

08/08/2018

Letter from the Chairman

Dear Shareholders

Following the release of the final drilling results for the 2017-18 Mali field season and the recent appointment of a new CEO, I thought it fitting to provide a personal update to shareholders that outlines our strategy and our vision for the Company.

Since my last Chairman's update, we have successfully completed the acquisition of 100% of Mukuyu Resources Limited, which provided the Company with a portfolio of advanced gold exploration assets in the prolifically mineralised Kenieba Province in Mali – Koussikoto Ouest ('**Koussikoto**') and Kenieko Nord ('**Kenieko**'). This 100% scrip-based acquisition means that Indiana has acquired a strategic and supportive cornerstone investor in Mr Peter Anderton, who was one of the geologists responsible for the original discovery of the renowned Riversdale coal assets in Mozambique. As part of this acquisition, Indiana has gained a highly experienced and competent Malian team which has allowed us to rapidly progress the testing of the new opportunities at Koussikoto and Kenieko. The completion of recent drilling programmes at both of these projects has delivered very encouraging results and confirmed the Board's belief in the quality of these assets. 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



The period from August to September is the rainy season in Mali and operations on the ground are not possible during these months. The Company is using this time to review its existing datasets for Koussikoto and Kenieko, combined with results from recently completed drilling programmes in order to plan the next field season that will run from October 2018 to August 2019. At this stage, the Company intends additional reconnaissance and RC drilling at both Koussikoto and Kenieko along with soil geochemistry, Induced Polarisation surveys and trenching programmes. Further updates will be provided to market as these programmes are developed and the timing for commencement is confirmed.

The recent appointment of Chris van Wijk as the Chief Executive Officer at Indiana is a key step forward in the Company implementing its longer-term strategy around exploration in Mali, development options for the Company's Ntaka Hill nickel project in Tanzania and pursuing further acquisition opportunities in Mali with the aim of consolidating a strong prospective land package.

Chris has strong technical background as an exploration geologist and has a history of working in Tanzania and West African francophone countries. Most recently, Chris was Principal Geologist at FMG with a focus on business development opportunities. His skill set is an excellent fit for Indiana and its corporate strategy of concentrating on Africa and in particular its expansion into Mali. We are actively progressing discussions with a number of companies for potential acquisitions and joint ventures for projects in that country and as well, in other west African jurisdictions that tie into the Company's longer-term vision.

Whilst the Board has been progressing project generation and acquisition activities, we also continue to work proactively with the Tanzanian Government to assess the impact of legislation passed in July last year and the Mining Regulations released in January 2018. Indiana has made a submission to the Ministry of Minerals with respect to the Ntaka Hill Retention Licence and is in active discussions with the recently appointed Mining Commission to work through a process to clarify tenure for this important asset.

The current market appetite for high grade and quality nickel deposits suitable for the battery market supports the development potential for the Ntaka Hill Nickel Project and the Company is actively engaged with several parties on options to deliver value to shareholders. These discussions include advancing to a feasibility study with potential partners and various sale options for Indiana's interest in Ntaka Hill that would allow a new joint venture partner to assume management responsibility of the asset. We believe that completion of a transaction on Ntaka Hill has the capacity to re-rate the Indiana share price and we will update the market on these discussions as our progress allows. Our gold assets in Tanzania, Naujombo and Kishugu, remain valid exploration prospects in their own right, however the Company will not commit to further exploration there until we have a clearer understanding of the legal and regulatory framework for mining and exploration projects.

To support Indiana's current strategy, Indiana has recently announced a rights issue to shareholders to raise up to \$3million ('Rights Issue'). The Rights Issue will allow the possible placement of up to 50 million shares through a 10:17 entitlement offer. Monies raised through the Rights Issue will support exploration activities in Mali for the foreseeable future, along with providing operational funding to support project opportunity reviews. The Board sees the current Rights Issue as an opportunity for shareholders to continue to support the Company's activities with minimal dilution to existing shareholders. The Rights Issue has the support of its major shareholder and the Company is also considering underwriting options to ensure it is fully funded to continue activities well into 2019.

I sincerely thank shareholders for their continued support of the current board and would encourage shareholders to please contact either Chris van Wijk or myself if you would like any further information.

Yours sincerely

Bronwyn Barnes

For further information, please contact:

Bronwyn Barnes
Chairman
T: +61 (0) 417 093 256

Chris van Wijk
Chief Executive Officer
T: +61 8 9388 7877