



Independence Group

**ANNUAL REPORT ON EL26804,
BIRRINDUDU PROJECT,
FOR THE PERIOD,
12 JANUARY 2012 TO 11 JANUARY 2013.**

Author: Sharon Bell & Morgan Frejabise

Dated: February 2013

Copies: Independence Group NL (1)
NT DME (1)

INDEPENDENCE GROUP NL
Suite 4, Level 5 South Shore Centre |
85 South Perth Esplanade,
South Perth | Western Australia | 6151
PO Box 496, South Perth WA 6951

ABN 46 092 786 304
T +61 8 9238 8300
F +61 8 9238 8399
E contact@igo.com.au
W www.igo.com.au

 **GROWING
A GREAT
AUSTRALIAN
MINING
COMPANY**



TABLE OF CONTENTS

SUMMARY	1
1 INTRODUCTION	2
2 LOCATION AND ACCESS	2
3 TENEMENT STATUS	4
4 REGIONAL GEOLOGY	4
5 PREVIOUS EXPLORATION	4
5.1 WMC (1984).....	4
5.2 Otter Gold Mines NL / Stockdale Prospecting Ltd (1996 - 2003)	5
6 EXPLORATION BY IGO	6
6.1 Previous Exploration (2008 – 2012).....	6
6.2 Recent Exploration (2012 – 2013)	10
7 CONCLUSION AND RECOMMENDATIONS	10
REFERENCES	12



TABLE OF FIGURES

<i>Figure 1: Location of the Birrindudu Project (EL26804)</i>	3
<i>Figure 2: Tin (Sn) in Soil Contours over TMI RTP Aeromagnetics</i>	7
<i>Figure 3: Maximum Tin (Sn) in RAB Drilling</i>	9



DATA SHEET

Project Name:	Birrindudu Project
Tenement Numbers:	EL26804
Tenement Operator:	Independence Group NL
Tenement Holder:	Independence Group NL
Date of Grant:	12 January 2009
Reporting Period:	12 January 2012 to 11 January 2013
Expenditure Commitment:	\$216,500
Target Commodity:	Tin (Sn), Gold (Au)
Geological Province:	Birrindudu Basin
Geological Units Targeted:	Winnecke Granophyre
250K Map Sheet:	Birrindudu SE52-11
100K Map Sheet:	Mt Winnecke 4960 and Styles 4961
Keywords:	Birrindudu, EL26804, Winnecke Granophyre, gold, tin, Happy Jack Prospect, quartz veins, skarn mineralisation, Tanami-style gold mineralisation, rock chip sampling, stream sediment sampling, soil sampling, RAB drilling, AC drilling.



SUMMARY

Independence Group NL (“IGO”) spent a total of \$110,423 on the Birrindudu Project (EL26804) during the reporting period.

The bulk of this expenditure was spent on field reconnaissance to delineate the position of proposed RC drill holes at the Birrindudu Tin Prospect, rock chip sampling and a detailed internal review of the gold potential of the entire Birrindudu Project.

Interestingly, the detailed internal review has resulted in a new geological interpretation for the Birrindudu Project, which has re-highlighted its potential to host high grade, Tanami-style quartz vein gold mineralization.

So, while it had been proposed that a 1,000m RC drill program was required to test an anomalous tin intercept highlighted by previous RAB drilling, it is now proposed that a regional scale 6,000m AC drill program is required to:

- Target under cover, interpreted structural targets (after magnetics) prospective for gold mineralisation; and,
- Complete infill drilling on the tin anomalism highlighted previous RAB drilling and surface geochemistry.



1 INTRODUCTION

In 2008 / 2009 IGO re-examined and re-assayed approximately 100 heavy mineral concentrates and stream sediment samples collected by Western Mining Corporation (WMC) and De Beers Australia Exploration in 1984 as part of their Australia-wide search for diamonds and kimberlitic indicator minerals. Results were significant and confirmed the presence of tin (Sn), together with tungsten (W) and tantalum (Ta).

Based on this information, a tenement application was made resulting in the granting of EL26804 on 12 January 2009.

2 LOCATION AND ACCESS

The Birrindudu Project (EL26804) is located approximately 250km east of Halls Creek and 290km southeast of Kununurra on the Riveren and Birrindudu Pastoral Stations in the Northern Territory (Figure 1).

