

27/04/2018

## Phase 1 Trenching Results Support Plans for Upcoming Drilling at Mali Gold Exploration Tenements

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### HIGHLIGHTS

- Phase 1 results from recent trenching extend anomalous gold trends at Koussikoto
  - Trenching, mapping and new target generation activities ongoing
  - Planning under way for commencement of reconnaissance aircore drilling in May
  - New artisanal mining activity identified on the northern portion of Kenieko Nord
  - Acquisition Agreement for Mukuyu Resources in final stages of legal review
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Indiana Resources Limited (ASX: IDA) ('Indiana' or the 'Company') is pleased to announce the initial results from recent trenching programmes at the Koussikoto Ouest Project ('Koussikoto Ouest') and planning for exploration programmes at both Koussikoto Ouest and the Kenieko Nord Project ('Kenieko Nord').

### Koussikoto Ouest

Results from trenching work received to date have extended known gold anomalies at Koussikoto Ouest, located in the prolifically gold mineralised Kenieba Province of western Mali (see Figures 1 and 3). Koussikoto Ouest (Figure 3) straddles the Main Transcurrent Zone in the far west of the Kenieba Province, along strike from the Massawa (+3Moz) and Sabodala (+2Moz) gold deposits in Senegal (see Figures 1 and 3).

The trenching programme at Koussikoto Ouest, which has been carried out by the in-country exploration team of Mukuyu Resources Limited ('Mukuyu') and at Mukuyu's expense, has focused on identifying controls on mineralisation and extending known mineralised trends along prospective lithological contacts in preparation for reconnaissance aircore drilling, which is expected to begin next month. Mapping and sampling have also significantly enhanced the geological understanding at key prospects ahead of upcoming drilling.

Analytical results have been received for the first nine trenches in the current program (see Appendix A). To date, approximately 45% of trench sample results have been received, with encouraging results confirming anomalous extensions along portions of the predicted trends.

Phase 1 of the trenching programme comprised 3,872m and Phase 2, which is currently in progress, comprises an additional 1,200m. There has been a delay in assay turnaround due to peak field season activity in West Africa, and a significant volume of sample is currently awaiting processing at the laboratory. Final assay results for the remainder of the programme are now expected in mid-June.

In parallel with trenching, field work is currently under way to compile an updated geological interpretation over Koussikoto Ouest, which will enable field teams to further define and prioritise targets for a significantly expanded exploration program next field season.

Indiana's Chairman, Ms Bronwyn Barnes, commented, "Initial results from the trenching programme confirm that we have the ability to move quickly to a drilling programme at Koussikoto Ouest. These results underline what we believe to be solid exploration potential for the projects and the high-quality team that we already have in place can quickly advance exploration activities."

## Kenieko Nord

Kenieko Nord is located in proximity to the Senegal-Malian Shear Zone, north of the Loulo Gold Mine Camp (+12Moz; Randgold Resources – see Figure 1). Significant gold deposits, including the Sadiola (13Moz), Yatela (+4Moz), Loulo (+12Moz) and Fekola (+4Moz) gold mines are related to this major structure (see Figure 1).

A recent visit to Kenieko Nord revealed significant new artisanal mining activity on the northern portion of the property, where local miners are exploiting gold-bearing soil along a north-west orientated trend exceeding 1km in length. Additional fieldwork will commence shortly to determine the nature and style of primary mineralisation and enable planning for a comprehensive exploration programme to define targets for drill testing.

## Share Sale Agreement

Indiana recently agreed a term sheet with Mukuyu for the acquisition of two gold prospective exploration permits – Koussikoto Ouest and Kenieko Nord (total area of 126km<sup>2</sup>) – located in the Kenieba Province of western Mali, approximately 550 km west of the capital city of Bamako. Due diligence has been completed and the parties are in the final stages of review of legal agreements.

As part of Indiana's acquisition of Mukuyu, Indiana has begun transitioning Mukuyu's highly capable and motivated in-country team across to Indiana. The team includes a Country Manager, Exploration Manager, Senior Geologists and a full exploration team with four years' experience in working on Koussikoto Ouest and Kenieko Nord. Fieldwork including trenching, mapping and new target generation has continued uninterrupted during the due diligence and acquisition period.

