

31 October 2017

## Report for the Quarter ended 30 September 2017

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### SUMMARY

- Air Core drilling at Naujombo South intersected strong anomalous gold mineralisation
- The drilling was focused on a strong coincident gold-arsenic soil anomaly that was identified at Naujombo South, with peak values of 503 ppb Au
- Exploration in Tanzania placed on hold, pending clarification of changes relating to the legal and regulatory framework for the natural resources sector in Tanzania
- Appointment of new Minister for Minerals and splitting of the former Ministry for Energy and Minerals into two separate Ministries

### EXPLORATION and DEVELOPMENT

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#### Naujombo drilling

During the Quarter, the Company received the results of an Air Core drilling program at Naujombo South and Naujombo Central.

The Naujombo South drilling program consisted of 17 holes, with three lines of holes completed before the program was halted due to the enactment of new legislation governing the natural resources sector. These lines were spaced over 600m of strike and gold anomalism was detected on all three lines. The widest zone of anomalism was over 140m and remains open to the east, west and south. Three holes in particular, intersected strong levels of anomalous gold mineralisation (Figure 1):

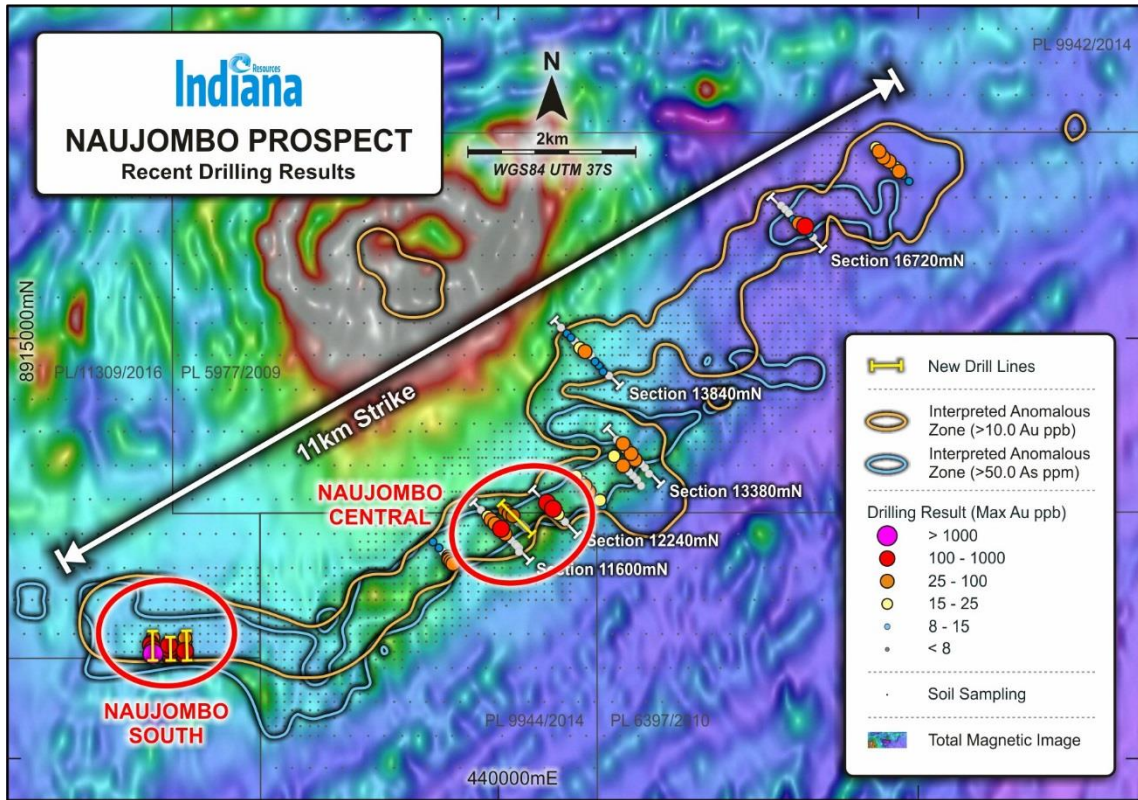
- NAC17-014: 3m @ 1.01 g/t Au from 15m (within a larger 19m @ 0.293 g/t Au from 11m)
- NAC17-015: 8m @ 0.79 g/t Au from 25m (within a larger 44m @ 0.372 g/t Au from 4m)
- NAC17-018: 3m @ 0.84 g/t Au from 16m

The drilling targeted a strong coincident gold-arsenic soil anomaly at Naujombo South where peak values of 503 ppb Au (0.5 g/t Au) were recorded.<sup>1</sup> The anomaly, as defined by the 90ppb contour, is 650m to 800m long and between 100m and 200m wide and is along strike from the extensive, coherent, previously identified Naujombo gold-in-soil anomaly, which measures 9.5km by 1km (see ASX announcement 10 July 2017).<sup>1</sup>

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<sup>1</sup> ASX announcement 10 July 2017. Since announcing these exploration results on 10 July 2017, Indiana confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

Figure 1: Recent drilling results at Naujombo South and Naujombo Central



The anomaly is coincident with an interpreted structural offset in the regional geology as seen in the magnetics, potentially due to a buried intrusion to the south. Such flexures in mineralised structures have a positive association with gold deposits. The geology of the Naujombo South mineralisation is dominantly mafic gneiss with sulphides present, predominately pyrite and arsenopyrite, with trace amounts of pyrrhotite. The association of sulphides with the gold anomalism opens the possibility of using geophysics (Induced Polarisation) to better target the mineralisation and inform future drilling programs.

