



10 October 2005

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

NO OF PAGES: (5)

DALWALLINU GOLD PROJECT– HIGH GRADE VIRGIN GOLD DISCOVERY

- **New shallow gold discovery in first drilled target – Pithara**
- **Intersections include 7m @ 21.8 g/t Au and 9m @ 6.3g/t Au**
- **Primary gold mineralisation delineated**
- **Significant regional ground position with 70km strike length along the major Yerlering Fault corridor**

Dalwallinu Discovery

Independence Group NL is pleased to announce a virgin discovery of high-grade gold mineralisation at the Pithara Prospect under shallow cover on its 100% owned Dalwallinu Project. Pithara is situated approximately 250km northeast of Perth, on freehold land in the wheat belt area of Western Australia (Figure 1).

Significant shallow drill-hole intercepts include:

- **7m @ 21.8 g/t Au from 20m (including 2m @ 61.5 g/t Au from 24m)**
- **9m @ 6.3 g/t Au from 19m (including 2m @ 18.2 g/t Au from 23m)**
- **6m @ 4.9 g/t Au from 12m**
- **6m @ 3.2 g/t Au from 13m**

Background

The Dalwallinu Project comprise Archaean gneiss, granite and greenstone at the southern margin of the Murchison Province of the Yilgarn Block in Western Australia (Figure 1) between the Boddington Gold Mine (+20M oz of gold) and the Mt Gibson Gold Mine (+1M oz). The project was generated from in-house structural analysis techniques, with road-side sampling delineating three main surface gold anomalies (Figure 2) of which only one has been partly tested to date (Pithara Prospect). All of the anomalies lie within freehold wheat and sheep farming ground with no native title implications.

At the Pithara Prospect (Figure 3), auger drilling on 100m by 50m spacing defined a strong gold anomaly over an area of 800m by 300m (>50ppb Au in auger). The anomalism is open to the north and south under deeper soil cover.

Thirty four angled reverse circulation (RC) drill-holes (2174m) tested this anomaly on broad spaced traverses (200m) with a number of zones of gold and bismuth anomalism being highlighted (+10m thick zones of 100ppb Au with the best intercept of 2m @ 1.93 g/t Au). Interpretation of the geological setting (amphibolite - paragneiss after greenstone intruded by porphyritic granite) indicates potential for multiple high-grade gold shoots.

