



Indo Gold Limited ACN 110 982 315

PRESS RELEASE

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LARGE GOLD (COPPER), NEAR SURFACE, MINERALISED SYSTEM CONFIRMED AT THE BHUKIA PROSPECT IN RAJASTHAN, INDIA

Indo Gold is delighted to announce that a recently completed drilling programme at its Bhukia Prospect in Rajasthan, comprising 502 metres of Reverse Circulation Percussion (RC) and 602 metres of Diamond Drilling (DD) has confirmed extensive, near surface gold (copper) mineralisation

- **INTERSECTIONS INCLUDE:**
 - 53 m @ 2.52 g/t Au, 0.18% Cu
 - 54 m @ 2.31 g/t Au, 0.25% Cu
 - 32 m @ 1.95 g/t Au, 0.17% Cu
 - 39 m @ 1.98 g/t Au, 0.12% Cu
 - 102 m @ 1.45 g/t Au, 0.07% Cu

This work represents an exciting new discovery in an emerging, recently recognised major gold province.

BACKGROUND

Indo Gold Limited (IGL) is an unlisted, privately funded Australian exploration and development company focused on gold and related metals exploration in India. IGL currently has 12,800,000 Ordinary Shares and 3,000,000 Options on issue.

Its primary property is the Jagpura Project in Rajasthan, where the Bhukia Prospect forms part of the tenement holding. The project area is held in joint venture with an Indian private company, Metals Mining India Pvt. Ltd. (MMI). IGL's Indian subsidiary, Indo Gold Mines Pvt Ltd (IGMPL), holds 70% of the joint venture, with MMI holding the balance of 30%.

Including the granted tenement and those under application, the total landholding is 2,135 km², covering most of a new gold province identified by exploration undertaken by government agencies since the early 1990s, most notably the Geological Survey of India (GSI) and Hindustan Zinc Ltd (HZL).

This past work identified multiple gold and copper prospects across a **Lower Proterozoic belt** dominated by carbonates, calc-silicates, quartzites, schists and gneisses bearing similarities to the Broken Hill (NSW) and Eastern Succession (Mt. Isa, Queensland) blocks. Showings are reported over a strike length in excess of 60 km, all within the Company's

tenements. Using systematic exploration and grid-based diamond drilling, this past work has identified gold resources at one prospect so far – **Bhukia**. This is the site of ancient gold workings, perhaps dating back many centuries or even millennia.

IGL's ongoing work at Jagpura is moving towards the implementation of a major resource drill-out programme over this large, low grade gold (copper) system.

Through its joint venture with MMI, IGL has exploration applications pending in other States of India. All these are targeted at highly prospective gold or gold-copper occurrences identified through past exploration work of government geological agencies.

MULTI-MILLION OUNCE GOLD EXPLORATION TARGET

At **Bhukia**, using estimation methods that do not as yet comply with guidelines established under the JORC Code, past work, including 25,325 metres of diamond drilling, has identified a mineralized system estimated at **25.5 Mt @ 2.8 g/t gold, for some 2.1 million ounces gold contained**. IGL has not undertaken its own validation of this estimate, which is provided for context purposes only at this stage. IGL is, however, confident that a very large gold system is present and has a multi-million ounce gold resource as its exploration target.

Included within the GSI/HZL combined work that provided the above estimate, HZL developed a detailed drill pattern to test the **SESW Block**, with diamond drill holes located on lines approximately 50 metres apart and between 20 and 35 metres along lines, over an area of some 450 metres along strike by 200 metres across strike. Holes were generally inclined at 45 degrees or less, with lodes tested to depths generally between 50 metres and 100 metres, to a maximum of 150 metres.

Drilling was completed by HZL in 2001 and resulted in the estimation of a resource of **8.7 Mt @ 2.0 g/t gold for 567,000 ounces gold contained**, using a 1.0 g/t gold lower cutoff. Whilst this was not produced using JORC guidelines, the estimate is robust enough to be put in the JORC **Inferred Resource** category based on the drill spacing and uncertainties outlined in the attached footnotes. There appears to be ample scope to increase this resource, since drilling rarely tests below 100 metres vertical depth. Structural repetitions may be inferred to occur at depth if the mineralization is derived from an underlying granite source, as is the present hypothesis.

IGL's present objectives are to: -

- confirm the efficacy and accuracy of past work, mainly at the SESW Block;
- expand on the geological understanding and develop an appropriate search model;
- undertake metallurgical test work on its own drill core;
- obtain data, including detailed reports, drill logs and core, from GSI and HZL;
- increase the confidence levels of the current resource estimates;
- secure additional financing by the end of 2005 to fund a major drill-out campaign.

INTERIM EXPLORATION RESULTS

The recently completed drilling was undertaken in the context of these objectives. IGL has received analytical results for approximately 70% of the drilling. The remainder is due soon and will be reported separately. Details are tabulated below:

