

10/07/2017

Large coherent gold soil anomaly discovered at Naujombo

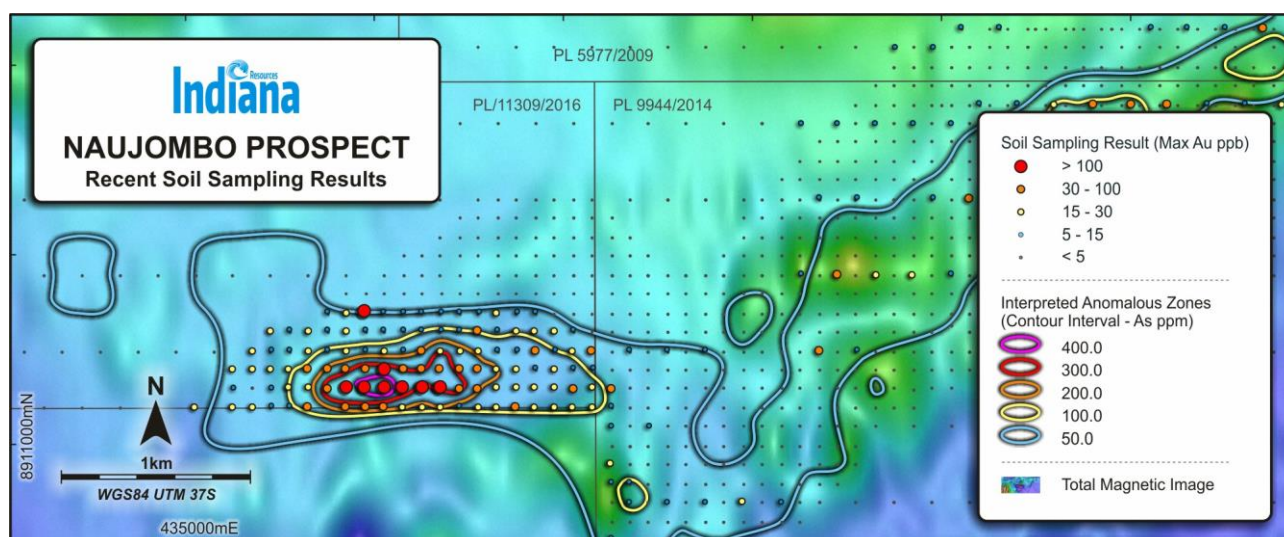
- New gold target identified at Naujombo South
- Drilling completed at Naujombo South
- Drilling programs on hold pending review of Tanzanian Government legislative changes

Indiana Resources Limited (ASX: IDA) ("Indiana") is pleased to announce the discovery of a significant gold-arsenic soil anomaly at the Naujombo Gold Prospect (Figure 1) with a peak value of 503 ppb Au (0.5 g/t Au)

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 (Figure 2).

The anomaly is defined by a number of assay results in excess of 100 ppb Au and is coincident with a large arsenic soil anomaly that has been identified by pXRF analysis.

Figure 1: Naujombo South soil sampling results



Drilling was recently completed at Naujombo Central and the drill rig was relocated to the newly identified anomaly at Naujombo South and drilled three lines across it for reconnaissance purposes. This drilling has now been completed, with samples drilled to date being compiled for dispatch to Mwanza where they will be assayed. Assay results are expected to be received in August.

Indiana's Managing Director, Campbell Baird, commented *"This is an early-stage gold target which is exceptional by any standards. The region continues to demonstrate its potential for significant gold discovery opportunity at the Naujombo and Kishugu anomalies."*

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.

Indiana is very pleased with its ongoing exploration results at Naujombo and Kishugu, with both projects continuing to demonstrate that they have the capacity to provide potential world class discoveries.

With the completion of the reconnaissance drilling at the Naujombo South anomaly, Indiana has directed the drilling contractor to cease drilling and to demobilise the rig despite only 20% of the planned program for Naujombo and Kishugu having been completed.

Indiana remains committed to exploring and developing in Tanzania and contributing to the unlocking of the mineral resources of Tanzania for the benefit of all Tanzanians. Notwithstanding that commitment, with the current uncertainty associated with the Proposed Legislation, Indiana has decided that for the time being, it is prudent to cease its exploration activities until it is able to fully engage with the Tanzanian Government to understand the full impacts of the proposed Legislation.



