drilling has been hampered by a regional north-south striking fault immediately east of Moran, however the two holes are still progressing.

MORAN EAST

Drilling east of Moran, testing an off hole TEM conductor, intersected **1.6m @ 6.1% Ni** which may represent a new nickel sulphide shoot. The intercept is 110m east and 40m down dip of the 2011 Moran Resource limits ***(Figure 4***). This is the first hole to test the TEM conductor and the intercept remains open in all directions. Further drilling is planned.

Table 3: Long Nickel Mine – March Quarter 2012: Moran East Drilling Result

Hole No.	Northing (m)	Easting (m)	RL (mAHD)	EOH (m)	Azi (deg.)	Dip (deg.)	Total Depth (m)	Depth From (m)	Depth To (m)	Width (m)	Au (g/t)
LSU-382	547625	375328	-651	271	-27	54.5	234.25	235.9	1.6	1	6.1

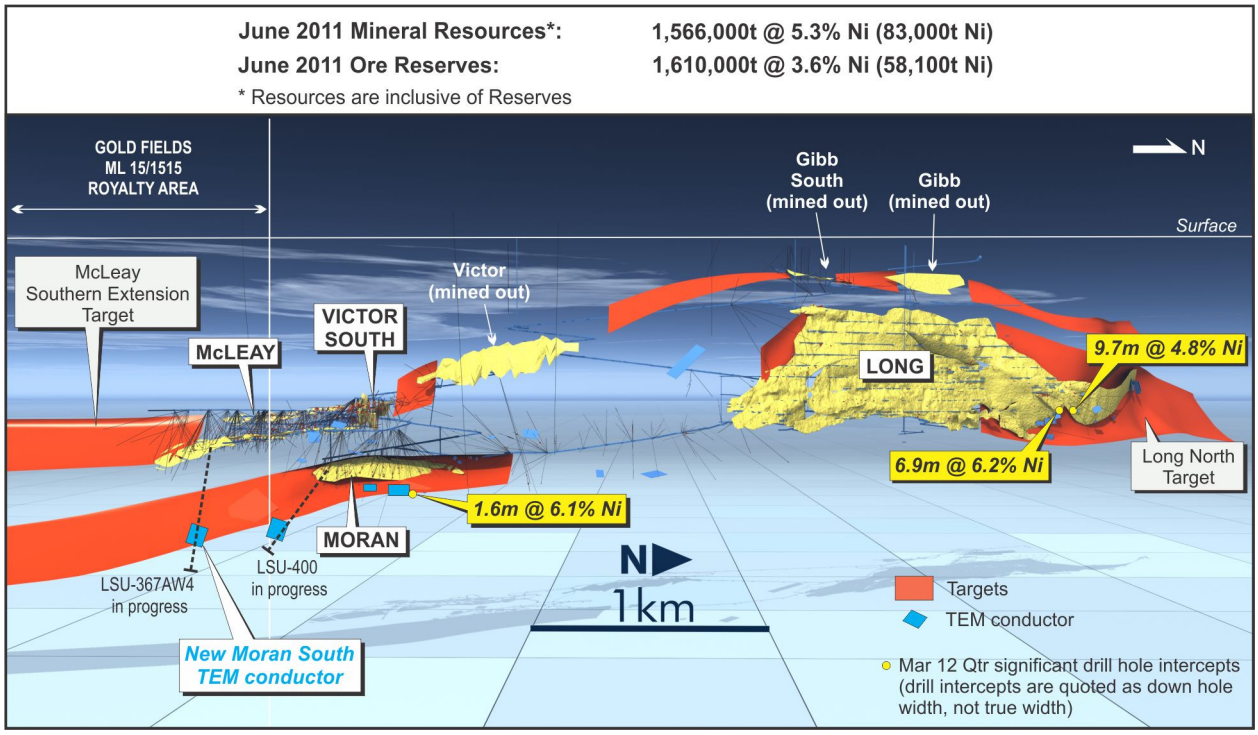


Figure 4: Long Nickel Mine – Longitudinal Projection showing target areas, TEM conductors and significant March 2012 quarter intercepts. *Please refer to IGO's 2011 Annual Report for JORC Compliant Competent Person Sign-off released to the ASX on 20 October 2011.*

LONG NORTH DRILLING

A drill program consisting of nine holes for 1,180m commenced this quarter, designed to upgrade the Long North resource below the current 13/7 Level. Six holes for 855m were completed with 3 holes intersecting Nickel sulphides ***(Table 4)***. **9.7m @ 4.8% Ni** was intersected beneath the Long North 13/7 development drive and **6.9m @ 6.2% Ni** north of Long ***Figure 4***. These intercepts remain open and further drilling is planned.

Drilling is planned from the 13/7 Drill Drive face to test TEM conductors 500m north of the 2011 Long reserve boundary.

Table 4: Long Nickel Mine – Significant March Quarter 2012 Long North drilling results

Hole ID	Northing (m)	Easting (m)	RL (mAHD)	EOH (m)	Di (deg.)	Azimuth (deg.)	From (m)	To (m)	Interval (m)	True Width (m)	Assay Grade %Ni
LG137-074	550732	374057	-394	206.9	-19	133.7	174.23	181.15	**6.92**	**6**	**6.2**
LG137-075	550732	374057	-394	206.9	-30.7	131.7	132.38	133.49	1.11	1	8.9
LG137-076	550732	374057	-394	182.8	-15.7	122.4					Porphyry
LG137-077	550732	374057	-394	143.9	-35.2	114.3	81.35	91.07	**9.72**	**4.5**	**4.8**
LG137-078B	550732	374058	-395	122.4	-65.5	88.8					porphyry
LG137-080	550738	374062	-394	119.8	-32.5	56.7					porphyry

Table 5: Long Nickel Mine Operation Production Summary

	Note	MAR '12 Quarter	2011/12 FY to Date	Previous Corresponding *Quarter*
Mining Reserve (Dry Tonnes)				***(Mar '11)***
Start of Period		1,486,363	1,610,000	*1,205,220*
- ROM Production	1	(66,901)	(190,538)	*(50,397)*
End of Period		1,419,462	1,419,462	*1,154,823*
Production Details:				
Ore Mined (Dry Tonnes)	1	66,901	190,538	*50,397*
Ore Milled (Dry Tonnes)		66,901	190,538	*50,397*
Nickel Grade (Head %)		3.36	3.55	*3.71*
Copper Grade (Head %)		0.27	0.28	*0.27*
Metal in Ore Production (Tonnes)				
Nickel delivered	2	2,250	6,757	*1,731*
Copper delivered	2	181	528	*137*
Metal Payable IGO share (Tonnes)				
Nickel		1,350	4,072	*1,126*
Copper		73	214	*55*
Hedging				
Tonnes delivered into Hedge		1509	2,589	*600*
Average Price (AU$/t)		19,814	20,683	*19,013*

Note 1. Production is sourced from both inside and outside reserve and updated as at 1 July 2011.
Note 2. The Recovery Rate is fixed with BHP depending on head grade.