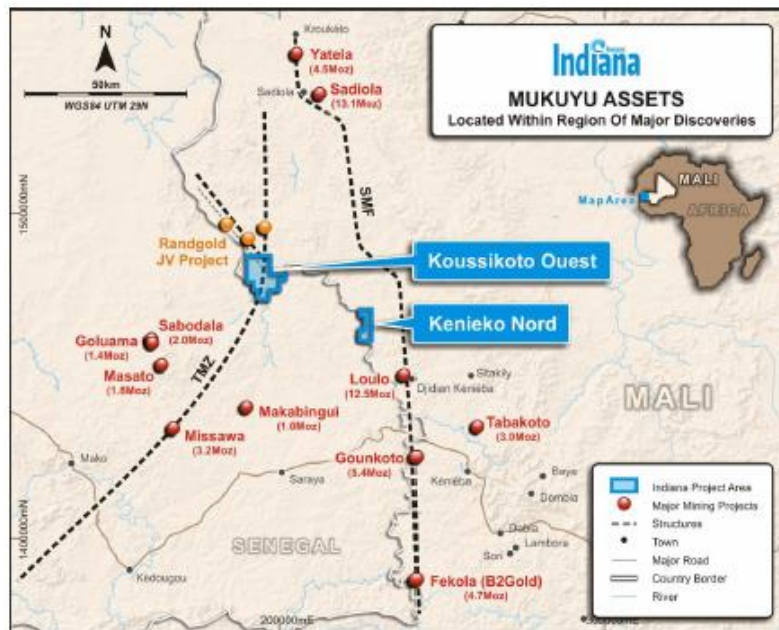


Figure 1 – Indiana project areas located in attractive regional setting



Figure 2 – Koussikoto trenching

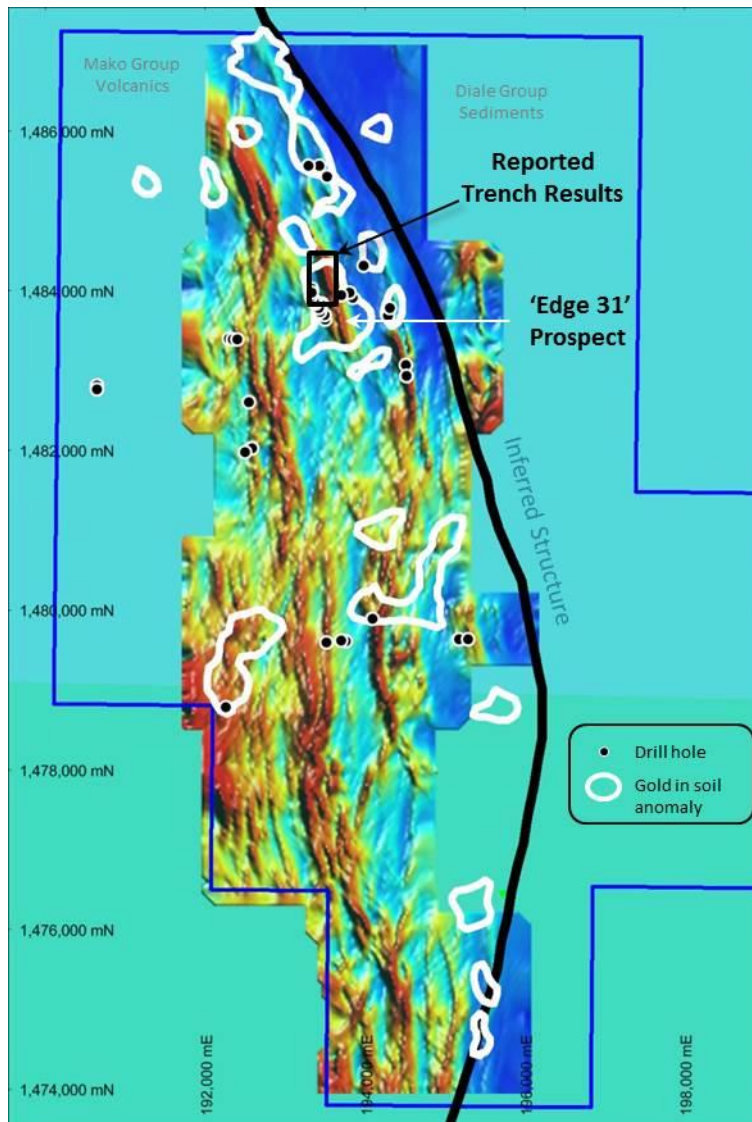


Figure 3 – Koussikoto drill holes with gold-in-soil anomalies over IP resistivity image

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***Competent Person's Statement***

*The information in this report that relates to Exploration Results is based on information compiled by Kevin Anthony Joyce. Mr Joyce is engaged as a consultant to the Company and is a Member of the Australian Institute of Geoscientists. Mr Joyce has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity he is undertaking to qualify as a Competent Person in terms of the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('JORC 2012'). Mr Joyce consents to the inclusion of the information relating to exploration results in this announcement in the form and context in which it appears.*

To find out more, please visit [www.indianaresources.com.au](http://www.indianaresources.com.au).

