

12 September 2018

Ntaka Hill Nickel Project – Update on Status and Activities

Indiana Resources Limited (ASX: IDA) ('Indiana' or the 'Company') is pleased to provide the following update on the Ntaka Hill Nickel Project ('Ntaka Hill' or 'Project') located in south-east Tanzania.

The Company is encouraged by recent developments in the regulatory environment in Tanzania as it appears that the Mining Commission is now operating effectively. We note recent progress made by companies such as Walkabout Resources Limited and Strandline Resources Limited, both of whom were granted a Mining Licence by the Tanzanian Government in August 2018, and Kibaran Resources Limited, who has recently received notification from the Commission that its Mining Licence will be renewed for a further 10 years upon expiry.

In light of this positive news and an emerging market demand for nickel sulphate for use in lithium-ion batteries, Indiana is pleased to advise that Ntaka Hill remains an asset of key value and it is keen to ensure the value of this asset is realised for shareholders.

Following changes to the legal and regulatory framework governing the Tanzanian resources industry that were announced in July 2017 and January 2018, the Company made a submission to the Ministry of Minerals regarding its Ntaka Hill Project in February 2018. The submission outlined historic work programmes completed, demonstrated a clear schedule of potential development activities and requested that the Company be granted a Mining Licence to allow the Company to advance these development options.

The Company's CEO, Chris van Wijk, is currently in Tanzania reviewing historical exploration work at Ntaka Hill, including a review of drill core and arranging for the export of samples for further metallurgical testwork (see Figure 1). The goal of this testwork is to demonstrate the suitability of the Ntaka Hill low-medium grade ore for pre-concentration using Ore Sorter technology. It is believed that the Ntaka Hill low-medium grade ore has characteristics that make it extremely amenable to Ore Sorting, in particular that the ore is hard and has very discrete grade domains between barren rock and mineralised material as well as a sulphide signature that is extremely responsive to sensors in an Ore Sorter. The cost of this testwork is modest, and the goal is to reduce the estimated capital cost by reducing the size and energy requirements of the processing plant.

Over US\$60 million has been spent on exploration at Ntaka Hill, with significant high-grade intersections recorded (see Figure 2) and a large mineral resource defined (see Table 1 below).

Table 1. Ntaka Hill Mineral Resource¹

Category	Ore (kT)	% Ni	% Cu	% Co	Contained nickel(t)
Measured	1,124	1.74	0.29	0.06	19,500
Indicated	19,199	0.51	0.12	0.02	98,380
Inferred	35,930	0.70	0.14	0.02	238,500
Total	56,253	0.66	0.14	0.02	356,380

1. ASX announcement 19 August 2013. Since announcing the Mineral Resource estimate on 19 August 2013, Indiana confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning that Mineral Resource estimate continue to apply and have not materially changed.

As previously advised to the market, Indiana is in discussions with interested parties with a view to advancing development activities for Ntaka Hill. These activities include additional drilling to infill the existing resource and upgrade the resource classification. This would enable the Scoping Study on a small scale high-grade development option that was completed in 2017 to be upgraded to a level suitable for release to the market. The resolution of the tenure position of Ntaka Hill will be critical for these activities to take place and Indiana continues to liaise with the Government of Tanzania to find a solution that is workable for the Company and sits within the current legislative framework.

Indiana has requested a formal meeting with the Ministry of Minerals and the Mining Commission to highlight the development potential of Ntaka Hill and the crucial importance of timing, in light of the current opportunity in the nickel market. The Company recognises that the support of the Tanzanian Government in securing the development opportunity at Ntaka Hill is critical and is taking all steps to ensure that an outcome that meets the Government's requirements, while allowing the Company to develop Ntaka Hill, is achieved.

Indicative of its commitment to Ntaka Hill, and in anticipation of reaching a satisfactory resolution to the current discussions with the Tanzanian Government, Indiana has maintained its site infrastructure (see Figures 3 and 4) at Ntaka Hill and retained an in-country exploration team. Upon reaching a resolution with the Tanzanian Government, Indiana can move immediately to secure its preferred development partner and progress additional drilling and development studies to advance the Project.

The Company will provide further updates to the market on developments in Tanzania as matters progress.

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For further information, please contact:

Chris van Wijk
Chief Executive Officer
T: +61 (0) 417 093 256

Stuart McKenzie
Company Secretary
T: +61 8 9388 7877

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

Figure 1. Indiana CEO inspecting Ntaka Hill drill core



Figure 2. Significant high-grade intersections at Ntaka Hill

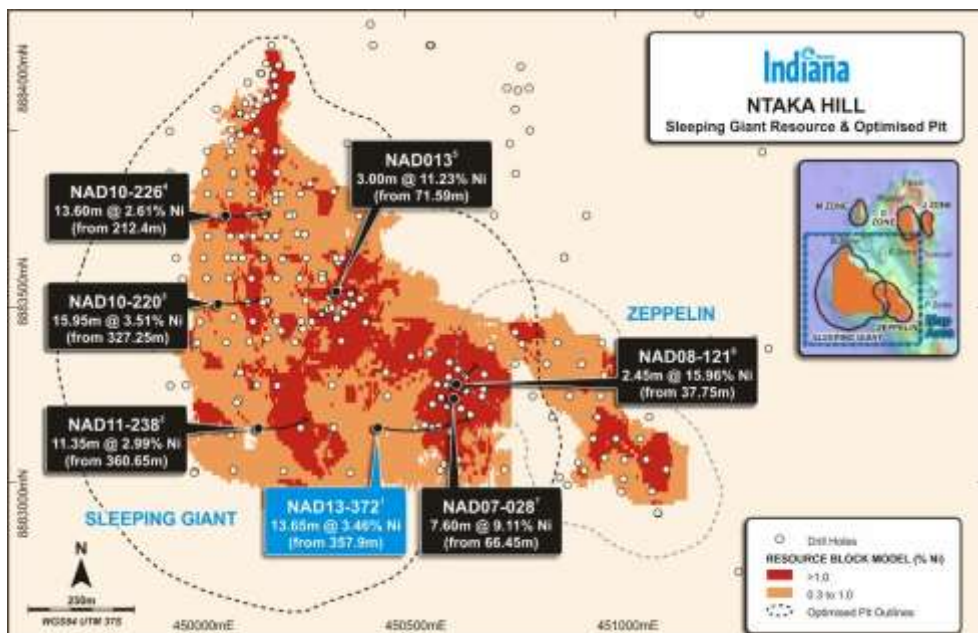


Figure 3. Ntaka Hill core shed



Figure 4. Ntaka Hill camp offices