Revenue/Expense Summary		***A$'000's***	***A$'000's***	***A$'000's***
Sales Revenue (incl. hedging)		26,289	80,086	*26,960*
Cash Mining/Development Costs		(11,103)	(30,026)	*(8,549)*
Other Cash Costs	3	(5,210)	(16,052)	*(5,161)*
Depreciation/Amortisation		(2,906)	(8,389)	*(4,162)*
Unit Cost Summary		***A$/lb Total Metal Produced***	***A$/lb Total Metal Produced***	***A$/lb Total Metal Produced***
Cash Mining/Development Costs		2.24	2.02	*2.08*
Other Cash Costs	3	1.05	1.08	*1.25*
Depreciation/Amortisation		0.59	0.56	*1.01*
Unit Cost Summary		***A$/lb Payable Metal***	***A$/lb Payable Metal***	***A$/lb Payable Metal***
Sales Revenue (incl. hedging)	4	8.83	8.92	*10.86*
Cash Mining/Development Costs		3.73	3.35	*3.44*
Other Cash Costs	3	1.75	1.79	*2.08*
Depreciation/Amortisation		0.98	0.93	*1.68*

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	*1*
- Medically Treated IFR		10.71	25.93	*34.8*
- Nickel Productivity Rate	5	65.8	68.6	*77.7*

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

Production/Exploration Drilling	**Metres**	**Metres**	
Production	285	1,930	-
Exploration	3,297	7,953	*2,478*
	3,582	9,883	*2,478*

JAGUAR / BENTLEY COPPER ZINC OPERATION (IGO 100%)

SUMMARY

The March quarter at Jaguar saw the Operation consolidate underground production, increase the development rate of the Bentley underground mine and improved mill productivity. Mine production in the month of March was 45,100t, a significant improvement on the two previous months which averaged 22,800t ***(Figures 5 & 6).***

A revised Operating Mining Plan was developed, incorporating Jaguar's current mining sequence and an increase in the Bentley mining rate. This schedule is aiming to increase the annualised production rate to around 600,000 tonnes, while increasing the milling rate to around 450,000 tonnes per annum. The HMS Plant is anticipated to remove a significant volume of waste rock from the ore feed.

The Heavy Media Separation ("HMS") plant commissioning is progressing with beneficiation rates as expected.

Operational highlights for the quarter included:

- Site cash costs $3.0 million less than budgeted;
- Operation continues to improve with the March monthly performance best YTD;
- Completion of the power station upgrade and Bentley transmission line; and
- 977 metres of development achieved in Bentley underground.

SAFETY

A Lost Time Injury (LTI) occurred during the quarter at the Operation. The Frequency Rate (LTIFR) to date is **3.73** for the 6 years life of the Operation.

MINE PRODUCTION

During the quarter the Operation mined 90,839t of ore averaging 2.41% Cu, 5.81% Zn and 76.6g/t Ag. This production was sourced from both Jaguar underground (69,049t) and Bentley underground (21,790t) and is in line with the revised Mining Plan for this period.

TONNES MINED			
Stoping – Jaguar	59,049t	@	2.74% Cu, 3.83% Zn, 54g/t Ag
Development Jaguar	9,885t	@	3.07% Cu, 0.90% Zn, 30g/t Ag
Development Bentley	21,790t	@	1.36% Cu, 12.09% Zn, 148g/t Ag
TOTAL	90,839t	@	2.41% Cu, 5.81% Zn, 77g/t Ag

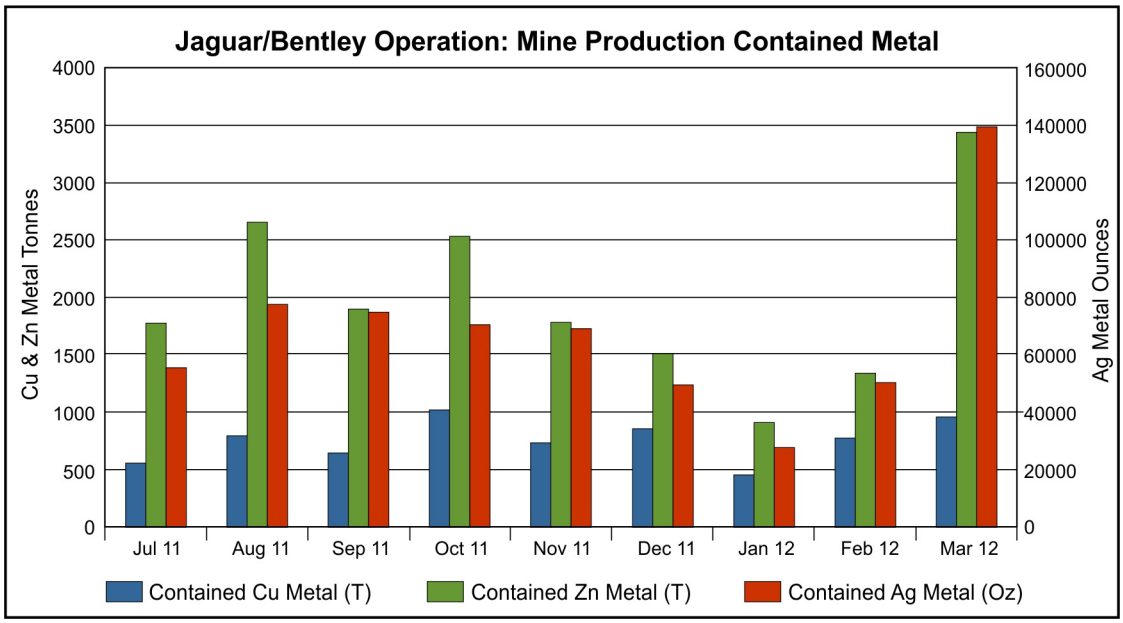


Figure 5: Jaguar/Bentley Operation – Monthly mine contained metal production showing dramatic improvement in March metal production due to the implementation of the new mining plan.

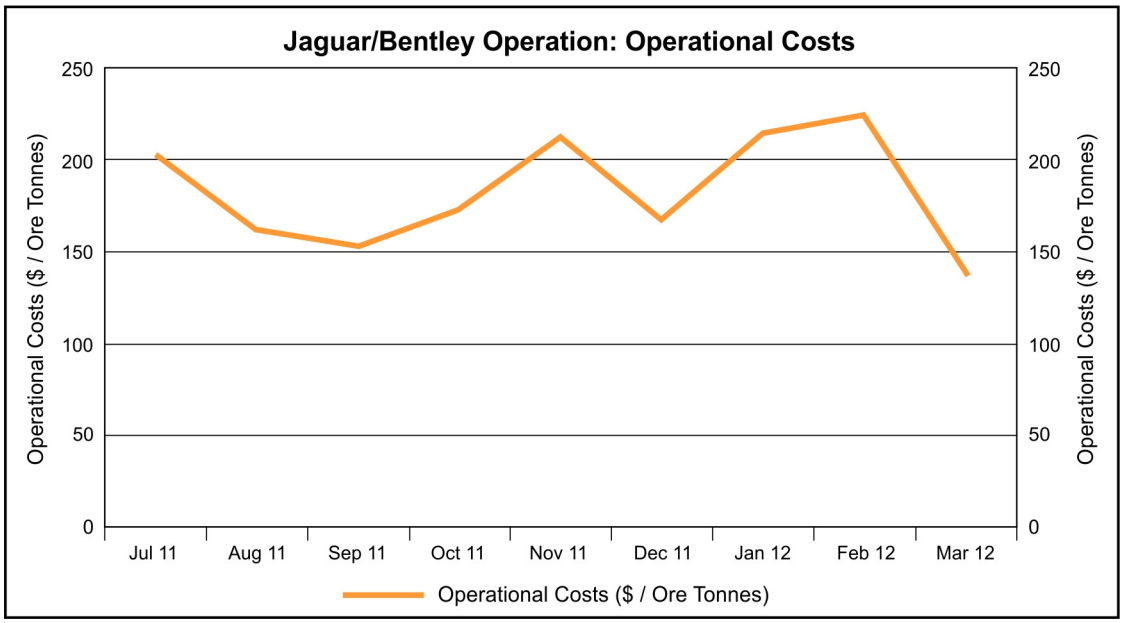


Figure 6: Jaguar/Bentley Operation monthly operation costs (mining, processing, geology, administration and concentrate haulage) showing the dramatic improvement in the March operational cash costs due to implementation of the new mining plan.