## Appendix A

### Summary of Trench Results at Koussikoto Ouest, Mali

Trench_ID	Northing	Easting	Dip	Azimuth	Length (m)	From (m)	To (m)	Width (m)	Au g/t
TCH_N012	1484650	193212	0	90	127	120	122	2	0.29
TCH_N022	1485650	192950	0	90	199	146	148	2	0.37
TP51_S006	1485700	193300	0	90	238	5	9	4	0.21
and						21	28	7	0.25
TP51_S008	1485500	193350	0	90	142				nsa
TP51_S010	1485300	193395	0	90	155	122	125	3	0.52
and						131	133	2	0.56
TP51_S017	1484600	193540	0	90	312				nsa
TP51_S025	1483700	193700	0	90	387				nsa
TP4_S001	1484500	194030	0	90	244	18	23	5	0.32
and						29	34	5	0.55
and						40	43	3	0.37
TCH_S010	1483500	193305	0	90	243	76	78	2	0.55

- 1) Intervals are calculated as length weighted averages of samples using a 0.2 g/t Au cut-off, allowing for 2m maximum internal waste.
- 2) Refer to JORC 2012 Table 1 for additional detailed reporting parameters.
- 3) nsa – no significant assay.



## Appendix B: JORC 2012 Table 1 Reporting Section 1. Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> <li><i>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</i></li> <li><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></li> <li><i>Aspects of the determination of mineralisation that are Material to the Public Report.</i></li> <li><i>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</i></li> </ul>	<ul style="list-style-type: none"> <li>Trenches were excavated with a track mounted excavator to a maximum 3m depth.</li> <li>Systematic channel sampling has been taken on nominal 1m intervals along the entire length of each trench.</li> <li>Channel sampling was done as continuous and equal sampling of exposure of in-situ material to provide a representative sample of material sampled</li> <li>Routine standard reference material, sample blanks, and sample duplicates were inserted/collected at every 10th sample in the sample sequence.</li> <li>All samples were submitted to SGS Bamako for preparation and analysis by 50g Fire Assay.</li> </ul>
<i>Drilling techniques</i>	<ul style="list-style-type: none"> <li><i>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</i></li> </ul>	<ul style="list-style-type: none"> <li>Trenching was undertaken using a track mounted excavator.</li> </ul>
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> <li><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li><i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></li> </ul>	<ul style="list-style-type: none"> <li>Sample recovery and quality is believed to be adequate for the technique employed.</li> </ul>
<i>Logging</i>	<ul style="list-style-type: none"> <li><i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></li> <li><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li><i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<ul style="list-style-type: none"> <li>Samples are not intended for use in mineral resource estimation or mining studies.</li> <li>All sample intervals were geologically logged by Mukuyu geologists.</li> <li>Where appropriate, geological logging recorded the abundance of specific minerals, rock types and weathering using a standardized logging system.</li> </ul>
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <li><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li><i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></li> <li><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<ul style="list-style-type: none"> <li>Channel sampling was done as continuous and equal sampling of exposure of in-situ material to provide a representative sample of material sampled.</li> <li>Additional sample preparation was undertaken by SGS Bamako laboratory.</li> <li>At the laboratory, samples were weighed, dried and crushed to -2mm in a jaw crusher. A 1.5kg split of the crushed sample was subsequently pulverised in a ring mill to achieve a nominal particle size of 85% passing 75um.</li> <li>Sample sizes and laboratory preparation techniques are considered to be appropriate for this early stage exploration and the commodity being targeted.</li> </ul>
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> <li><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li><i>For geophysical tools, spectrometers, handheld</i></li> </ul>	<ul style="list-style-type: none"> <li>Analysis for gold was undertaken at SGS Bamako by 50g Fire Assay with AAS finish to a lower detection limit of 0.01ppm. Fire assay is considered a "total" assay technique.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p><i>XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></p> <ul style="list-style-type: none"> <li>• <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></li> </ul>	<ul style="list-style-type: none"> <li>• No geophysical tools or other non-assay instrument types were used in the analyses reported.</li> <li>• Routine standard reference material, sample blanks, and sample duplicates were inserted/collected at every 10th sample in the sample sequence.</li> <li>• Review of standard reference material and sample blank data suggest there are no significant analytical bias or preparation errors.</li> <li>• Results of analyses for field sample duplicates are consistent with the style of mineralisation being evaluated.</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Data was compiled and digitally captured by Company geologists.</li> <li>• Twin holes were not utilized to verify results.</li> <li>• Reported trench intervals have been compiled by the Company's technical consultant utilising the digital data provided by the Company.</li> <li>• There were no adjustments to assay data.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>• <i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i></li> <li>• <i>Specification of the grid system used.</i></li> <li>• <i>Quality and adequacy of topographic control.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Trench locations were set out in UTM grid WGS84_Zone29N using a hand-held GPS.</li> <li>• Trench azimuth was defined using a hand-held compass. Trenches were generally linear and did not deviate significantly along the length of the excavation. Terrane is generally flat.</li> <li>• Locational accuracy is considered appropriate for this early stage of exploration.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Trenches were excavated at varied spacing on nominal east-west orientated sections.</li> <li>• The reported trenches have not been used to estimate JORC-compliant mineral resources or reserves.</li> <li>• Sample compositing was not applied.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Exploration is at an early stage and the true orientation of mineralisation has not been confirmed at this stage.</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Samples were stored on site prior to road transport by Company personnel to the laboratory in Bamako, Mali.</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<ul style="list-style-type: none"> <li>• There have been no external audit or review of the sampling techniques or data.</li> </ul>