Drilling was also conducted at Naujombo Central where one line of nine holes was completed at Naujombo Central to test the area between two previous drill lines which intersected gold mineralisation. No significant intersections were recorded.

Information relating to the Air Core drilling program at Naujombo South and Naujombo Central, and results of those exploration programs, as described above, were announced on 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.

### Ntaka Hill Nickel Project Review

A scoping study for the Ntaka Hill Nickel Project was completed during the Quarter. The study demonstrated the potential for a smaller scale (lower capital cost) operation, targeting the higher-grade zone of the existing 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. 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.

## **CORPORATE**

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### **Cash position**

As at 30 September 2017, the Company had cash at bank of \$0.65 million. As activity is currently limited to project generation work, the Company is incurring minimal costs, with expected cash outflows of \$0.26 million for the December Quarter.

### **Annual General Meeting**

The Company's Annual General Meeting of Shareholders will be held at 11:30 am (WST) on Thursday, 23 November 2017 at the Main Function Room, Celtic Club, 48 Ord Street, West Perth, Western Australia. Details of the resolutions to be put to shareholders are contained in the Notice of Meeting and Explanatory Memorandum that was lodged with the Australian Securities Exchange on 20 October 2017.

### **Appointment of new Minister for Minerals in Tanzania**

On Monday 9 October 2017, the Honorable Angellah Kairuki was appointed as the new Minister of Minerals in Tanzania. Upon her appointment, the new Minister stated that her top priority was to improve relations with investors with a view to both restoring investor confidence and ensuring that the mining sector as a whole contributes to its full capacity to Tanzania's economic growth. The new Minister also sought to confirm that the Tanzanian Government remains ready to receive prospective investors with an open mind.

The appointment of Minister Kairuki comes with the split of the Ministry of Energy and Minerals into two separate Ministries – the Ministry of Minerals and the Ministry of Energy. The Company believes this is a positive development that will allow for more timely consideration of all matters related to minerals exploration, project development and mining by the Ministry of Minerals.

### **Tanzanian legislation**

In July 2017, the Tanzanian Parliament passed new legislation with respect to the legal and regulatory framework governing the natural resources sector in Tanzania that included amendments to the Mining Act (**Amending Legislation**).

The Amending Legislation created significant uncertainty for the mining industry in Tanzania and accordingly, the Company 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 (ASX announcement 10 July 2017).

While the Company remains committed to its Tanzanian assets, the Board has commenced a search for a new project outside Tanzania.

### **Resignation of Managing Director**

Mr Campbell Baird, the previous Managing Director stood down in September (ASX announcement 12 September 2017). Mr Baird remains 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.

## TENEMENT INTERESTS

### Tenements held and location

Tenement	Ownership	Project	Location
PL 5977/2009 - Naujombo	100%*	Nachingwea	Tanzania
PL 6397/2010 - Kipepere West	100%*	Nachingwea	Tanzania
PL 6634/2010 - Mihumo	100%*	Nachingwea	Tanzania
PL 6635/2010 - Nachingwea NW	100%*	Nachingwea	Tanzania
PL 7095/2011 - Nditi	100%*	Nachingwea	Tanzania
PL 9757/2014 - Mihumo West	100%*	Nachingwea	Tanzania
PL 9759/2014 - Mjembe	100%*	Nachingwea	Tanzania
PL 9939/2014 - Mjembe East	100%*	Nachingwea	Tanzania
PL 9942/2014 - Naujombo North	100%*	Nachingwea	Tanzania
PL 9944/2014 - Namarongo North	100%*	Nachingwea	Tanzania
PL 10099/2014 - Nanyindwa	100%*	Nachingwea	Tanzania
PL 10302/2014 - Namatutwa	100%*	Nachingwea	Tanzania
RL 0017/2015 - Ntaka Hill	86%***	Nachingwea	Tanzania
PL 7226/2011 - Ntaka South	100%***	Nachingwea	Tanzania
PL 10904/2016 - Namikango North	100%*	Nachingwea	Tanzania
PL 11022/2017 - Ntaka North West	100%*	Nachingwea	Tanzania
PL 11049/2017 - Mtimbo	100%*	Nachingwea	Tanzania
PL 11054/2017 - Naujombo West	100%*	Nachingwea	Tanzania
PL 11133/2017 - Mihumo Central	100%*	Nachingwea	Tanzania
11132/2017 - Kishugu	100%*	Nachingwea	Tanzania
Claim Block 4242	50% **	St Stephen	New Brunswick, Canada
Claim Block 5787	50% **	St Stephen	New Brunswick, Canada

\* Subject to farm-in joint venture with MMG

\*\* Subject to 50/50 joint venture with ABE Resources

\*\*\* Subject to farm-in joint venture with MMG and joint venture transaction with Fig Tree

### Tenements acquired and disposed during the Quarter

No tenements were acquired or disposed during the Quarter.

### Bronwyn Barnes

Chairman

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### **About Indiana Resources Limited**

Indiana is an Australian minerals exploration company that holds a 901 km<sup>2</sup> 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](http://www.indianaresources.com.au).