Access to the project area is from Halls Creek via the Buntine Highway, or from Kununurra via Duncan Road, and then via station tracks to / from Riveren Station.

The eastern and southern boundaries of EL26804 are coincident with boundaries of the Hooker Creek Aboriginal Reserve, within which is the Lajamanu Aboriginal Community, located approximately 60km east of the EL26804.

The bulk of the project area is open plain and forms a watershed between Sturt Creek to the west and Hooker Creek to the east. Breakaways occur in the north-east of the project area, with the far north consisting of relatively low relief, undulating basaltic hills.

Vegetation consists mainly of grass with occasional small trees and shrubs, although larger trees can be found along creek beds.

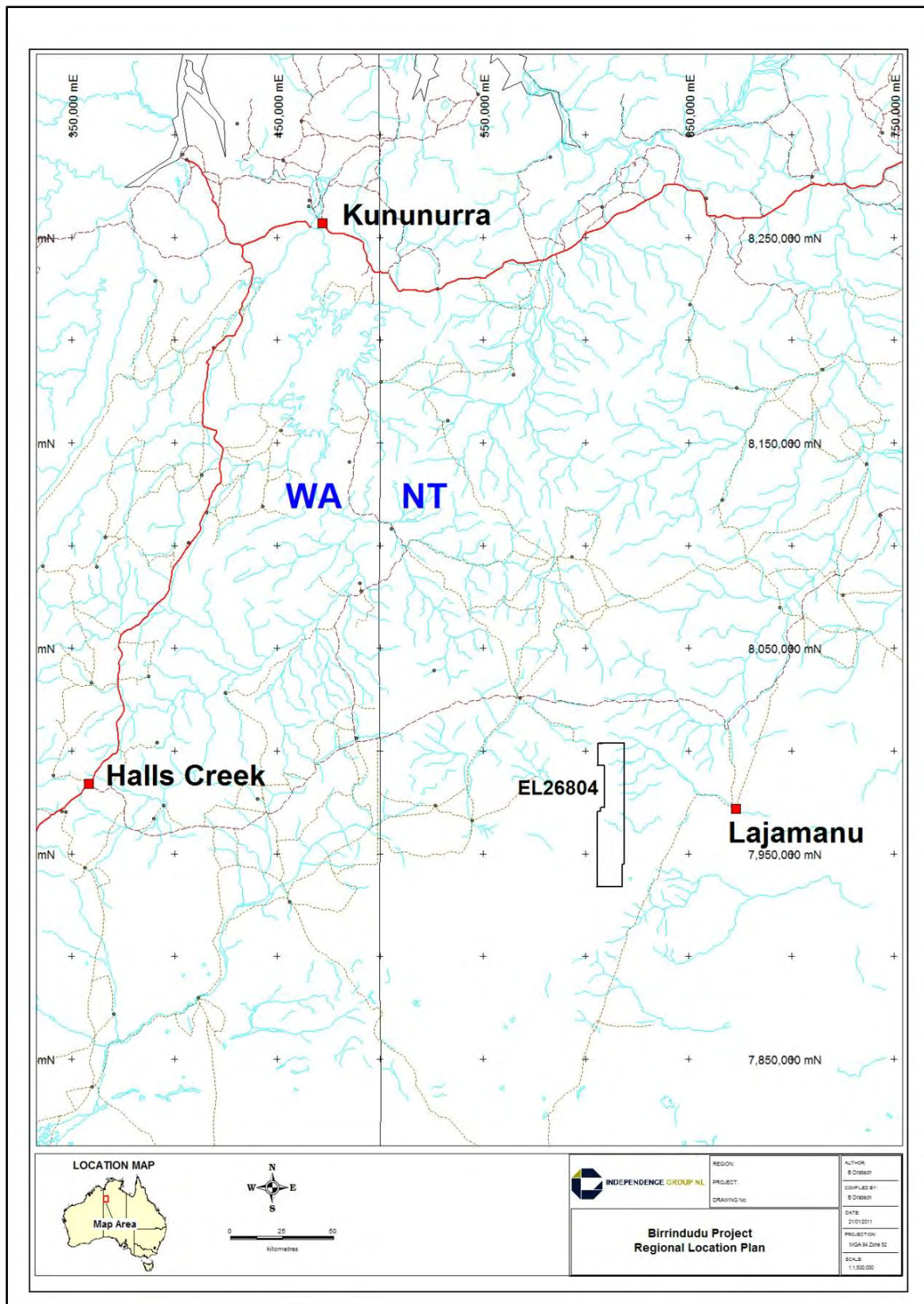


Figure 1: Location of the Birrindudu Project (EL26804)



3 TENEMENT STATUS

EL26804 was granted on 12 January 2009 and expires on 11 January 2015.

