

Despite the extremely compelling technical attributes of the Bhukia project, the political, legal and bureaucratic hurdles faced in India could mean that we are faced with a prolonged period of time before any value is extracted and returned to shareholders.

Even though IGL has many pending tenement applications throughout India, some of which will most likely be granted soon, the directors are hesitant to broaden exploration in India until Bhukia is permitted. Several companies have approached IGL and are considering an exploration association with us in India, initially exclusive of Bhukia.

For these reasons, during the last year IGL has been reviewing numerous projects outside India. This has been done primarily in an attempt to secure an asset that will return value to our shareholders, and secondly to reduce the risk of our single focus on India.

We have been very careful, meticulous and selective in the assets we have reviewed, to ensure that any acquisitions made match the expertise and strengths of IGL's executive team. To date, four or five have been of sufficient value or interest for us to undertake substantive due diligence and field visits. On one we have made a recent offer and are awaiting a reply from the vendor.