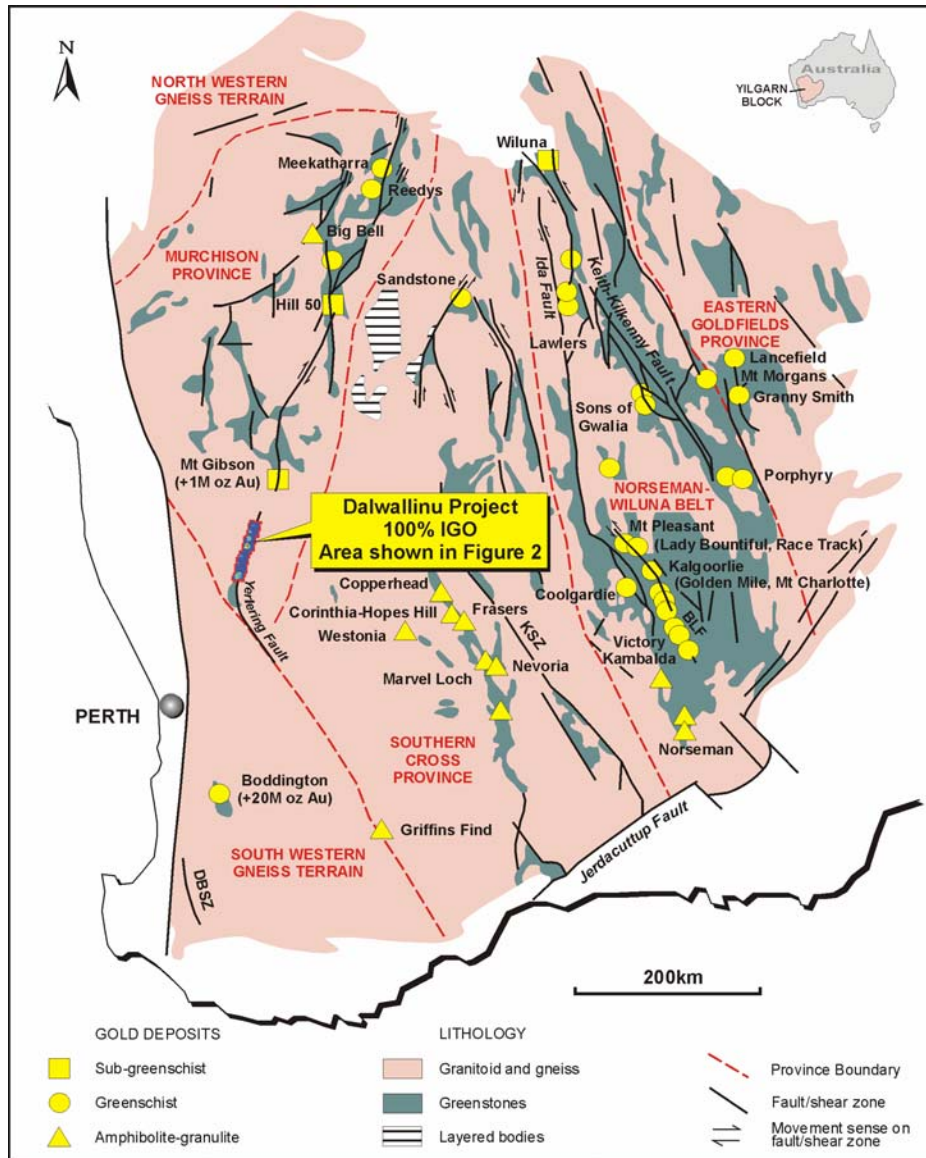


Figure 1. Location of Dalwallinu Project in relationship to the Yilgarn Block, Western Australia, showing the distribution of major gold deposits (adapted from Libby et al., 1990)

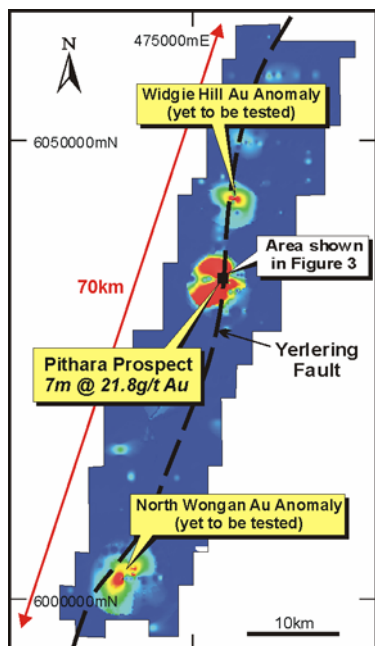


Figure 2. Dalwallinu Project surface gold anomalies and location of Pithara prospect

