



15 August 2016

Dear Shareholder

INDIANA RESOURCES LIMITED – SHARE PURCHASE PLAN

1. Introduction

On behalf of the Board of Indiana Resources Limited (**Indiana** or the **Company**), I am pleased to offer Eligible Shareholders¹ the opportunity to participate in the Indiana share purchase plan (**Share Purchase Plan**).

Eligible Shareholders are invited to apply to purchase up to A\$15,000 of fully paid ordinary shares in Indiana (**New Shares**), subject to any discretionary scale-back) without paying brokerage or other transaction costs.

The Company has capped the maximum number of new shares to be issued under the Share Purchase Plan at 4,166,667, for a value of \$500,000.

Participation in the Share Purchase Plan is optional and is open to Indiana shareholders with a registered address in Australia or New Zealand who are holders of shares in the Company (**Shares**) on the **Record Date**, being 5.00pm (AWST) on 12 August 2016.

The Share Purchase Plan is in addition to the Company's recently announced placement of ordinary shares to sophisticated and professional investors (**Placement**) which will raise approximately \$940,000 before costs.

2. USE OF FUNDS

The Company will use the proceeds under the Placement and Share Purchase Plan for the following purposes:

- to carry out a Stage One drilling program at Naujombo and Kishugu to test anomalous gold and multi-element signatures in the soils, with the aim of confirming the presence of gold mineralisation in bedrock;
- subject to the interpretation of results of the Stage One drilling, to undertake a Stage Two drilling program at Naujombo and Kishugu;
- to conduct further analysis of the development of a high-grade resource at the Ntaka Hill Nickel Project in order to enhance the scope for a transaction;
- meeting costs associated with the renewal of the Company's tenement holdings in Tanzania; and
- working capital.

3. KEY DETAILS OF THE SHARE PURCHASE PLAN

How to apply

If you are an Eligible Shareholder and wish to participate in the Share Purchase Plan, you may apply to purchase a parcel of New Shares valued at A\$1,000, A\$2,000, A\$5,000, A\$10,000 or A\$15,000 all at an issue price of 12.0 cents per New Share, which represents a 2.4% discount to the 5 day volume weighted average price of Shares to 10 August 2016 of 12.3 cents per Share and an 11.0% discount to the closing market price of Shares on 10 August 2016 of 13.5 cents per Share.

¹ You are an Eligible Shareholder if you are a holder of Indiana ordinary shares on the Record Date, being 5.00pm (AWST) on 12 August 2016, and have a registered address in Australia or New Zealand.

You can apply by either:

- completing the enclosed Entitlement and Acceptance Form as instructed and returning it to the address indicated on the form, together with your payment; or
- making payment directly by BPAY using the personalised Billing Code and Reference Number shown on your Entitlement and Acceptance Form,

and ensuring that the Share Registry receives your application and payment by 5:00 pm (AWST) on 8 September 2016 (**Closing Date**). If you make your application by BPAY, you do not need to return the Entitlement and Acceptance Form but you will be taken to have made the statements and certifications that are set out in the Entitlement and Acceptance Form.

Scale-back

The Company has capped the maximum number of new shares to be issued under the Share Purchase Plan at 4,166,667, for a value of \$500,000.

Under the terms of the Share Purchase Plan, the Company may, in its absolute discretion, scale back the maximum number of New Shares issued to each shareholder (**Scale-back**). If there is a Scale-back, your application monies may be greater than the value of the New Shares you will be issued. In such event, the excess application money will be refunded to you without interest, by direct credit (to your nominated account as recorded on the Company's Share register) or by cheque as soon as practicable

Additional information

This Booklet contains further information about the Share Purchase Plan. The Share Purchase Plan does not take into account the individual investment objectives, financial situation, tax position or particular needs of each Eligible Shareholder. The Board urges you to read this Booklet carefully and in its entirety, before deciding whether to participate in the Share Purchase Plan.

If you are in any doubt about the course of action you should follow, you should consult your financial, taxation or other professional adviser before participating in the Share Purchase Plan.

