

07/03/2018

Letter from the Chairman

Dear Shareholders

Given recent developments at Indiana, I thought it opportune to write to shareholders with an update on activities and an outline of the overall strategy determined by the Board for the Company.

When I joined the Board of Indiana in April 2017, I outlined to shareholders my great passion for Africa, where I believe there are still many opportunities for exploration discoveries for companies such as Indiana.

The recent announcement that Indiana has entered into an Option Agreement to acquire 100% of Mukuyu Resources Limited¹ (**'Mukuyu'**) exposes the Company to an exceptional opportunity to acquire advanced exploration ground in an outstanding location where there is a history of major gold discoveries.



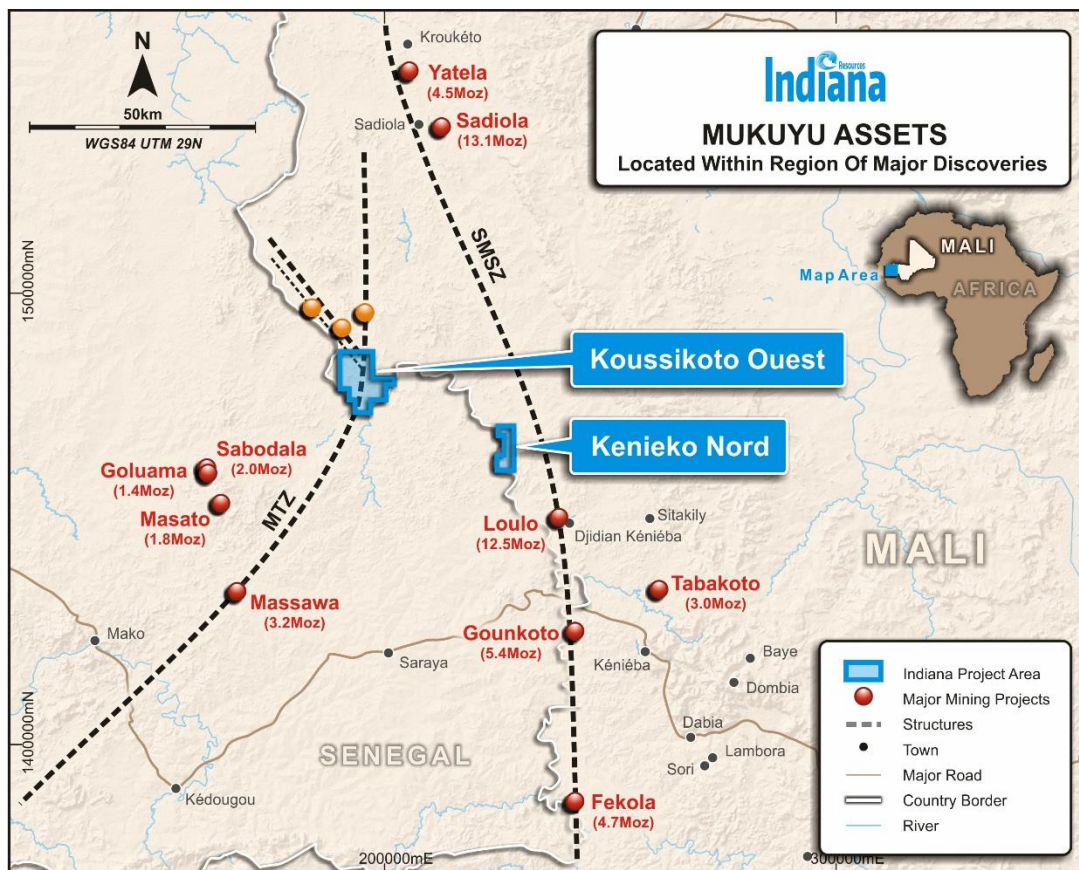
Clockwise – reviewing diamond core from historic drilling at Koussikoto Ouest, outcrop sample from Koussikoto Ouest and current trenching work under way at Koussikoto Ouest

The proposed acquisition delivers a strategic foothold in the highly prospective and tightly held Western Mali Gold Province with an in-country team in place and on ground exploration work currently under way. From a running start, we will be able to expand current exploration activities and quickly progress on ground

¹ Further information on Mukuyu can be found at <http://mukuyuresources.com/>

activities. The acquisition is a clear demonstration of our ability to deliver on a “right size, right fit” project for the Company.

The Mukuyu Assets comprise two exploration permits at Koussikoto Ouest and Kenieko Nord (total area of 126km²), located in the prolifically gold mineralised Kenieba Province of western Mali, approximately 550km west of the capital city of Bamako. 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.



