ASX: IDA

01/03/2018

# Indiana Secures Option to Acquire Strategic Foothold in World Class Mali Gold District

**HIGHLIGHTS**

- **Option agreement executed to acquire 100% of Mukuyu Resources Limited ('Mukuyu')**
- **Mukuyu holds interests in two highly prospective exploration licences covering a total area of 126km$^2$ located in the prolifically gold mineralised region of western Mali**
- **Licences provide excellent exploration potential in world class gold district with immediate walk up drill targets**
- **Previous high-grade drill results include 18m @ 3.35 g/t Au** and **4.5m @ 18.55 g/t Au**
- **Large, multi-kilometre, gold-in-soil anomalies with limited testing**
- **Work program in place with in country management and technical team**
- **The Company has received firm commitments to place 13,798,000 shares (at a price of 6.5 cents per share) to raise $896,870 enabling immediate advancement of exploration activities**

Indiana Resources Limited (**ASX: IDA**) (**'Indiana'** or the **'Company'**) is pleased to announce that it has reached agreement on a detailed term sheet ('**Term Sheet**') which provides for the acquisition of Mukuyu Resources Limited ('**Mukuyu**'), the owner of interests in two highly prospective gold exploration licences in western Mali ('**Mukuyu Assets**').

Indiana's Chairman, Ms Bronwyn Barnes, commented, "This transaction is an exceptional opportunity for the Company to acquire advanced exploration ground in an outstanding location where there is a history of major gold discoveries. Previous exploration on the Mukuyu Assets has included soil geochemistry, geophysics, trenching and shallow drilling, all of which have generated encouraging results. The proposed acquisition will deliver shareholders an exciting opportunity with an in-country team in place and on ground exploration work currently under way. On completion of the acquisition, we will be able to expand current exploration activities and quickly progress on ground activities."

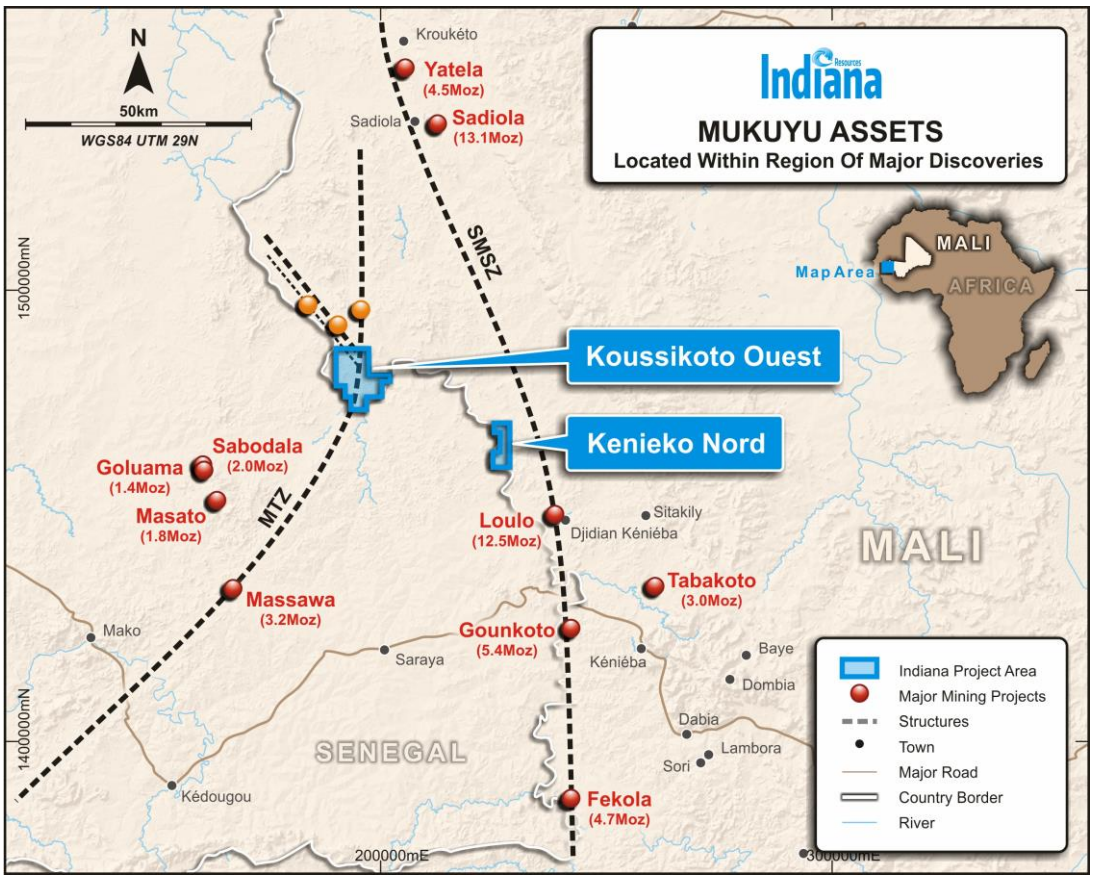
**Mukuyu Resources Limited**

Mukuyu is a private company that has been focused on exploring the Mukuyu Assets in Mali since 2013. Further information on Mukuyu and its Directors and Management can be found at http://mukuyuresources.com/.

