

20 February 2017

Companies Announcement Office
Via Electronic Lodgement

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BOARD & MANAGEMENT

Mr John (Gus) Simpson
Non-Executive Chairman

Mr Jonathan Whyte
Non-Executive Director &
Company Secretary

Mr Rhys Bradley
Non-Executive Director

Mr Ken Bull
Chief Operating Officer

ABN
22 009 171 046

ASX CODE
IND

IMD GOLD TRANSACTION UPDATE

On 24 August 2016, Indus Energy NL (**Indus or Company**) and IMD Gold Limited (**IMD Gold**) entered into an Option Agreement (**Option Agreement**) which contemplated Indus acquiring 100% of the issued capital of IMD Gold, who were in the process of securing a portfolio of gold assets in Western Australia.

Following the completion of due diligence, Indus and IMD Gold have been unable to satisfy some of the key conditions precedent required to enter into a binding sale and purchase agreement to progress the transaction. At the time of this announcement, IMD Gold has not been able to complete the acquisition of the Battler, British Hill and Parker Dome projects in Western Australia nor, to the satisfaction of Indus, demonstrate sufficient certainty around the prospect of obtaining a binding right to acquire the Marda project in Western Australia.

Based on the above, both Indus and IMD Gold have agreed to terminate the Option Agreement effective immediately.

While disappointed with this result, Indus has commenced review of several other attractive acquisition opportunities and is committed to securing a project that will see the Company recommence trading and provide value to shareholders in 2017.

For further information please call our office on (08) 9380 9920.

A handwritten signature in black ink, appearing to read "John (Gus) Simpson".

Yours Sincerely

John (Gus) Simpson
Non-Executive Chairman