MILL PRODUCTION

Mill production for the quarter was 79,127t at 2.48% Cu, 4.33% Zn and 59.7g/t Ag. Mill throughput was initially hampered during the quarter due to low feed stock, however this progressively improved during the quarter resulting in a surplus.

TONNES PROCESSED (DMT)	Actual	Budget*
	79,127	99,927
Cu(%)	2.48%	2.98%
Zn(%)	5.71%	6.95%
Ag(g/t)	74g/t	97g/t
RECOVERY (%)		
Copper	86.4%	85.2%
Zinc	69.6%	74.6%
Silver	53.3%	48.0%
CONCENTRATE PRODUCED		
Cu Concentrate (dmt)	7,693t	11,030t
Cu (%)	22.1%	23.0%
Cu (t)	1,697	2,536t
Zn concentrate (dmt)	6,710t	10,792t
Zn (%)	47.5%	48.0%
Zn (t)	3,191t	5,180t

*The above budget is the June 2011 budget and does not reflect the Operation's current position post previously mentioned mining issues.

A revised Operating Mining Plan was set during the March quarter. This Plan will deliver the best financial year result in the June 2012 quarter and create momentum for next financial year's expectations. It should be noted that March production saw a significant step increase in both mine and mill productivity. This improvement continued in April 2012.

Payable Zinc metal during the quarter was produced at an average C1 cash cost of A$0.54/lb (December 2011 quarter: A$0.44/lb), after considering by-product credits. Cash costs including royalties were A$0.56/lb (December 2011 quarter: A$0.75/lb).

HMS PLANT

The HMS plant commissioning continues to improve. Whilst there are a number of minor improvements underway, material has been treated with results within expected ranges. With more feed becoming available as Bentley stoping commences in the June 2012 quarter, the HMS utilisation rate will increase.

Photo 2: Jaguar / Bentley HMS Plant

CONCENTRATE SHIPMENTS

One shipment (5,500wmt) of Zinc concentrate was shipped during the quarter. In addition, there was a shipment (5,500wmt) of Copper concentrate in early April originally scheduled for March 2012. The majority of concentrate off-take is committed to 31 December 2012, after which all off-take remains uncommitted.

MINE DEVELOPMENT

CAPITAL DEVELOPMENT

During the quarter the development focus was on Bentley with a total of 588 metres developed. The total quarterly capital development achieved was 690 metres.

OPERATING DEVELOPMENT

542 metres of advancement occurred as operational development during the quarter. Of this, 389 metres occurred in Bentley and 153 metres in Jaguar.

FOCUS JUNE 2012 QUARTER

The June 2012 quarter will see the Operation focus on:

- Continued process of ramping up mine production aiming for the nominal 600,000tpa.
- Continued process of ramping up mill production to a targeted production rate of 450,000tpa.
- Consistent production from the Jaguar Main Lode, supplemented with the commencement of Farside stoping and Bentley stoping.
- Continue improvements in the commissioning of the HMS plant, building up and running at name plate capacity.
- Completion of resource, reserve and Life of Mine process.

JAGUAR/BENTLEY IN-MINE EXPLORATION

In-mine drilling during the quarter improved definition of Jaguar's Farside and Bentley's Copper stringer zones. New high grade Copper zones are expected to add to June 2012 Resources. Whilst results are still pending for Bentley, some of the better results from Farside include:

▪ JUDD006	3.4m @	3.6% Cu, 0.9% Zn & 23g/t Ag
▪ JUDD009	2.9m @	3.8% Cu, 3.1% Zn & 51g/t Ag

Work is underway on the Jaguar and Bentley 2012-13 Resource and Reserves which will lead into the new budget and Life of Mine forecasts.

Table 6: Jaguar / Bentley Operation Production Summary

	Note	March 2012 Quarter	2011/12 FY to Date
Mining Reserve (Dry Tonnes)			
Start of Period	1	3,075,621	3,276,000
- ROM Production	2	(90,839)	(291,218)
End of Period		2,984,782	2,984,782
Production Details			
Ore Mined (Dry Tonnes)		90,839	291,218
Ore Milled (Dry Tonnes)		79,127	261,612
Copper Grade (Head %)		2.48	2.34
Zinc Grade (Head %)		5.71	5.25
Silver Grade (g/t)		74	75
Metal in Concentrate Production (Tonnes)			
Copper		1,697	5,337
Zinc		3,190	10,038
Metal Payable IGO share (Tonnes)			
Copper		1,620	5,100
Zinc		2,653	8,307
Revenue/Expense Summary		***A$'000's***	***A$'000's***
Sales Revenue (incl. hedging TC's/ RC's)		4,120	51,855
Cash Mining & Processing Costs		(12,343)	(38,558)
Site Admin & Trucking Costs		(3,907)	(12,903)
Shipping		(335)	(2,412)
Royalties		(121)	(2,029)
Depreciation/Amortisation		(4,848)	(20,495)
Notional Unit Cost Summary		***A$/lb Total Zn Metal Produced***	***A$/lb Total Zn Metal Produced***
Mining & Processing Costs		1.76	1.74
Other Cash Costs	3	0.94	0.98
Copper and Silver Credits		(2.25)	(2.32)
C1 Costs	4	0.45	0.40
Royalties		0.02	0.09
Depreciation/Amortisation		0.69	0.93
Notional Unit Cost Summary		***A$/lb Total Zn Metal Payable***	***A$/lb Total Zn Metal Payable***
Mining & Processing Costs		2.11	2.11
Other Cash Costs	3	1.13	1.18
Copper and Silver Credits		(2.70)	(2.80)
C1 Costs	4	0.54	0.49
Royalties		0.02	0.11
Depreciation/Amortisation		0.83	1.12

Note 1: Reserve updated as of 1 July 2011.
Note 2: Production sourced from inside and outside of reserves.
Note 3: Other Cash Costs include, site administration, trucking, notional TCs & RCs and notional shipping.
Note 4 C1 Costs include credits for copper and silver notionally priced at US$3.83 per pound and US$33.88 per ounce for the quarter respectively.

Safety and Productivity		
- Lost Time Injuries	1	2
- Medically Treated IFR	12.8	16.5

REGIONAL EXPLORATION

The Jaguar Regional Exploration Project covers 50kms of strike prospective for the discovery of VMS (volcanogenic massive sulphide) deposits ***(Figure 7).*** It encompasses three known high grade Copper-Zinc-Lead-Silver-Gold deposits: Teutonic Bore (inactive) and Jaguar and Bentley (in production), located 300km north of Kalgoorlie in Western Australia.

