

24/02/017

INDIANA BOARD UNITED AGAINST ATTACK BY ASSOCIATES OF EL-RAGHY

Notice under section 249D of the Corporations Act

In accordance with ASX Listing Rule 3.17A, Indiana Resources Limited (“**Indiana**” or the “**Company**”) advises that shortly prior to market close on February 22, 2017, it received a notice from BPM Capital Limited (formerly BPM Commodities Limited) (“**BPM**”), a substantial shareholder of the Company, under section 249D of the Corporations Act 2001 (Cth) (“**Notice**”) to requisition a general meeting of the Company (the “**Meeting**”) for the purpose of proposing resolutions seeking to remove two of the Company’s directors and to replace them with two BPM-nominated appointees.

The Board of Indiana Resources is disappointed at this approach taken by the Cayman Islands-based BPM, and is united in defending the Company from this attack.

Pursuant to the Notice and associated documentation received by the Company, BPM, which holds approximately 13.84% of the issued capital of the Company and is associated with Messrs Josef El-Raghy and Jamie Boyton, is seeking to remove the Company’s independent, Non-Executive Chairman and Managing Director, being Dr Derek Fisher and Mr Campbell Baird. BPM is seeking to appoint Mr Brett Montgomery and Ms Heidi Brown as their replacements. Accordingly, were all the proposed resolutions to be passed, BPM would gain effective control of Indiana.

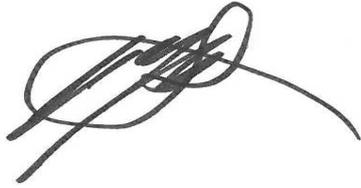
The receipt of the Notice comes in the wake of a unanimous recent decision by the Board to discontinue discussions relating to a possible transaction between the Company and another entity associated with Mr El-Raghy. The Board had formed the view that the transaction in question was not in the best interests of shareholders, having regard to a variety of matters including dissatisfaction of the Company with the permitted level of due diligence and the proposed terms of the transaction.

Commenting on the Notice, Non-Executive Director of Indiana, Mr Bruce McFadzean, said that while the Company respects the rights of shareholders to requisition resolutions, Indiana does not consider this proposal to be in the best interests of all shareholders.

“I support Dr Fisher and Mr Baird in opposing the proposal from BPM. This is an unwanted distraction for the present Indiana Board and senior management as we continue to work towards delivering value on our Tanzanian assets and to implement our clear existing strategy to drive shareholder returns,” said Mr McFadzean.

“The present Indiana Board has a strong track record of delivering successful outcomes for the Company’s shareholders, including in recent times having unlocked substantial value for Indiana holders through spinning-out the Chillalo Graphite project into a new listed entity (Graphex Mining Limited); having reset and stabilised the Company’s capital structure and cost base; and having advanced its gold exploration program. It would appear that BPM’s actions constitute an opportunistic attempt to gain control of Indiana whilst denying shareholders any ability to participate in a takeover or other transaction which would deliver them a premium.”

The Company is currently taking legal advice in connection with the Notice. The Corporations Act requires the Board to call the Meeting within a period of 21 days after the date on which a valid Notice is received and to convene the meeting within 2 months after that date of receipt.



Bruce McFadzean

Non-Executive Director

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