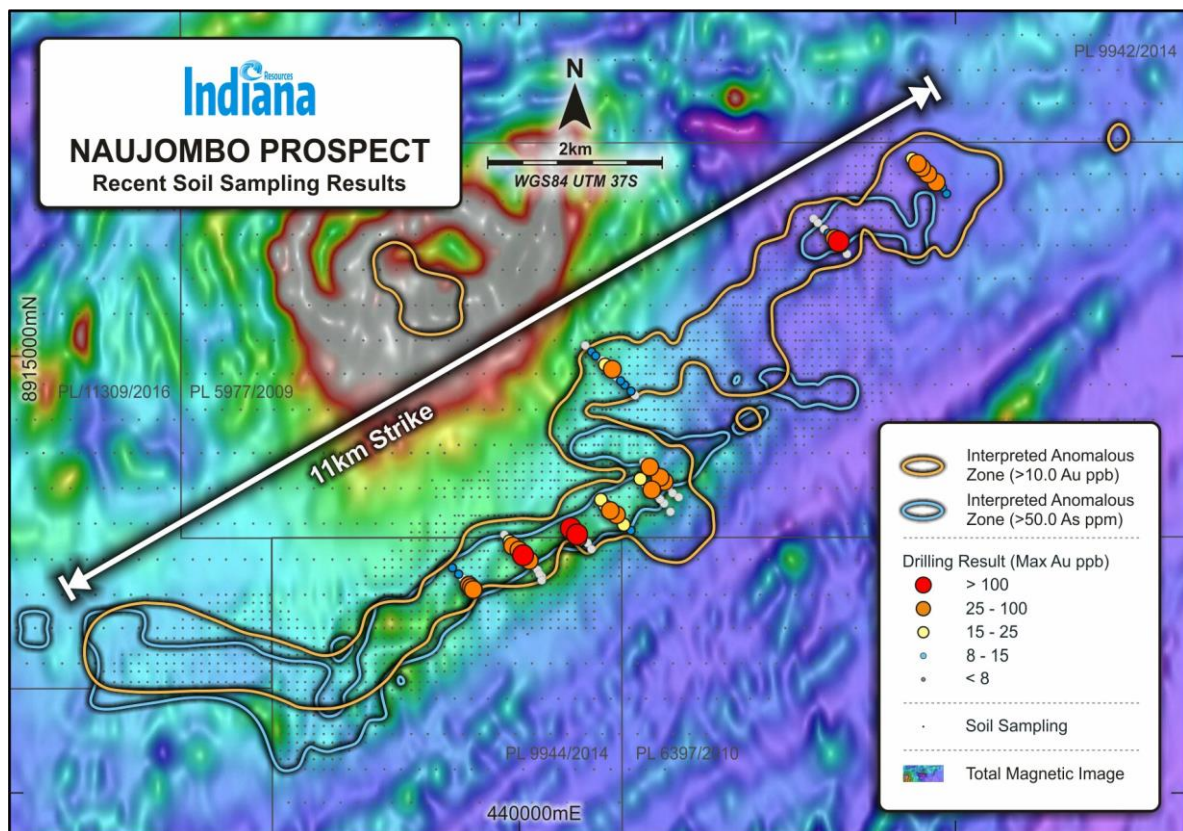
Campbell Baird
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Figure 2: Naujombo Gold Project – size and extent of anomaly



Competent Person's Statement

Information relating to exploration results at the Naujombo Gold Prospect reported in this announcement, is based on data collected under the supervision of Mr. Nick Corlis, in his capacity as Technical Manager. Mr. Corlis, BSc (Hons) MSc, is a registered member of the Australian Institute of Geoscientists and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and the activity being undertaken 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. Corlis has verified the data underlying the information contained in this presentation and approves and consents to the inclusion of the data in the form and context in which it appears.

About Indiana Resources

Indiana is an Australian minerals exploration company that holds a 901 km² tenement package in southeast Tanzania. The Company's tenement package hosts the Ntaka Hill Nickel Project and the Kishugu and Naujombo Gold prospects. To find out more, please visit www.indianaresources.com.au.