The current approach is to use a combination of systematic aircore geochemical drilling, geophysics, spectral analysis and detailed geological mapping and logging to vector in to prospective areas along the corridor. Over the past 18 months this work has resulted in the identification of a number of high priority areas including the Daimler – Gravel Pit – Lagonda trend, South Bentley, South Jaguar and Pumping Station, which exhibit the signatures of possible mineralised hydrothermal centres. These areas together with a number of near mine target positions are currently the focus of RC and diamond drill testing.

BENTLEY EXTENSION DRILLING

Three diamond holes were drilled to test targets immediately down dip and along strike at Bentley. Hole 12BTDD001 tested the down-dip extension of the Comet and Arnage massive sulphide lenses and potential footwall stringer zones. **The hole intersected a stringer (hanging wall) and massive sulphide zone from 445.85m – 450.5m representing a down-dip extension to the Comet lens of approximately 105m**. **Assay results returned an intercept of 5.5m (3.9m true width) @ 1.1% Cu, 11.8% Zn, 0.7% Pb 129g/t Ag and 2.7g/t Au.** ***(Figure 8)*** An additional hole (12BTDD002), planned to test for further extensions to this zone, intersected massive pyrite at the target horizon approximately 150m down-dip from 12BTDD001. Due to the target depths and proximity to Bentley, further testing of the Comet lens is likely to be via underground drilling from the Bentley development.

BENTLEY SOUTH PROSPECT

A total of 7 RC holes were drilled at South Bentley testing significant high order base metal anomalies identified ***(Figure 8)*** in recent and historic aircore programs. All holes intersected altered footwall rhyolite containing variable amounts of disseminated and stringer style pyrite-sphalerite sulphides containing elevated Zinc zones. Follow-up diamond drilling, testing the Bentley equivalent horizon and Bentley footwall position at South Bentley, will commence early in the June quarter after the completion of downhole TEM geophysics.

GEOPHYSICS

The MIMDAS IP survey covering the Lagonda, Gravel Pit and Daimler prospects continued during the quarter, though progress was hindered by wet weather. It is expected that the survey will be completed early in the June 2012 quarter, with results available to factor into further targeting and drill testing in the September 2012 quarter.

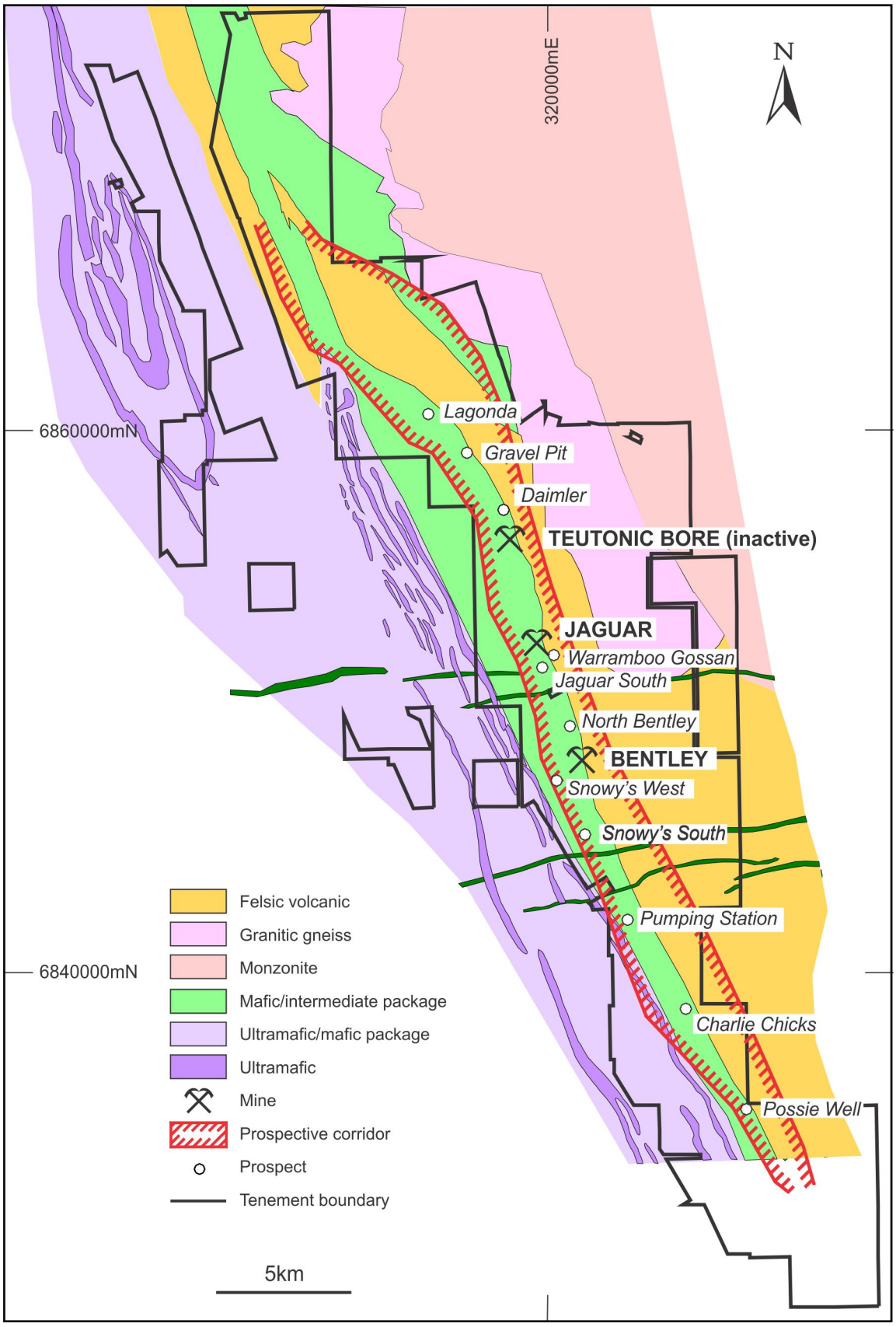


Figure 7: Jaguar / Bentley Operation – Tenure, Regional Geology, Mines and Significant Prospect Locations.

