

23/08/2016

RAB Drilling Under way at Naujombo

HIGHLIGHTS

- RAB Rig has arrived at Naujombo and commenced exploration drilling
 - 2,400 metre program planned at Naujombo and 1,200 metre program at Kishugu
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Indiana Resources Limited (ASX: IDA) ('Indiana' or the 'Company') is pleased to provide an update on its exploration programs to advance the Naujombo and Kishugu Gold Prospects located in south-east Tanzania (Figure 1).

Indiana is pleased to announce the commencement of its RAB (Rotary Air Blast) drilling program at Naujombo and Kishugu. The drilling rig arrived on site over the weekend and has commenced drilling this week.

Drilling has begun at Naujombo, where 2,400m of drilling is expected to be carried out and will be followed by a 1,200m program at Kishugu.

Indiana's Managing Director Campbell Baird commented:

"We are excited by the commencement of drilling at Naujombo and Kishugu. The main focus of the drilling will be as reconnaissance programs designed to unlock the geology of the anomalies and explore the links between the recent IP and soils programs (Figures 2 and 3) and to confirm the presence of gold mineralization in bedrock (ASX Announcement 08/08/16). The information derived from these programs will help Indiana to design the next stage of exploration across the prospect areas."

A handwritten signature in black ink, appearing to read "Campbell Baird".

Campbell Baird

Managing Director

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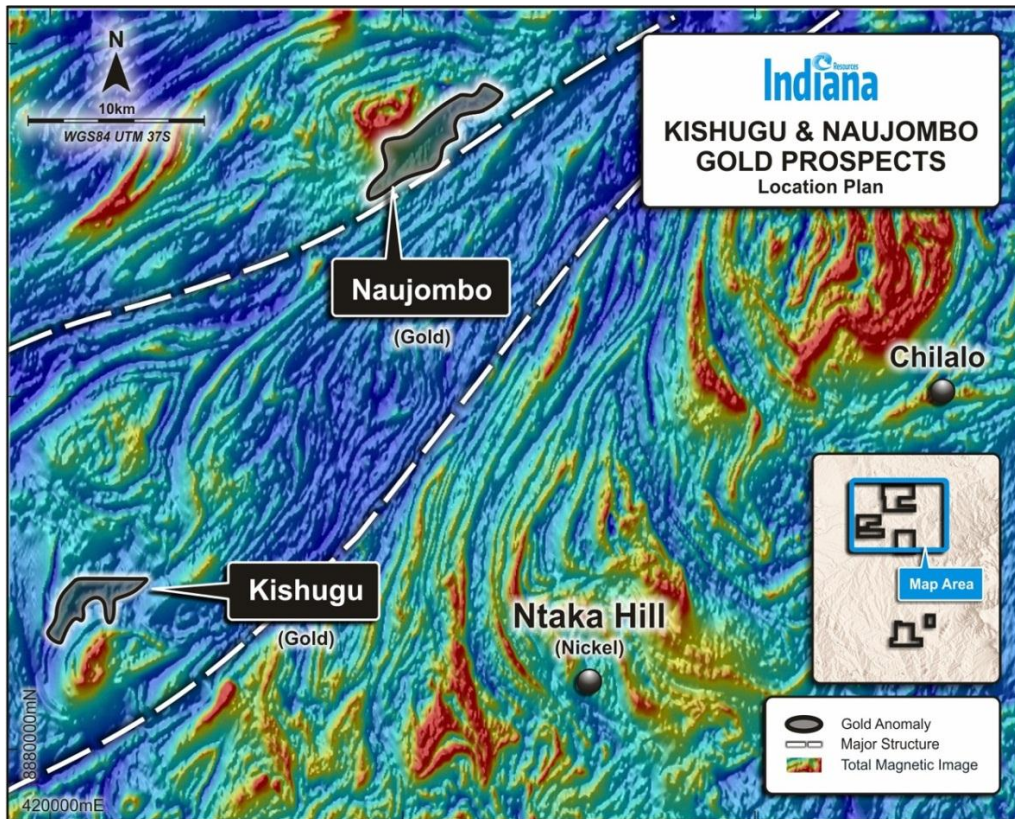