A 2nd year compulsory 50% reduction of the tenement area (834km²) was due on 11 January 2011. However, IGO submitted a waiver of reduction which was approved.

A 4th year compulsory 50% reduction is due on 11 January 2013.

IGO have submitted another waiver of reduction and it is hoped that exploration (and expenditure) to date have been sufficient to warrant another approval.

4 REGIONAL GEOLOGY

The project covers the Palaeo-proterozoic Winnecke Granophyre which is overlain by Cambrian Antrim Plateau Volcanics (APV), composed of tholeiitic basalt.

On a regional scale the oldest rocks in the immediate area belong to the Tanami Group (previously the Tanami Complex) and are mapped as Nongra and Helena Creek Beds. The latter are mapped as cropping out immediately east of the tenement where they occur as roof pendants within the Winnecke Granophyre.

On the Birrindudu 250,000 map sheet the Helena Beds are described as being composed of greywacke, tuff, phyllites, conglomerate, lithic arenite and acid porphyry. They form part of what has been reinterpreted as the Killi Killi Formation by Hendrick et al (2000).

The Winnecke Granophyre, together with the Nanny Goat Volcanics and other metasedimentary units, form the Mount Winnecke Group, which is unconformably overlain by the Gardiner Sandstone belonging to the Mesoproterozoic Birrindudu Group. The Gardiner sandstone is exposed in low ridges to the west of the project at the southern end.

To the north and west, the Winnecke Granophyre is enveloped by a sheet of basalt of the Cambrian, Antrim Plateau Volcanics. The thickness of the basalt is not known but gravity contours on the Birrindudu mapsheet show a gravity high which indicates that the basalt is relatively thick compared to further west and could represent a feeder zone.

The basalt, although extensive, is poorly exposed because it is covered by what is mapped as Tertiary laterite and Quaternary sand and silt.

5 PREVIOUS EXPLORATION

5.1 WMC (1984)



In 1984 WMC undertook heavy mineral sampling for diamonds and kimberlitic indicator minerals over the eastern part of the Birrindudu map sheet. Sampling identified a spread of samples that contained cassiterite grains, with one sample recording 940 grains. This sample is shown as being on the northern end of the Winnecke Granophyre.

This work was carried out on open ground and, as such, there was no requirement to produce an annual exploration report and there is no evidence of follow-up sampling – either for kimberlitic indicators or tin.

It is unlikely that WMC would have followed-up the cassiterite anomaly because at the time of this work the tin price plummeted and all tin exploration in Australia ceased.

5.2 Otter Gold Mines NL / Stockdale Prospecting Ltd (1996 - 2003)

EL9592 was granted to Otter Gold Mines NL (Otter) in October 1996 and covered an area similar to that of EL26804. Between 1996 and January 1999 the tenement was subject to a Joint Venture Agreement with Stockdale Prospecting Ltd (SPL), who subsequently became DeBeers Exploration Australia.

In 1997 SPL undertook heavy mineral loam and geochemical sampling on a 2km by 2km grid. This work was part of a larger survey over their Wallamunga Project. These geochemical samples were re-analysed by Otter for low level gold (Au), with results highlighting coherent anomalism over several kilometres (Muir, 2001A).

This sampling was followed-up with infill sampling, resulting in the delineation of several targets – one of which was the Happy Jack Prospect.

21 angled RAB holes were drilled at the Happy Jack Prospect. Best result were 2m @ 1.7g/t Au, 6m @ 0.78g/t Au and 2m @ 1.46g/t Au.