If you have any enquiries in relation to the Entitlement and Acceptance Form or your Entitlement, please contact the Company Secretary by telephone on +61 8 9388 7877 or consult your professional adviser.

On behalf of the Board, I thank you for your continued support of Indiana.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Derek Fisher', with a stylized flourish at the end.

Derek Fisher
Chairman

TERMS AND CONDITIONS

FREQUENTLY ASKED QUESTIONS

1.	What is the Share Purchase Plan?	Under the Share Purchase Plan, eligible shareholders have an opportunity to apply to purchase up to A\$15,000 worth of New Shares at an issue price of 12.0 cents (subject to Scale-back).																
2.	Am I an Eligible Shareholder?	You are an Eligible Shareholder if you are a holder of Indiana ordinary shares on the Record Date, being 5.00pm (AWST) on 12 August 2016 and have a registered address in Australia or New Zealand. If you hold Shares on behalf of persons who reside outside Australia or New Zealand, you are not an Eligible Shareholder and are not entitled to participate in the Share Purchase Plan. If you are a joint holder of Shares, please refer to clause 2 in the "Other Terms and Conditions" section of this Booklet for further information.																
3.	How are custodians and nominees treated under the Share Purchase Plan?	Please refer to clause 3 in the "Other Terms and Conditions" section of this Booklet for information on eligibility for custodian and nominee shareholders.																
4.	What are the key dates of the Share Purchase Plan?	<table><tr><td>Record Date</td><td>5.00pm (AWST) on Friday, 12 August 2016</td></tr><tr><td>Announcement of Share Purchase Plan</td><td>Monday, 15 August 2016</td></tr><tr><td>Date of Dispatch of SPP documents</td><td>Thursday, 18 August 2016</td></tr><tr><td>Share Purchase Plan Offer opens</td><td>Thursday, 18 August 2016</td></tr><tr><td>Share Purchase Plan Offer closes</td><td>Thursday, 8 September 2016</td></tr><tr><td>Allotment Date</td><td>Thursday, 15 September 2016</td></tr><tr><td>Dispatch date for holding statements and (if applicable) refunds</td><td>Friday, 16 September 2016</td></tr><tr><td>New Shares expected to commence trading on ASX</td><td>Friday, 16 September 2016</td></tr></table> The Company may vary any of the above dates in its absolute discretion, subject to the ASX Listing Rules and the Corporations Act, by lodging a revised timetable with ASX.	Record Date	5.00pm (AWST) on Friday, 12 August 2016	Announcement of Share Purchase Plan	Monday, 15 August 2016	Date of Dispatch of SPP documents	Thursday, 18 August 2016	Share Purchase Plan Offer opens	Thursday, 18 August 2016	Share Purchase Plan Offer closes	Thursday, 8 September 2016	Allotment Date	Thursday, 15 September 2016	Dispatch date for holding statements and (if applicable) refunds	Friday, 16 September 2016	New Shares expected to commence trading on ASX	Friday, 16 September 2016
Record Date	5.00pm (AWST) on Friday, 12 August 2016																	
Announcement of Share Purchase Plan	Monday, 15 August 2016																	
Date of Dispatch of SPP documents	Thursday, 18 August 2016																	
Share Purchase Plan Offer opens	Thursday, 18 August 2016																	
Share Purchase Plan Offer closes	Thursday, 8 September 2016																	
Allotment Date	Thursday, 15 September 2016																	
Dispatch date for holding statements and (if applicable) refunds	Friday, 16 September 2016																	
New Shares expected to commence trading on ASX	Friday, 16 September 2016																	