The Mukuyu Assets comprise two exploration permits at Koussikoto Ouest and Kenieko Nord (total area of 126km$^2$), located in the prolifically gold mineralised Kenieba Province of western Mali, approximately 550 km west of the capital city of Bamako (Figure 1).

| Licence No | Site Location Name | Registered Holder | Area (km$^2$) | Mukuyu Interest |
|---|---|---|---|---|
| **3201/MM-SG** | Koussikoto Ouest | Olive Mining Sarl | 100 | 75% |
| **2015-/MM-SG** | Kenieko Nord | Lucky Miners | 26 | 95% |

**Figure 1 – Mukuyu Project Areas Located in Attractive Regional Setting**




World-class gold deposits occur throughout the Kenieba Province, including Sadiola (13.1 Moz) and Loulo (12.5Moz), and there is a long history of artisanal gold mining in the region. Mali is the third largest gold producing country in Africa, hosting multiple operating gold mines (exploiting numerous individual deposits) along with a number of gold mines in the development stage.

The **Koussikoto Ouest** permit (100km$^2$) straddles a regionally significant structure referred to as the Main Transcurrent Zone (MTZ) in the far west of the Kenieba Province, along strike from the Massawa (+3Moz) and Sabodala (+2Moz) Gold Deposits in Senegal (Figure 1).

Exploration work at Koussikoto Ouest has focused on the northern portion of the permit (Figure 2) where soil geochemistry surveys, geophysics, trenching and drilling have been completed (Figure 3, Figure 4).

A number of broad gold-in-soil anomalies were delineated, with subsequent trenching returning results such as **22m @ 3.29 g/t Au and 15m @ 2.29 g/t Au**. Shallow follow up drilling beneath these trenches intersected **high grade gold mineralisation**, including **18m @ 3.35 g/t Au** and **4.5m @ 18.55 g/t Au**. Results from the historical drilling and trenching are shown in Appendix A.

In total, 49 holes for 5,068 metres of drilling have been undertaken on the northern portion of the Koussikoto Ouest property. The drilling to date, which sporadically targeted small sections of an extensive 4km long gold trend, provides significant encouragement for the discovery of potentially economic gold deposits along

trend. In addition, multiple untested anomalies occurring more broadly on the project area call for detailed drill follow-up and a significantly expanded exploration program on the balance of the property.

Gold prospective rocks along the eastern side of the Kenieba Province are transected by a NNW-SSE trending strike-slip fault known as the Senegal-Malian Shear Zone (SMSZ). This structure is present over a strike length of more than 500km. The Sadiola (13Moz), Yatela (+4Moz), Loulo (+12Moz) and Fekola (+4Moz) gold deposits are related to this major structure (Figure 1).

The Kenieko Nord permit is located in proximity to the SMSZ, to the north of the Loulo Gold Mine Camp (+12Moz; Randgold Resources – see Figure 1). The property is bounded to the west by the Faleme River, defining the border between Mali and Senegal. Soil sampling, which appears to be incomplete over the permit area, is the only work done to date. Indiana considers the regional geological setting, combined with the early positive results from the soil sampling, to be highly encouraging for gold, and believes an expanded exploration program is warranted to define targets for drill testing.

As part of its due diligence, the Company intends to undertake a comprehensive compilation and review of the available data and on satisfactory completion of due diligence will commence a program of field reconnaissance.

