

6 May 2019

Option to Acquire Strategic Northern Strike Extension to Existing West Mali Ground Package

Highlights

- Indiana finalises option to acquire Saboussire Licence in West Mali
- Saboussire license covers an area of 100 km² located on the Main Transcurrent Zone immediately north of the Kossanto West license
- The option delivers Indiana the opportunity to grow the land position in Western Mali to 363km²
- This delivers a large contiguous landholding that will enable a coordinated regional exploration approach to a highly prospective area

Indiana Resources Limited (**ASX: IDA**) (**'Indiana'** or the **'Company'**) is pleased to announce that its wholly owned subsidiary Mukuyu Resources Limited (**'Mukuyu'**) has entered into an Option Agreement (the **'Option'**) over the Saboussire License (**'Saboussire'**) in western Mali (see Figure 1). The Option, to acquire an eventual 85% stake in the Saboussire license through an exploration earn-in Joint Venture has been agreed with FIMOCO SARL, (**'FIMOCO'**) and becomes effective on satisfaction of certain conditions within the next 30 days due diligence period. No issues are anticipated in relation to satisfaction of those conditions.

The Saboussire license covers an area of 100 km², the maximum size for a single license in Mali and is located on the Main Transcurrent Zone, immediately north of the Kossanto West license (**'Kossanto West'**), held in JV with Cradle Arc Plc. The Option increases the land available for Indiana's exploration activities by 100km², bringing the Company's total exploration area in Mali to 363km².

The Main Transcurrent Zone is interpreted to be one of the structures which controls mineralisation in Western Mali and Eastern Senegal. This is considered to be an excellent geological and structural location, within the highly prospective Kenieba Inlier of Western Mali, which is known to host a number of very large gold deposits, including the Loulou 12.5Moz deposit (Barrick Gold) and the Sabodala 6Moz deposit (Teranga Gold).

Indiana's Chair, Bronwyn Barnes commented: *"Indiana is pleased to have concluded the Option Agreement with FIMOCO as it provides a further low-cost, non-dilutive entry into a highly prospective license that has seen very little modern exploration to date. This Option is consistent with the Company's stated strategy to increase our land holdings in Mali and allows Indiana to methodically continue its exploration in the area. Our review of the area has indicated that there is strong potential for the results returned from Koussikoto and Kossanto West to extend further north into the Saboussire license and we look forward to starting the initial exploration program within the first 90 days."*

Notable results from previous exploration at Kossanto West (immediately south of the Saboussire licence area) include¹:

- 15m @ 10.12 g/t Au, from 14m;
- 6m @ 7.84 g/t Au, from 24m;
- 10.2m @ 2.50 g/t Au, from 38.8m; and
- 17m @ 1.69 g/t Au, from 34m.

