

# Open File Envelope

## No. 9874

**EL 2435 / 3031 / 3979**

**UNGALOOTANNA HILL**

**ANNUAL AND FINAL REPORTS TO LICENCE  
SURRENDER, FOR THE PERIOD 24/9/1997 TO 1/10/2008**

Submitted by  
Goldsearch Ltd and Independence Group NL  
2008

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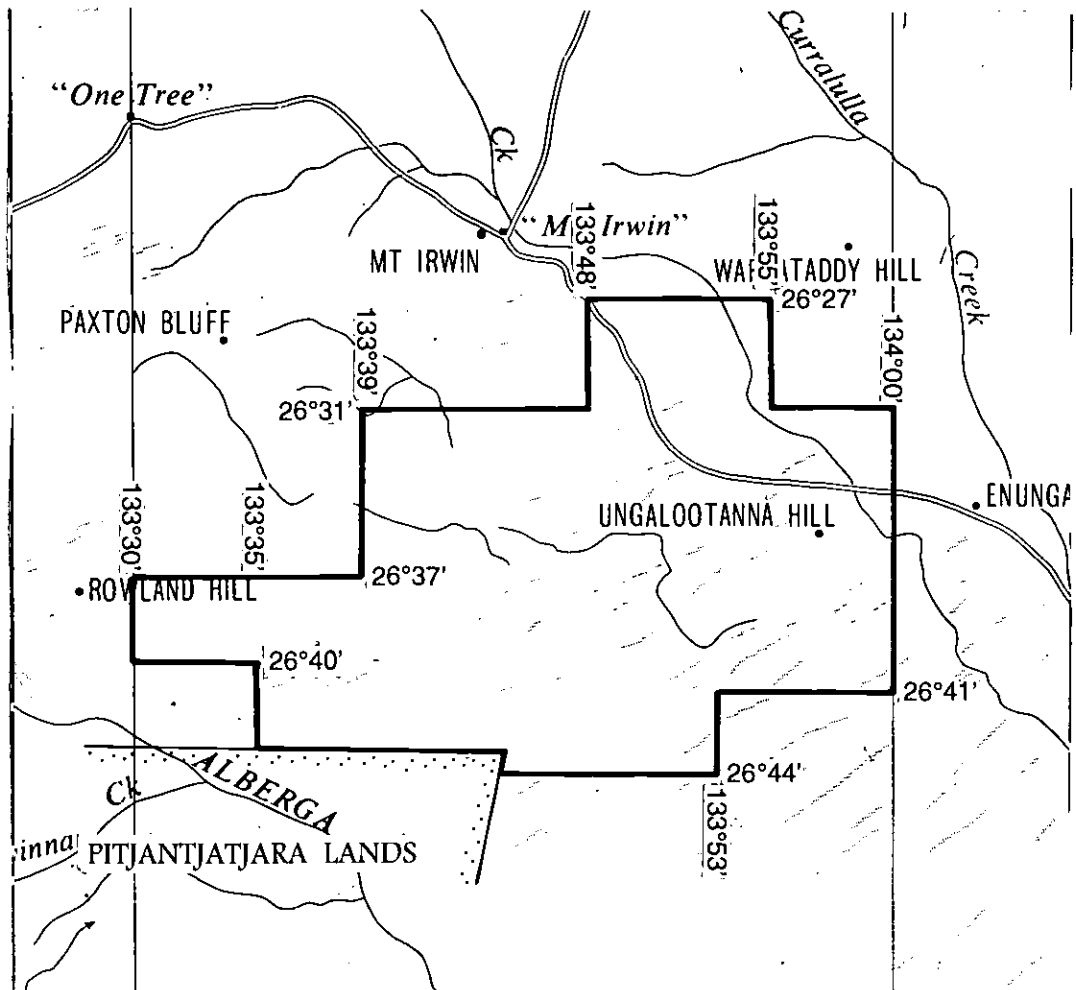
**Enquiries:** Customer Services Branch  
Minerals and Energy Resources  
7th Floor  
101 Grenfell Street, Adelaide 5000

Telephone: (08) 8463 3000  
Facsimile: (08) 8204 1880

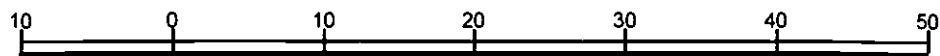


**Government of South Australia**  
**Primary Industries and Resources SA**

# SCHEDULE A



SCALE 1 : 500 000



KILOMETRES

APPLICANT : **GOLDSEARCH N.L. LTD**

DM : 109/97

AREA : 967 square kilometres (approx.)

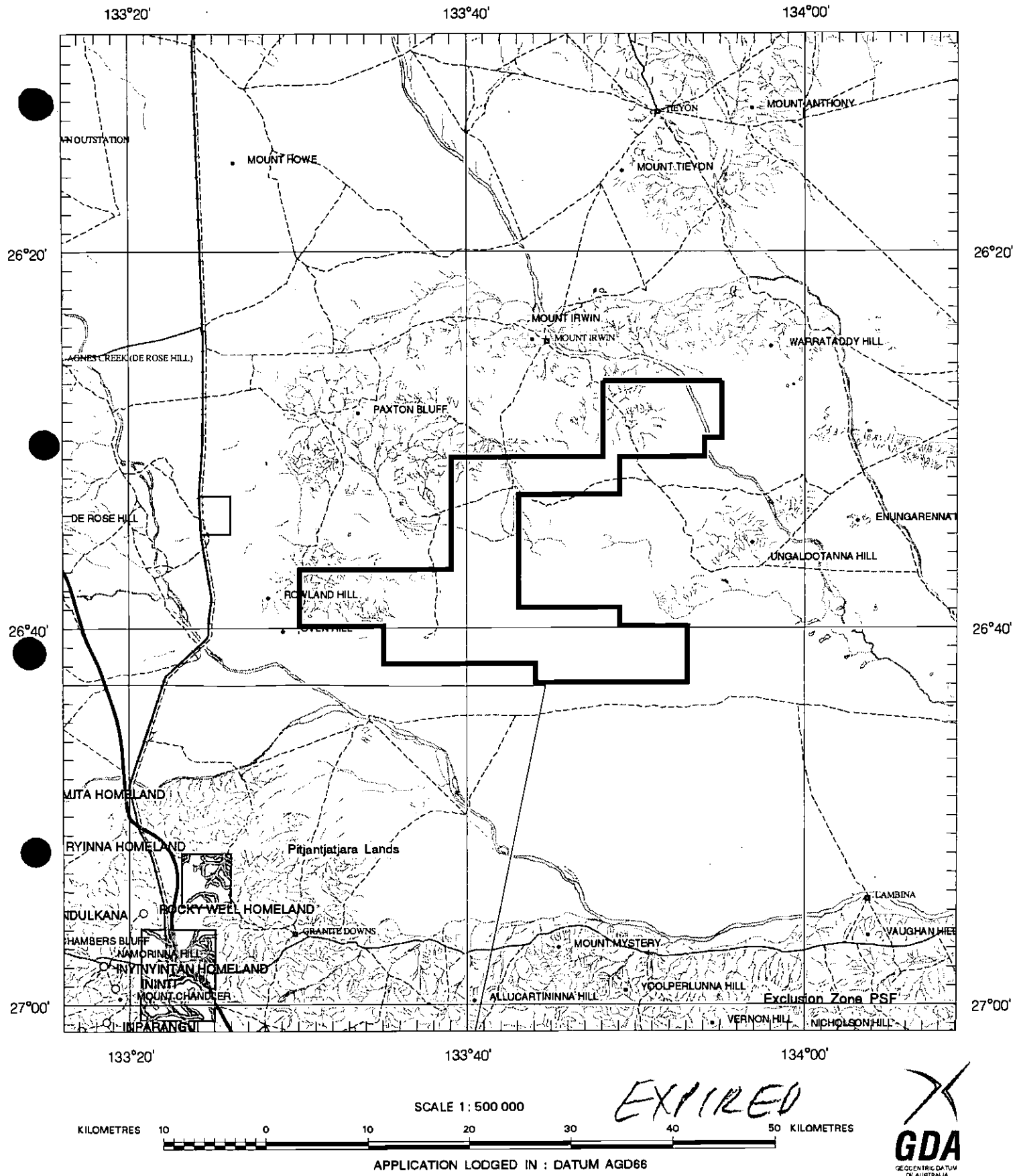
1:250 000 PLANS : ABMINGA

LOCALITY : **UNGALOOTANNA HILL AREA - Approximately 80 km north of Marla**

DATE GRANTED : 24 September 1997 DATE EXPIRED : 23 September 1998 **EL No : 2435**

