



PRESS RELEASE

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INDO GOLD SELECTS MALANJKHAND AS REPLACEMENT FOR JONNAGIRI

Through its Joint Venture Agreement with Metal Mining India Pvt Ltd, Indo Gold will acquire a 70% interest in the Malanjkhand Porphyry Copper-Gold Project once permits are granted to MMI, who will hold them in trust for the JV.

The project currently consists of two Reconnaissance Permit Applications (RPA) in central India that are in the process of being granted.

The Malanjkhand copper (-gold-molybdenum) deposit is located within the area enclosed by the northern RPA area and has operated as a large open pit mine run by the State-owned Hindustan Copper Limited (HCL) since opening in 1982.

Malanjkhand is a major metal deposit by any reckoning. The ore reserve at a 0.2%Cu cut-off-grade is reported on the HCL website as **221,000,000 tonnes @ 1.35% Cu**. Total mineral resources at a 0.2%Cu cut-off-grade to 1000m vertical depth were reported by Sikka et al in 1990 as **790,000,000 tonnes @ 0.83% Cu, 0.2 g/t Au, 6 g/t Ag, 0.004% Mo**

Malanjkhand remains the largest single copper deposit and mine in India. It presently mines and treats 2 Mtpa ore and produces 80% of HCL's total copper annually. In the 24 years of continuous operation from 1982 to 2006 the mine produced 45 Mt ore @ 1.2% Cu at a Strip Ratio of 4.6:1, for a total of 488,000 tonnes Cu-in-concentrates.

The two contiguous north and south RPAs cover a total area of 1033 km² and are located in the Balaghat District of Madhya Pradesh. Access into the RP areas is via a fair-weather road from Nagpur via Bhandra District adjoining the Balaghat District to the south.

The Malanjkhand South RPA was recommended by Madhya Pradesh DMG to the Government of India (GoI) for its approval; however, the application was returned to DMG by the GoI suggesting that GSI is currently investigating parts of the area under special reservation. MMI has protested to the Madhya Pradesh DMG and requested it re-submit the approved RPA to GoI pointing out that it complies with the provisions of the MMRD Act and that no such GSI reserved area exists.

The Malanjkhand North RPA was recommended for grant by the DMG in its entirety in May 2008 and the file is pending with the Ministry of Mines, GoI in Delhi.

Mike Higgins
Executive Chairman

For further information please contact:
Mike Higgins – Executive Chairman, mhiggins@indogold.com.au
Chris Rashleigh – Executive Director, crashleigh@indogold.com.au
Tel: +61732175100
Fax: +61732175211
Web: www.indogold.com.au