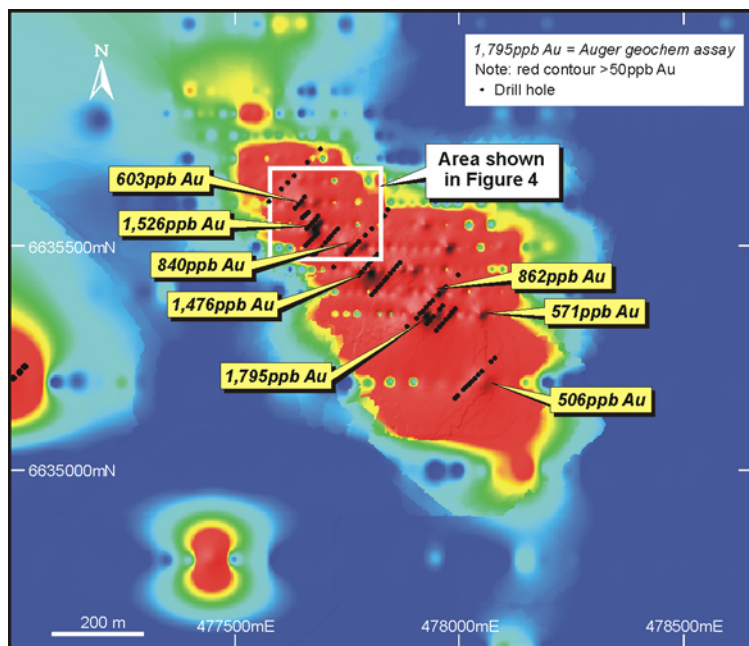


Figure 3. Dalwallinu Project – Pithara prospect auger gold geochemistry and drill hole location

Shallow air core drilling (65 angled holes for 1491m) was completed over 11 short traverses on 25m, 50m and 100m spacings, targeting zones within the gold in auger anomalism area grading greater than 500ppb. Significant intercepts are as follows:

Results

Table 1: Significant Drill Hole Intercepts >6.0 grams x metres Au Pithara Prospect

Hole No.	Northing (m)	Easting (m)	RL (m)	Azimuth (degr.)	Dip (degr.)	E.O.H	From (m)	To (m)	Width (m)	True Width (m)	Grade (Au g/t)	
PTA 012	6635543	477663	288	045	-60	23	12	18	6	4	4.93	
							Including	15	16	1	1	16.04
PTA 051	6635546	477666	292	045	-60	11	0	5	5	3	2.87	
PTA 052	6635539	477659	292	045	-60	28	19	28 EOH	9	7	6.26	
							Including	23	25	2	2	18.18
PTA 055	6635563	477649	290	045	-60	32	12	16	4	3	11.58*	
PTA 055	6635563	477649	290	045	-60	32	20	27	7	5	21.84	
							Including	24	26	2	2	61.49
PTA 056	6635567	477654	290	045	-60	22	13	19	6	4	3.21	

All samples were split. Analytical method - FA25/AAS and B/SAAS subject to final checks. Datum - GDA94 Z50
* = 4m composite

Mineralisation is associated with silica-biotite-pyrite alteration predominately within amphibolite (ferroactinolite-tremolite-hornblende-biotite-phlogopite) and paragneissic (quartz-biotite) rock assemblages. Base of oxidation is generally shallow and ranges from 5m to 30m.

The mineralisation defined to date strikes approximately north-south with a steep westerly dip (Figures 4-6). The strike extent is unknown due to granite intrusions and structural complexities.

Although the mineralisation defined to date occurs over a short strike length, the width appears to be increasing with depth.

The location of the drill defined high-grade gold mineralisation is some 200m to 400m down slope from the core of the main gold in auger anomalism, indicating potential to delineate further zones/shoots of high-grade gold mineralisation.

Good correlation with gold mineralisation and amphibolite-paragneiss rock types has been confirmed by ground magnetics. Numerous zones of amphibolite-paragneiss are yet to be drill tested, within and along strike from the area of the gold in auger anomalism.