99  
2000 2001 2002

# SCHEDULE A



**APPLICANT : GOLDSEARCH LTD**

**FILE REF : 111/02**

**TYPE : MINERAL ONLY**

**AREA : 469 km<sup>2</sup> (approx.)**

**1:250000 MAPSHEETS : ABMINGA**

**LOCALITY : UNGALOOTANNA HILL AREA - Approximately 80 km north of Marla**

**DATE GRANTED : 17 October 2002**

**DATE EXPIRED : 16 October 2003**

**EL No : 3031**

2004  
2006

# SCHEDULE A

133°20'

133°40'

134°00'

26°20'

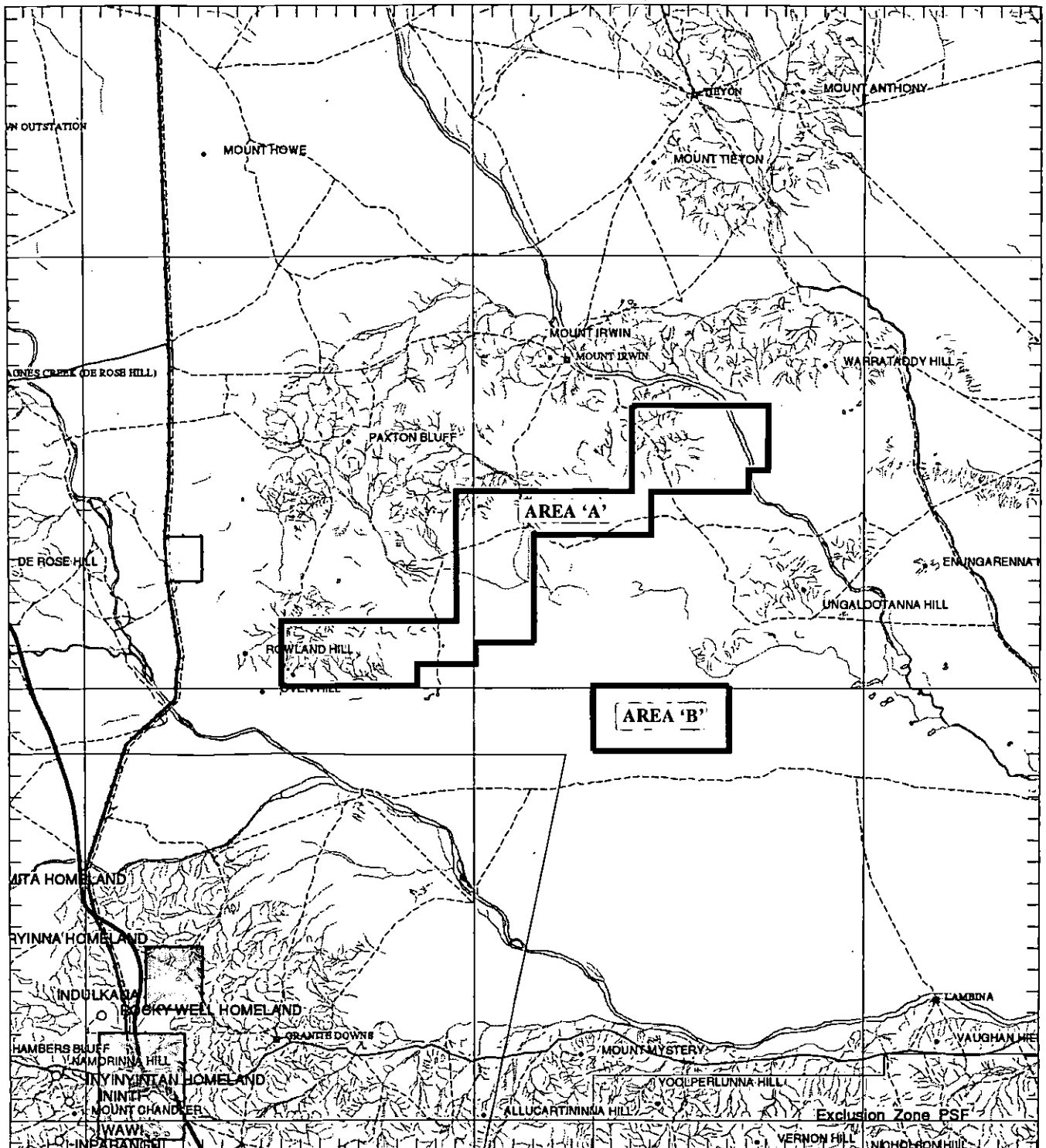
26°20'

26°40'

26°40'

27°00'

27°00'



133°20'

133°40'

134°00'

SCALE 1: 500 000

KILOMETRES 10 0 10 20 30 40 50 KILOMETRES

LICENCE GRANTED IN : DATUM AGD66

*SURRENDERED*



APPLICANT : GOLDSEARCH LTD

FILE REF : 490/07

TYPE : MINERAL ONLY

AREA : 349 km<sup>2</sup> (approx.)

1:250000 MAPSHEETS : ABMINGA

LOCALITY : UNGALOOTTANNA HILL AREA - Approximately 80 km north of Marla

DATE GRANTED : 07-Nov-2007

DATE EXPIRED : 06-Nov-2008

EL NO : 3979

22 November, 1999

The Director-General  
Primary Industry and Resources South Australia  
GPO Box 1671,  
ADELAIDE  
S.A. 5001

Dear Sir,

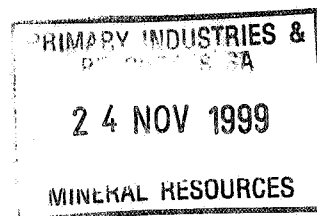
**RE: ANNUAL TECHNICAL REPORTS - E.L. 2435  
GOLDSEARCH NL**

In accordance with the guidelines for reporting on Exploration Licences we wish to report that no technical reports were prepared in relation to EL 2435 during the period 25 October, 1997 to 24 October, 1999.

Please do not hesitate to contact me on the above telephone or fax numbers if you have any queries concerning this matter.

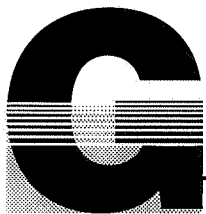
Yours faithfully,  
**GOLDSEARCH NL**

  
**NORMAN KENNEDY  
GENERAL MANAGER - EXPLORATION**



PIRSA  
C99/03108





# Goldsearch LIMITED

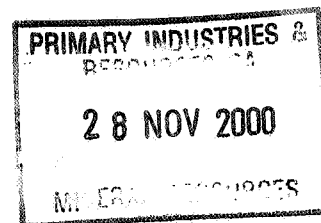
A.C.N. 006 645 754

Level 4,  
20 Loftus Street,  
SYDNEY  
NSW 2000

Telephone : (02) 9241 5999 Fax : (02) 9241 5599

23 November, 2000

The Director-General  
Primary Industry and Resources South Australia  
GPO Box 1671,  
ADELAIDE  
S.A. 5001



Dear Sir,

**RE: ANNUAL TECHNICAL REPORTS - E.L. 2435  
GOLDSEARCH LIMITED**

In accordance with the guidelines for reporting on Exploration Licences we wish to report that no technical reports were prepared in relation to EL 2435 during the period 25 October, 1999 to 24 October, 2000.

Please do not hesitate to contact me on the above telephone or fax numbers if you have any queries concerning this matter.

Yours faithfully,  
**GOLDSEARCH LIMITED**

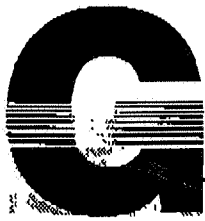
  
**NORMAN KENNEDY  
GENERAL MANAGER - EXPLORATION**

PIRSA

**C2000/02361**



02210668

**Goldsearch LIMITED**

A.C.N. 006 645 754

Telephone : (02) 9241 5999 Fax : (02) 9241 5599

Level 4,  
20 Loftus Street,  
SYDNEY  
NSW 2000

9 May, 2002

The Director-General  
Primary Industry and Resources South Australia  
GPO Box 1671,  
ADELAIDE  
S.A. 5001

Dear Sir,

**RE: ANNUAL TECHNICAL REPORTS - E.L. 2435  
GOLDSEARCH LIMITED**

In accordance with the guidelines for reporting on Exploration Licences we wish to report that no new technical reports were prepared in relation to EL 2435 during the period 25 October, 2000 to 24 October, 2001.

Please do not hesitate to contact me on the above telephone or fax numbers if you have any queries concerning this matter.