In 1999, detailed geological mapping was carried out at the Happy Jack Prospect and it was “concluded that finer grained ‘intrusions’ exist within a coarse grained porphyry” (Muir, 2001B). It was also recognised that there are two types of quartz veins present – igneous and mesothermal. While the mesothermal veins are reportedly parallel to the aforementioned finer grained intrusions, it was the igneous veins that were interpreted to contain the Au.

In February 2000, approximately 2,300 soil samples were collected on a 400m by 400m grid over the central portion of what is now EL26804. A total of 14 samples returned >0.5g/t Au.

Detailed interpretation of these results identified several possible features of interest:

- Seepage from beneath the Antrim Plateau Volcanics;
- Northwest trending structures;
- A large north-northwest trending patchy zone through the central north of the tenement; and,



- A cluster of lower order anomalies that appeared to be coincident with a cross-cutting, northwest trending structure.

In December 2000 detailed aeromagnetic and radiometric surveys were flown over several prospects, including the Happy Jack Prospect. The surveys were flown by UTS with east-west lines 50m apart with readings taken every 4-5m.

Interpretation of both NTGS regional data and the December 2000 survey data identified numerous targets and features of interest. Within the Happy Jack Prospect, the radiometric data displayed a high potassium (K) signature, interpreted at the time to be the result of either hydrothermal alteration or simply granite outcrop.

To the east, regional aeromagnetic data identified a prominent shear that Hungerford (2001) believed could be related to more significant Au mineralisation.

In addition, at least two phases of faulting were interpreted in the centre of the region, trending southwest-northeast and post-dating the north-south shear identified by Hungerford.

It was also noted by Muir (2001B) that fluid inclusion studies from the area indicated boiling of fluid and, therefore, an epithermal to mesothermal environment.

In August 2001, during field reconnaissance to the west of the Happy Jack Prospect, samples of quartz and greisen veins were taken. Some of the greisen veins were described as being green in colour, possibly reflecting alteration and the presence of chlorite and / or epidote.

Stockwork veining was also identified 5km south of the Happy Jack Prospect, in what was reported to be highly altered granite but was mapped on the Birrindudu map sheet as Helena Creek Beds. Two types of granite were recognised – coarse and fine, with the fine grained granite reported to contain an average of 0.2g/t Au and the coarse grained granite containing lower levels of Au (Muir 2001B).

6 EXPLORATION BY IGO

6.1 Previous Exploration (2008 – 2012)

In 2008 / 2009 IGO re-examined and re-assayed approximately 100 heavy mineral concentrates and stream sediment samples collected by WMC and De Beers Australia Exploration in 1984 as part of their Australia-wide search for diamonds and kimberlitic indicator minerals. Results were significant with peak values of 51% cassiterite reported in the heavy mineral concentrates and 2.25ppm Sn returned from the stream sediment samples.

In 2009, IGO completed two phases of stream sediment sampling at what is now the Birrindudu Tin Prospect. The first phase saw 54 samples collected and returned a peak value of 920ppm Sn. The second phase (carried out with the aid of a helicopter to overcome access issues encountered during



the first phase) saw 77 samples collected and returned a peak value of 311ppm Sn, with a further 11 samples returning >100ppm Sn.

In addition, a total of 117 rock chip samples were collected for assay and rock type determination. The peak Sn value returned from these rock chip samples was 387ppm.

In 2010, a total of 270 soil samples were collected. The first 25 samples completed an orientation program, while the remaining 245 samples comprised a soil sampling program 'proper'. A peak Sn value of 2,703ppm was returned, and 3 >100ppm Sn soil anomalies were generated (Figure 2).