Drill Hole	Coords	Dip/ Azimuth	Intercept metres @ g/tAu (0.25g/tAu cutoff)		Intercept metres @ g/tAu (0.80g/tAu cutoff)
IND001	600S/547E	50°/ 082°	13m (from 0m) @ 6.04 (5.99) 19m (from 38m) @ 3.15 (2.64) 19m (from 78m) @ 2.01 53m (from 120m) @ 2.52 (2.31) 14.5m (from 181m) @ 1.78	including including including plus including	12m @ 6.51 (6.46) 13m @ 3.86 (3.12) 6m @ 4.49 (4.18) 11m @ 6.59 (5.76) 10m @ 2.45
IBR004	1200S/325E	50°/ 090°	54m (from 0m) @ 2.31(1.77), or 21m (from 0m) @ 1.86(1.79) and 29m (from 25m) @ 2.94(1.97)	including including	4m @ 5.10 (4.75) 6m @ 9.19 (4.51)
IBR003	1250S/438E	50°/ 090°	32m (from 18m) @ 1.95	including	15m @ 2.91
IBD002	1300S/439E	50°/ 090°	21m (from 59m) @ 1.40 (1.29) 39m (from 134m) @ 1.98 (1.96)	including including	7m @ 3.27 (2.95) 20.5m @ 3.33 (3.29)
IBD004	1300S/424E	50°/ 090°	22m (from 17m) @ 1.40	including	6m @ 1.84, and 2m @ 4.63
IBR001	1350S/408E	50°/ 270°	102m (from 0m) @ 1.45 (1.40)	including plus	54m @ 1.83 (1.74) 7m @ 2.86
IBR002	1350S/398E	50°/ 090°	20m (from 30m) @ 1.46	including	7m @ 3.42
IBD001	1450S/346E	50°/ 090°	27m (from 23m) @ 1.88 (1.82)	including	15m @ 2.18 (2.14)

Notes:

1) A set of rules and protocol for the treatment of raw analytical data is being established. It is apparent from statistical analysis that a low grade gold cutoff of 0.25g/tAu is needed to provide certainty of correlation of geological and mineralization elements, from hole to hole and section to section, and provide an insight into possible bulk mining intervals. At this early stage, a decision has not been taken on reporting of an upper cutoff; it could be 10g/tAu or even lower, at around 8g/tAu as previously used by HZL. The intercepts shown above have no upper cutoff, but do include those at a 10g/tAu upper cutoff, in brackets.

2) The information in this report which relates to Exploration Results is based on information compiled by IGL's Exploration Manager, Mr Antony Truelove, BSc(Hons), MAIG. Mr Truelove has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the overall exploration activity and management which he is undertaking on behalf of IGL, to so 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" – the JORC Code. Mr Truelove consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

3) In addition to the gold, interim analytical results reveal there to be a considerable copper component in this mineralised system, which has not been properly accounted for nor quantified by past work. Although insufficient data is available to IGL at this stage, it is judged that the overall copper content throughout that part of the mineralised system tested by the current drilling campaign might average between 0.12% and 0.15%.

Commenting on the interim results, IGL's Managing Director, **Mr Michael Higgins**, says "These results have confirmed past results and verified the presence of a large, low grade gold (copper) system at the Bhukia Prospect. So far, all except one hole (IND001) has tested the **SESW Block**, where interim results suggest the overall tenor of gold content will be of the order previously reported by HZL (2.0 g/t Au). Size of the resource (tonnes) might prove to be greater than estimated by HZL.

The following uncut **bulk interval intercepts**, in separate holes, attest to the magnitude of this resource:

- 53 m @ 2.52 g/t Au, 0.18% Cu
- 54 m @ 2.31 g/t Au, 0.25% Cu
- 32 m @ 1.95 g/t Au, 0.17% Cu
- 39 m @ 1.98 g/t Au, 0.12% Cu
- 102 m @ 1.45 g/t Au, 0.07% Cu

The preliminary data suggest that the copper content might average around 0.14% Cu for the mineralised system, which at current gold and copper prices, translates to a gold equivalent

grade of approximately 2.4 g/t AuEquiv. Further copper assaying is required to confirm these assumptions. The single hole at the NE Block (IND001) has confirmed our earlier analysis of past results and indicates that gold grades might be higher here than at the SESW Block.

Our exploration is a team effort being ably led by Antony Truelove (IGL), Surender Chaku (MMI), who initially identified and acquired the project, and Dr N N Singh (MMI), retired ex-Chief Geologist for HZL.

We are extremely excited about the potential of this property and look forward to reporting the remainder of the drill results when available. We also are preparing to undertake metallurgical testing of some of the core and to this end, Mr Truelove will leave for India shortly to oversee the sampling and dispatch to Australia of these bulk samples.”

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Footnotes on Bhukia SESW Block Resource estimate:

1. Drill spacing averages approximately 50m between sections and 50m (20m to 90m) along sections. All holes are diamond core holes, the majority NX but occasionally BX due to drilling difficulties. A total of 6857m drilling in 42 holes was used in the estimation. Core recovery is greater than 98% overall and essentially 100% in mineralised zones.
2. Drill collar positions have been confirmed in the field.
3. All holes have been surveyed down hole, with the average deviation being 1°/50m.
4. All assaying was conducted on half core which was crushed, split and pulverized to 100% passing 200 mesh.
5. The majority of samples (5698) were assayed at CRDL laboratories (HZL in-house laboratory) with the remaining 1500 samples assayed at Shiva Laboratories in Bangalore. Cross checking suggests some problems with CRDL's quality control.
6. Duplicate samples were submitted between 1 in 10 and 1 in 20 samples. Standard samples were submitted between 1 in 20 and 1 in 30 samples. These show considerable scatter but overall averages show close agreement.
7. All data was imported into Datamine software, modeled and wireframed in 3D and grades estimated using an 8g/tAu upper cut and inverse distance squared weighting.
8. Only summarised data has been sighted by Indo Gold Limited (IGL), including a list of drill intercepts rather than individual assay data. A check manual resource estimation using these intercepts shows reasonable continuity of mineralisation and tonnage and grade within 10% of that estimated by HZL.
9. IGL is currently in the process of drilling close to HZL holes to check the style and grade of mineralisation. As it is not possible to twin holes precisely, some variation is expected. However, the results received to date confirm mineralisation in the location expected, with grades variable but showing a similar overall grade to that expected, thus increasing IGL's confidence in the earlier work.