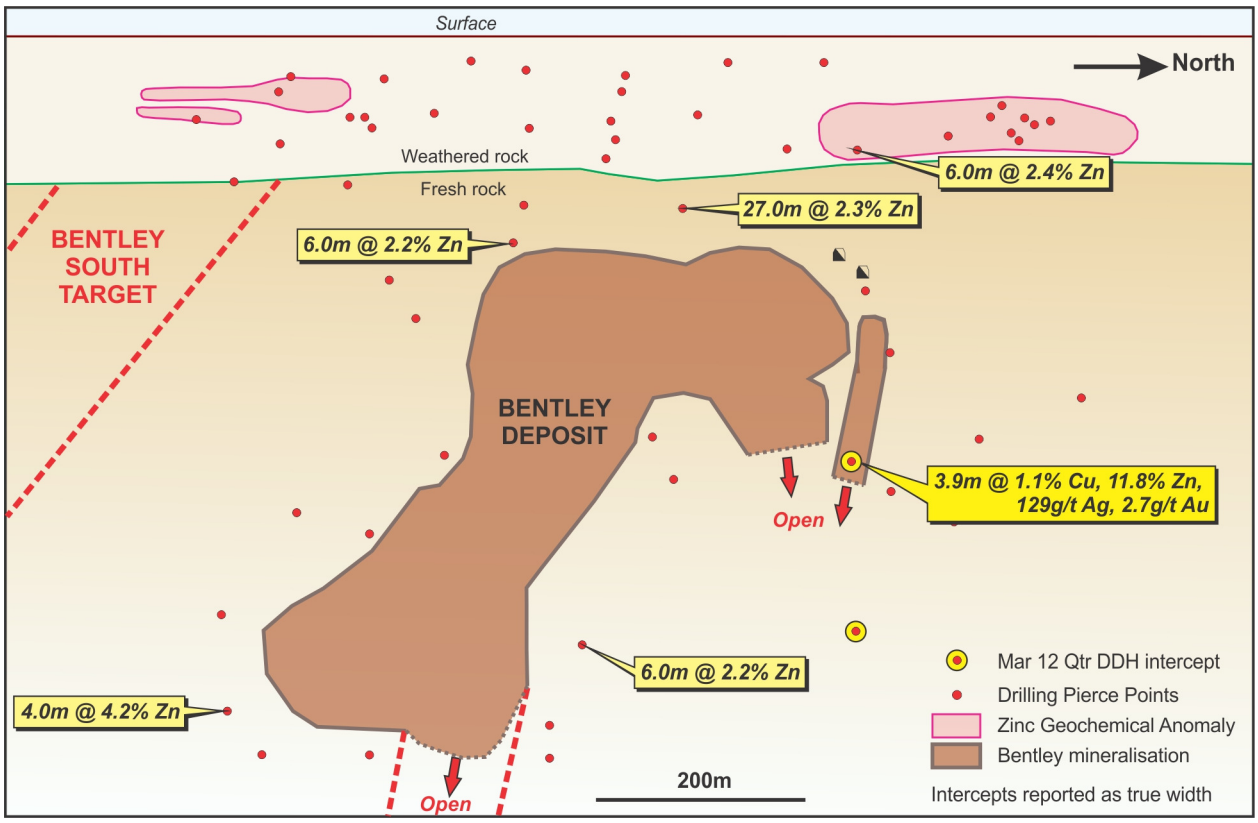


Figure 8: Jaguar/Bentley Operation – Bentley simplified Longitudinal Projection showing March quarter metal intercepts north of Bentley and Bentley South Target Area.

FEASIBILITY STUDY

STOCKMAN BASE METALS PROJECT (IGO 100%)

PROJECT OVERVIEW

The Stockman Project is located in eastern Victoria, 300km north-east of Melbourne ***(Figure 1).*** The Project encompasses two Copper-Zinc-Lead-Silver-Gold Volcanic Massive Sulphide (VMS) deposits, Wilga and Currawong, which were discovered by Western Mining Corporation in 1978/9. Denehurst Ltd subsequently mined Copper-rich ore at Wilga from 1992 to 1996.

Site works underway throughout the quarter have included:

- near-deposit and regional exploration using the IGO's proprietary geophysical equipment, diamond drilling and comprehensive field work.
- progression of the full feasibility study into the mining potential of the Wilga and Currawong resources.
- progression of project permitting under the State and Federal processes.
- surface and underground (Wilga) resource drilling, including rehabilitation of the Wilga decline.
- regional groundwater exploration.

STOCKMAN FEASIBILITY STUDY

The Study is at an advanced stage with financial modelling underway and most technical issues resolved. The Project scope describes two underground mines feeding a central one million tonne per annum differential flotation processing plant that could produce approximately 150,000 tonnes per annum of Copper and Zinc concentrate over an eight year operational life.

WILGA DECLINE AND RESOURCE DRILLING

The Wilga decline is a pre-existing excavation from the former mine. The decline was re-opened in late 2011 and ground control rehabilitation was completed during the last quarter. Although the Wilga decline had been closed for 15 years, the geotechnical condition of the excavation has been found to be excellent and the groundwater recharge has proven to be very slow and of a better quality than suggested by preliminary desktop modelling.

Decline access has enabled resource drilling from underground, testing targets not achievable from the surface, converting Inferred mineralisation into the Indicated resource category. The drilling has progressed well and will be completed during the next quarter.

Photo 3: Stockman Project - Underground resource drilling in the Wilga decline.

PERMITTING

A Memorandum of Understanding (MoU) was negotiated during the quarter with the East Gippsland Shire Council (EGSC), the Stockman local government body. The MoU entrenches a framework of co-operation between IGO and the Shire, mutual support and advocacy for successful project implementation, and maximising community benefit. The MoU is tangible evidence of the strong community support for the project in the region and will be well regarded in the assessment of the Environmental Effects Statement (EES).

The preparation of the EES has progressed throughout the quarter. Documentation of various project 'options', justifying why specific strategies and concepts have been adopted, as required under the Victorian process, has been time consuming and will most likely result in the draft EES document being delivered to government in the September 2012 quarter this year rather than the end of the June 2012 quarter as previously planned. IGO remains confident that no fatal flaws to the successful conclusion of permitting are apparent at this stage.

RESOURCE ESTIMATE

The current resource estimate was calculated in June 2011 and is as follows: **12,690,000t @ 2.1% Cu, 4.4% Zn, 0.7% Pb, 39g/t Ag, 1.0g/t Au**.

Refer to IGO's 2011 Annual Report released through an ASX Announcement dated 20 October 2011 for further details regarding the resource estimate.

It is expected that a maiden reserve statement will be published in conjunction with the feasibility study, whilst an updated resource statement will be calculated as of 30th June 2012.

STOCKMAN EXPLORATION

Exploration is focused on a number of key positions proximal to both the Currawong and Wilga massive sulphide deposits, as well as on geochemical, geophysical and conceptual targets generated from historical datasets and a comprehensive and detailed airborne VTEM survey covering the entire project area (***Figure 9)***.