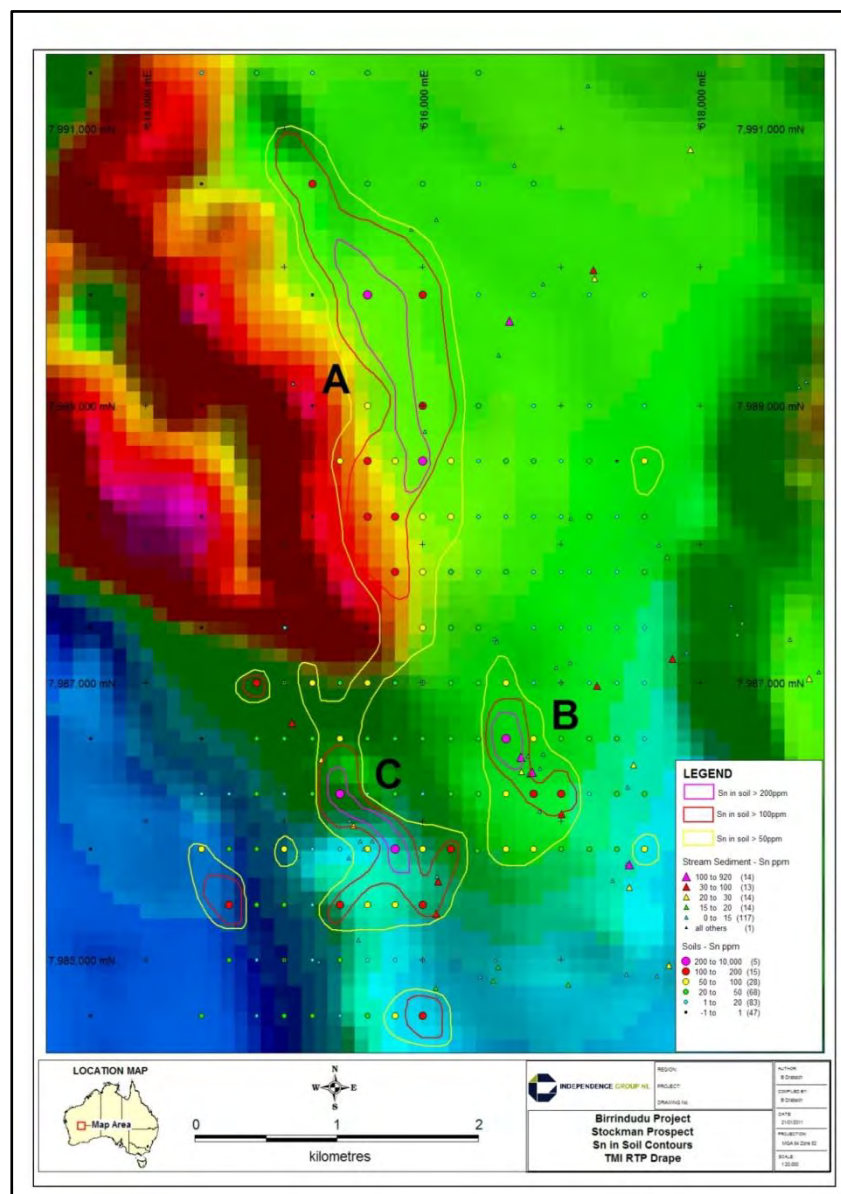


Figure 2: Tin (Sn) in Soil Contours over TMI RTP Aeromagnetics



Due to the fact that they are located within drainage systems, it was interpreted that Anomalies B and C more than likely do not represent in-ground Sn mineralisation, instead providing a vector towards the possible source of Sn anomalism discovered in both the stream sediment and soil sampling programs.

Anomaly A, however, was not located within a drainage system and appears to directly flank a distinct magnetic feature, which may place it closer to the source of the Sn anomalism found in both the stream sediment and soil sampling programs.

In September 2011 IGO carried out a RAB drilling program at the Birrindudu Tin Prospect designed to determine whether a distinct magnetic feature is the source of the aforementioned Sn anomalism.

220 holes were drilled over 8 traverses for 2,099m.

Lithologies intersected were typically feldspar- and quartz-phyric granophyres whose quartz and K-feldspar phenocrysts commonly exhibit resorption textures along their margins, very similar to those exposed within and east of the breakaways. Some finer grained intrusions were also encountered, again similar to those exposed within the breakaways.

Overlying the granophyre is a zone of laterite, typically 1-3m thick (where not completely eroded), which is interpreted to largely in-situ.

Results were generally within the 10-20ppm Sn range and are considered to reflect normal background levels for a particular granite phase associated with the Winnecke Granophyre (Figure 3).

The best result was 4m @ 99ppm Sn (BURB008), which is coincident with the distinct magnetic feature and corresponds with a contact zone between two types of granitoid.