**Figure 2 – Koussikoto Ouest: drill holes with gold-in-soil anomalies over IP resistivity image**

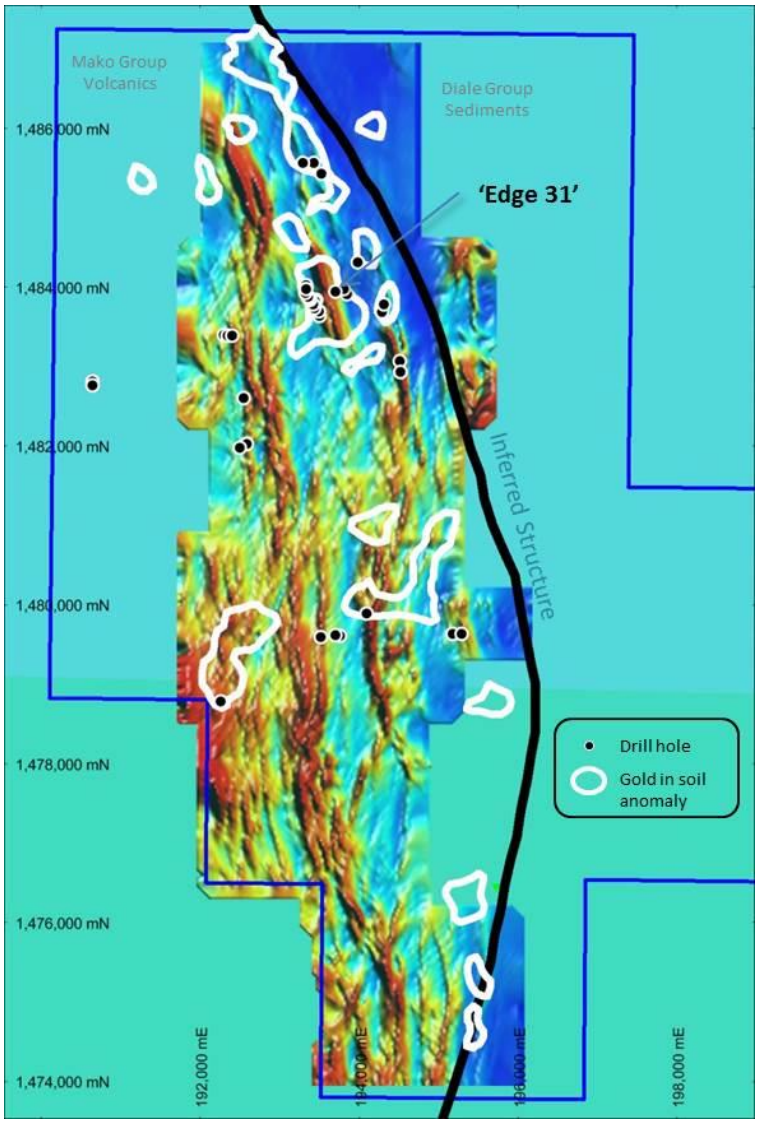


**Figure 3 – Koussikoto Trenching**

**Figure 4 – Koussikoto Drilling (Core from hole MOKDD0040)**

**The Term Sheet**

The commercial terms of the Term Sheet are summarised below. Provisions of the Term Sheet relating to matters such as the grant of the option, the due diligence process and specified other matters are binding, but otherwise the Term Sheet is non-binding.

1. Mukuyu is a proprietary exploration company and is the legal and beneficial owner of interests in two exploration permits at Koussikoto Ouest (75% interest via Olive Mining SARL) and Kenieko Nord (95% interest via Lucky Miners) covering a total area of 126km$^2$, located in the Kenieba Province of western Mali.

2. Pursuant to the terms of the Option Agreement, Mukuyu has agreed to grant the Company an exclusive 21-day option ('**Option**') to conduct due diligence on Mukuyo and the Mukuyu Assets for the purpose of determining whether to purchase 100% of the fully paid ordinary shares in the capital of the Mukuyu (free from encumbrances), including Mukuyu's interests in the Assets ('**Acquisition**').

3. The consideration for the Option will be made through the issue of 650,000 fully paid ordinary shares in the capital of the Company. These shares will be issued, without shareholder approval, within 3 business days of the date of the Option Agreement.

4. Upon successful completion of due diligence and exercise of the Option, the Company will issue 6,500,000 fully paid ordinary shares in the capital of the Company ('**Consideration Shares**') to acquire all of the issued capital in Mukuyu.

5. Mukuyu shareholders have agreed to voluntarily escrow the Consideration Shares for a period of 12 months from settlement of the Acquisition ('**Settlement**').

6. Subject to exercising the Option, Indiana has agreed to spend A$2 million on the Mukuyu Assets on exploration (including expenditure on tenement rentals, maintaining the tenements in good standing and administration in Mali) within 12 months from Settlement.

7. In addition, Indiana has agreed to pay deferred consideration (subject to any required regulatory approvals), linked to the discovery of mineral resources (that meet the requirements of the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) as follows:

    - 10,000,000 shares on the delineation of a mineral resource of 500,000 ounces of gold on the Mukuyu Assets, subject to at least 250,000 ounces being in the category of Indicated Resources; and
    - 12,500,000 shares and 6,500,000 options with an exercise price of $0.20 and a term of 4 years from date of issue, on the delineation of a mineral resource of 1,000,000 ounces of gold on the Mukuyu Assets, subject to at least 500,000 ounces being in the category of Indicated Resources.

8. An introductory fee of 500,000 fully paid ordinary shares and 500,000 options with an exercise price of $0.20 and a term of 4 years from date of issue, will be issued to an unrelated party.

**Placement**

The Company is also pleased to advise that it has received commitments from sophisticated investors for the placement of 13,798,00 shares at 6.5 cents per share (before costs, facilitated by Longreach Capital).