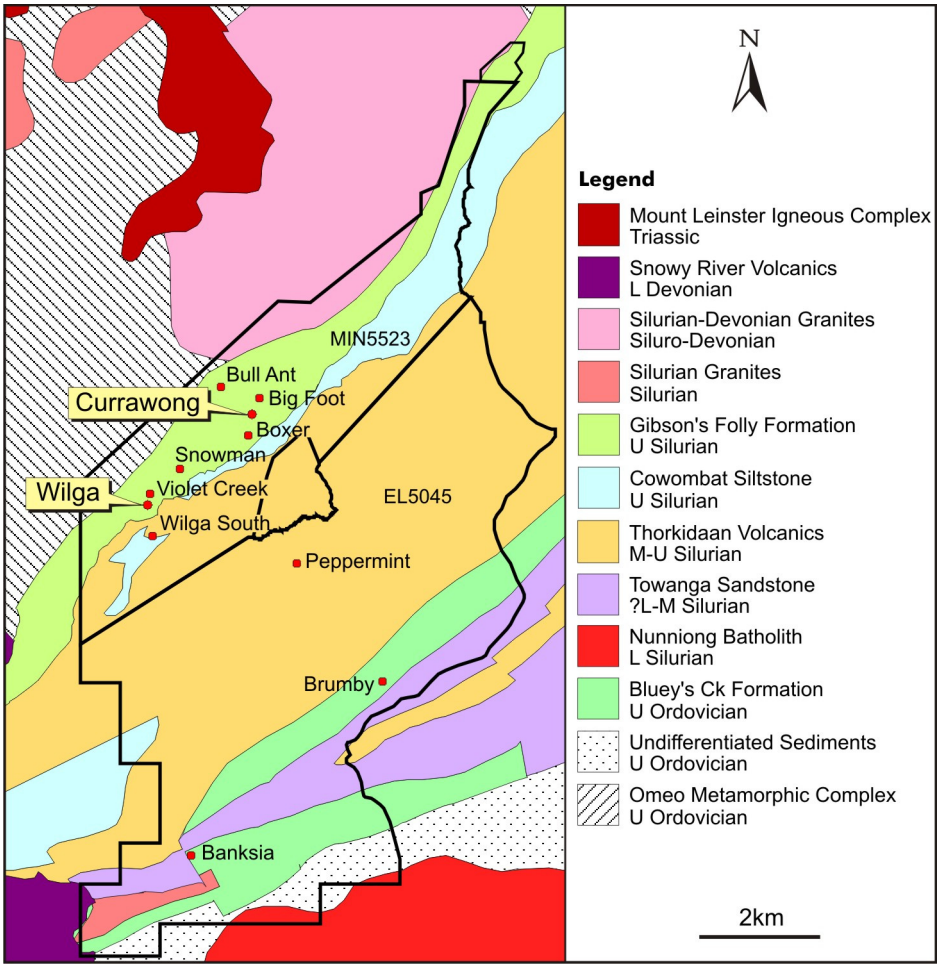


Figure 9: Stockman Project – Regional Geology, Tenure, Deposits and Prospects

During the quarter exploration focused on testing the down plunge continuation of the Currawong deposit and the Big Foot prospect located 300m north of Currawong.

Two diamond holes were completed at Currawong and both holes intersected favourable hydrothermal alteration zones comprising variably altered dacite with pyrite (+/- minor chalcopyrite and galena). Downhole TEM is yet to be completed on the deeper 470m stepout hole.

Six diamond holes tested the Big Foot prospect which last quarter returned a drill intercept of 1.2m @ 1.4% Cu, 5% Pb, 9.3% Zn, 133g/t Ag and **6.4g/t Au**. Four of the six holes intersected prospective alteration and mineralised zones. Drill hole **12SMDD005 intersected 3.1m of massive to semi-massive polymetallic sulphides** from 248.8m, which assayed **1.5% Cu, 8.4% Pb, 14.5% Zn, 188g/t Ag and 7g/t Au.** Other intercepts include:

- **12SMDD001**: 8m @ 0.2% Cu, 1.6% Pb, 2.4% Zn, 21g/t Ag & **2.0g/t Au** from 211.9m.
- **12SMDD002**: 10.1m @ 0.2% Cu, 0.4% Pb, 1.6% Zn, 23g/t Ag & **2.8g/t Au** from 186.8m (incl. 0.3m @ 1.2% Cu, 6.3% Pb, 17.3% Zn, 193g/t Ag & **22.1g/t Au**) & 1.9m @ 0.7%, 0.8% Pb, 4.2% Zn, 29g/t Ag and **4.2g/t Au.**
- **12SMDD003**: 0.3m @ 1.0% Cu, 7.6% Pb, 14.0% Zn, 218g/t Ag & **11.0g/t Au.**

This drilling confirmed the gold rich nature of the Big Foot sulphides located proximal to the planned Currawong decline. Next quarter diamond drill testing will continue at Big Foot and will recommence at Wilga South. RC drilling will commence testing gold and base metals targets at the Brumby and Peppermint regional prospect areas ***(Figure 9***).

EXPLORATION - GOLD

KARLAWINDA GOLD PROJECT (IGO 100%)

The Karlawinda Project is located 65km SE of the regional mining centre of Newman in Western Australia and is close to key infrastructure such as to the Great Northern Highway and gas pipeline ***(Figure 1).*** The Project covers a previously unrecognised Archaean greenstone belt.

BIBRA PROSPECT

Bibra comprises a large Gold mineralised zone extending over 1km both along strike and down-dip ***(Figure 10).*** Modelling based on 100m x 50m spaced drilling on the supergene, oxide and upper transitional material estimated an initial Inferred Resource of **5.9Mt @ 1.1g/t (219,000 oz Au).** *Refer to IGO 31 March 2011 ASX Quarterly Report for details of the Resource Estimate.*