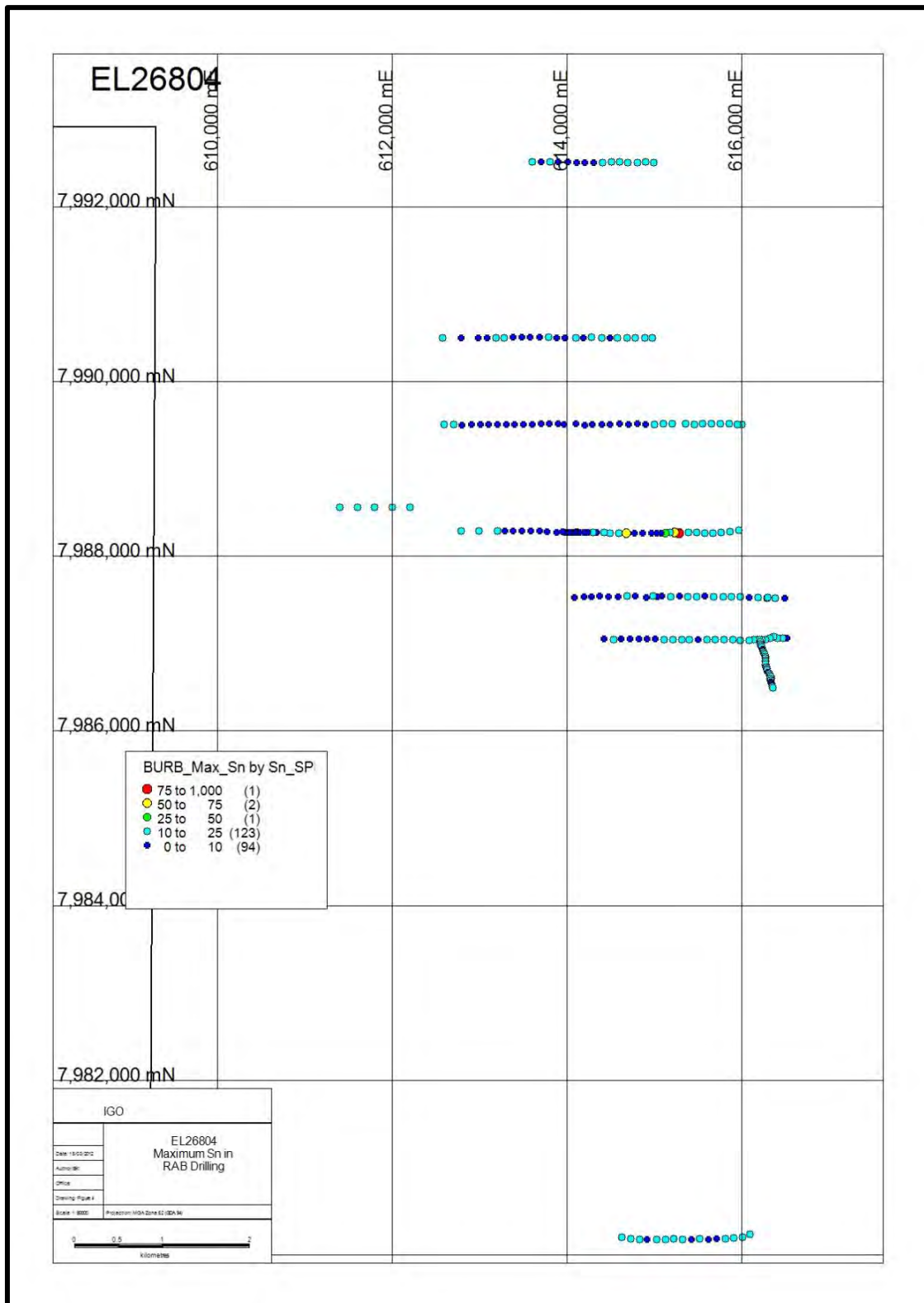


Figure 3: Maximum Tin (Sn) in RAB Drilling



As a result, it is now hypothesised that Sn anomalism could be indicative of skarn mineralisation resulting from an elevated Sn bearing granitoid coming into contact with an earlier granitoid.

Further drilling is recommended to test the hypothesised contact between the Sn bearing granitoid phase and the earlier / host granitoid to determine the presence of Sn skarn mineralisation.