Yours faithfully,  
**GOLDSEARCH LIMITED**

**NORMAN KENNEDY  
GENERAL MANAGER - EXPLORATION**

PIRSA

R2002/00214



02222445



## **EL 2435 Ungalootanna Hill**

**Annual Report for the Period  
September 2001 – September 2002**

**Heath Hellewell  
October 2002**





## Technical Report

Musgrave Joint Venture  
Ungalootanna Hill, EL 2435  
October 2002

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## 1. Introduction

Ungaloottanna Hill EL2435 was granted to Goldsearch Limited on the 24-07-97 and expired on the 23-09-02. The lease is part of the Musgrave Joint Venture between Goldsearch Limited and Independence Gold NL where by Independence is earning a 51% interest in Goldsearch's Musgrave exploration tenements through a farm-in agreement. This technical Report is lodged in line with the annual reporting requirements. Outstanding Native Title issues have restricted access to the lease area and work completed during the year was restricted to data compilation, regolith geology interpretation, exploration targeting and program planning. Upon expiration the area covered by the lease was re-pegged as EL2910.

## 2. Location

EL2435 is centred approximately 47km to the south east of the DeRose Hill Community at the old Agnes Creek homestead. The lease is approximately 65km south of the Northern Territory – South Australian border and is 40km east of the Stuart Highway (Figure One). The EL is positioned on the western edge of the Abminga 1:250,000 mapsheet.

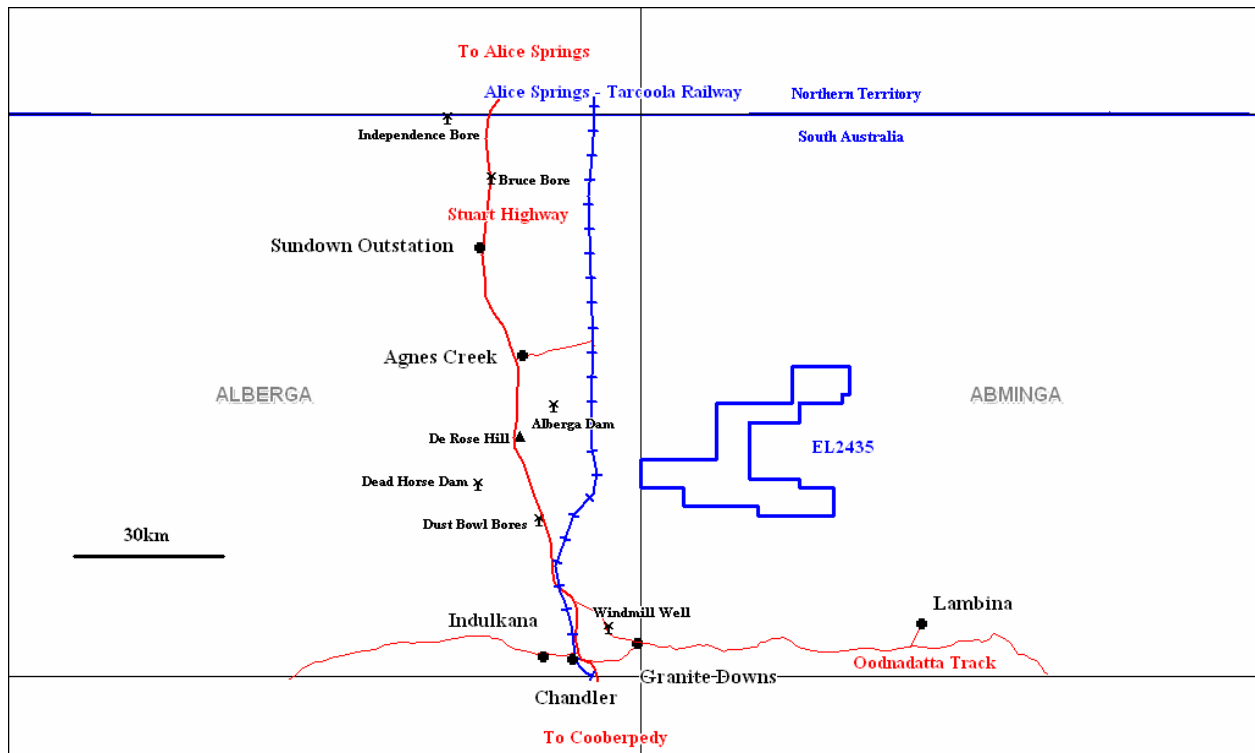


Figure One - EL2435 Location

## 3. Regional Geology

EL2435 covers an area of Proterozoic basement rocks of the Musgrave Block. Basement rocks consist of rocks belonging to the Musgrave Mann Metamorphics including the Wataru Gneiss. In the south the lease covers a Late Proterozoic, Adelaidean sequence within the Moorilyanna Graben including Burra and Umberatana Group equivalents. In the east the lease covers sediments of the Eromanga Basin including the Jurassic Algebuckina Sandstone and Cretaceous Bulldog Shale.

#### *Proterozoic Basement*

The Mid Proterozoic, Musgrave Block basement rocks south of the Woodroffe Thrust in South Australia typically consist of lower metamorphic grade amphibolite facies metamorphic rocks in the south gradational into higher-grade granulite facies rocks in the north adjacent to the Woodroffe Thrust Zone. Protoliths formed at about 1550-1600Ma were metamorphosed at 1200Ma during the Musgravian event.

In the south in the Granite Downs area foliated biotite and augen gneiss of the Wataru Gneiss are thought to be derived predominantly from felsic igneous protoliths. In the north higher-grade pyroxene bearing and biotite granitic and adamellite gneisses are collectively known as the Musgrave Mann Metamorphics (Birksgate Complex). Predominantly felsic igneous protoliths of either intrusive or extrusive origin are also proposed for these rocks.

Basement metamorphic rocks were intruded by granitic rocks of the Kulgera Granite suite at 1150Ma. The Kulgera granites typically consist of biotite adamellites with phenocrysts of microcline.

Musgrave Mann metamorphics were intruded by Giles complex mafic to ultramafic layered intrusives and possible subvolcanic equivalents at 1080Ma.

#### *Adelaidean Sediments*

Late Proterozoic to Palaeozoic sediments fill an east-west trending, down-faulted graben structure known as the Moorilyanna Graben in the south of EL2435.

Basal conglomeritic rocks (Moorilyanna Conglomerate) and arkosic fine to coarse-grained sandstones are considered Burra Group equivalents these are overlain by hematitic and calcareous tillites of the Chambers Bluff Tillite, dolomites belonging to the Rodda Beds and purple, green and grey siltstones and shales of the Tapely Hill Formation, overlying the glacials.

#### *Eromanga Basin Sediments*

Freshwater terrestrial sediments including upward fining cycles of kaolinitic quartz sandstones and siltstones, carbonaceous clays with rare thin coal seams of the Mid to Late Jurassic Algebuckina Sandstone unconformably overlie the Proterozoic basement in the east of EL2435. This unit is in turn conformably overlain by the Cretaceous Bulldog Shale, which consists of a thick sequence of marine claystones and siltstones with minor fine-grained sandstones.

## **4. Work Completed**

#### *Geochemical and Drilling Compilation*

A compilation of all previous open file exploration data was undertaken. Historical geochemical sampling and drilling data was compiled into a functional GIS database suitable for interrogation and comparison to other GIS datasets for the project. The entire database for the Joint Venture project contains over 4300 geochemical samples and 540 drill holes (Figure Two).

#### *Regolith Interpretation*

Landsat ETM scenes covering the entire lease area were acquired (Figure Three) and an interpretation of the regolith geology was completed (Map One). Generally the regolith in the Ungalootanna Hill area consists of Tertiary age silcretes developed on heavily weathered basement, Tertiary lateritised alluvial sediments and limestone developed in palaeodrainage and lacustrine environments. These occur as isolated outcrops within extensive, interpreted Pleistocene age palaeosols and elluvium/alluvium overlain by Holocene aeolian sands.