The placement comprised:

- 10,712,890 shortfall shares under the Company's recent 1 for 3 non-renounceable entitlement offer that closed on 19 January 2018 ('**Shortfall Shares**'); and
- 3,085,110 shares under the Company's Listing Rule 7.1 placement capacity ('**Placement Shares**').

On completion of the allotment of the Shortfall Shares and Placement Shares, the Company will have 78,403,677 ordinary shares on issue.

A notice under section 708A(5)(e) of the Corporations Act 2001 and an Appendix 3B with respect to the allotment of the Shortfall Shares and Placement Shares will be lodged separately with the ASX.

**For further information, please contact:**

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***Competent Person's Statement***

*Information relating to historical exploration results from the Mukuyu assets, located on two tenements in western Mali that are the subject of a non-binding term sheet to which the Company is a party, is based on information provided by the project vendor and reviewed 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 historical exploration results in this announcement in the form and context in which it appears.*

To find out more, please visit www.indianaresources.com.au.

## Appendix A. Summary of Drilling and Trenching Results at Koussikoto Ouest, Mali

| Hole_ID | Northing | Easting | Dip | Azimuth | Hole Depth | From | To | Width | Grade |
|---|---|---|---|---|---|---|---|---|---|
| MOKDD0035 | 1482957 | 194520 | -45 | 75 | 220 | 57.25 | 57.75 | 0.5 | 1.30 |
| and | | | | | | 150.50 | 151.25 | 0.75 | 1.17 |
| MOKDD0040 | 1483866 | 193452 | -55 | 250 | 160.3 | 81.20 | 84.40 | 3.2 | 2.97 |
| and | | | | | | 93.30 | 93.80 | 0.5 | 0.69 |
| and | | | | | | 98.80 | 103.30 | 4.5 | 18.55 |
| *incl* | | | | | | *101.30* | *102.30* | *1* | *70.45* |
| and | | | | | | 119.80 | 120.30 | 0.5 | 0.57 |
| MOKDD0040B | 1483868 | 193457 | -55 | 250 | 100 | | | | nsa |
| MOKRC0001 | 1479625 | 193518 | -55 | 90 | 54 | | | | nsa |
| MOKRC0002 | 1479637 | 193753 | -55 | 100 | 120 | | | | nsa |
| MOKRC0010 | 1479920 | 194091 | -60 | 340 | 120 | | | | nsa |
| MOKRC0016 | 1478805 | 192263 | -55 | 270 | 72 | 69.00 | 70.00 | 1 | 0.96 |
| MOKRC0017 | 1478808 | 192258 | -55 | 25 | 120 | 47.00 | 52.00 | 5 | 0.93 |
| and | | | | | | 59.00 | 60.00 | 1 | 0.77 |
| MOKRC0018 | 1479664 | 195173 | -55 | 90 | 50 | | | | nsa |
| MOKRC0019 | 1479658 | 195287 | -55 | 90 | 100 | | | | nsa |
| MOKRC0020 | 1483094 | 194506 | -45 | 90 | 180 | 109.00 | 110.00 | 1 | 0.80 |
| MOKRC0021 | 1482957 | 194520 | -55 | 75 | 150 | | | | nsa |
| MOKRC0023 | 1479645 | 193695 | -55 | 100 | 66 | 0.00 | 1.00 | 1 | 2.54 |
| MOKRC0024 | 1482053 | 192582 | -55 | 105 | 120 | | | | nsa |
| MOKRC0025 | 1482003 | 192499 | -55 | 90 | 60 | | | | nsa |
| MOKRC0026 | 1483424 | 192293 | -55 | 90 | 50 | | | | nsa |
| MOKRC0027 | 1483414 | 192344 | -55 | 90 | 60 | | | | nsa |
| MOKRC0028 | 1482627 | 192546 | -55 | 90 | 100 | | | | nsa |
| MOKRC0029 | 1483416 | 192399 | -55 | 90 | 60 | | | | nsa |
| MOKRC0030 | 1484342 | 193982 | -45 | 70 | 144 | | | | nsa |
| MOKRC0031 | 1483936 | 193840 | -55 | 90 | 70 | | | | nsa |
| MOKRC0032 | 1483853 | 193434 | -55 | 225 | 50 | 26.00 | 44.00 | 18 | 3.35 |
| MOKRC0033 | 1483851 | 193440 | -55 | 97 | 150 | 9.00 | 10.00 | 1 | 0.64 |
| MOKRC0034 | 1483716 | 194281 | -55 | 100 | 250 | 1.00 | 5.00 | 4 | 0.81 |
| and | | | | | | 8.00 | 9.00 | 1 | 0.86 |
| MOKRC0036A | 1483665 | 193495 | -55 | 95 | 100 | 83.00 | 84.00 | 1 | 1.01 |
| MOKRC0036B | 1483665 | 193495 | -55 | 275 | 50 | | | | nsa |
| MOKRC0037A | 1483723 | 193490 | -55 | 95 | 60 | 24.00 | 25.00 | 1 | 2.15 |
| and | | | | | | 35.00 | 37.00 | 2 | 0.77 |
| MOKRC0037B | 1483723 | 193489 | -55 | 275 | 120 | 4.00 | 6.00 | 2 | 0.87 |
| and | | | | | | 38.00 | 39.00 | 1 | 2.38 |
| and | | | | | | 81.00 | 85.00 | 4 | 0.92 |
| and | | | | | | 96.00 | 101.00 | 5 | 1.13 |
| MOKRC0038A | 1483758 | 193432 | -55 | 95 | 120 | 29.00 | 31.00 | 2 | 0.96 |
| and | | | | | | 82.00 | 84.00 | 2 | 0.92 |
| MOKRC0038B | 1483758 | 193432 | -55 | 275 | 80 | | | | nsa |
| MOKRC0039A | 1483808 | 193416 | -55 | 95 | 100 | 70.00 | 72.00 | 2 | 1.47 |
| MOKRC0039B | 1483808 | 193416 | -55 | 275 | 51 | 10.00 | 11.00 | 1 | 0.52 |
| MOKRC0042A | 1483868 | 193378 | -55 | 70 | 120 | 39.00 | 45.00 | 6 | 1.54 |
| and | | | | | | 48.00 | 50.00 | 2 | 3.89 |
| MOKRC0042B | 1483868 | 193378 | -55 | 250 | 50 | | | | nsa |
| MOKRC0043A | 1483892 | 193376 | -55 | 70 | 120 | 25.00 | 29.00 | 4 | 2.30 |
| and | | | | | | 32.00 | 33.00 | 1 | 3.05 |
| and | | | | | | 111.00 | 112.00 | 1 | 0.59 |
| MOKRC0043B | 1483892 | 193376 | -55 | 250 | 100 | | | | nsa |
| MOKRC0044A | 1483909 | 193352 | -55 | 70 | 116 | 38.00 | 39.00 | 1 | 1.14 |
| and | | | | | | 44.00 | 50.00 | 6 | 3.58 |
| and | | | | | | 57.00 | 58.00 | 1 | 1.77 |

