



**Indo Gold Limited** ACN 110 982 315

## PRESS RELEASE

Brisbane, Queensland, Wednesday 23<sup>rd</sup> May, 2007:

### **RAJASTHAN GOVERNMENT ANNOUNCES DECISION TO REVERSE EXISTING POLICY ON NEW MINING LEASES IN TRIBAL AREAS**

Indo Gold Limited (IGL) is very pleased to announce that there was some excellent news reported yesterday in the Hindi-language national newspaper, *Patrika*. The article quotes Rajasthan Government sources to the effect that the current moratorium on the issue of new Mining Leases in Rajasthan is about to be taken to the State Cabinet with a recommendation that it be lifted. This confirms informal advice given to IGL over recent weeks.

IGL's progress at its flagship gold prospect, Bhukia, has been delayed due to the fact that the Bhukia Prospecting Licence Application was "de-facto" caught up in this moratorium, even though on strict legal and administrative grounds, it should not have been.

There is no indication of precisely when the recommendation might be adopted, except to say that it will be presented to the Rajasthan Chief Minister, Hon. Smt. Vasundhara Raje, upon her return in the next few days from an overseas mission. From there it will go to the Cabinet.

A translation of the full article is contained at the foot of this release.

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Translation of Press Article in Patrika Hindi Newspaper

Jaipur, Rajasthan:

Tuesday May 22<sup>nd</sup> 2007

**HEADLINE**

**The Government of Rajasthan is preparing to lift the Mining Lease ban over Scheduled Tribal Areas in Banswara, Udaipur, Chittorgarh, Dungarpur and Sirohi Districts.**

*“There is good news for Rajasthan mine owners and south based Tribals. The State Government, after a lapse of 7 years, is preparing to lift the ban on the issue of Mining Leases in the Tribal Belts of Southern Rajasthan and are gearing up to issue new Mining Leases and renew old Mining Leases to non-tribals.*

*The previous State Government had imposed the ban on the issue of Mining Leases in the Tribal Belts of Banswara, Udaipur, Chittorgarh, Dungarpur and Sirohi districts after the Supreme Court judgment in 1999 in the case of Samatha versus State of Andhra Pradesh.*

*In this matter, the Supreme Court had said that in the Scheduled Tribal areas, in this case the southern part of Tribal Belt of Rajasthan, non-tribals could not be granted Mining Leases for mining activities. It was based on this advice that the Government of Rajasthan imposed the ban on 18<sup>th</sup> Dec 2000.*

*Due to this ban there were no investments, no employment for Tribals and the development of these areas was badly affected.*

*Now, after the opinions of prominent lawyers of India were considered including Mr. P.Chidambaram, Mrs. Nalini Chidambaram, Abhishek Manu Singhvi, Lekhraj Mehta, and Retd. Supreme Court Judge N.M.Kasliwal, the sub committee of the erstwhile Congress Government under Minister C.P Joshi and the current Committee of Secretaries of the present BJP Government under the Chairmanship of the Revenue Secretary have opined that the Samatha Judgment was not applicable in the state of Rajasthan and hence the ban should be lifted.”*

*The following observation was made by the Hon. Mines Minister Dave:*

*“This ban was imposed due to the Court order and now we are considering the Supreme Court order in its right perspective. The Government thinks that the ban should be lifted, following which there will be development in the Tribal areas, giving employment to the Scheduled Tribe peoples.”*