5.	How do I apply?	If you are an Eligible Shareholder, you may apply to purchase a parcel of New Shares with a value of either A\$1,000, A\$2,000, A\$5,000, A\$10,000 or A\$15,000. You can apply under the Share Purchase Plan through one of the following methods: <u>Option 1</u> Complete the enclosed Entitlement and Acceptance Form as instructed and return it to the address indicated on the form, together with your payment. <u>Option 2</u> You can make a payment by BPAY. To do this, you must use the unique Billing Code and Reference Number shown on the Entitlement and Acceptance Form. If you make your payment with BPAY you do not need to return your Entitlement and Acceptance Form but you will be taken to have made the statements and certifications that are set out in the Entitlement and Acceptance Form. You will not be able to withdraw or revoke your application or BPAY payment once you have submitted it or made it, nor change the amount of New Shares you have applied for. If you make your payment using BPAY you should be aware that your own financial institution may implement earlier cut off times with regards to electronic payment, and you should take this into consideration when making payment. You must ensure that the Share Registry receives your application and payment by 5:00 pm (AWST) on Thursday, 8 September 2016.
6.	What is the maximum amount I can invest?	Eligible Shareholders may only acquire a maximum of A\$15,000 worth of New Shares under the Share Purchase Plan, irrespective of the number of Shares they currently hold. This limitation applies even if you receive more than one Entitlement and Acceptance Form, or if you hold Shares in more than one capacity.
7.	What is the Scale-back?	Please refer to clause 5 in the "Other Plan Terms and Conditions" section of this Booklet for information in relation to Scale-back.
8.	What rights will the New Shares have?	New Shares will rank equally in all respects with existing Shares quoted on the ASX, with the same voting rights, dividend/distribution rights and other entitlements from issue.
9.	Will the New Shares be quoted?	Yes. The Company will apply for the New Shares to be issued under the Share Purchase Plan to be quoted on the ASX.
10.	Is the Share Purchase Plan underwritten?	No.
11.	Can I transfer my rights under the Share Purchase Plan?	Your rights under the Share Purchase Plan are personal and cannot be transferred to another person.
12.	Will there be brokerage and other transaction costs?	No broker or other transaction costs will apply to the application for, and issue of, New Shares under the Share Purchase Plan.
13.	What are the risks?	Please refer to clause 6 in the "Other Plan Terms and Conditions" section of this Booklet for information in relation to the risks associated with participating in the Share Purchase Plan.

OTHER TERMS AND CONDITIONS

IMPORTANT NOTICE

If you apply to participate in the Share Purchase Plan, you should be aware, and accept the risk, that the market price of Shares may change between the date of the Share Purchase Plan offer and the date when New Shares are issued to you under the Share Purchase Plan. As such, it is possible that, up to or after the date you receive New Shares under the Share Purchase Plan, you may be able to buy Shares on ASX at a lower price than under the Share Purchase Plan. We encourage you to seek your own professional advice regarding your participation in the Share Purchase Plan.

1. Acknowledgements

1.1 If you submit a BPAY payment, or complete and return an Entitlement and Acceptance Form:

- (a) you acknowledge you have read and irrevocably and unconditionally agree to the terms and conditions in this Booklet in full and you agree not to do any act or thing which would be contrary to the spirit, intention or purpose of the Share Purchase Plan;
- (b) you acknowledge that you are an Eligible Shareholder and that you are lawfully permitted to accept the offer under the Share Purchase Plan, and participate in the Share Purchase Plan;
- (c) you acknowledge that you do not reside outside Australia or New Zealand;
- (d) if you are a trustee or nominee and are the registered holder of Shares (and this is expressly noted on the share register of the Company) and hold Shares on account of another person (**Beneficiary**), you acknowledge that the Beneficiary will be taken to be the registered holder of those Shares and any application, certification or issue of New Shares to you (as trustee or nominee) will be taken to be an application, certification by, or an issue to, the Beneficiary;
- (e) you certify that the total of the application price for the following does not exceed A\$15,000:
 - (i) the New Shares the subject of your application;
 - (ii) any other Shares issued to you under a share purchase plan or any similar arrangement in the 12 months before the date of your application;
 - (iii) any other New Shares which you have instructed a custodian to acquire on your behalf under the Share Purchase Plan; and
 - (iv) any other Shares issued to a custodian under an arrangement similar to the Share Purchase Plan in the 12 months before the date of your application under the Share Purchase Plan as a result of an instruction given by you to the custodian or another custodian and which resulted in you holding beneficial interests in such Shares,even though you may have received more than one offer under the Share Purchase Plan or received offers in more than one capacity under the Share Purchase Plan;
- (f) you acknowledge your application is irrevocable and unconditional;
- (g) you declare that all details and statements in your Entitlement and Acceptance Form are true and complete and not misleading;
- (h) you authorise the Company to correct minor errors in your Entitlement and Acceptance Form and to complete the Entitlement and Acceptance Form by inserting any missing minor detail;