Map showing location of Koussikoto Ouest and Kenieko Nord projects

Previous exploration on the Mukuyu Assets has included soil geochemistry, geophysics, trenching and shallow drilling, all of which have generated encouraging results, with Koussikoto Ouest returning high-grade drill results including **18m @ 3.35 g/t Au** and **4.5m @ 18.55 g/t Au**.²

The drilling to date, which sporadically targeted small sections of an extensive gold trend, provides significant encouragement for the discovery of potentially economic gold deposits along strike. In addition, multiple untested anomalies occur more broadly on the project area, which demand further investigation and drill testing.

A programme of trenching is currently under way, that involves 24 trenches for a total of 5,000m-6,000m to test various IP and Geochemical anomalies. Close to 3,000m (14 trenches) have been completed so far and the remaining 2,500-3,000m (10 trenches) will be completed in the next two weeks, with assay results expected to be available shortly after conclusion of the trenching. Information from the trenching programme will be used to inform the immediate planning of a drill programme to commence in May 2018. Indiana is also considering other possible work programmes to take place before June 2018 and the start of the rainy season to improve existing data sets and plan an expanded exploration programme for the October

² ASX announcement 1 March 2018. Since announcing these exploration results on 1 March 2018, Indiana confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

2018–June 2019 exploration season. This may include expanded mapping, geochemical surveys, IP surveys and augur drilling in key target areas.

Indiana considers the regional geological setting, combined with the early positive results to be highly encouraging for gold, and believes an expanded exploration programme 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 programme of detailed field reconnaissance.

Full details of the proposed transaction are available on the Company's website.

The Company is now working through the 21-day due diligence programme and I write this having just completed eight days in Mali that included a field visit, a preliminary administrative and corporate review in the capital city Bamako, and meetings with relevant government departments and with Mukuyu's current joint venture partners. Our preliminary findings have been very positive, and we were particularly pleased with the quality of the in-country management and technical teams who have been working with Mukuyu for some years. It is anticipated that Indiana will retain all staff currently employed by Mukuyu, which delivers us a significant advantage to be able to quickly progress on-ground activities.



The Chairman with the Mukuyu exploration team

To support Indiana's current strategy and in conjunction with executing the Term Sheet with Mukuyu, Indiana expects to shortly complete a placement to raise \$896,870 ('**Placement**'). The Placement will comprise the issue of 10,712,890 shortfall shares from the Company's recent 1 for 3 non-renounceable entitlement offer and the issue of 3,085,110 shares under the Company's Listing Rule 7.1 placement capacity. On completion of the Placement, the Company will have 78,403,677 shares on issue and with approximately \$1.6m cash at bank, is in a strong position without having undergone any major expansion of the capital structure. This has provided sufficient funds to support due diligence activities and an accelerated exploration effort in Mali if the transaction with Mukuyu completes.

Whilst the Board has been progressing project generation and acquisition activities, we have also been continuing to engage with the Tanzanian Government to assess the impact of legislation passed in July last year and the Mining Regulations released in January 2018. Indiana recently lodged a submission to the Ministry of Minerals with respect to the Ntaka Hill Retention Licence and expects to engage with the Government in due course to resolve the uncertainty created by the cancellation of Retention Licenses.

We are actively engaged with our main joint venture partner on options to deliver value to shareholders on the Ntaka Hill Nickel Project. This has included discussions on progressing feasibility studies for Ntaka Hill, and outright disposal of Indiana's interest in Ntaka Hill. We will update the market in due course on these discussions. Our Naujombo and Kishugu gold tenements remain in good standing and following the positive

exploration results achieved from aircore drilling last year, we remain interested in progressing these assets once we have a clearer understanding of the governmental operating environment.

As you would be aware, we have operated without a Managing Director since September last year. The Board was of the view that it was appropriate (and cost effective) to delay the recruitment of a Managing Director until project acquisition had been completed. Should the transaction with Mukuyu go ahead, we will begin the process of recruiting a suitably qualified and experienced Managing Director.

We all acknowledge that 2017 was a challenging year for Indiana and its shareholders on several fronts. The continuing challenges in dealing with significant shareholder BPM Capital Limited and their representative Josef El Raghy during the year resulted in significant management and director time being dedicated to matters that created no value for shareholders, created shareholder unease, unsettled the market and consumed valuable company funds.

In September 2017, we reset the strategy for Indiana, with a focus on acquiring an exploration asset in a well-regarded jurisdiction, realising the value of the Ntaka Hill Nickel Project and largely preserving the Company's capital structure. It is pleasing to report that in the ensuing six months, strong progress has been made in delivering on this strategy. I am confident that this proposed acquisition will create a more stable environment for the Company moving forward and that we can focus on creating shareholder value from the acquisition of Mukuyu.

I sincerely thank shareholders for their continued faith and support in the current board and would encourage shareholders to please contact me directly if you would like any further information.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Bd Barnes'.

Bronwyn Barnes

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