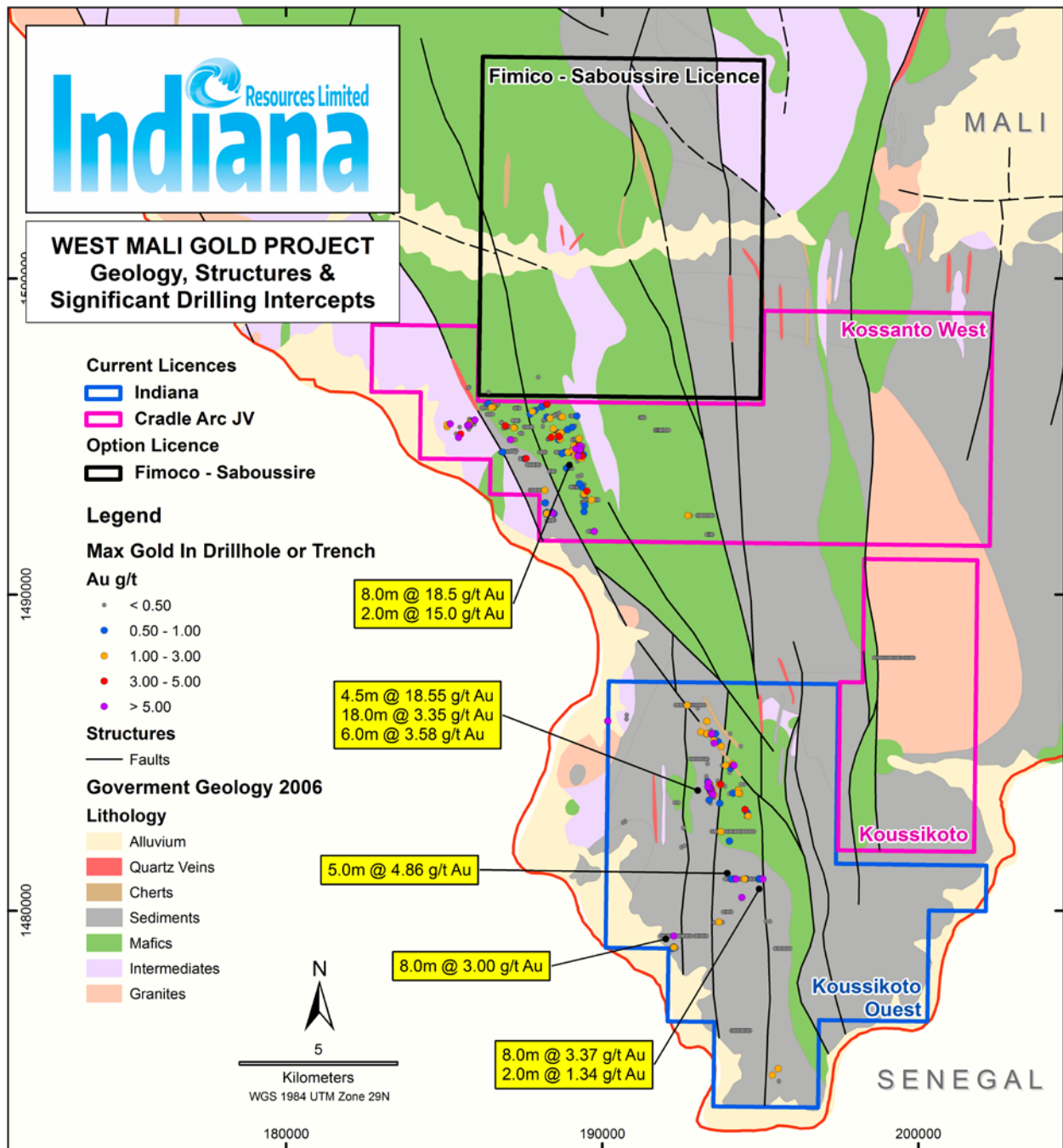


Figure 1 - Location of Saboussire licence in relation to other Indiana licences in western Mali.

¹ ASX announcement 11 September 2018. Indiana confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

Key terms of the proposed Joint Venture:

- Stage 1 – US\$50k minimum spend. Work program to include Soil Geochemistry, Geological Mapping and Geophysics. IDA will have 90 days to commence and 12 months to complete this Stage.
- Stage 2 - US\$250k minimum spend and minimum 10,000m drilling to earn 51%. 18 months to complete from end of Stage 1. On completion of Stage 2 the companies will form a NewCo to hold the respective parties equity stakes in the JV.
- After completion of Stage 2, FIMOCO shall have the option, exercisable in its sole discretion to convert its shares into NSR, on the basis that if they fall below 10% ownership they shall revert to 1.25% NSR.
- Stage 3 - IDA can earn 85% by completing a PFS within 2 years of completion of Stage 2.
- FIMOCO shall be carried during the development and construction phases of the Project. The equity contribution which may be required from FIMOCO shall be a loan from Mukuyu to be repaid from the dividends payable to FIMOCO.
- Stage 4 – The parties shall work together to complete a DFS. At this stage both parties shall contribute or dilute in accordance with their participating interest and further expenditure toward a DFS shall be subject to normal dilution principles.
- In the event of a sale of either party's interest, both parties have a Right of First Refusal
- The license will continue to be held by FIMOCO until such time as Indiana has earned a 51% interest in the project, at which point a new company will be formed to hold the shares in the joint venture.

