

13/09/2016

SPP closes oversubscribed, RAB Drilling at Naujombo and Kishugu is complete

HIGHLIGHTS

- \$500,000 Share Purchase Plan completed with strong demand
 - Oversubscribed by \$244,000 with applications for \$744,000 worth of shares
 - Applications scaled back accordingly
 - RAB drilling program at Naujombo and Kishugu has been completed
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SPP Closes Oversubscribed

Indiana Resources Limited (ASX: IDA) ('Indiana' or the 'Company') advises that its Share Purchase Plan ('SPP') to raise \$500,000 has been completed after receiving applications for approximately \$744,000 worth of shares from approximately 2,000 shareholders.

Under the SPP, eligible Indiana shareholders were invited to subscribe for new ordinary shares in Indiana at an issue price of \$0.12 per share, up to a maximum value of \$15,000 per shareholder. Participation in the SPP was open to shareholders who were registered holders of Indiana shares at 5.00 pm (AWST) on 12 August 2016 ('Record Date') and whose registered address is in Australia or New Zealand.

In the event of an oversubscription, the SPP terms and conditions allow the Company to scale back the number of shares allotted in its absolute and sole discretion. Given the strong demand, the Company has had to scale back individual applications, but has attempted to do so in a way which is as fair and transparent as possible. The approach adopted is broadly as follows:

- Directors of the Company chose not to participate in the SPP despite being eligible to do so, so as not to deprive other eligible shareholders; and
- All applications were scaled back on a *pro rata* basis using a simple ratio based on the quantity available relative to demand.

RAB Drilling Completed

Rotary Air Blast drilling at the Naujombo and Kishugu Gold Prospects has remained on schedule over the past three weeks and the stage one program is now complete.

Drilling commenced initially at Naujombo, where 1,200m of drilling was carried out; the rig then moved to Kishugu where a planned 1,200m program was completed last week (Figure 1). The drill rig then returned to Naujombo to complete the final 1,200m of drilling.

Indiana's Managing Director Campbell Baird commented:

"We are very pleased with the take-up under the SPP and thank the shareholders for their contributions. While it was extremely pleasing to have such strong demand for the SPP, this created some challenges from an allocation perspective and we have endeavoured to be as fair as possible in dealing with scale back.

"We are also very pleased with the progress of the RAB drilling at Naujombo and Kishugu to date, with some samples having been dispatched for analysis and the remaining samples to be dispatched this week. We anticipate that the first assay results will be available around the end of September and the balance of results during October."

The shares issued under the SPP are expected to be allotted on Thursday, 15 September 2016 and quoted on the ASX on Friday, 16 September 2016. Confirmation notices will be dispatched on Friday 16 September 2016.

For shareholders whose applications have been scaled back, refunds of excess application monies via direct debit are expected to be completed on Tuesday 20 September 2016. Refund advices, together with refund cheques for those applicants who do not have bank account details and payment instructions recorded with the share registry are also expected to be dispatched on 20 September 2016.