| Hole_ID | Northing | Easting | Dip | Azimuth | Hole Depth | From | To | Width | Grade |
|---|---|---|---|---|---|---|---|---|---|
| MOKRC0044B | 1483909 | 193352 | -55 | 250 | 51 | | | | nsa |
| MOKRC0045 | 1483953 | 193325 | -55 | 95 | 130 | 77.00 | 79.00 | 2 | 0.74 |
| and | | | | | | 122.00 | 124.00 | 2 | 0.90 |
| MOKRC0046 | 1484000 | 193328 | -55 | 95 | 130 | 113.00 | 114.00 | 1 | 0.62 |
| MOKRC0047 | 1484049 | 193331 | -55 | 95 | 130 | 44.00 | 45.00 | 1 | 0.63 |
| and | | | | | | 51.00 | 54.00 | 3 | 3.77 |
| and | | | | | | 89.00 | 90.00 | 1 | 0.56 |
| MOKRC0048 | 1483968 | 193698 | -55 | 70 | 100 | 21.00 | 22.00 | 1 | 1.81 |
| MOKRC0049 | 1484002 | 193806 | -55 | 70 | 78 | | | | nsa |
| MOKRC0050 | 1483808 | 194307 | -55 | 275 | 50 | 16.00 | 17.00 | 1 | 0.70 |
| MOKRC0051 | 1485591 | 193424 | -55 | 95 | 130 | 48.00 | 49.00 | 1 | 14.40 |
| and | | | | | | 71.00 | 72.00 | 1 | 1.30 |
| MOKRC0052 | 1485456 | 193525 | -55 | 100 | 66 | | | | nsa |
| MOKRC0053 | 1485589 | 193291 | -55 | 95 | 120 | 2.00 | 3.00 | 1 | 0.53 |
| and | | | | | | 13.00 | 14.00 | 1 | 1.42 |
| MOKRC0054 | 1482835 | 190641 | -55 | 100 | 150 | | | | nsa |
| MOKRC0055 | 1482787 | 190644 | -55 | 95 | 120 | | | | nsa |