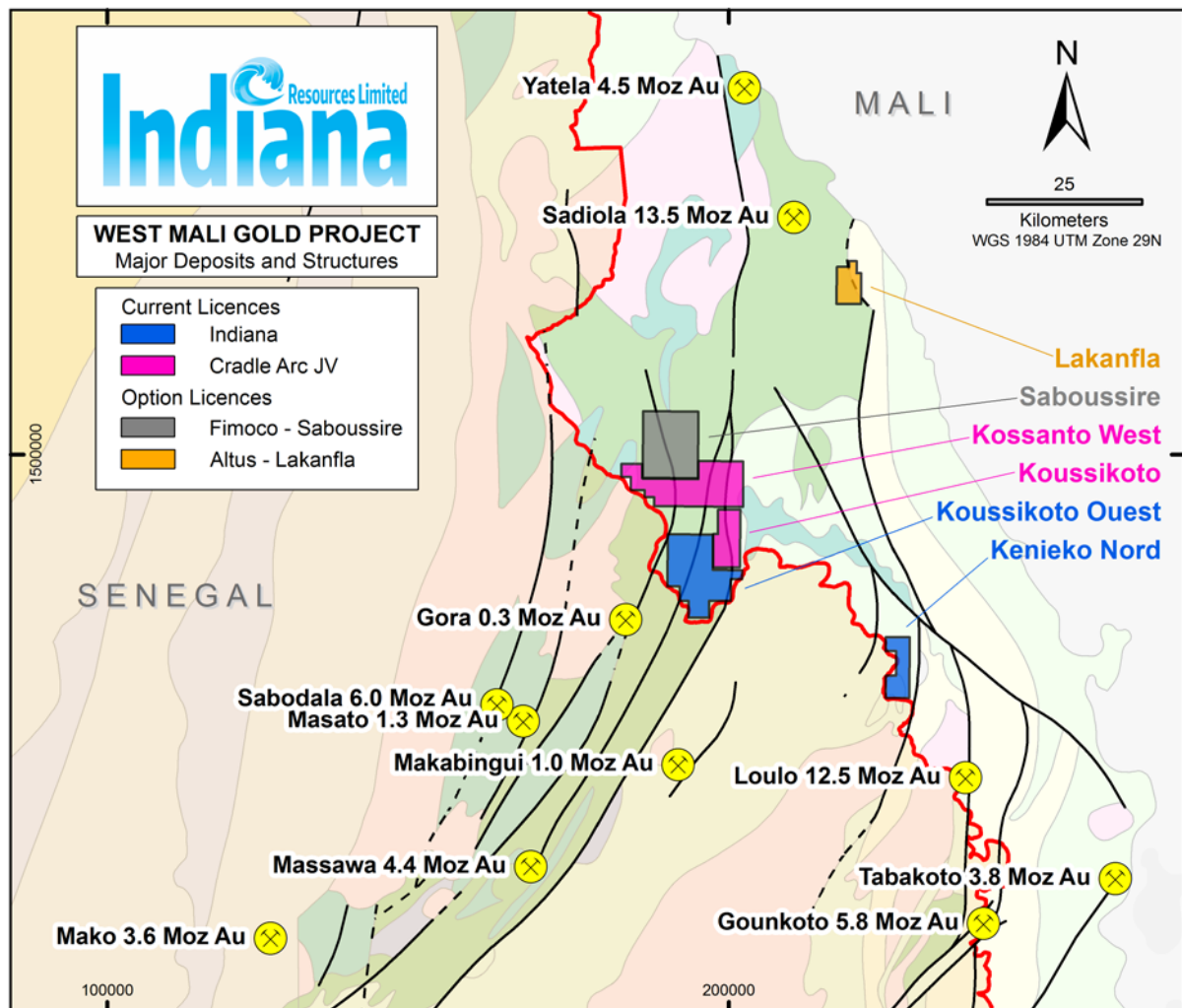


Figure 2 – Indiana West Mali tenure.

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

Competent Person's Statement

Information relating to historical exploration results from Kossanto West, located on two tenements in western Mali that are the subject of a joint venture agreement to which the Company is a party, is based on information provided by Cradle Arc and reviewed by Christopher van Wijk. Mr van Wijk is the former Chief Executive Officer of the Company and is a Member of the Australian Institute of Mining and Metallurgy. Mr van Wijk 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 van Wijk consents to the inclusion of the information relating to historical exploration results in this announcement in the form and context in which it appears.