APPENDIX A. JORC 2012 Table 1 Reporting

Section 1. Sampling Techniques and Data

Sampling techniques	<ul style="list-style-type: none"> • Soil samples collected using a clean hoe from the top of the “B” soil horizon, numbered and bagged before being air dried, sieved to 80 mesh (177 microns) before submitted to the laboratory for analysis.
Drilling techniques	<ul style="list-style-type: none"> • Not applicable, no drilling conducted.
Drill sample recovery	<ul style="list-style-type: none"> • Not applicable, no drilling conducted.
Logging	<ul style="list-style-type: none"> • Soils logged to standard template, no geology encountered in sampling.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • Soils sieved with only material passing 80 mesh submitted to the lab. • Standards and Blanks are inserted every fiftieth sample Samples are collected from the face of the shaft and sent directly to the laboratory for analysis.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • Samples were sent to the ALS laboratory in Mwanza (Tanzania) for sample preparation. Samples are crushed so that >70% passes -2mm and then pulverised so that >85% passes -75 microns. • Au, assays are determined fire assay and ICP-MS finish (FAA-515). • Laboratory and assay procedures are appropriate for mineral exploration. • Laboratory QAQC consisted of standards, blanks and laboratory duplicates (both coarse and pulp) used at a ratio of 1 in 20. The QAQC sample results showed acceptable levels of accuracy and precision. • Prior to submission to the laboratory each sample from Naujombo undergoes XRF analysis using a Handheld Niton unit. • Certified Reference Materials are read at the start of each day and analytical results were examined to make sure that the readings obtained were within the accepted range. The certificated reference materials were read at the end of the day to confirm that the results were still acceptable. • XRF procedures consist of standards, blanks and site duplicates (coarse blank) used in a ratio of 1:20. • QAQC results are reported weekly to confirm that the results are within acceptable levels of accuracy and precision. • Elements reported are Ag, As, Au, Ba, Bi, Ca, Cd, Co, Cr, Cu, Fe, Hf, Hg, K, Mn, Mo, Nb, Ni, Pb, Pd, Rb, Re, S, Sb, Sc, Se, Sn, Sr, Ta, Th, Ti, U, V, W, Zn and Zr.
Verification of sampling and assaying	<ul style="list-style-type: none"> • Senior Indiana geological personnel supervise the sampling, and alternative personnel verified the sampling locations and external oversight is established with the contracting of an external consultant to regularly assess on site standards and practices to maintain best practice. • Assay data is loaded directly into the Datashed database which is hosted by and managed by an external database consultancy. • Below detection limit values (negatives) have been replaced by half detection values for each element.

APPENDIX A. JORC 2012 Table 1 Reporting (cont.)

Section 1. Sampling Techniques and Data

Criteria	Explanation
Location of data points	<ul style="list-style-type: none"> Sample points have been surveyed utilising hand-held Garmin GPS. Grid system is UTM WGS84 Zone 37 South datum and projection.
Data spacing and distribution	<ul style="list-style-type: none"> For sampling at Naujombo, the original survey data spacing is 400m x 200m, with infill survey data spacing is 100m x 50m.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Soil grids are orientated north-south orthogonal to the interpreted strike of the geology.
Sample security	<ul style="list-style-type: none"> Labelling and submission of samples complies with industry standard.
Audits or reviews	<ul style="list-style-type: none"> No audits have been completed on this data.

Section 2. Reporting of Exploration Results

Criteria	Explanation
Mineral tenement and land tenure status	<ul style="list-style-type: none"> The exploration results reported in this announcement are from work carried out on granted prospecting licence PL 11309/2016 which is owned by Ngwena Limited, which is a subsidiary of Indiana. The Prospecting Licence PL 11309/2016 is in good standing. The tenements are the subject of a joint venture agreement with MMG Exploration Holdings Limited which holds an interest of approximately 14%.
Exploration done by other parties	<ul style="list-style-type: none"> Exploration has been performed by an incorporated subsidiary company of Indiana, Ngwena Limited.
Geology	<ul style="list-style-type: none"> The regional geology is thought to comprise late Proterozoic Mozambique mobile belt lithology's consisting of mafic to felsic gneisses interlayered with amphibolite's and metasedimentary rocks including marbles and graphitic gneisses.
Drill hole information	<ul style="list-style-type: none"> Not applicable, no drilling conducted.
Data aggregation methods	<ul style="list-style-type: none"> Not applicable, no drilling conducted.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> Not applicable, no drilling conducted.
Diagrams	<ul style="list-style-type: none"> A diagram showing the location of the samples is included in this announcement. Diagrams of soil locations and the location of relevant Indiana tenements are included in this announcement.
Balanced reporting	<ul style="list-style-type: none"> All assay results received are reported in the diagrams included in this announcement.
Other substantive exploration data	<ul style="list-style-type: none"> Not applicable, all substantive exploration data has been reported.
Further work	<ul style="list-style-type: none"> Refer to the announcement.