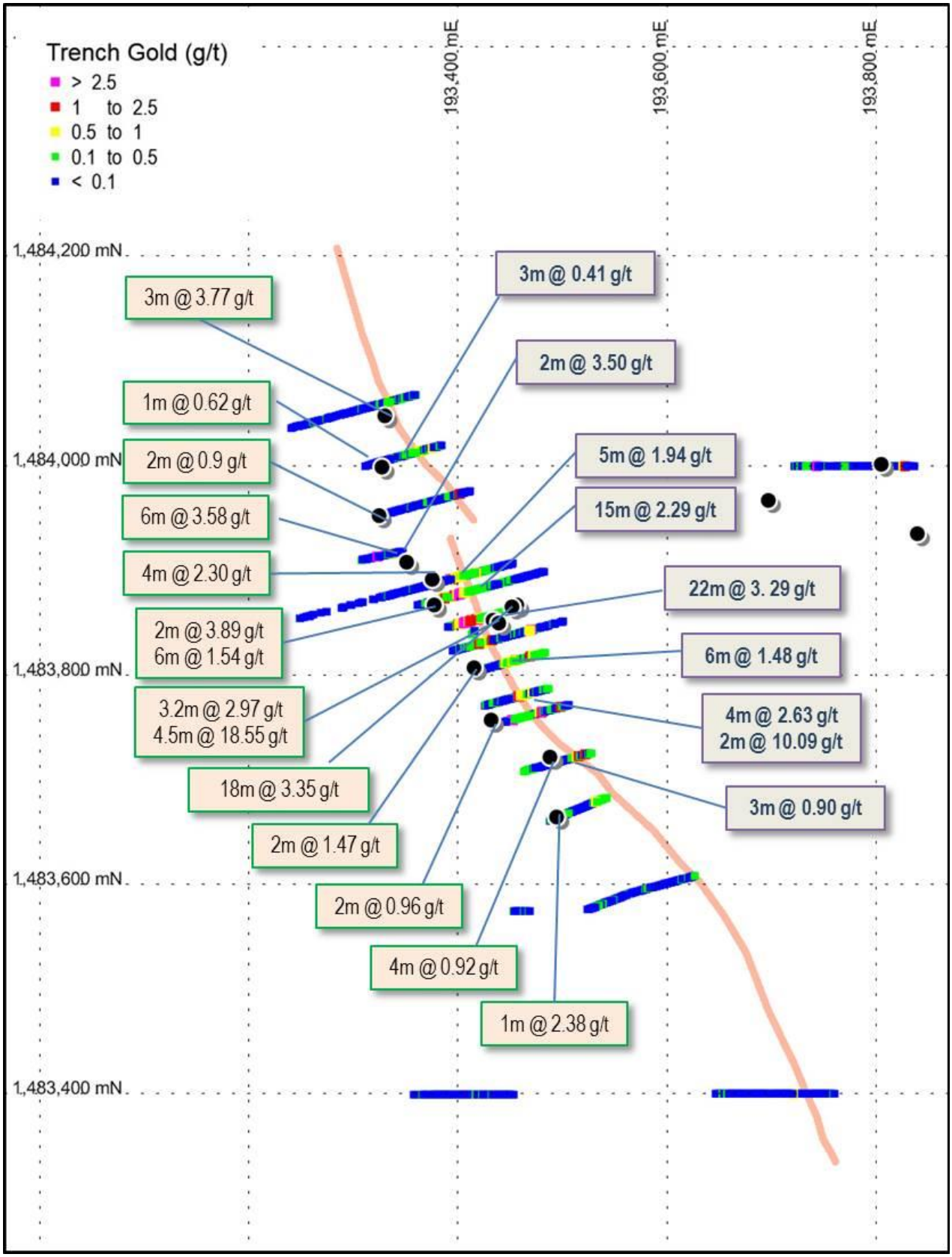
1) Intervals are calculated as length weighted averages of samples using a 0.5 g/t Au cut-off, allowing for 2m maximum internal waste.
2) Refer to JORC Table 1 for additional detailed reporting parameters
3) nsa – no significant assay