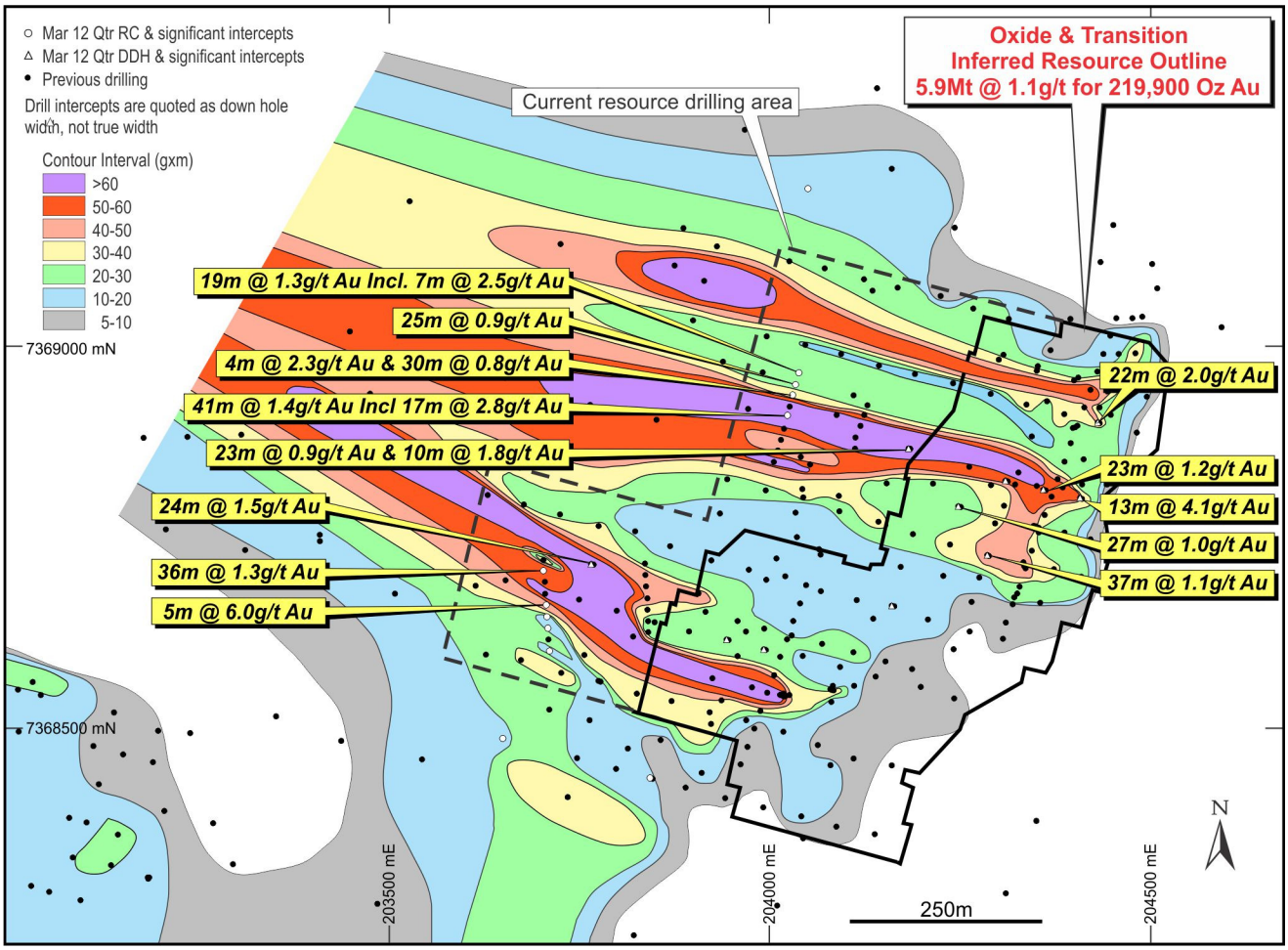


Figure 10: Karlawinda Project – Bibra Prospect Drill Defined Gold Anomalies, Significant March 2012 quarter drill Intercepts, over g/t Au x metre contours.

BIBRA SCOPING STUDY

Heap leach and CIL metallurgical test work commenced on diamond core drilled in the December 2011 quarter. Bottle roll and heap leach Gold reconciliation has been consistently positive with no obvious cyanide consumers identified to date. Other Scoping Study activities included preliminary hydrological and geotechnical analysis. Agglomeration test work commenced in April.

During the December 2011 quarter a program of resource and metallurgical RC and diamond drilling was undertaken to further define the resource at Bibra. This work improved the definition of the higher grade shoots and confirmed the down dip continuity of the system. Signficant intercepts received during the March 2012 quarter are listed in ***Tables 7 and 8***.

An updated resource estimate incorporating the latest results is expected to be finalised in the June 2012 quarter.

Exploration for new deposits on the surrounding tenure is scheduled to commence late in Q2- early Q3 pending access approvals.

Table 7: Karlawinda Project – Bibra Prospect March Quarter 2012 RC drilling results

Hole No	North (m)	East (m)	RL (m)	Azi (deg.)	Dip (deg.)	Total Depth (m)	Depth From (m)	Depth To (m)	Width (m)	Au (g/t)
KBRC163	7368964	204038	591	102	-86	172	112	131	19	1.3
KBRC164	7368949	204034	591	81	-86	172	124	127	3	2.6
KBRC165	7368935	204030	591	126	-86	172	69	73	4	2.3
							128	132	4	2.3
KBRC166	7368908	204023	591	111	-87	172	119	160	41	1.4
						including	**119**	**136**	**17**	**2.8**
KBRC171	7368705	203703	590	102	-86	172	114	150	36	1.3
						including	**119**	**122**	**3**	**5.4**
							128	**143**	**15**	**1.6**
KBRC174	7368660	203707	589	62	-87	172	**107**	**112**	**5**	**6.0**

Table 8: Karlawinda Project – Bibra Prospect: Significant intercepts from DDH metallurgical holes received during the March Quarter 2012. Note: DDH metallurgical holes twin previous RC holes.

Hole No.	North (m)	East (m)	RL (m)	Azi (deg.)	Dip (deg.)	Total Depth (m)	Depth From (m)	Depth To (m)	Width (m)	Au (g/t)
KBDM003	7368714	203766	590	110	-60	138.48	100	124	24	1.5
						including	**100**	**104**	**4**	**6.2**
KBDM004	7368865	204182	591	109	-58	114.1	78	86	8	1.4
							103	113	10	1.8
KBDM007	7368811	204359	591	108	-60	30.7	7	30	23	1.2
						including	**7**	**10**	**3**	**3.9**
KBDM008	7368899	204431	591	104	-60	32	**7**	**29**	**22**	**2.0**
						including	**7**	**16**	**9**	**2.4**
							21	**24**	**3**	**6.6**
KBDM010	7368725	204286	591	106	-60	80	8	10	2	3.0
							39	76	37	1.1
KBDM011	7368602	203993	590	106	-60	36	8	11	3	2.6
							17	24	7	2.1
KBDM012	7368789	204248	591	108	-62	91.15	53	80	27	1.0
KBDM013	7368800	204407	591	107	-60	30.3	**8**	**21**	**13**	**4.1**
						including	**11**	**20**	**9**	**5.6**

REGIONAL EXPLORATION BASE METALS

DUKETON NICKEL JOINT VENTURE (IGO Manager earning 70% Nickel rights)

The Duketon Nickel JV with South Boulder Mines Ltd covers ultramafic-rich stratigraphy in the Duketon Greenstone Belt approximately 100km north of the Windarra nickel deposit ***(Figure 1).*** Exploration by IGO, assisted by in-house prospectivity geophysical techniques, has confirmed the prospectivity of the belt for massive and disseminated Nickel-Copper-Platinum group element (PGE) sulphide mineralisation.

IGO is focusing on the Bulge ultramafic, a prominent thickened portion of ultramafic with a strike length of 8km situated along a more extensive ultramafic package located on the western flank of the project tenure. Over the past 12 months IGO has been focusing its efforts predominantly on the Rosie discovery where a scoping study has commenced.

ROSIE RESOURCE

During the quarter an initial Mineral Resource Estimate was completed for the Rosie deposit. Refer to the ASX announcement of 25 January 2012 for full details of the Resource.

The total Rosie Mineral Resource above a 1% Ni cut-off is currently estimated at **1,744,000t @ 1.7% Ni (29,800 Ni t), 0.4% Cu and 1.9g/t Pt + Pd (Platinum and Palladium)** according to the following classification:

Table 9: Rosie Nickel Resource

ROSIE NICKEL RESOURCE >1.0%NI								
Classification	**Oxidation**	**Tonnes**	**Ni (%)**	**Ni (t)**	**Cu (%)**	**Pt (g/t)**	**Pd (g/t)**	**Pt+Pd (g/t)**
Indicated	Fresh	685,000	1.9	13,300	0.4	0.8	1.1	1.9
	Transitional	30,000	1.6	500	0.3	0.7	1.2	1.9
	Sub-Total	**715,000**	**1.9**	13,800	**0.4**	0.8	1.1	1.9
Inferred	Fresh	990,000	1.6	15,400	0.4	0.8	1.2	2.0
	Transitional	39,000	1.6	600	0.2	0.7	1.0	1.7
	Sub-Total	**1,029,000**	**1.6**	16,000	**0.4**	0.8	1.2	2.0
Total		**1,744,000**	**1.7**	29,800	**0.4**	0.8	1.1	1.9

Note: Ni(t) figures have been rounded to the nearest 100t.