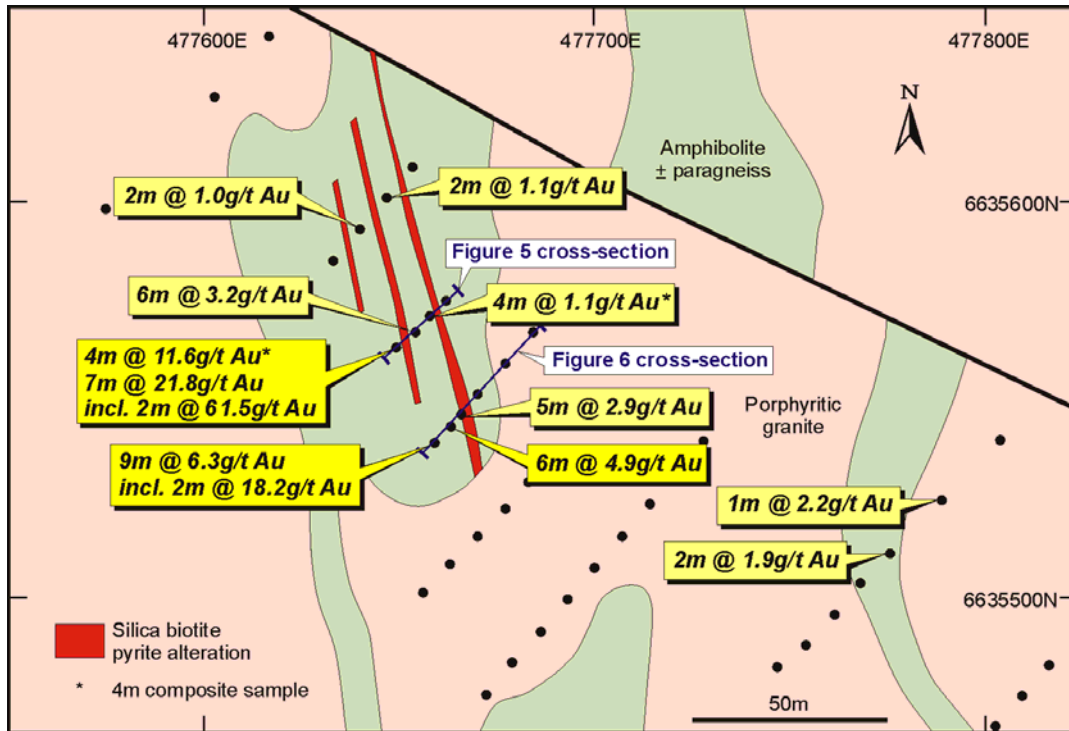


Figure 4. Dalwallinu Project – Pithara prospect interpreted geology and location of significant gold drill-hole intercepts (provisional results)