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

| Trench_ID | Northing | Easting | Dip | Azimuth | Length | From | To | Width | Grade |
|---|---|---|---|---|---|---|---|---|---|
| TCH_000 | 1483816 | 193390 | 0 | 63 | 112 | 29 | 34 | 5 | 1.27 |
| and | | | | | | | | 3 | 1.27 |
| TCH_N001A | 1483842 | 193390 | 0 | 63 | 61 | 11 | 33 | 22 | 3.29 |
| TCH_N001B | 1483861 | 193375 | 0 | 63 | 128 | 35 | 50 | 15 | 2.29 |
| TCH_N001C | 1483885 | 193364 | 0 | 63 | 94 | 31 | 38 | 7 | 0.55 |
| and | | | | | | 50 | 55 | 5 | 4.03 |
| TCH_N002 | 1483854 | 193248 | 0 | 63 | 213 | 148 | 153 | 5 | 1.94 |
| TCH_N003 | 1483923 | 193310 | 0 | 63 | 41 | 29 | 31 | 2 | 3.50 |
| TCH_N003B | 1483708 | 193462 | 0 | 63 | 68 | 53 | 56 | 3 | 0.9 |
| TCH_N004 | 1483955 | 193334 | 0 | 63 | 81 | | | | nsa |
| TCH_N005 | 1484000 | 193312 | 0 | 63 | 81 | 53 | 56 | 3 | 0.41 |
| TCH_N006 | 1484030 | 193247 | 0 | 63 | 125 | | | | nsa |
| TCH_S001 | 1483794 | 193412 | 0 | 63 | 68 | 39 | 41 | 2 | 1.26 |
| TCH_S002 | 1483765 | 193423 | 0 | 63 | 64 | 33 | 41 | 8 | 1.25 |
| TCH_S003 | 1483755 | 193444 | 0 | 63 | 65 | 9 | 11 | 2 | 10.09 |
| and | | | | | | 36 | 40 | 4 | 2.63 |
| TCH_S004 | 1483661 | 193488 | 0 | 63 | 72 | | | | nsa |
| TCH_S005 | 1483575 | 193453 | 0 | 90 | 17 | | | | nsa |
| TCH_S006 | 1483576 | 193524 | 0 | 63 | 111 | | | | nsa |
| TCH_S007 | 1483399 | 193354 | 0 | 90 | 100 | | | | nsa |
| TCH_S008 | 1483400 | 193647 | 0 | 90 | 114 | | | | nsa |
| TCH_S009 | 1482205 | 193949 | 0 | 90 | 101 | | | | nsa |

1) Intervals are calculated as length weighted averages of samples using a 0.5 g/t Au cut-off, allowing for 2m maximum internal waste.
2) Refer to JORC Table 1 for additional detailed reporting parameters
3) nsa – no significant assay

**Koussikoto 'Edge 31' prospect drill hole and trench plan. See Figure 2 for location context**



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

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Sampling techniques* | • *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.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *Aspects of the determination of mineralisation that are Material to the Public Report.*<br>• *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.* | • All of the reported sampling was undertaken by the project vendor, Mukuyu Resources, during the period 2013 to present.<br>• Reverse Circulation (RC) drill holes were routinely sampled at 1m intervals down the hole.<br>• RC Samples were collected at the drill rig by riffle splitting drill spoils to collect a nominal 2 - 3 kg sub sample.<br>• Diamond (DD) drill holes were sampled to geological boundaries for the length of the hole.<br>• DD holes were sampled by cutting the core in half length-wise down the core axis.<br>• Routine standard reference material, sample blanks, and sample duplicates were inserted/collected at every 10th sample in the sample sequence.<br>• All samples were submitted to SGS Bamako for preparation and analysis by 30g Fire Assay.<br>• Trench samples were routinely sampled at 1m intervals along the trench |
| *Drilling techniques* | • *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).* | • Holes were completed by reverse circulation (RC) drilling and diamond drilling (DD) techniques<br>• RC hole diameter was nominally 5.5 Inch. A face sampling down hole hammer was used at all times.<br>• DD hole diameter varied from HQ- size to NQ-size core. |
| *Drill sample recovery* | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *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.* | • A qualitative estimate of sample recovery was done for each sample metre collected from the RC drill rig.<br>• Sample recovery and quality is believed to be adequate for the drilling techniques employed. |
| *Logging* | • *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.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | • All sample intervals were geologically logged by geologists.<br>• Where appropriate, geological logging recorded the abundance of specific minerals, rock types and weathering using a standardized logging system. |
| *Sub-sampling techniques and sample preparation* | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *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.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | • All 1m samples were riffle split at the drill rig.<br>• DD holes were sampled by cutting the core in half length-wise down the core axis.<br>• Trenches were sampled by continuous rock chipping along the base of the trench<br>• Routine RC sample duplicates were taken to evaluate whether samples were representative.<br>• Additional sample preparation was undertaken by SGS Bamako laboratory.<br>• 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.<br>• Sample sizes and laboratory preparation techniques are considered to be appropriate for this early stage |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | | exploration and the commodity being targeted. |
| *Quality of assay data and laboratory tests* | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*<br>• *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.* | • Analysis for gold was undertaken at SGS Bamako by 30g Fire Assay with AAS finish to a lower detection limit of 0.01ppm. Fire assay is considered a "total" assay technique.<br>• No geophysical tools or other non-assay instrument types were used in the analyses reported.<br>• Routine standard reference material, sample blanks, and sample duplicates were inserted/collected at every 10th sample in the sample sequence.<br>• QC data has not been investigated in detail, however, a review of standard reference material and sample blank data suggest there are no significant analytical bias or preparation errors.<br>• Results of analyses for field sample duplicates are consistent with the style of mineralisation being evaluated. |
| *Verification of sampling and assaying* | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | • Data was compiled and digitally captured by the project vendor.<br>• Twin holes were not utilized to verify results.<br>• Reported drill hole intercepts have been compiled by the Company's technical consultant utilising the digital data provided by the project vendor.<br>• There were no adjustments to assay data. |
| *Location of data points* | • *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.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | • Drill hole collars were set out in UTM grid WGS84_Zone29N<br>• Drill hole collars were positioned using hand held GPS.<br>• Drill holes are routinely surveyed for down hole deviation at approximately 30m spaced intervals down the hole.<br>• Locational accuracy at collar and down the drill hole is considered appropriate for this early stage of exploration. |
| *Data spacing and distribution* | • *Data spacing for reporting of Exploration Results.*<br>• *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.*<br>• *Whether sample compositing has been applied.* | • Holes were drilled on variably spaced 50 - 100 m spaced east-west orientated drill sections.<br>• Hole spacing on section varies between 10m to 50m.<br>• The reported drilling has not been used to estimate JORC-compliant mineral resources or reserves.<br>• Sample compositing was not applied. |
| *Orientation of data in relation to geological structure* | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>• *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.* | • Exploration is at an early stage and the true orientation of mineralisation has not been confirmed at this stage. |
| *Sample security* | • *The measures taken to ensure sample security.* | • Samples were stored on site in a locked storage area prior to road transport by Company personnel to the laboratory in Bamako, Mali. |
| *Audits or reviews* | • *The results of any audits or reviews of sampling techniques and data.* | • There have been no external audit or review of the sampling techniques or data. |

