



**PRESS RELEASE**

**Brisbane, Queensland, 18<sup>th</sup> January 2006:**

**INDEPENDENT REPORT CONFIRMS MULTI-MILLION OUNCE GOLD POTENTIAL AT  
BHUKIA PROSPECT, JAGPURA PROJECT, RAJASTHAN, INDIA**

Indo Gold Limited (IGL) is delighted to announce the results of a site visit and data review of its Bhukia Prospect in Rajasthan, India, by its Independent Expert, L. R. Kilpatrick Associates (LRK) of Oakville, Ontario.

The scope of this review was limited to a broad, technical due diligence of the properties within the Jagpura Project, and more particularly, the Bhukia Prospect, where most work has been undertaken to date. It did not include independent resource estimation or validation, instead focusing on an independent review of the properties, the quality of IGL's work completed to date, its exploration personnel and exploration strategy, processes and procedures.

Some of LRK's conclusions are paraphrased below: -

- The Jagpura Project in Rajasthan India is located in a mineralized area that has been mined in ancient times. The area has excellent potential and is worthy of detailed exploration as planned by IGL with a target of ultimately defining a measured and indicated resource of some 2 to 3 million ounces of gold. Given 1) the geological environment 2) the historic mining in the area, 3) the current inferred resources of some 2 million ounces gold and finally 4) the existence of several prospects at Jagpura, the targeted 2 to 3 million ounces is not unreasonable.
- The Geological Survey of India (GSI) and Hindustan Zinc Limited (HZL) in recent years have carried out exploration in the area. The drilling that they completed identified gold resources in the area. As all the details for this work are not currently available, all of the resources could not be considered to conform to the Australia JORC Code or the Canadian National Instrument 43-101 for estimating mineral resources and reserves.
- LRK accepts IGL's classification of the HZL estimated resource as Inferred Resource according to guidelines established under the JORC Code:

- **Bhukia SE/SW Zone 8,680,000 tonnes @ 2.03g/t Au (567,000 ounces)**

As well, LRK recognizes that exploration by GSI has identified several additional areas of mineralization at Bhukia, however agrees with IGL that these cannot be considered compliant with the JORC Code for current reporting current purposes:

- **GSI (5 zones) 16,900,000 tonnes @ 2.77g/t Au (1,503,000 ounces)**

- The joint venture company Indo Gold Mines Pvt Ltd (IGMPL), in which IGL has a 70% shareholding, has carried out preliminary exploration over the indicated mineral zones. This work included reconnaissance of the indicated mineralized area, geological mapping and sampling and most importantly confirmatory drilling in the Bhukia SE/SW zone and the East Block.
- The drilling consisted of both reverse circulation and diamond drilling. This drilling was successful in demonstrating that both methods of drilling can be used on these prospects and confirmed that the resources as indicated by the GSI and HZL are worthy of more exploration aimed at upgrading to a Measured and Indicated category.
- The resource grades and tonnages that have been reported by GSI and HZL are probably obtainable and could possibly be exceeded. It should be noted that the East Block has the potential to be higher grade than the SE/SW Zone that has received the most detailed exploration.
- IGMPL is planning a detailed drilling program that will upgrade the resources in the SE/SW Zone, the East Block and elsewhere within the Bhukia Prospect, to the various measured, indicated and inferred resource categories.
- There are a number of good prospects within the Permit areas that are worthy of detailed examination.
- The work that has been done by IGMPL has been well planned and executed. The quality control has been a prime consideration of IGMPL and all the necessary steps have been taken to insure that the work and the records are of excellent quality.

Commenting on the independent report, IGL's Managing Director, **Mr Michael Higgins**, says *"This confirms our exploration approach has been sound and more importantly, that we have indeed identified a potentially very large gold system at the Bhukia Prospect. Given that this is just one of multiple gold and copper-gold targets within our 2,135 km<sup>2</sup> Jagpura Project landholdings, we are enthused about this year's exploration programme. This will include more scout diamond drilling at Bhukia commencing February, detailed RC resource definition drilling at Bhukia commencing mid-year, subject to permitting approvals, soil and stream sediment sampling and ground and airborne geophysical surveys."*

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), MAusIM, 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.

LRK consents to the inclusion in this report of matters mentioned herein in the form and context in which they appear, based on extracts from its report titled "Indo Gold Limited, Review of the Jagpura Project, Rajasthan, India; 16 December 2005."

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