The Resource occurs over a vertical depth of approximately 600m and a strike length of 1,100m ***(Figure 11).*** The geometry of, and distribution of metal within, the mineralised zones has been affected by multiple phases of tectonic modification which impacts exploration targeting. **Mineralisation remains open along strike and at depth.**

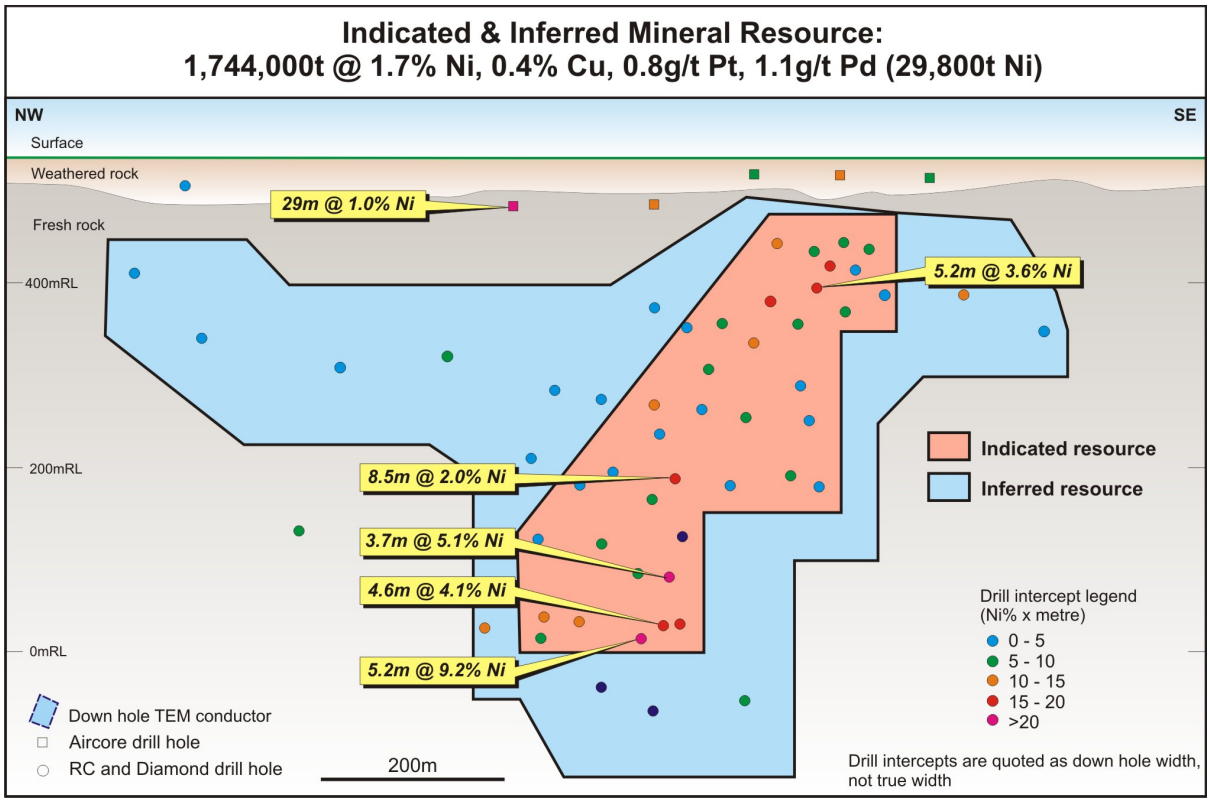


Figure 11: Duketon JV: Rosie Prospect Longitudinal projection showing Indicated and Inferred Mineral Resource boundaries.

EXPLORATION

A further phase of drilling commenced in February 2012. Two diamond rigs and an RC rig are testing numerous targets.

RC DRILLING

Eight RC holes were completed at Rosie targeting the up-dip and NW extremities of the Rosie Resource (TBRC107 – TBRC114). Each of the holes intersected a significant (7 to 20m+) disseminated sulphide profile above the prospective ultramafic- mafic contact. Results are awaited.

Three holes tested an area of geochemical anomalism identified in previous aircore drilling east and north east from Rosie along the ultramafic contact. Each of these holes intersected disseminated sulphide horizons above the prospective contact opening up a new target area for higher grade massive sulphides. Results are awaited.

RC drilling is being completed at the C2 disseminated Nickel sulphide prospect to infill previous drilling. Two RC holes were completed during the quarter toward the northern end of C2 and both intersected multiple zones of disseminated sulphide. Results are awaited.

DIAMOND DRILLING

Two diamond holes were drilled on the north western side of Rosie, testing a target zone highlighted in earlier RC drilling. **TBDD129 intersected a 5m zone of dominantly stringer and matrix sulphides with a thin (0.4m) semi-massive sulphide underlain by 2m of blebby sulphides with a minor matrix sulphide zone (0.2m) at the footwall contact.** Results are awaited.

EXPLORATION PROJECT GENERATION

DE BEERS DATABASE (IGO 100%)

IGO has acquired the non-diamond specific exploration database of De Beers Australia Exploration Limited ("DBAE"). This database represents the culmination of more than 30 years of exploration. The key assets of the database are the 292,000 surface geochemical samples and associated analytical results covering many mineral prospective regions throughout Australia ***(Figure 1).*** As DBAE was solely focused on diamond exploration, less than half of the samples were appraised for commodities other than diamonds.

A total of 44,975 samples have been submitted for geochemical analysis, with results from 40,739 samples having been received to date.

This work continues to generate a significant number of anomalies in gold, base metals and other commodities. Systematic prioritisation and field appraisal and ground acquisition of these anomalies is progressing. No further details can be released due to the competitive nature of this work.

JUNE 2012 QUARTER EXPLORATION PROGRAM

NICKEL/BASE METALS	**JAGUAR:**	DDH testing at Daimler, South Bentley and Pumping Station. Aircore geochemical drilling in the southern leases.
	STOCKMAN:	DDH drilling at Big Foot and Wilga South. RC drilling at Brumby and Peppermint. FLEM at Bullant.
	DUKETON:	DDH testing of targets proximal to Rosie. RC testing of C2 and the area between C2 and Rosie.
	DINGO RANGE:	Continued TEM testing of ultramafic horizons. Analysis of auger sampling.
GOLD PROJECTS	**TROPICANA:**	Continued drilling and aircore geochemical traversing. Regional airborne TEM.
	KARLAWINDA:	Scoping study activities at Bibra including resource estimation, metallurgical test work and economic analysis.
PROJECT GENERATION:	**DE BEERS:**	Continued analysis of priority geochemical samples and field follow-up of anomalies.

Christopher M. Bonwick
Managing Director
INDEPENDENCE GROUP NL

COMPETENT PERSONS STATEMENTS

The information in this report that relates to Exploration Results is based on information compiled by Mr Christopher M Bonwick who is a full-time employee of IGO and is a member of the Australasian Institute of Mining and Metallurgy. Mr 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'. Mr Bonwick consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

With the exception of the Tropicana Mineral Resources and Ore Reserves, and the Rosie Mineral Resource, the information in this report that relates to Mineral Resources or Ore Reserves is a compilation of previously published data for which Competent Persons consents were obtained. Their consents remain in place for subsequent releases by IGO of the same information in the same context, until the consent is withdrawn or replaced by a subsequent report and accompanying consent. IGO's 2011 Annual Report released to the ASX on 20 October 2011 contains the Competent Persons Consents for these Mineral Resources or Ore Reserves.

Tropicana JV Please refer to IGO's ASX announcements on 27 July 2011 and 29 November 2011 for Tropicana Mineral Resource and Ore Reserve Competent Persons Statements.

Duketon JV (Rosie Deposit): Please refer to IGO's ASX announcement on 25 January 2012 for the Rosie Mineral Resource Competent Persons Statement.

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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