

## Diamond drilling commences at the Kilimani Prospect Nyanzaga Project Lake Victoria Gold Fields Tanzania

The Board of Indago Resources is pleased to announce the commencement of drilling at the Kilimani Prospect in Tanzania.

### Highlights

- Indago Resources Ltd (Indago) recently announced the Scoping Study results from the combined Nyanzaga Project comprising the Tusker and Kitongo deposit
- Kilimani forms part of the wider Nyanzaga acquisition and presents significant potential to deliver a near surface oxide open pit resource with highly encouraging intercepts
- The exploration target is 160 - 310koz of resource
- Kilimani is located less than 600 metres from Tusker providing an opportunity for any ore at Kilimani to be processed through the proposed CIL plant and extend the proposed production platform from Nyanzaga

Diamond drilling commenced on the 3<sup>rd</sup> of July, and is designed to obtain further geological information from the Kilimani Prospect. The Information obtained will be used refine the geological model and direct infill RC drilling aimed at extending and further defining known mineralisation. This additional drilling is being done with a view to defining a JORC compliant resource. RC drilling is scheduled to commence at Kilimani once RC drilling at Tusker is complete.

Kilimani is located approximately 600 metres to the north east of the Tusker deposit, and is not part of the current Tusker Resource. The Kilimani prospect is considered to have significant potential to delivery a near surface oxide open pittable resource. Based on successful exploration drilling Indago is targeting delivering a near surface oxide resource of 4 - 6 MT @ 1.2 - 1.6 g/t for a target endowment of 160 - 310,000 oz of gold. This target is based on existing 80 - 100 metre spaced historic drilling over a strike length of 650 metres. Table 1 below summarises existing significant intersections through the mineralisation .

Indago Resources Managing Director George Bauk said that Kilimani offered substantial upside to the recently outline Scoping Study base case.

“Kilimani has the potential to deliver further gold ounces to the Nyanzaga Gold Project in Tanzania, over and above those already identified in our scoping study base case. Successful resource definition at Kilimani will directly complement the existing Tusker resource.” said Mr Bauk.

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The exploration targets referred to in this report are conceptual in nature. There has been insufficient exploration to define Mineral Resources and it is uncertain if further exploration will yield the target results in quantity and grade as referred herein. The information in this report that relates to exploration results and targets is based on information compiled and/or assessed by Mr. Geoff Chapman who is a Member of The Australasian Institute of Mining and Metallurgy. Mr. Chapman is employed by Indago Resources Ltd. Mr. Chapman has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to 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'. Mr. Chapman consents to the inclusion in the report of the matters based on his assessment of the available information in the form and context in which it appears.

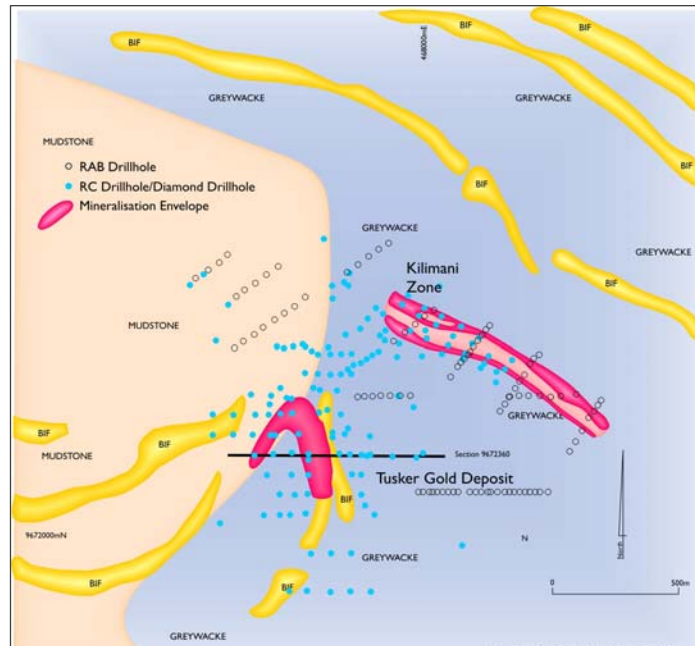


Figure 1: Location Kilimani and Tusker Deposits



Figure 2: Kilimani Drilling underway

Table1: Historic Kilimani Significant Intersections (> 1.0 g/t Au)

Hole No	Easting (m)	Northing (m)	Azimuth (deg)	Dip (deg)	From (m)	Interval (downhole) (m)	Gold g/t
NYZRC034	8135	2742	35	-55	22	4	7.00
and			35	-55	73	4	1.53
NYZRC035	8152	2765	35	-55	49	4	1.52
NYZRC036	8174	2797	35	-55	9	3	4.26
and			35	-55	28	30	2.25
and			35	-55	77	17	1.15
NYZRC037	8196	2827	35	-55	47	4	1.69
NYZRC041	7885	2800	35	-55	57	15	4.54
NYZRC042	7926	2859	35	-55	26	11	1.21
NYZRC042	7926	2859	35	-55	31	4	1.03
NYZRC045	7803	2828	35	-50	14	6	1.24
NYZRC046	7827	2854	35	-55	80	6	1.46
and			35	-55	121	5	5.51
NYZRC047	8396	2705	35	-55	42	5	1.13
NYZRC048	8074	2794	35	-55	19	8	2.86
and			35	-55	82	7	1.02
NYZRC049	8100	2829	35	-55	97	13	1.05
NYZRC050	8129	2869	35	-55	2	29	1.28
NYZRC052	8243	2751	35	-55	9	10	1.03
NYZRC056	7789	2945	35	-55	4	16	1.26
and			35	-55	62	22	1.82
NYZRC062	7919	2991	215	-50	17	21	1.23
and				-50	46	36	1.56
NYZRC063	7896	2957	215	-60	0	17	1.98
NYZRC065	8030	2873	215	-60	4	13	6.25
and			215	-60	75	15	1.10
NYZRC075	7675	2838	270	-60	66	1	5.14
and					32	34	1.90
NYZRC094	7520	2640	270	-60	29	85	1.38
NYZRCDD127	8174	2932	35	-55	43	33	1.4
NYZRCDD129	8310	2850	35	-55	15	41	1.44

Note: Results from previous drilling. Holes drilled during 2004 to 2007. RC sample comprise 1m riffle splits and diamond sample represent 1m ½ diamond core. Sample submitted to SGS laboratories in Mwanza Tanzania for Au determination by 50g Fire Assay with AAS finish. Rigorous QAQC consisting of duplicates, repeats, standards, blanks and lab comparisons. Collars located with GPS and presented in truncated grid. Not all results shown, only intervals of greater than 1.0g/t Au presented in this table. Intervals calculated using a lower cut off of 0.5g/t Au, maximum 2 consecutive <0.5g/t m internal dilution allowed for intervals in exceeding 10m.