

12/9/2017

Company Update

Indiana Resources Limited (**ASX: IDA**) (**Indiana** or the **Company**) today announces an update on the Company's activities and its strategy going forward.

Prior to July 2017, the Company's strategy focused on three key elements: advancing the Naujombo and Kishugu gold exploration projects; delivering value on the Ntaka Hill Nickel Project; and expanding the Company's portfolio of gold assets in Tanzania.

Gold exploration at Naujombo and Kishugu over the past 12 months has consisted of geophysical work, extensional and in-fill soil sampling programs, rotary air blast (RAB) drilling and Aircore drilling. RAB drilling in 2016 intersected zones of anomalous gold within the bedrock and provided a strong basis for follow up exploration.¹ Aircore drilling in 2017 that focused on targets identified from 2016 RAB drilling and follow up field work, including a strong gold in soil anomaly at Naujombo South, intersected significant zones of mineralisation in the bedrock and outlined a new open-ended gold mineralised zone at Naujombo South.² These first-pass drilling results at Naujombo South confirmed the prospectivity of the Naujombo area.

As the fourth largest gold producer in Africa, Tanzania is host to substantial gold resources, much of which is yet to be brought into production. Over the past six months, the Company has investigated acquiring additional gold exploration opportunities in Tanzania to expand its existing portfolio of gold assets and has identified a number of opportunities that would fit well into an overall Tanzanian gold portfolio.

In addition, the Company has undertaken further desk top study work for its Ntaka Hill Nickel Project. This work has demonstrated the potential for a smaller scale (lower capital cost) operation, based on the existing high-grade resources. However, owing to the proportion of Inferred Resources in the mining schedule, the specific results of that study work cannot be released as they do not meet the ASX requirements for release of Scoping Study results. Nonetheless, with an emerging demand driven thematic associated with the use of nickel sulphate in lithium-ion batteries, the outlook for nickel is positive and Ntaka Hill provides leverage to an improving nickel price environment.

New legislation passed by the Tanzanian Government in July 2017 relating to the legal and regulatory framework governing the natural resources sector in Tanzania created significant uncertainty for the mining industry in Tanzania and accordingly the Company elected to halt ground exploration and project acquisition opportunities until greater clarity was obtained on any potential impact on the Company's activities (ASX announcement 10 July 2017). In the months following the changes to legislation, the detail and scope of those changes remain unclear and while the Company remains committed to its Tanzanian assets, the Board has elected to commence a search for a new project outside Tanzania as an immediate priority.

As part of the review of the Company's strategy it has become apparent that the acquisition of a new project requires a different skill set at Board level. The current Managing Director, Mr Campbell Baird, whose primary role was to advance the Company's Tanzanian projects, has agreed to step down with immediate effect but will remain available to assist the Company with ongoing administrative tasks as required and to support a handover to the new Managing Director once an appointment has been made. The Board has commenced the search for a new Managing Director and will update the market in due course.

¹ ASX announcement 12 October 2016. Since announcing these exploration results on 12 October 2016, Indiana confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

² ASX announcement 4 August 2017. Since announcing these exploration results on 4 August 2017, Indiana confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

The Board of Indiana is grateful for the efforts of Mr Baird, who has worked tirelessly in challenging circumstances since joining the Company in July 2016, and wishes him well with his future endeavours.

The Company maintains a low-cost profile, with corporate and administration expenses of approximately \$270,000 per quarter, and with current cash reserves of \$760,000, has sufficient funds to meet its tenement expenditure requirements and to commence project generation activities.

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About Indiana Resources Limited

Indiana is an Australian minerals exploration company that holds a 901 km² tenement package in south-east Tanzania. The Company's tenement package hosts the Ntaka Hill Nickel Project and the Kishugu and Naujombo Gold targets.

To find out more, please visit www.indianaresources.com.au.