

19/01/2018

Company Update

Indiana Resources Limited (**ASX: IDA**) (**'Indiana'** or the **'Company'**) provides an update on the Mining (Mineral Rights) Regulations, 2018 of the United Republic of Tanzania (the **'Regulations'**) that were released to the public on 16 January 2018. The release of the Regulations follows the passing of legislation by the Tanzanian Parliament with respect to the legal and regulatory framework governing the natural resources sector in July 2017 (**'New Legislation'**). Indiana has now had the opportunity to fully review the Regulations and assess potential impacts on its assets in Tanzania.

The Regulations, as they relate to mining rights, include a provision that all retention licences issued prior to the date of publication of the Regulations are cancelled and cease to have legal effect.

The Company's interest in the Ntaka Hill Project has been held in the form of a retention licence¹ (**'Ntaka Hill Retention Licence'**). The Ntaka Hill Retention Licence was validly granted on 21 April 2015 for a period of five years. Given that there has been no breach of the conditions of the Ntaka Hill Retention Licence or failure to comply with the Mining Act or the applicable regulations, Indiana would be surprised if it was not offered an alternative class of licence.

The cancellation of retention licences was not contemplated in the New Legislation and the Company has not received any formal notification from the Government of Tanzania on the cancellation of the Ntaka Hill Retention Licence.

The Company understands that only a very small number of retention licences have been previously granted, one of which relates to the Kabanga Nickel Project, which is jointly held by Barrick Gold Corporation (**'Barrick'**) and Glencore plc. The Government of Tanzania has been in a protracted dispute with Barrick and Acacia Mining plc (**'Acacia'**). Barrick holds a 63.9% interest in Acacia, which has three operating gold mines in Tanzania.

The Company is seeking to better understand the intention of the Government of Tanzania with regard to the Ntaka Hill Retention Licence, and a process of engagement with the Ministry of Minerals has commenced.

The Company's joint venture partners at Ntaka Hill – Loricatus Resource Investments (Fig Tree) and MMG Exploration Pty Ltd (a subsidiary of MMG Limited) – have been notified of the Regulations.

The Company's interest in Ntaka Hill is held through a company incorporated in the United Kingdom. While the Company believes it may have rights to international arbitration relating to any impact of the Regulations on the Ntaka Hill Retention Licence pursuant to a bilateral investment treaty between the Government of Tanzania and the Government of the United Kingdom for the promotion and protection of investments, the primary focus of the Company is on reaching a satisfactory outcome with the Government of Tanzania.

Project Acquisition and Entitlement Offer

The Company has been actively engaged in project review activities for the past two months that have focused on lithium, and base and precious metal opportunities in countries that provide stable and transparent operating environments. The Company remains committed to acquiring such a project and is currently conducting preliminary due diligence on three potential opportunities. Updates will be provided on progress as appropriate.

On 15 December 2017, Indiana announced a non-renounceable pro rata entitlement offer to eligible shareholders on the basis of one share at an issue price of 6.5 cents for every three fully paid ordinary shares. (**'Entitlement Offer'**).

The primary purpose of the Entitlement Offer was to provide funding for project generation activity and to ensure that the Company is well positioned to take advantage of any opportunity to acquire a suitable project outside Tanzania.

The Board will provide a further update on the Entitlement Offer next week.

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For further information, please contact:

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The holder of a prospecting licence may be granted a retention licence where a mineral deposit of potentially commercial significance has been identified and the mineral deposit cannot be immediately developed by reason of technical constraints, adverse market conditions or other economic factors which are, or may be, of a temporary character.