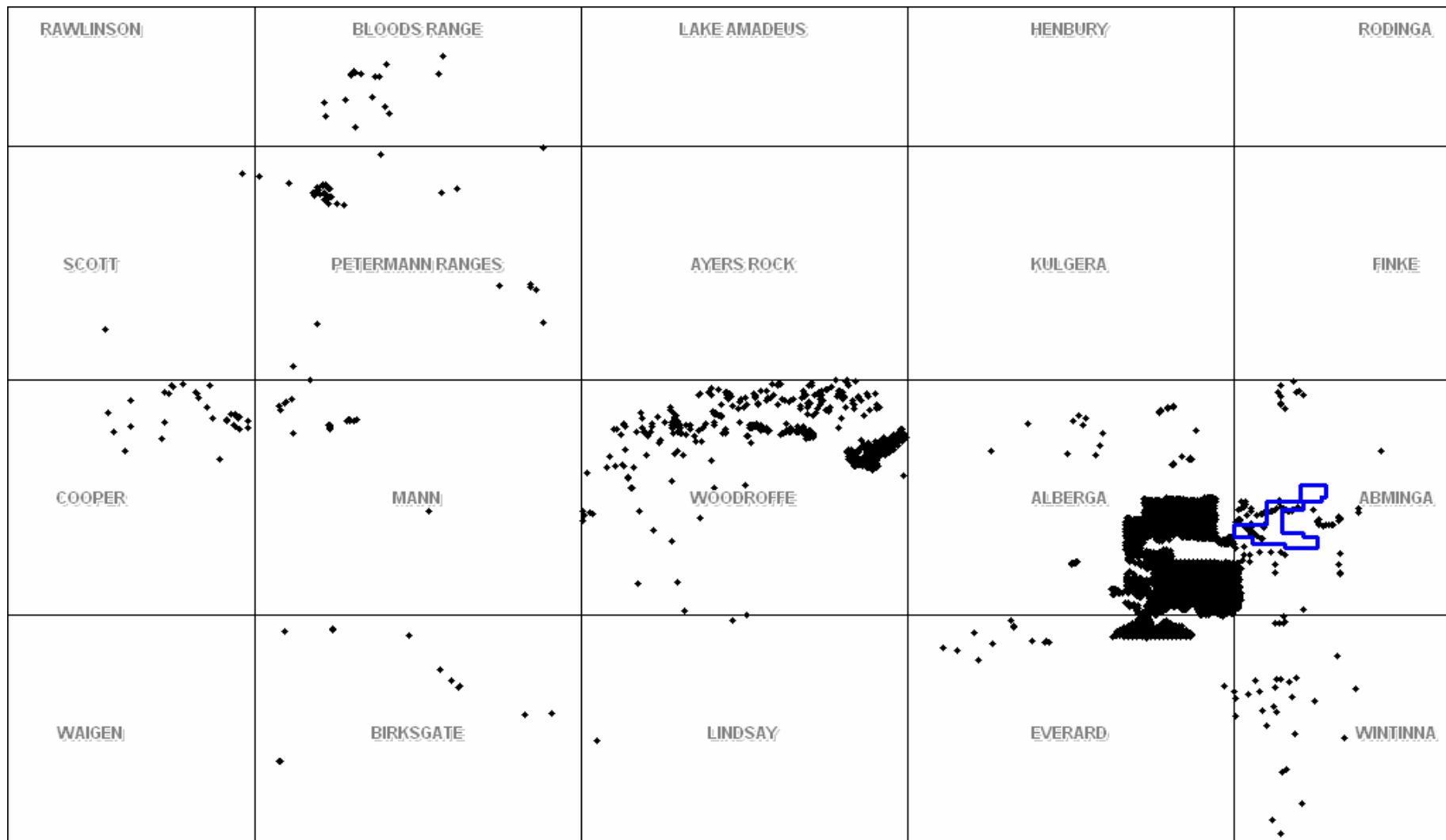


Figure Two - EL 2435 Regional Geochemical Coverage

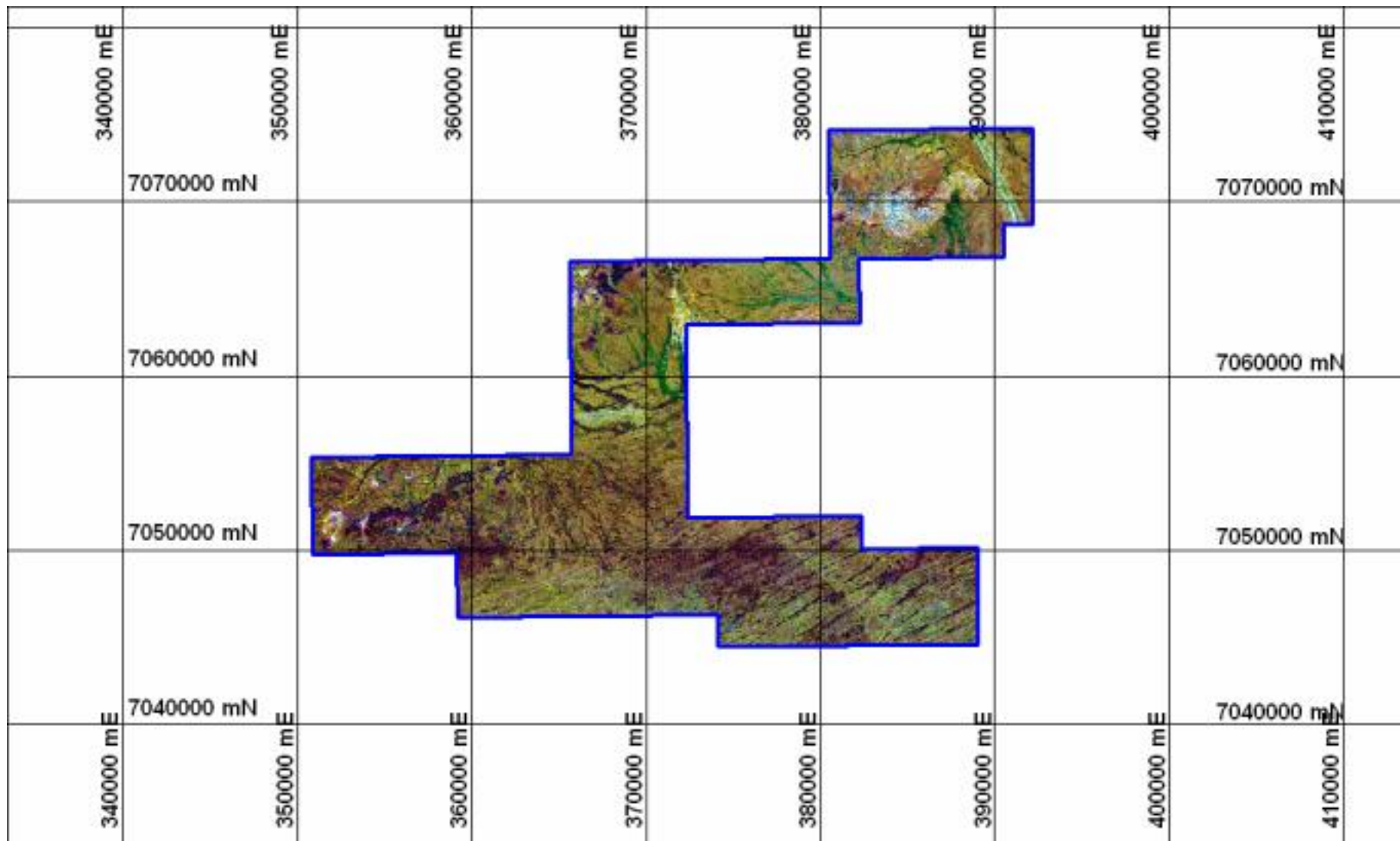


Figure Three – EL2435 Landsat 7 ETM Data

The bulk of the regolith profile within the lease is interpreted to consist of a lower calcretised, kaolinitic saprolitic zone derived from the weathering of gneissic basement. This zone is capped by a reasonably well indurated, Fe-oxide rich, gypsiferous palaeosol. This zone is partly calcretised in places. The palaeosol is capped by a clayey loam, granite/gneiss-derived alluvium/elluvium with quartz and feldspar. This surface developed as sheetwash type deposits and is characterised by broad dendritic drainage features on Landsat images. This profile is in places truncated within the lease so that anyone of the three main regolith units occurs at surface (Figure Four).

A second less extensive, but common profile consists of Holocene red aeolian "Simpson" sands accumulated as drifts adjacent to Tertiary silcrete capped inselbergs of kaolinised gneissic basement (Figure Five).

#### *Geophysical Targeting*

Regional geophysical datasets including gravity, magnetics and radiometrics were used along with all other exploration data to undertake a targeting exercise. A total of 1 low priority exploration target areas were identified within the lease area. Targets are based on several ore deposit models including those for Magmatic Cu –Ni, Proterozoic Cu – Au and Shearzone and Lode-hosted Au.

## **5. Expenditure**

Total expenditure for the period covered by this report was \$7,596 as detailed below.