- (i) you acknowledge that the Company may at any time determine that your Entitlement and Acceptance Form is valid, in accordance with this Booklet, even if the Entitlement and Acceptance Form is incomplete, contains errors or is otherwise defective;
- (j) you acknowledge that no interest will be paid on any application monies held pending the issuance of the New Shares or subsequently returned to you for any reason;
- (k) you accept that the Company at its discretion can make reductions in issuance of New Shares under a Scale-back;
- (l) you acknowledge that the Company is not liable for the consequences of any exercise or non-exercise of its discretions referred to in this Booklet;
- (m) you accept the risk associated with any refund that may be dispatched to you by cheque to your address or by direct credit to your nominated bank account as shown on the Company's register;
- (n) you are responsible for any dishonour fees or other costs the Company may incur in presenting a cheque for payment which is dishonoured;
- (o) you acknowledge that the New Shares have not, and will not be, registered under the securities law of any state or other jurisdiction outside Australia or New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, other applicable securities laws;
- (p) you agree not to send this Booklet or any other material relating to the Share Purchase Plan to any person in any other country outside Australia or New Zealand;
- (q) you agree to be bound by the constitution of the Company;
- (r) you acknowledge that neither the Company nor the Share Registry has provided you with investment advice or financial product advice, and that neither has any obligation to provide this advice, concerning your decision to apply for and buy New Shares, and that this Booklet has been prepared without taking into account the objects, financial situation, tax position or needs of individuals; and
- (s) you are aware, and accept the risk, that the market price of Shares may change between the date of the Share Purchase Plan offer and the date when New Shares are issued to you under the Share Purchase Plan, and that the Issue Price you pay for New Shares under the Share Purchase Plan may exceed the market price of Shares from time to time, including on the Issue Date.

2. Joint holders

- 2.1 If you are a joint holder of Shares, you are taken to be a single registered holder of Shares for the purposes of determining whether you are an eligible shareholder and joint holders are entitled to participate in the Share Purchase Plan in respect of that single holding only. If you receive more than one offer under the Share Purchase Plan due to multiple registered holdings, you may only apply for one maximum parcel of \$15,000 worth of New Shares.

3. Custodians

- 3.1 Eligible Shareholders who hold Shares as a "custodian" (as defined in ASIC Class Order 09/425) (**Custodian**) may participate in the Share Purchase Plan on behalf one or more persons on behalf of whom the Custodian holds Shares (**Custodian Beneficiaries**). If a Custodian applies for New Shares on behalf of a Custodian Beneficiary, the Company will not issue New Shares under the Share Purchase Plan unless the Custodian certifies the following in writing to the Company:

- (a) that the Custodian holds the Shares on behalf of one or more persons that are not custodians (**Participating Beneficiaries**) on the Record Date and that each Participating Beneficiary has subsequently instructed the Custodian to apply for New Shares under the Share Purchase Plan on their behalf;
- (b) the number of Participating Beneficiaries;
- (c) the name and address of each Participating Beneficiary, and that each Participating Beneficiary's address is located in Australia or New Zealand;
- (d) in respect of each Participating Beneficiary the number of Shares that the Custodian holds on their behalf;
- (e) in respect of each Participating Beneficiary the number or the dollar amount of New Shares they instructed the Custodian to apply for on their behalf;
- (f) there are no Participating Beneficiaries in respect of which the total of the application price for the following exceeds A\$15,000:
 - (i) the New Shares applied for by the Custodian under the Share Purchase Plan in accordance with the instructions referred to in sub-paragraph (e); and
 - (ii) any other Shares issued to the Custodian in the 12 months before the application as a result of an instruction given by them to the Custodian to apply for Shares on their behalf under an arrangement similar to the Share Purchase Plan;
- (g) that a copy of this Booklet was given to each Participating Beneficiary; and
- (h) where a Custodian holds Shares on behalf of a Participating Beneficiary indirectly, through one or more interposed Custodians, the name and address of each interposed Custodian,

(Custodian Certificate).