6.2 Recent Exploration (2012 – 2013)

In June 2012, representatives of IGO visited the Birrindudu Project in order to delineate the position of proposed RC drill holes planned to determine the source of both the Au anomalism at the Happy Jack Prospect and the Sn anomalism at the Birrindudu Tin Prospect (Captain Jack).

As part of this process, the original RAB holes drilled by Stockdale were located at the Happy Jack Prospect but no sample piles remained to be observed. However, known Au anomalism could be traced to the surface due to the presence of extensive outcrop, and, in all cases, appears to be associated with narrow quartz veins in lithic wackes and grits.

Lithologies encountered comprise a series of poorly sorted siliclastics, mainly arenitic and gritty, that has been extensively intruded by a coarse grained granitoid – a typical contact aureole associated with granite intruding flat lying metasediments (roof pendant).

Detailed ground magnetics completed by previous explorers delineate this aureole as low response. Due to the cupola nature of the aforementioned contact, the aureole appears to be 500 - 1000m in width.

A total of 9 rock chips samples were also collected, 3 of which returned anomalous Au values of 10.4ppm, 3ppm and 1ppm. No other elements were considered anomalous.

These results and observations confirm that Au anomalism is, in fact, associated with narrow quartz veins.

As a result, the decision was made that no further drilling was required at the Happy Jack Prospect.

However, a detailed internal review has since lead to a new geological interpretation of the Birrindudu Project, which has re-highlighted its potential to host high grade, Tanami-style quartz vein Au mineralization.

7 CONCLUSION AND RECOMMENDATIONS

It had been proposed that a 1,000m RC drill program was required to test the anomalous Sn intercept highlighted by previous RAB drilling at the Birrindudu Project.

However, as a direct result of the aforementioned internal review, it is now recommended that a regional scale AC drill program supercede the proposed RC drill program.



As a result, a 6,000m AC drill program is currently being planned that will;

- Target under cover, interpreted structural targets (after magnetics) prospective for Au mineralisation; and,
- Complete infill drilling on the Sn anomalism highlighted previous RAB drilling and surface geochemistry.



REFERENCES

- Keillor, B. (2012) *Birringudu Sn Project, EL26804, New Geological Interpretation, Proposed Gold Exploration*. Internal presentation by Independence Group NL. January 2013.
- Keillor, B. (2012) *Birringudu Project, EL26804, Annual Report for Period Ending 11/1/2012*. Independence Group NL. Annual Report Submitted to NTGS 2011. January 2011.
- Drabsch, B. (2011) *Birringudu Project, EL26804, Annual Report for Period Ending 11/1/2011*. Independence Group NL. Annual Report Submitted to NTGS 2011. January 2011.
- Hungerford, N. (2000) *Birringudu Area, Northern Territory, Interpretation of Airborne Geophysical Surveys*. Report by Flagstaff GeoConsultants Pty Ltd for Otter Gold NL, in Muir 2001. March 2000
- Mason D.R. (2008) *Petrographic Descriptions for Proterozoic Granitoid Rock Samples from the Tanami Region (Birringudu Project, Northern Territory) and the East Kimberley Region, Western Australia*. Mason Geoscience Pty Ltd Report No 3438. August 2008.
- Muir, M. (2001A) *4th Annual Exploration Report for EL9592, 23 October 1999 to 22 October 2000, Tanami Region Northern Territory*. Report by Otter Gold NL. February 2001. CR20010056.
- Muir, M. (2001B) *5th Annual Exploration Report & Final Report for EL9592, 23 October 2000 to 22 October 2001, Tanami Region Northern Territory*. Report by Otter Gold NL. December 2001. CR20010332.
- Orth, K. (2007) *Geology and Volcanology of the Ware Group and Winnecke Granophyre, Northern Tanami Region, Northern Territory*. Report by NT Department of Primary Industry, Fisheries & Mines. Geological Survey Record 2007-002.
- Taylor, R. (2010) *Petrological Descriptions and Comment Concerning 12 Samples from the Winnecke Granophyre, Northern Territory*. Internal petrological report commissioned by Independence Group NL.



Turley, S. (2010)

Birringudu Project, EL26804, Annual Exploration Report for the Year to 11 January 2010. Annual Report submitted to NTGS 2010. February 2010.