<b>Expenditure Sep 2001 - Sep 2002</b>	
<b>Legal</b>	<b>\$379.11</b>
<b>Consulting</b>	<b>\$254.38</b>
<b>Geological Consulting</b>	<b>\$4,205.50</b>
<b>Travel</b>	<b>\$174.40</b>
<b>Consumables</b>	<b>\$74.00</b>
<b>Administration &amp; Management</b>	<b>\$2,443.95</b>
<b>Tenement Costs</b>	<b>\$65.07</b>
<b>Total</b>	<b>\$7,596.41</b>

## **6. Forward Work Program**

Regional geochemical sampling and detailed geophysical programs over selected target areas are planned when ground access to the lease is approved.

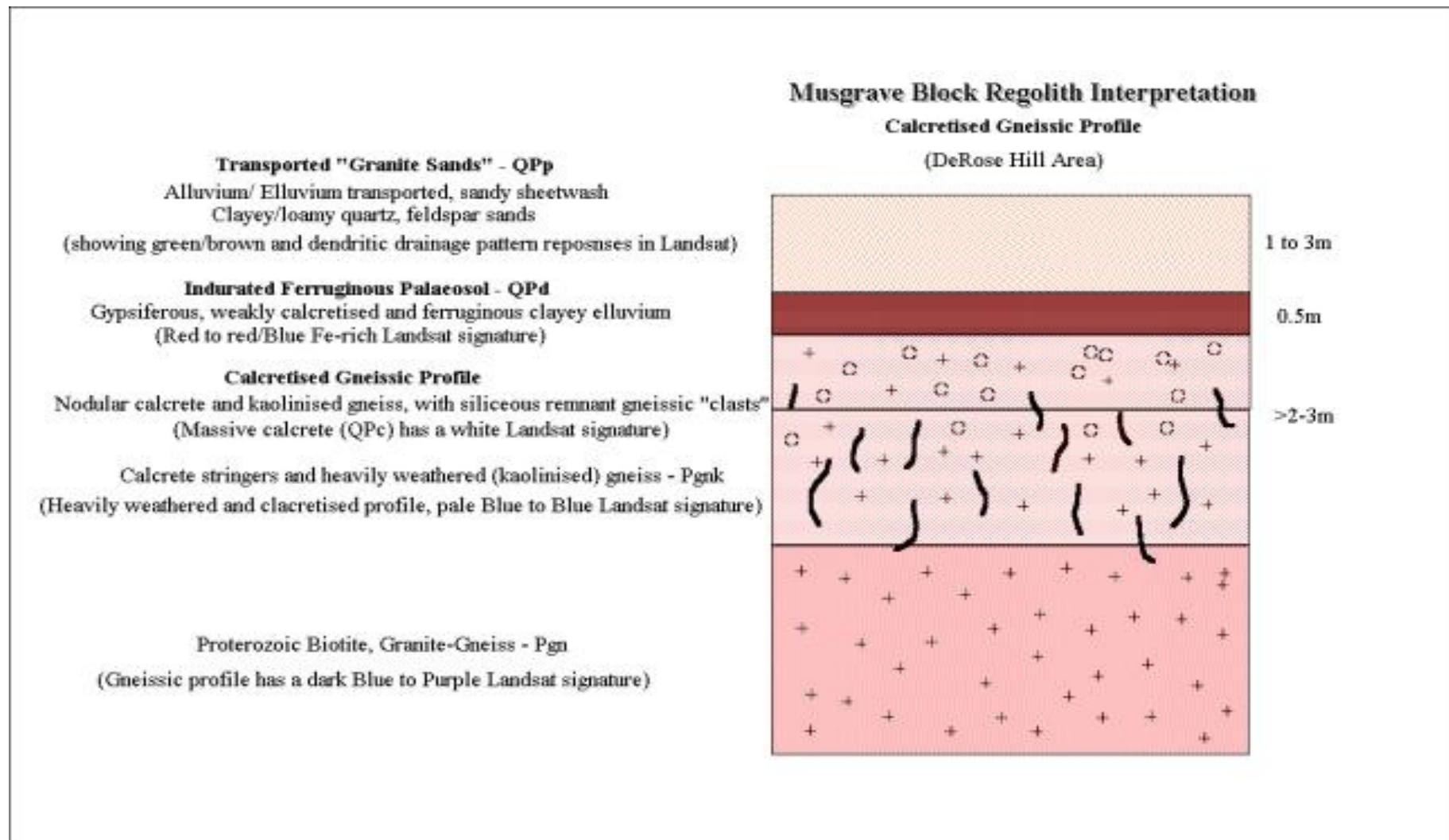
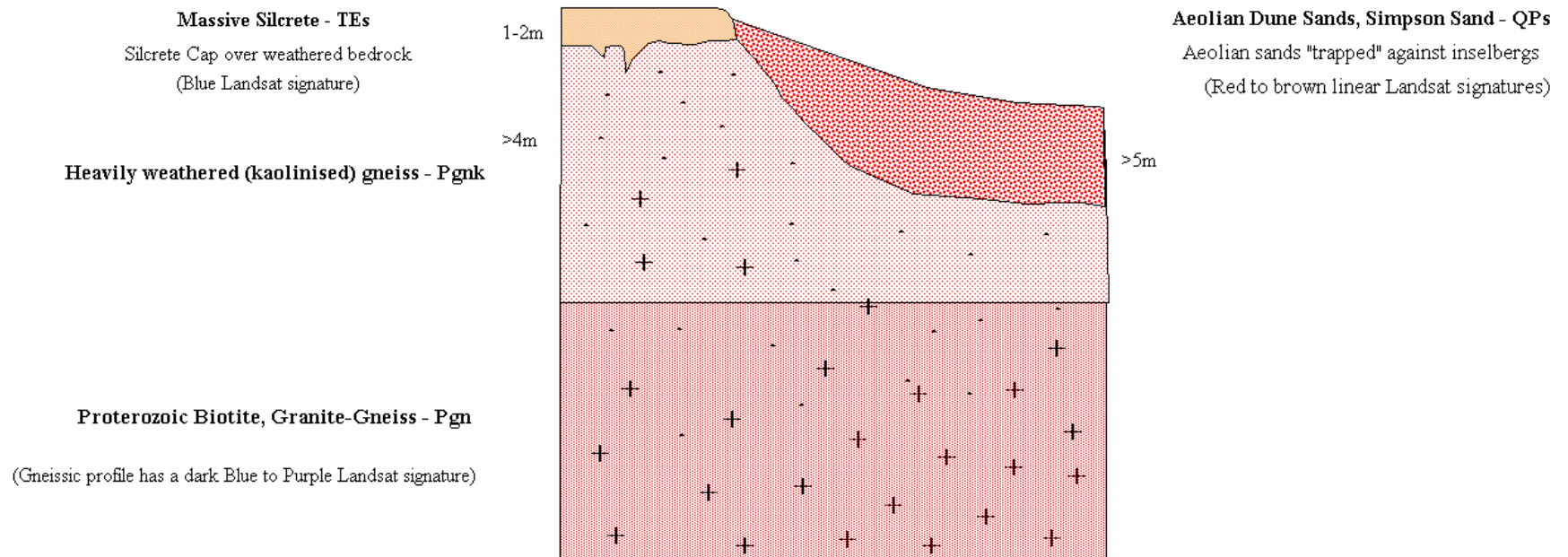


Figure Four - Calcretised Gneissic Regolith Profile – DeRose Hill Area.