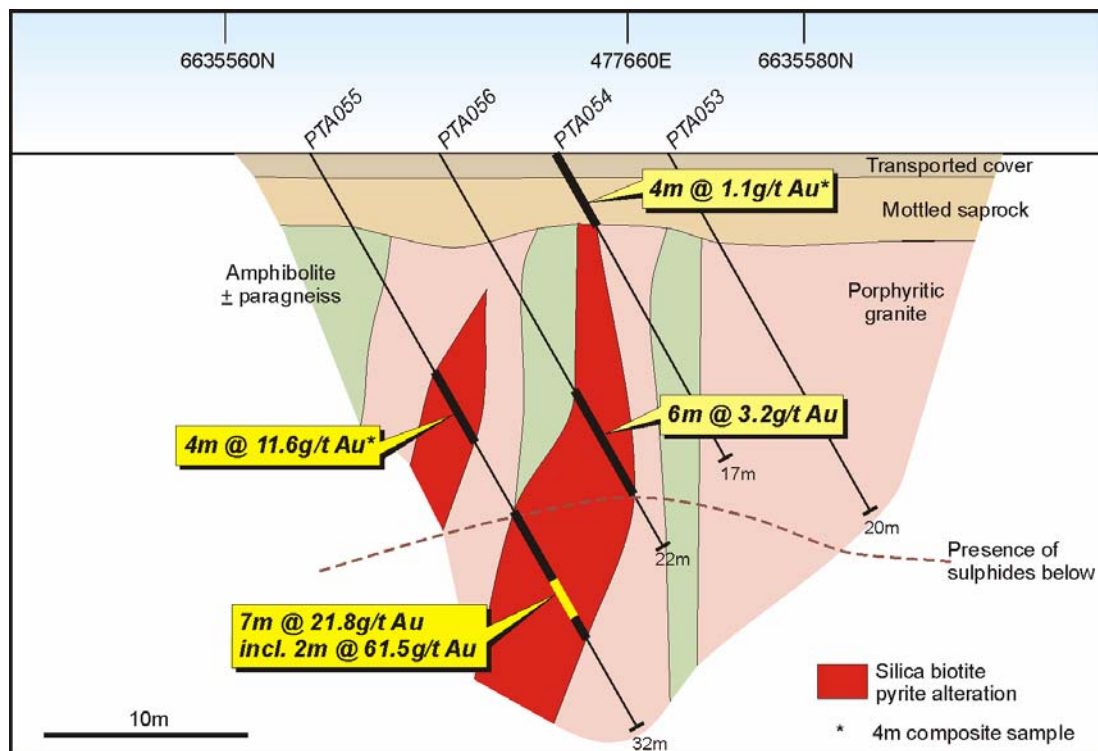


Figure 5. Dalwallinu Project – Pithara prospect cross-section 1, showing air core drill-holes with >0.5g/t gold intercepts (provisional results) bearing 045° GDA94 Zone 50

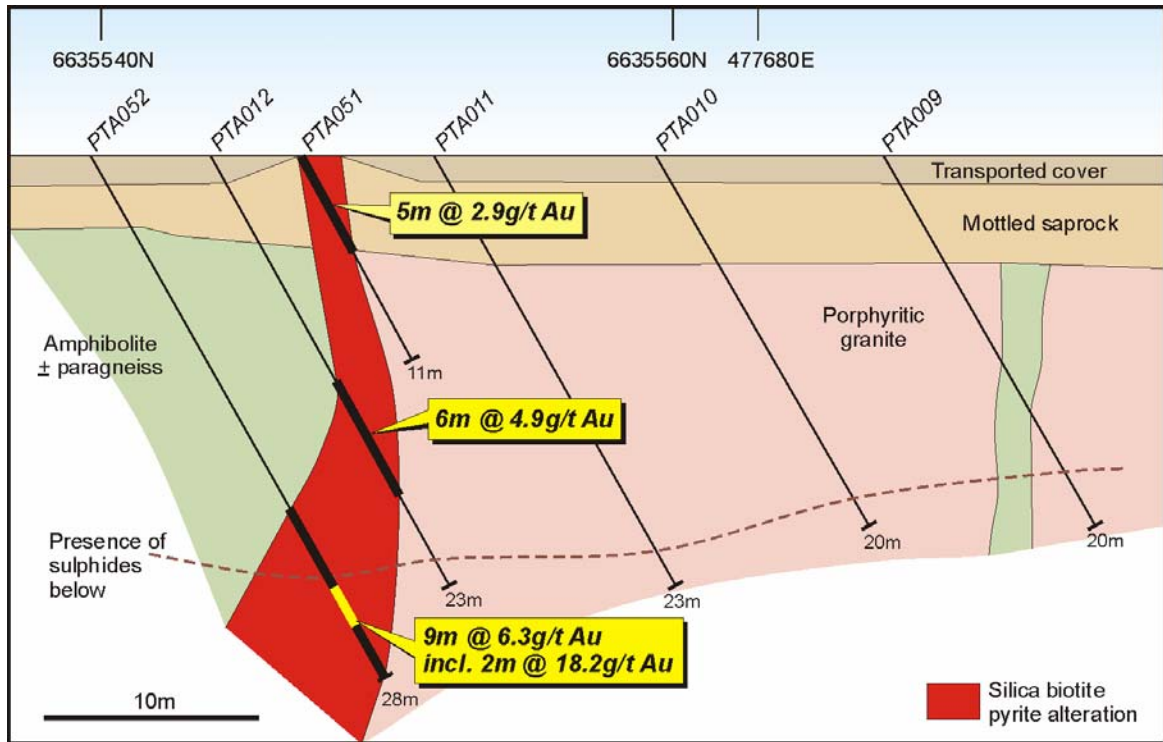


Figure 6. Dalwallinu Project – Pithara prospect cross-section 2, showing air core drill-holes with >0.5g/t gold intercepts (provisional results) bearing 045° GDA94 Zone 50

First pass testing of the Widgie Hill and North Wongan prospects (Figure 2) will take place once access is possible following the cropping season.

CHRISTOPHER 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.