

For the past two years IGL has been fighting legal and quasi-judicial battles in the Jodhpur High Court and the Central Government Revisional Authority over an ill-conceived action of the previous Rajasthan Government which effectively attempted to “reserve” the core area of our granted tenements for government exploration. This had the effect of depriving IGL the ability to exercise its legal rights over Bhukia and moreover, caused IGL to defer its London AIM stock exchange listing planned for December 2007. It is the reason we have been unable to progress exploration at Bhukia in any meaningful way and have instead spent around \$0.75million of shareholder money on legal fees and expenses. IGL and its JV partner have attempted on numerous occasions, both by direct contact and through the Australian High Commission in India, to engage the Rajasthan Government in discussions in order to settle the matter outside the court system. We have been wholly unsuccessful so far. This, together with the glacial speed with which justice moves in India, is a cause of great concern to us.

The current situation is that a final hearing of our Writ Petitions in the High Court of Rajasthan at Jodhpur was supposed to be held on 27 August 2009. However, the Jodhpur Bar Association was on strike and lawyers were not making court appearances. We have been led to understand that this strike could go on for some time since when it started in mid August. What did happen on the actual hearing day was that our Vice President-Commercial appeared in the court where the judge and two clerks were still “working” and when our case came up for mention the judge was asked for an early hearing date in September. The judge said that was out of the question because of the continuing strike and also because the judiciary has a two week holiday from mid September. As such he was not prepared to set an early date. The judge set a date for another mention in four weeks time, the end of September. We will be maintaining close contact with the court registrar to try to ensure our case does not slip down the list.

Informally, we hear that the new Rajasthan Government is intent on withdrawing the reservation mentioned above, thus allowing exploration and mining to proceed in ours, and other tribal belt areas. Despite the rhetoric, nothing has yet happened.