### **Musgrave Block Regolith Interpretation**

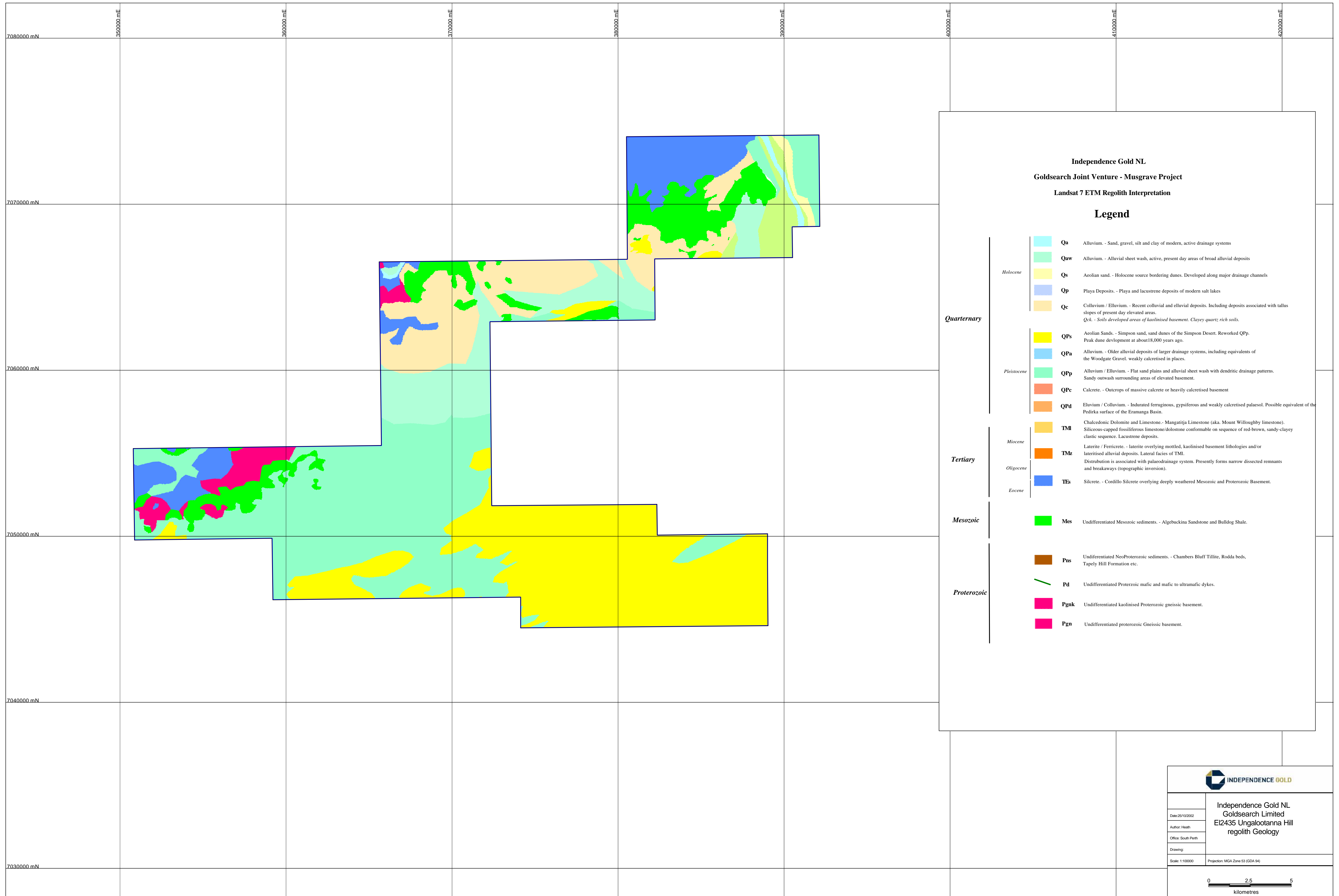
#### **Silcrete Capped Gneissic Inselbergs**

(DeRose Hill Area)



**Figure Five - Silcrete-capped Inselberg Regolith Profile – DeRose Hill Area.**







INDEPENDENCE GROUP NL  
ABN 46 092 786 304

20 February 2004

George Kwitco  
Mineral Titles Officer  
Primary Industries and Resources SA  
GPO Box 1671  
ADELAIDE SA 5001

24 FEB 2004

Dear George

**EL3031 ANNUAL REPORT**

With respect to the above no work was completed on EL3031 during the period 17/10/2002 to 16/10/2003. Despite the absence of activity on EL3031 Independence Group NL has been actively exploring in the general area.

Several phases of exploration including regional geochemistry and ground geophysics have been completed over the contiguous EL2910 by Independence on behalf of the Independence/Goldsearch Joint Venture. Encouraging results have been returned from EL2910 and the company's focus has as a result been on this area to date.

An upcoming phase of exploration activity is planned to commence during the current Quarter and it is expected to include preliminary reconnaissance geological visits to EL3031 in anticipation of subsequent Aboriginal heritage clearance and exploration activities. Independence also expects to be drilling on EL2910 sometime in March or April.

Please accept this letter in lieu of an annual report for EL3031. If you require further details of our proposed activities please contact me and I will be happy to provide them.

Yours sincerely

**INDEPENDENCE GROUP NL**

Heath Hellewell  
Chief Geologist, Exploration

cc. M Walter

P0 Box 893, South Perth  
Western Australia 6951  
Tel: +61 8 9367 2755  
Fax: +61 8 9367 3288  
E-mail: [contact@independencegroup.com.au](mailto:contact@independencegroup.com.au)  
Website: [www.independencegroup.com.au](http://www.independencegroup.com.au)



**INDEPENDENCE GROUP NL**  
ABN 46 092 786 304

**Annual Technical Report to 16-10-04**

**Musgrave Joint Venture  
Ungalootanna Hill, EL 3031**

**April 2005**

Copies to:  
Independence Group NL [1]  
Goldsearch Limited [1]  
PIRSA [1]

Tim Kennedy

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<b>FIGURE 1</b>	<b>EL3031 Location Plan</b>	<b>3</b>
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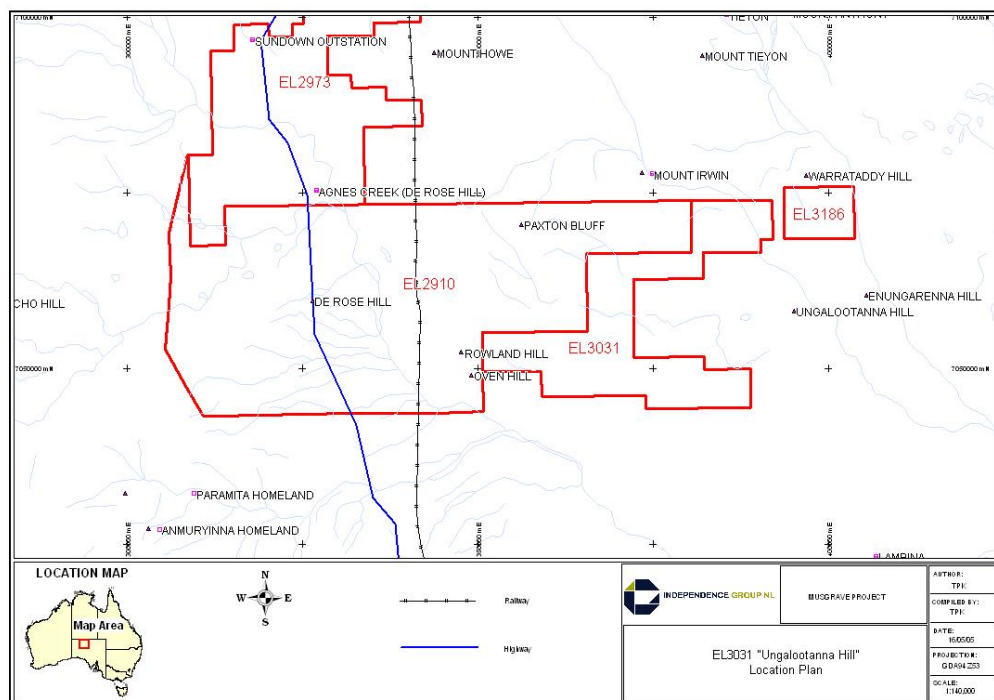
<b>TABLE 1</b>	<b>EL3031 Annualised Expenditure</b>	<b>8</b>
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## 1. Introduction

Ungalootanna Hill lease EL3031 is part of the Musgrave Joint Venture between Goldsearch Limited and Independence Group NL where by Independence is earning a 51% interest in Goldsearch's Musgrave exploration tenements through a farm-in agreement. The lease was originally granted on the 17th of October 2002. ). The tenement was subject to a 50% reduction to its current size of 470km<sup>2</sup>.

## 2. Location

EL3031 is located approximately 300km to the south of Alice Springs and 10km south of Mount Irwin homestead. The Stuart highway passes 22km to the west of the tenement (**Fig. 1**)



**Figure 1.** Location Plan EL3031

## 3. Regional Geology

The majority of EL3031 covers an area of Proterozoic basement rocks of the Musgrave Block. Basement lithologies comprise the Musgrave Mann Metamorphics including the Wataru Gneiss. In the south the lease covers a Late Proterozoic, Adelaidean sequence within the Moorilyanna Graben including Burra and Umberatana Group equivalents. In the east the lease covers sediments of the Eromanga Basin including the Jurassic Algebuckina Sandstone and Cretaceous Bulldog Shale.

### **3.1 Proterozoic Basement**

The Mid Proterozoic, Musgrave Block basement rocks south of the Woodroffe Thrust in South Australia typically consist of lower metamorphic grade amphibolite facies metamorphic rocks in the south gradational into higher-grade granulite facies rocks in the north adjacent to the Woodroffe Thrust Zone. Protoliths formed at about 1550-1600Ma were metamorphosed at 1200Ma during the Musgravian event.