## Section 2. Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>• <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></li> <li>• <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The reported results are from within the Koussikoto Ouest Permit, which is held by Olive Mining SARL, a subsidiary of Mukuyu</li> <li>• The Koussikoto Ouest permit is in good standing</li> </ul>
Exploration done by other parties	<ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The area which is presently covered by the permit area was explored intermittently by Randgold Resources and Caracal Gold during the period 1990 to 2013.</li> </ul>

Criteria	JORC Code explanation	Commentary
		<p>Exploration consisted of mapping and soil sampling.</p> <ul style="list-style-type: none"> <li>Mukuyu Resources undertook exploration during the period 2013 to present, which included surface sampling, geophysical surveying, trenching and drilling.</li> </ul>
Geology	<ul style="list-style-type: none"> <li><i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>The deposit style targeted for exploration is lode gold. This style of mineralisation typically forms as veins or disseminations in altered host rock.</li> <li>Surficial geology within the project area consists of outcropping basement, indurated gravels forming plateau, and broad depositional plains consisting of colluvium and alluvial to approximately 2m vertical depth.</li> <li>Lateritic weathering is common within the project area. The depth to fresh rock can be up to 70m vertical.</li> </ul>
Drill hole Information	<ul style="list-style-type: none"> <li><i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <li><i>easting and northing of the drill hole collar</i></li> <li><i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li><i>dip and azimuth of the hole</i></li> <li><i>down hole length and interception depth</i></li> <li><i>hole length.</i></li> </ul> </li> <li><i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></li> </ul>	<ul style="list-style-type: none"> <li>Reported results are summarised in Appendix A within the attached announcement.</li> <li>The trenches reported in this announcement have the following parameters applied. All trenches completed, including those with no significant gold intersections are reported.</li> <li>Grid co-ordinates are UTM WGS84_29N</li> <li>Collar elevation is defined as height above sea level in metres (RL)</li> <li>Dip is the inclination of the trench from the horizontal. Azimuth is reported in WGS 84_29N degrees as the direction toward which the trench was excavated.</li> <li>Trench length is the distance from the starting point (collar) to the end of the trench, as measured along the length of the trench</li> <li>Intersection depth is the distance along the trench from the start point, as measured along the drill trace.</li> <li>Intersection width is the horizontal distance of an intersection as measured along the length of the trench</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li><i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li><i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i></li> <li><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>Trench intervals are reported from length weighted average sample assay results</li> <li>A minimum cut-off grade of 0.2 g/t Au is applied to the reported intervals.</li> <li>Maximum internal dilution is 2m within a reported interval.</li> <li>No grade top cut off has been applied.</li> <li>No metal equivalent reporting is used or applied.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li><i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li><i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</i></li> </ul>	<ul style="list-style-type: none"> <li>The reported results are from early stage exploration; as such the orientation of geological structure is uncertain.</li> <li>Results are reported as lengths along a horizontal trench, true width is unknown.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></li> </ul>	<ul style="list-style-type: none"> <li>Locations are included in Appendix A</li> </ul>



Criteria	JORC Code explanation	Commentary
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>Results have been comprehensively reported in this announcement.</li> <li>Trenches completed, including those with no significant gold intersections, are reported</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<ul style="list-style-type: none"> <li>To the Company's knowledge, at the present time there is no other exploration data which is considered material to the results reported in this announcement.</li> </ul>
<i>Further work</i>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Additional trenching and reconnaissance drilling is currently being considered as follow up.</li> </ul>