- 3.2 Custodians must request a Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate or for further information about the custodian application process, a Custodian should contact the Share Registry by telephone on 1800 095 862.
- 3.3 Applications received from Custodians must be accompanied by a duly completed and signed Custodian Certificate.
- 3.4 If you hold Shares as a trustee or nominee for another person, but are not a Custodian, you cannot participate for beneficiaries in the manner described above.

4. Underwriting

The Share Purchase Plan is not underwritten.

5. Scale-back

- 5.1 The Company has capped the maximum number of new shares to be issued under the Share Purchase Plan at 4,166,667.
- 5.2 The Company may, in its absolute discretion, scale back the maximum number of New Shares issued to each shareholder to the extent and in the manner that it sees fit (**Scale-back**). In determining the amount (if any) by which to scale back each shareholder's application, the Company may take into account, among other factors, the size of the shareholder's shareholding and the proportionate take-up of the Share Purchase Plan offer by a shareholder.

- 5.3 If a Scale-back occurs, you may receive less than the number of New Shares for which you have applied. If a Scale-back produces a fractional number of shares when applied to your issue of New Shares, the number of New Shares you will be allocated will be rounded to the nearest whole number of shares.
- 5.4 If there is a Scale-back, your application monies may be greater than the value of the New Shares you will be issued. In such event, the excess application money will be refunded to you without interest, by direct credit (to your nominated account as record on the Company's Share register) or cheque as soon as practicable.

6. Risks associated with participating in the Share Purchase Plan

- 6.1 The Share Purchase Plan issue price is fixed at 12.0 cents, regardless of any changes in the market price of Shares during the Share Purchase Plan offer period. The Company's share price may rise or fall between the Record Date, the date of this offer, the date on which you make BPAY payment or send in an Entitlement and Acceptance Form and the date when New Shares are issued to you under the Share Purchase Plan. This means that the issue price of 12.0 cents per New Share pursuant to this offer may be higher or lower than the Share price as at the time up to or after the date the New Shares are issued to you under the Share Purchase Plan. Therefore, you may be able to buy Shares at a lower price on the market than the issue price of 12.0 cents per new share under the Share Purchase Plan.
- 6.2 You should obtain your own independent investment advice in relation to the Share Purchase Plan to assist you in determining whether or not, and the extent to which, you wish to participate in the Share Purchase Plan (taking into account your own financial situation, needs and objectives).
- 6.3 The Company recommends that you monitor the Company share price and any Company announcements, which can be found on the Company website at www.indianaresources.com.au or on ASX's website at www.asx.com.au (ASX code: IDA).

7. Class order compliance

A registered holder of Shares will be ineligible to participate in the Share Purchase Plan if their participation would be in breach of ASIC Class Order 09/425.

8. Dispute resolution, waiver, withdrawal, suspension, and termination

The Company may settle, in any manner it deems, any difficulties, anomalies, or disputes which may arise in connection with the operation of the Share Purchase Plan and its decision shall be conclusive and binding on all participants and other persons to whom the determination relates. The Company reserves the rights to waive strict compliance with any provisions of this Booklet, to amend or vary the terms and conditions set out in this Booklet and to suspend or terminate the Share Purchase Plan at any time. Any such amendment, variation, suspension or termination will be binding on all eligible shareholders even where the Company does not notify you of that event.

The Company is not liable for any exercise or non-exercise of its discretions under the terms and conditions of the Share Purchase Plan. Any refund made to you is dispatched at your own risk.

9. Governing Law

This Booklet and the offer under the Share Purchase Plan are governed by the laws in force in Western Australia.