In the south in the Granite Downs area foliated biotite and augen gneiss of the Wataru Gneiss are thought to be derived predominantly from felsic igneous protoliths. In the north higher-grade pyroxene bearing and biotite granitic and adamellite gneisses are collectively known as the Musgrave Mann Metamorphics (Birksgate Complex). Predominantly felsic igneous protoliths of either intrusive or extrusive origin are also proposed for these rocks.

Basement metamorphic rocks were intruded by granitic rocks of the Kulgera Granite suite at 1150Ma. The Kulgera granites typically consist of biotite adamellites with phenocrysts of microcline.

Musgrave Mann metamorphics were intruded by Giles complex mafic to ultramafic layered intrusives and possible subvolcanic equivalents at 1080Ma.

### **3.2 Adelaidean Sediments**

Late Proterozoic to Palaeozoic sediments fill an east-west trending, down-faulted graben structure known as the Moorilyanna Graben. Basal conglomeritic rocks (Moorilyanna Conglomerate) and arkosic fine to coarse-grained sandstones are considered Burra Group equivalents these are overlain by hematitic and calcareous tillites of the Chambers Bluff Tillite, dolomites belonging to the Rodda Beds and purple, green and grey siltstones and shales of the Tapely Hill Formation, overlying the glacials.

### **3.3 Eromanga Basin Sediments**

Freshwater terrestrial sediments including upward fining cycles of kaolinitic quartz sandstones and siltstones, carbonaceous clays with rare thin coal seams of the Mid to Late Jurassic Algebuckina Sandstone unconformably overlie the Proterozoic basement. This unit is in turn conformably overlain by the Cretaceous Bulldog Shale, which consists of a thick sequence of marine claystones and siltstones with minor fine-grained sandstones.

## **4. Work Completed**

Work on EL3031 has been held in abeyance pending the results on EL2910 (DeRose Hill) immediately abutting to the west. The results from EL2910 have thus far proved negative. Results from a recent program of lag sampling on EL2910 are awaited and will be used as the basis for determining the future exploration requirements on EL3031.

## 5. Expenditure

Total expenditure for the period covered by this report is **\$6,408** excluding any administrative overhead as detailed in **Table 1**.

<b>Executive Management</b>	<b>2175</b>
<b>Legal</b>	<b>1574</b>
<b>Field Technicians</b>	
<b>Geological Personnel</b>	
<b>Geophysical Personnel</b>	<b>1811</b>
<b>Tenement Maintenance</b>	
<b>Hire Equipment</b>	
<b>Camp Provisions</b>	
<b>Field Supplies</b>	
<b>Freight</b>	
<b>Telecommunications</b>	
<b>Travel Expenses</b>	<b>23</b>
<b>Vehicle Hire</b>	
<b>Vehicle Expenses</b>	
<b>Vehicles Fuel</b>	
<b>Geophysics</b>	
<b>Tenements</b>	<b>785</b>
<b>Administration</b>	
<b>Drafting and Database</b>	<b>40</b>
<b>Drilling</b>	
<b>TOTAL</b>	<b>\$6408</b>

**Table 1.** EL2910 Expenditure April 2004 – April 2005

## 6. Forward Work Program

Pending final results of sampling on the adjacent DeRose Hill licence EL2910, the proposed work program will comprise:

- Regional reconnaissance geochemistry
- Follow-up geochemistry
- Ground geophysics including EM and magnetics targeting geochemical anomalies
- RAB drilling



# *M & M Walter Consulting*

TENEMENT & NATIVE TITLE MANAGEMENT

Suite 1, 159 York Street

Subiaco WA 6008

PO Box 8197

Subiaco East WA 6008

**Ph:** (08) 9381 5866

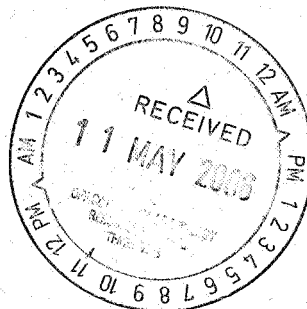
**Fax:** (08) 9381 5877

**Email:** marcus@mmwc.com.au

ABN 97 411 006 993

9 May 2006

Primary Industries & Resources SA  
Records Officer  
GPO Box 1671  
ADELAIDE SA 5001



Dear Sir,

## **Goldsearch Ltd – EL3031**

On behalf of our client Independence Group NL who is the manager of the Musgrave Joint Venture with Goldsearch Limited, and in response to your fax dated 5 May 2006 we wish to advise that there is no technical data to report for the period ending 16 October 2005.

Should you require any further information please call me directly on the numbers listed above.

Yours Faithfully

Maryanne Walter  
(For and on behalf of Goldsearch Ltd & Independence Group NL)







## *M & M Walter Consulting*

TENEMENT & NATIVE TITLE MANAGEMENT

Suite 1, 159 York Street  
Subiaco WA 6008  
PO Box 8197  
Subiaco East WA 6008  
**Ph:** (08) 9381 5866  
**Fax:** (08) 9381 5877  
**Email:** [marcus@mmwc.com.au](mailto:marcus@mmwc.com.au)  
ABN 97 411 006 993

22<sup>nd</sup> December 2006

Primary Industries & Resources SA  
Records Officer  
GPO Box 1671  
ADELAIDE SA 5001

Dear Sir,

### **Goldsearch Ltd – EL3031**

On behalf of our client Independence Group NL who is the manager of the Musgrave Joint Venture with Goldsearch Limited, we wish to advise that there is no technical data to report for the period ending 16 October 2006.

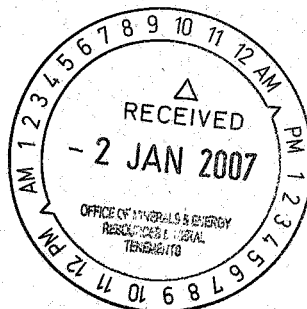
As mentioned in our renewal request Goldsearch Ltd and Independence Group NL have been negotiating with prospective JV partners, these negotiations are nearing finalization and I've enclosed a copy of the recent press release on this matter.

Should you require any further information please call me directly on the numbers listed above.

Yours Faithfully

Maryanne Walter  
(For and on behalf of Goldsearch Ltd & Independence Group NL)

End.



MERFF

R2007/00018



gsh/psh/gsh671

1 December 2006

The Manager  
Company Announcements Office  
Australian Stock Exchange Limited  
Level 4, 20 Bridge Street  
SYDNEY NSW 2000  
Via ASX Online

No. of pages – 4

Dear Sir,

Re: East Musgrave project – joint venture with Independence Group and BHP Billiton

Enclosed for release to the market is advice of an in principle agreement between the Company, Independence Group NL and BHP Billiton in relation to the joint venture arrangements for exploration of the Company's Eastern Musgrave Block tenements.

For and on behalf of the directors of  
Goldsearch Limited



P S Hewson  
Secretary



## ASX ANNOUNCEMENT

1 December 2006

### **BHP Billiton, Independence Group NL, Goldsearch Limited East Musgrave Joint Venture**

Goldsearch Limited (GSE) is pleased to announce that an agreement in principle has been reached with Joint Venture partner Independence Group NL (IGO) for BHP Billiton to earn a 65% interest in the East Musgrave Project (the "Project") by spending \$25 million or by delivering a Bankable Feasibility Study within 10 years.

This is a significant advancement for the Project as it will provide the necessary level of funding to fast track exploration and maximise the potential for discovery and development of mineral deposits in this vastly under explored province.

BHP Billiton is to be considered to be an ideal partner to introduce to the Project as it has a proven track record of discovery in the Musgrave province and has the necessary technical and financial resources available.

To enable the transaction to proceed, IGO which is currently earning a 51% interest in the project via expenditure of \$2 million will vest its interest via a payment to GSE of 200,000 Fully Paid Ordinary IGO shares.

#### **Principal Terms**

Together GSE and IGO will enter into a farm-in and Joint Venture agreement with BHP Billiton under the following terms

- BHP Billiton to earn a 65% interest in the Project via expenditure of \$25 million or delivery of a Feasibility Study (whichever comes first) within 10 years. Upon BHP Billiton earning its interest, equity in the project will comprise BHP Billiton 65%, GSE 17.15%, IGO 17.85%.
- BHP Billiton must spend a minimum of \$680,000 ("Minimum Commitment") within 3 years of ground access becoming available.
- BHP Billiton must spend a minimum of \$2 million within five years to retain its joint venture rights.
- BHP Billiton shall have the option of withdrawing from the Project before completing the Minimum Commitment if access to tenements ELA 96/260, 341, 342 and 343 is not possible within 24 months of signing the Joint Venture agreement.
- At any time after BHP Billiton has earned a 65% interest the parties will contribute pro-rata to the Joint Venture or IGO and GSE can elect to convert their interests to a 1% net smelter return royalty.
- IGO will be manager of the Project, however BHP Billiton will have the option of assuming management at anytime from 12 months after the commencement date of the agreement.
- Should BHP Billiton withdraw from the project the equities will revert to IGO 51% and GSE 49%.

