

23 November 2017

Market Announcements Office  
Australian Securities Exchange Limited  
20 Bridge Street  
Sydney NSW 2000

Dear Sir / Madam

**INDIANA RESOURCES LIMITED 2017 ANNUAL GENERAL MEETING – CHAIRMAN’S ADDRESS**

Please find attached the Chairman’s Address that will be delivered at the Indiana Resources Limited Annual General meeting in Perth today.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Stuart McKenzie".

**STUART McKENZIE**  
Company Secretary

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## **Chairman's Address**

Whilst the 2017 year has been a busy year for Indiana it has not necessarily been as positive as the Board would have liked, with significant challenges at a corporate level and uncertainty from an operational perspective given proposed changes to mining legislation in Tanzania.

The year commenced with the Board receiving a notice in February from BPM Capital Limited under section 249D of the Corporations Act, requisitioning a meeting of Indiana shareholders to remove Mr Campbell Baird and Dr Derek Fisher as directors and elect Mr Brett Montgomery and Ms Heidi Brown as Indiana directors. This followed a failed business negotiation with Mr Josef el Raghy. Indiana was concerned that the activities of BPM and its associated parties, including trading activity in the stock, may have breached the Corporations Act, and applied to the Takeovers Panel to review the matter. (The Takeovers Panel is a peer review body that regulates corporate control transactions in widely held Australian entities). As well, the Australian Securities and Investments Commission provided detailed submissions to the Takeovers Panel in the matter.

Following submissions from ASIC and Indiana, the Takeovers Panel made a Declaration of Unacceptable Circumstances relating to BPM's actions with regards to Indiana, and that Heidi Brown and Brett Montgomery were associated parties of BPM and Josef el Raghy. It was found that the parties were acting or proposing to act in concert in relation to the requisitioned meeting and this resulted in contraventions of the 20% threshold and the substantial holding disclosure requirements. BPM subsequently withdrew its requisition notice at 5pm the day before the scheduled EGM and Ms Brown and Mr Montgomery withdrew their respective consents to act as a director of Indiana.

The activities as outlined above has resulted in significant management and director time being dedicated to matters that created no value for shareholders. As well there was a significant financial cost to the company in legal fees. The Board made the decision following the findings of the Takeovers Panel to concentrate on progressing activities in Tanzania for the benefit of all shareholders. In line with this strategy the Board endeavoured to work cooperatively with BPM through their representative Josef el Raghy. There have been numerous discussions with Mr El Raghy on these matters but these discussions have not been as positive or as constructive as the Board would have liked. The board is conscious of the desirability for shareholder harmony and certainty of corporate direction, but the Board cannot control the actions of third parties which may impact on these aims.

It had been my hope that the Board would be able to work with all shareholders collaboratively to progress our current assets in Tanzania and move forwards with the potential acquisition of new assets. It now appears that this is unlikely and the Board will make decisions based on the final voting outcome on the resolutions presented at today's meeting.

With regards to its assets in Tanzania, 2017 began on a positive note with a reconnaissance drilling program at Kishugu and Naujombo confirming the presence of gold at the large Kishugu and Naujombo gold anomalies. This laid the foundation for a stage 2 exploration program for commencement in 2017, following the wet season.

Data generated from the previous drilling and extensive soil sampling provided valuable information for identifying drilling targets for our stage two exploration program. Drilling commenced in June 2017 and in its early stages produced extremely encouraging results at Naujombo South.

What we could not anticipate was the major changes to mining related legislation made by the Tanzanian Government in July. These changes affect all existing and new mining projects and created significant uncertainty for the resources industry in Tanzania. As a result, we elected to halt ground

exploration and in-country project acquisition opportunities until greater clarity was obtained on any potential impact on the Company's activities.

In relation to the situation in Tanzania, we are encouraged by the recent appointment of the Honorable Angellah Kairuki as the new Minister of Minerals in Tanzania. The new Minister has stated that her immediate priority is to improve relations with investors and to restore investor confidence, while ensuring that the mining sector meaningfully contributes to Tanzania's economic growth. The new Minister also confirmed that the Tanzanian Government remains ready to receive prospective investors with an open mind.

We have been encouraged by the improving nickel price and outlook for nickel more generally. The nickel price recently traded at its highest level in over two years, driven largely by an emerging demand thematic associated with the use of nickel-sulphate in lithium-ion batteries. Our Ntaka Hill nickel project provides excellent exposure to this improving nickel price environment.

We are committed to monetising our interest in Ntaka Hill. Over the past five years, Ntaka Hill has attracted significant transactional interest from notable parties such as Continental Nickel, MMG and private equity fund Fig Tree Resources.

In closing, I would like to thank the shareholders that have continued to support the Board in the face of some major challenges and for the confidence you have shown in us. We appreciate your continued support and patience.

Thank you