## APPENDIX B. JORC 2012 Table 1 Reporting (cont.)
### Section 2. Reporting of Exploration Results

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| *Mineral tenement and land tenure status* | • *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.*<br>• *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.* | • The reported results are from within the Koussikoto Ouest Permit, which is held by Olive Mining SARL, a subsidiary of Mukuyu Resources, and the Kenieko Nord Permit, held by Lucky Miniers under agreement with Mukuyu Resoures.<br>• The Koussikoto Ouest and Kenieko Nord Permit are the subject of an active due diligence assessment by Indiana Resources. |
| *Exploration done by other parties* | • *Acknowledgment and appraisal of exploration by other parties.* | • The area which is presently covered by the permit areas was explored intermittently by Randgold Resources and Caracal Gold during the period 1990. To 2013. Exploration consisted of mapping and soil sampling.<br>• Mukuyu Resources, the project vendor, undertook exploration during the period 2013 to present, which included surface sampling, geophysical surveying, trenching and drilling. |
| *Geology* | • *Deposit type, geological setting and style of mineralisation.* | • The deposit style targeted for exploration is lode gold. This style of mineralisation typically forms as veins or disseminations in altered host rock.<br>• 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.<br>• Lateritic weathering is common within the project area. The depth to fresh rock is typically 70m vertical. |
| *Drill hole Information* | • *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:*<br>  ○ *easting and northing of the drill hole collar*<br>  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>  ○ *dip and azimuth of the hole*<br>  ○ *down hole length and interception depth*<br>  ○ *hole length.*<br>• *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.* | • Reported results are summarised in Appendix A within the attached announcement.<br>• The drill holes reported in this announcement have the following parameters applied. All drill holes completed, including holes with no significant gold intersections are reported.<br>• Grid co-ordinates are UTM WGS84_29N<br>• Collar elevation is defined as height above sea level in metres (RL)<br>• Dip is the inclination of the hole from the horizontal. Azimuth is reported in WGS 84_29N degrees as the direction toward which the hole is drilled.<br>• Down hole length of the hole is the distance from the surface to the end of the hole, as measured along the drill trace<br>• Intersection depth is the distance down the hole as measured along the drill trace.<br>• Intersection width is the down hole distance of an intersection as measured along the drill trace<br>• Hole length is the distance from the surface to the end of the hole, as measured along the drill trace. |
| *Data aggregation methods* | • *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.*<br>• *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths* | • Drill hole and trench intervals are reported from length weighted average sample assay results<br>• A minimum cut-off grade of 0.5 g/t Au is applied to the reported intervals.<br>• Maximum internal dilution is 2m within a reported interval. |

| Criteria | JORC Code explanation | Commentary |
|---|---|---|
| | *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.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | • No grade top cut off has been applied.<br>• No metal equivalent reporting is used or applied. |
| *Relationship between mineralisation widths and intercept lengths* | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *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').* | • The reported results are from early stage exploration drilling; as such the orientation of geological structure is uncertain.<br>• Results are reported as down hole length, true width is unknown. |
| *Diagrams* | • *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.* | • Drill hole locations are included in Figure 2 and Appendix A |
| *Balanced reporting* | • *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.* | • Drilling results have been comprehensively reported in this announcement.<br>• Drill holes completed, including holes with no significant gold intersections, are reported |
| *Other substantive exploration data* | • *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.* | • Due diligence is underway. 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. |
| *Further work* | • *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | • The property is currently the subject of a due diligence review. |