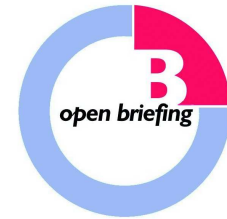


**Attention ASX Company Announcements Platform
Lodgement of Open Briefing®**



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Independence Group NL recently announced NPAT for the half year to 31 December 2006 of \$39.9 million, an increase of 287% over the previous corresponding period (pcp). EBITDA increased by 220% to \$61.5 million. Can you explain the reasons for the large increase in profit and EBITDA?

MD Chris Bonwick

We are currently enjoying a high nickel price environment. In the half year to 31 December 2006 we basically received twice as much for our spot price nickel sales as we did in the pcp. Also we are selling more nickel into spot as the hedging we had to put in place to fund the purchase of Long has now finished. This hedging was instituted at a very low price (ie. A\$12,000/t) compared to current prices. Nickel prices have continued to rise very strongly in the current half year and, as a result, we are currently generating considerably higher gross margins.

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Why has the nickel price been so strong lately? To what extent is it sustainable?

MD Chris Bonwick

I consider there is a general loss of confidence that the large laterite projects that were due to come on stream are going to materialise, at least in the timeframe that was expected. The start-up date for all of these projects has been deferred numerous times, while the cost to get them into production has been increasing substantially. These are the projects that were supposed to be replacing depleting

production from other mines in order to maintain global nickel supply - and China continues to underpin strong demand.

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Production for the December 2006 half year was 115,421 tonnes at 3.45% nickel for 3,987 nickel tonnes at a cash cost of A\$4.90/lb payable. What production do you expect for the current half year and next financial year? What impact is the fast rising nickel price having on your operating costs?

MD Chris Bonwick

Our production was affected by lower grade during the first half – this was due to a number of factors, but mainly delays in gaining access to the McLeay ore body and a decision to maximise the Long asset by delivering some low-grade ore we had stockpiled which is now profitable due to current high nickel prices. Our December quarter cash costs were still the lowest of the mid-caps in Australia but they will always be higher in times of high nickel prices, because royalty costs are included in the cash costs and royalty costs increase with the nickel price.

We are very confident that the grade we achieve in the second half will be closer to expectations, now that we are into the McLeay deposit proper. We are budgeting for increased production in the second half and expect to meet our target of 8,500-8,800t nickel for the year. Production should be about 9,000 tonnes in 2007/8.

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As at 31 December 2006, Independence held \$83 million in cash and net receivables. Cash flow from operating activities increased by 337% to \$54 million for the half. Fully diluted earnings per share increased to 34 cents from 9 cents in the pcp. You have declared an interim dividend of 3 cents per share and a special dividend of 3 cents per share. Will you consider maintaining special dividends, or higher normal dividends, if nickel prices remain high? Where else will you spend your cash?

MD Chris Bonwick

The Board is mindful that nickel prices fluctuate and at some stage they may decline from the relatively high current levels. However, we do not envisage that they will return to the long term historical average and expect the nickel price to remain relatively buoyant for the foreseeable future. Whilst they are high, we will consider paying “special” dividends as well as our normal interim and final dividends. However it is important that shareholders do not factor in these dividend levels as the norm.....that is the reason we make a point of calling them special dividends.

We might look at increasing the normal dividends if the nickel price is sustained at these levels over the longer term. We are also mindful that funding will be required for our share of the Tropicana gold project – it is apparent that it will be a substantial operation, therefore our share of the cost of getting into production is expected to be relatively significant. We are also spending about \$12 million a year on exploration on a number of exciting prospects at various stages of advancement – and we are hopeful that another mine may result from this

exploration effort - which could also warrant funding. Having said all of that, we are in an excellent position to take advantage of a value accretive asset opportunity should it arise – an advanced project or a corporate play – if it will add value for our shareholders.

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McLeay Shoot 1 continues to extend south of the reserves boundary announced in June 2006. What infill and step-out drilling do you plan? What is your current understanding of the size potential of both McLeay shoots?

MD Chris Bonwick

We have been intersecting Shoot 1 nickel mineralisation over a 300m strike length south of the June 2006 reserve boundary, which increases the total Shoot 1 strike length to 600m. We do not know how far it extends yet –McLeay is still open to the south. Drilling is currently focused on defining potential extensions to the south of McLeay as well as infilling the new resource to enable reserve estimates later in the year.

