



ASX ANNOUNCEMENT

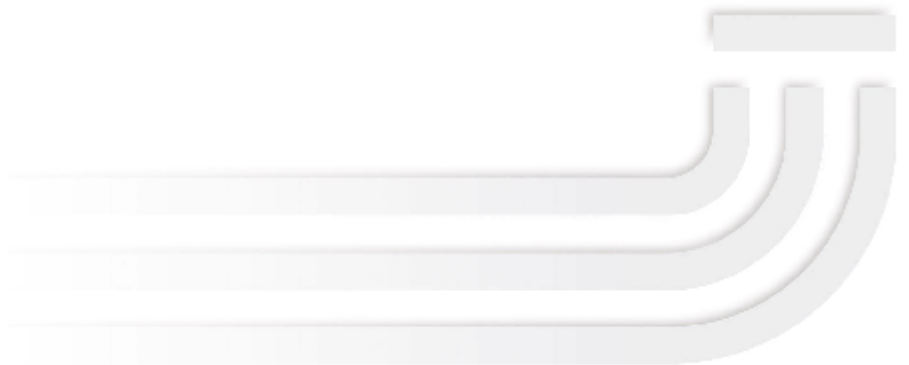
19 January 2010

Proposed Share Buy Back

The Board of Indago Resources Limited is pleased to announce that it has approved an on-market 10% share buy-back as part of an effective capital management program to maximise shareholder value.

With a Net Tangible Asset backing in excess of 42c per share, this is a key development in the effective management of the Company's resources and represents a boost to shareholder value both now and in the long term.

For further information please contact:
Tim Kestell
Director
Indago Resources
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Appendix 3C

Announcement of buy-back (except minimum holding buy-back)

Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/9/99. Origin: Appendix 7B. Amended 13/3/2000, 30/9/2001, 11/01/10

Name of entity	ABN/ARSN
INDAGO RESOURCES LIMITED	69 009 150 618

We (the entity) give ASX the following information.

Information about buy-back

1	Type of buy-back	On-market
2	⁺ Class of shares/units which is the subject of the buy-back (eg, ordinary/preference)	Ordinary shares
3	Voting rights (eg, one for one)	One for one
4	Fully paid/partly paid (and if partly paid, details of how much has been paid and how much is outstanding)	Fully paid
5	Number of shares/units in the ⁺ class on issue	99,449,536
6	Whether shareholder/unitholder approval is required for buy-back	Not required
7	Reason for buy-back	Effective capital management

Appendix 3C Announcement of buy-back

- | | | |
|---|--|--|
| 8 | Any other information material to a shareholder's/unitholder's decision whether to accept the offer (eg, details of any proposed takeover bid) | The company has recently announced a proposed new business plan, which involves changing the nature of its activities. Refer to ASX announcement and notice of meeting released to ASX on 4 January 2010 |
|---|--|--|

On-market buy-back

- | | | |
|----|---|--|
| 9 | Name of broker who will act on the company's behalf | To be advised |
| 10 | Deleted 30/9/2001. | |
| 11 | If the company/trust intends to buy back a maximum number of shares - that number

Note: This requires a figure to be included, not a percentage. | 6,191,809 (10% limit under the Corporations Act) |
| 12 | If the company/trust intends to buy back shares/units within a period of time - that period of time; if the company/trust intends that the buy-back be of unlimited duration - that intention | 12 months |
| 13 | If the company/trust intends to buy back shares/units if conditions are met - those conditions | N/A |

Employee share scheme buy-back

- | | | |
|----|---|-----|
| 14 | Number of shares proposed to be bought back | N/A |
| 15 | Price to be offered for shares | N/A |

⁺ See chapter 19 for defined terms.

Selective buy-back

- | | | |
|----|--|-----|
| 16 | Name of person or description of class of person whose shares are proposed to be bought back | N/A |
| 17 | Number of shares proposed to be bought back | N/A |
| 18 | Price to be offered for shares | N/A |

Equal access scheme

- | | | |
|----|---|-----|
| 19 | Percentage of shares proposed to be bought back | N/A |
| 20 | Total number of shares proposed to be bought back if all offers are accepted | N/A |
| 21 | Price to be offered for shares | N/A |
| 22 | +Record date for participation in offer
<small>Cross reference: Appendix 7A, clause 9.</small> | N/A |

Compliance statement

1. The company is in compliance with all Corporations Act requirements relevant to this buy-back.

or, for trusts only:

1. The trust is in compliance with all requirements of the Corporations Act as modified by Class Order 07/422, and of the trust's constitution, relevant to this buy-back.
2. There is no information that the listing rules require to be disclosed that has not already been disclosed, or is not contained in, or attached to, this form.

Sign here:

(Company secretary)

Date: 19 January 2010

Print name: Damien Kelly

⁺ See chapter 19 for defined terms.