## **Clawback**

- GSE and IGO will have a once only right to elect to purchase BHP Billiton's equity in the Project by paying three times BHP Billiton's spending in the project.
- The clawback must be exercised within 90 days of delivery of a feasibility study and can only be exercised if total resources in the Project contain less than 80,000 tonnes of nickel metal.

## **Sales Agency Rights**

- BHP Billiton will earn the right to market ("Sales Agency Right") the partners share of all products produced from any deposits produced from the Project.
- As payment for providing these services BHP Billiton will receive a fee of 2.5% of all sales completed on behalf of the project.
- The Sales Agency Right will commence upon decision to carry out a Pre-feasibility study and will last for five years from the commissioning of a mine following which the Sales Agency Right will be automatically renewed for three year periods, subject to GSE/IGO's right to terminate with 12 month notice.
- BHP Billiton will have the option to procure the products from the Project at an established market price, in which case the marketing fee will not apply.

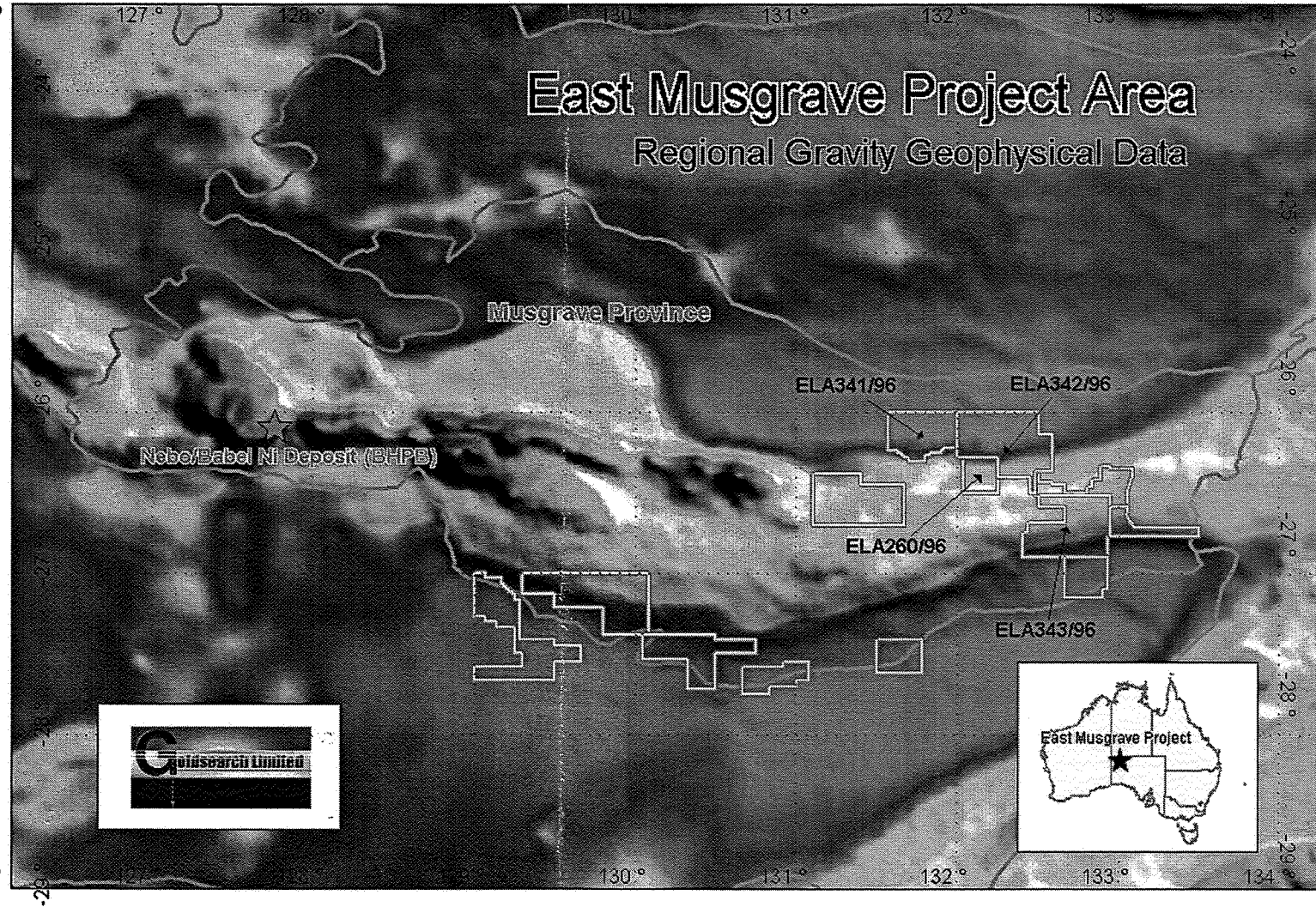
The key tenements are located on Anangu Pitjantjatjara Lands and approval of this arrangement by the Traditional Owners of this land, completion of appropriate documentation and any other required government approvals, will be condition precedents of the agreement. The next meeting between representatives of the Anangu Pitjantjatjara and GSE-IGO is scheduled to take place in Central Australia on Monday 4 December 2006.

### ***For further information please contact:***

John Percival  
Director Operations, Goldsearch Limited  
Phone: (02) 9241 5999

# East Musgrave Project Area

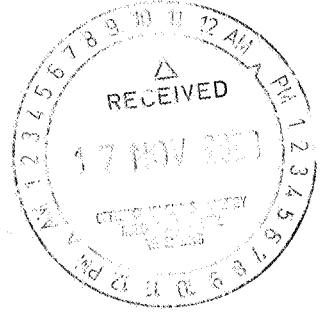
## Regional Gravity Geophysical Data





**INDEPENDENCE GROUP NL**

ABN 46 092 786 304



12 November 2008

Mineral Tenements Records Officer  
Department of Primary Industries and Resources South Australia  
GPO Box 1671  
ADELAIDE  
SA 5001

Dear Sir / Madam,

**EL3031 – Overdue Annual Technical Report.**

I refer to your fax dated 16 October 2008 and addressed to M&M Walter Consulting in relation to an overdue Annual Technical Report on EL3031 for the period ending 16 October 2007.

On 14 September 2007, our Exploration Manager Tim Kennedy sent a letter to Sue Watson regarding EL3031 and advising that:

- The expenditure on EL3031 had not been met for the past couple of years due to the fact that the tenement formed part of major negotiations with BHP Billiton ("BHPB") in relation to a farm-in and possible Joint Venture;
- The Joint Venture was subsequently finalised with BHPB agreeing to spend up to \$25M exploring the Musgrave Project; and,
- During the course of negotiations BHPB had advised us that they did not want EL3031 included in the Joint Venture.

EL3031 subsequently expired on 16 October 2007.

This letter serves to confirm that, for the period ending 16 October 2007, the minimum expenditure requirement for EL3031 was not met.

As a result, there was no technical data to report and no Annual Technical Report was submitted.

If you require any further information please don't hesitate to contact me on (08) 9479 1777.

Yours sincerely,

Sharon Bell.  
(Senior Geologist – Musgrave Project)

# GOLDSEARCH

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26 June 2008

Tim Kennedy  
Exploration Manager  
Independence Group NL  
72 Melville Parade  
South Perth WA 6151  
Australia

Via: [tkennedy@igo.com.au](mailto:tkennedy@igo.com.au)

Dear Tim

*Final Surrender Letter to 6-11-08*

**Re: South Australia EL3829 and EL3979**

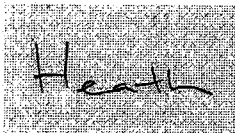
Following on from our Email discussions regarding the above two tenements in May.

As a result of a recent strategic review of Goldsearch's exploration programs for 2008 – 2009 and following a review of this strategy by the Goldsearch board of directors, I wish to advise that Goldsearch has decided not to proceed with the proposed acquisition of a 100% interest in the above two tenements.

If it is Independence Group's intention to now relinquish these tenements then Goldsearch is in support of this strategy.

Thank you for your time on this matter.

Yours faithfully



Heath Hellewell  
Exploration Manager

Cc. M&M Walter Consulting.