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Can you describe the current mine plan and development timetable for McLeay?

MD Chris Bonwick

The northern end of McLeay is currently being developed. The drill drive is currently being extended another 160m to provide a drilling platform to infill the newly defined mineralisation to the south. The drive will also provide a drilling platform to test the continuation of the McLeay system to the south and to provide access to infill drill and extend Shoot 2.

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What do you know so far about the Long South target? Can you outline the drilling program planned there?

MD Chris Bonwick

We finished our exploration decline in the December quarter. The decline is now at the northern end of the target area. We have intersected nickel sulphide mineralisation and we are currently testing the area with a new underground EM loop system in order to target our next round of drilling. Our best guess is that it will take about 6 months to drill out the target area.

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AngloGold Ashanti Australia has been drilling the Tropicana Zone and the Havana Zone at its Tropicana Prospect (IGO 30%) situated northeast of Kalgoorlie, Western Australia. You recently released further drilling results. Can you explain the dimensions of both zones defined so far including the extent and depth of mineralisation? To what extent do the zones remain open?

MD Chris Bonwick

Gold mineralisation has been defined over a 4 kilometre strike length, of which only 2.75kms has been subjected to significant drill testing. It remains open down-dip along most of the mineralisation's strike length. The down-dip extent is over

500m where the deeper drilling has taken place. Geochemical anomalism also indicates the possibility of further mineralisation to the north and south of the Tropicana Prospect.

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What amount of drilling has been conducted? Can you give some detail on the quality of the drilling results including the grades and true widths of the intersections?

MD Chris Bonwick

To date over 1,000 holes for approximately 100,000m of drilling has been completed at the Tropicana Prospect. Significant gold intersections include 63m @ 3.0g/t, 27m @ 5.8g/t, 29m @ 5.1g/t, 29m @ 4.8g/t, 30m @ 4.5g/t and 29m @ 4.4g/t. Down-hole width is thought to approximate true width due to the 30 degree dip of the gold system.

Regionally, an additional 1,650 holes for 95,000m has been completed. This regional drilling program is in its infancy but has already identified significant virgin gold mineralisation at Beachcomber 1 (3m @ 65.6g/t Au) and Rusty Nail (5m @ 3.4g/t Au).

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What do you know so far about Beachcomber 1? How could it fit into the overall development with the previous Tropicana and Havana discoveries?

MD Chris Bonwick

Beachcomber 1 is located 220kms south-west of the Tropicana Prospect and was drilled on a 1,000 x 200m grid to follow up a geochemical anomaly. The host rock is similar to that intersected at the Tropicana Prospect.

The Beachcomber 1 intersection was 25m from the surface but further drilling is required to ascertain its significance. Obviously any new deposits along strike from the Tropicana Prospect could have an influence over the size of the mill required for the project if they are located within trucking distance.

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What is the forward exploration and appraisal plan at and around Tropicana? Do you plan to drill for further discoveries regionally in the area?

MD Chris Bonwick

We are currently awaiting the results of a Scoping Study, which is focusing on the Tropicana and Havana Zones only. Then we will move to a Pre-Feasibility Study as soon as there has been sufficient drilling to provide a JORC standard mineral resource. As far as non-resource drilling is concerned, AngloGold Ashanti is testing targets along strike and down-dip at the Tropicana prospect. The gold mineralisation is associated with pyrite which can be observed in IP surveys undertaken over the prospects.

Other IP anomalies remain to be tested in the area and AngloGold Ashanti also plans to continue regional and geochemical drilling to test numerous gold anomalies already defined.

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Clearly there is a lot more work to do, but what is the potential timetable to first production at Tropicana, the possible production rates and the mine life?

MD Chris Bonwick

We are hoping the Scoping Study will be completed soon. Resource drilling will continue until open-cut ore body dimensions are defined and the drilling density is sufficient to enable the release of an initial resource and the commencement of the pre-feasibility stage. Production rates and plant size will depend upon the results of these studies. All we can say at this stage is that it is probably the most significant virgin gold discovery in Australia over the last decade and we are targeting a multi-million ounce resource.

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Thank you Chris.

For further information on Independence Group please visit www.igo.com.au or call Chris Bonwick on (08) 9367 2755.

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