Figure 1. Location of Kishugu and Naujombo

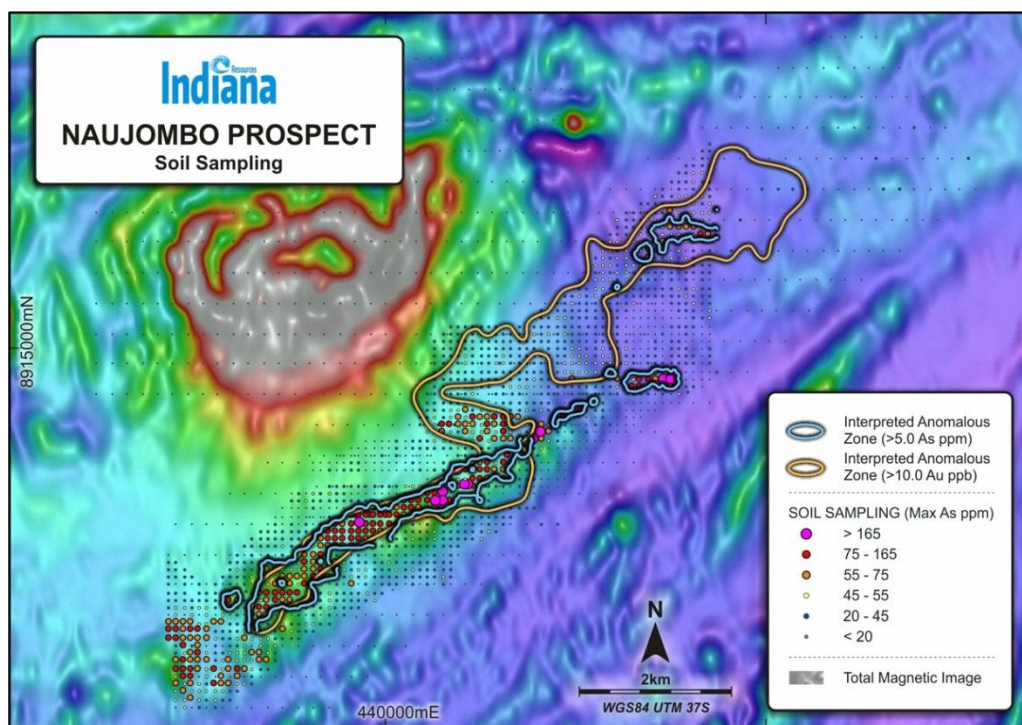


Figure 2. Gold 10ppb contours of soil sampling at Naujombo and results of arsenic anomaly coincident with gold (50ppm)¹

¹ Since announcing these exploration results on 8 August 2016, Indiana confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

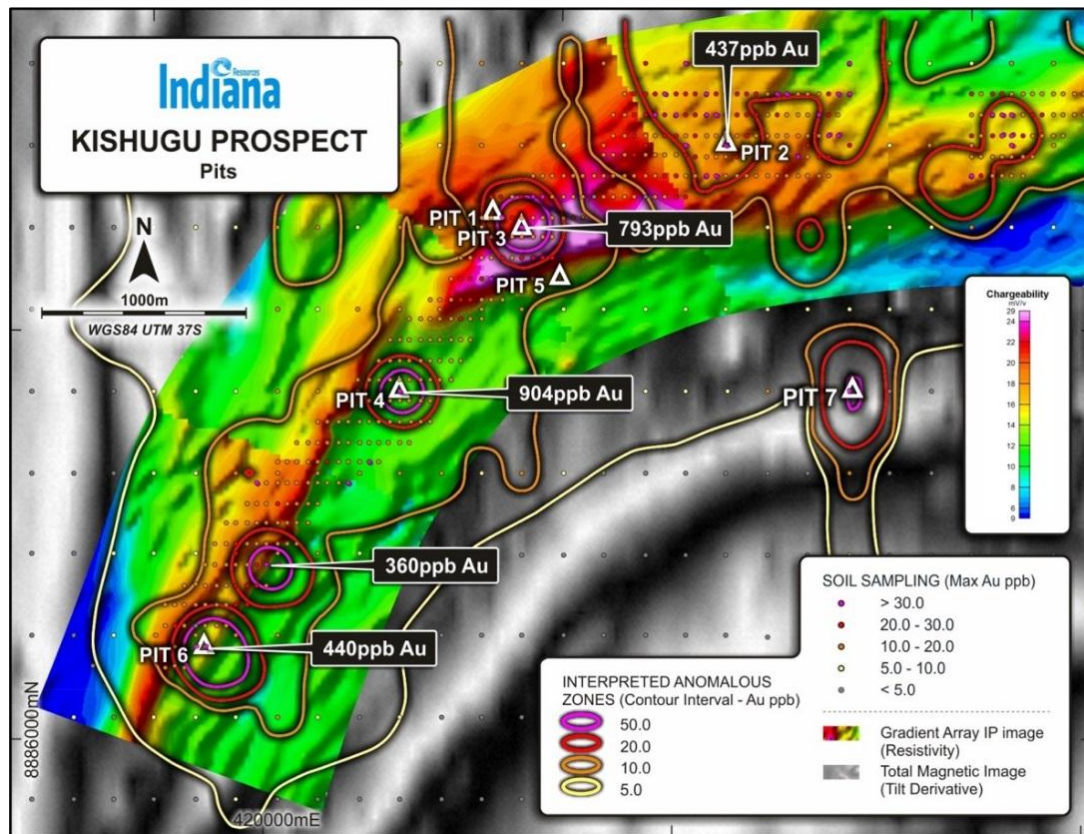


Figure 3. Kishugu Prospect showing IP conductivity, gold in surface soils and location of test pits²

Kishugu and Naujombo Gold Prospects

The scale and level of gold anomalism at Naujombo is similar to that of Kishugu, with the two anomalies located 35km from one another, in a very similar structural setting. Figure 1 illustrates that Naujombo and Kishugu are associated with the same structural corridor and are located on the margin of similar circular magnetic features. The potential exists to identify a significant gold camp should the anomalies confirm the presence of economic gold mineralisation. Both anomalies also exhibit very similar multi-element signatures typical of primary gold mineralisation (arsenic, bismuth and silver).

The Kishugu Gold Prospect was identified in 2014 as a large gold-in-soil anomaly with significant coincident GAIP anomalies.³ In the December Quarter of 2015, the Company completed an exploration program that comprised seven test pits (ASX Announcement 30 November 2015) as shown in Figure 3.² Downhole channel samples from the pits confirmed gold anomalies in the soils and elevated arsenic in bedrock.² The depth of the cover (4-5m) indicates that RAB drilling is the best method to quickly and cost effectively sample the bedrock.

² Since announcing these exploration results on 30 November 2015, Indiana confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

³ Since announcing these exploration results on 29 May 2014, Indiana confirms that it is not aware of any new information or data that materially affects the information included in that announcement.



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 Nujombo Gold Prospects.

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

