



A.C.N. 009 245 210
A.B.N. 40 009 245 210

1st Floor, 9 Havelock Street
West Perth Western Australia 6005

PO Box 1278, West Perth 6872

Telephone (+61 8) 9321 2933

Facsimile (+61 8) 9321 3616

Email: admin@indomines.com.au

7 April 2006

The Manager
Company Announcements Platform
Australian Stock Exchange Limited
Level 10, 20 Bond Street
SYDNEY NSW 2000

Dear Sir,

**RE: CONFIRMING A HIGH GRADE LODE
AT BIRD-IN-HAND GOLD MINE, SOUTH AUSTRALIA**

HIGHLIGHTS:

- **Hole BH-20 results include 2.4m at 53.4g/t Au, 78.3 g/t silver, 0.57% copper, 4.66% lead and 1.69% zinc**
- **Overall results to date outline continuation of a high grade lode**
- **Drilling to extend gold mineralization both laterally and down dip is underway**
- **Results from drilling expected to provide first inferred resource estimate**

Bird-in-Hand Gold Mine Drilling Results

Silver and base metals assays for four holes BH 18, 19, 20 and 21 have now been received. The silver and base metals results for BH-20 are reported above. Base metal values in the other three holes were low.

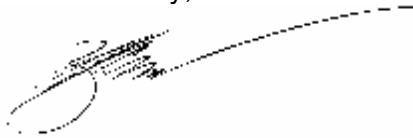
Currently identified mineralization extends from the lower levels of the old workings down dip for some 130 metres, this mineralisation being located between vertical depths of 100m and 200m. The mineralisation remains open at depth and not yet fully tested along its lateral extent. Additional drilling to better define the lateral limits and extend the downdip mineralisation is now underway. The first hole of this program (BH-22) is complete and samples for assay will be submitted next week. These drill results are expected to lead to an initial inferred resource estimate for mineralisation below the historic workings of the Bird-in-Hand gold mine.

Maximus Resources Limited, the manager of the exploration program, released a further update on the results of its ongoing drilling program on Friday, 7 April 2006. Shareholders and investors should refer to the detailed ASX release made by Maximus (ASX Code: MXR).

The Bird-in-Hand Gold Mine is situated within Exploration Licence 3215. Indo Mines currently holds a 75% interest in Exploration Licence 3215 and the remaining 25% is held by Statelink Holdings Pty Ltd. However these interests are subject to a farm-in by Maximus Resources Ltd and Flinders Diamonds Ltd whereby the farminees have the right to earn a 75% interest in all minerals discovered within the licence for a total expenditure of \$1 million before June 2012.

Indo Mines' residual interest in Exploration Licence 3215 at the completion of the farm-in would be 18.75%. Additionally Indo Mines holds 500,000 shares and 250,000 options in Maximus as a result of the farm-in agreement.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Z. Sas', with a long, sweeping horizontal stroke extending to the right.

Z. Sas
Managing Director

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Zlad Sas who is a Member of the Australian Institute of Mining and Metallurgy. Zlad Sas is a full-time employee of the Company. Mr Sas 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 Sas consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.