Campbell Baird

Managing Director

**For further information, please contact:
Campbell Baird – Managing Director
Tel: +61 8 9388 7877**

**Stuart McKenzie – Commercial Manager and
Company Secretary
Tel: +61 8 9388 7877**

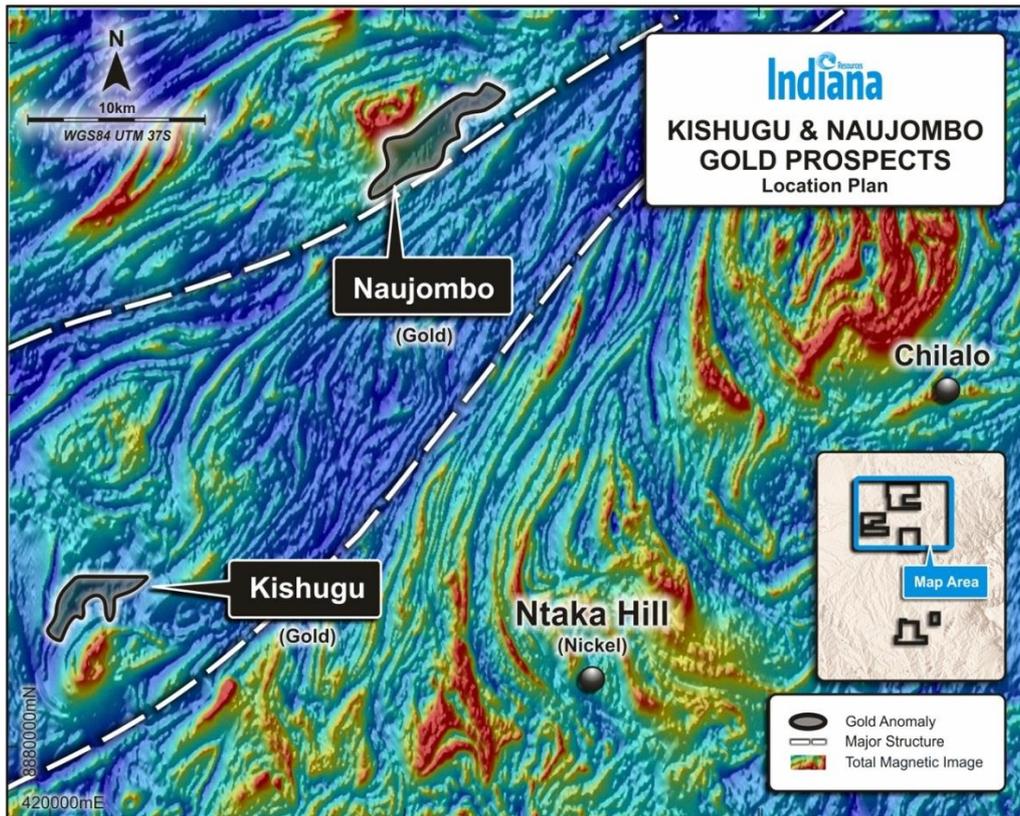


Figure 1. Location of Kishugu and Naujombo

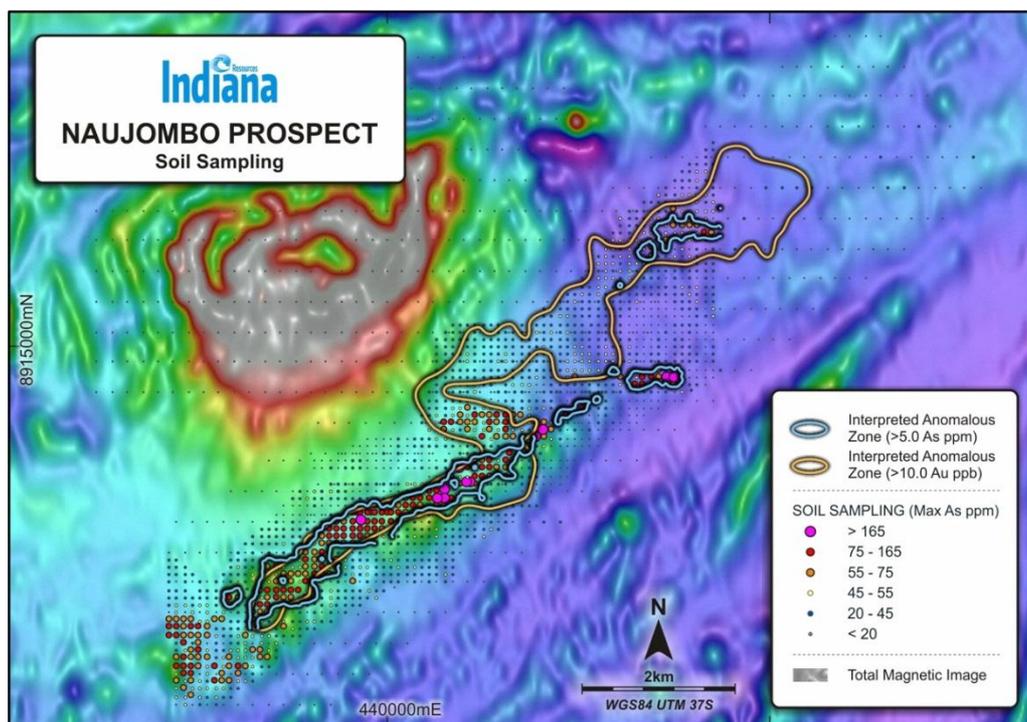


Figure 2. Gold 10ppb contours of soil sampling at Naujombo and results of arsenic anomaly coincident with gold (50ppm)¹

¹ Since announcing these exploration results on 8 August 2016, Indiana confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

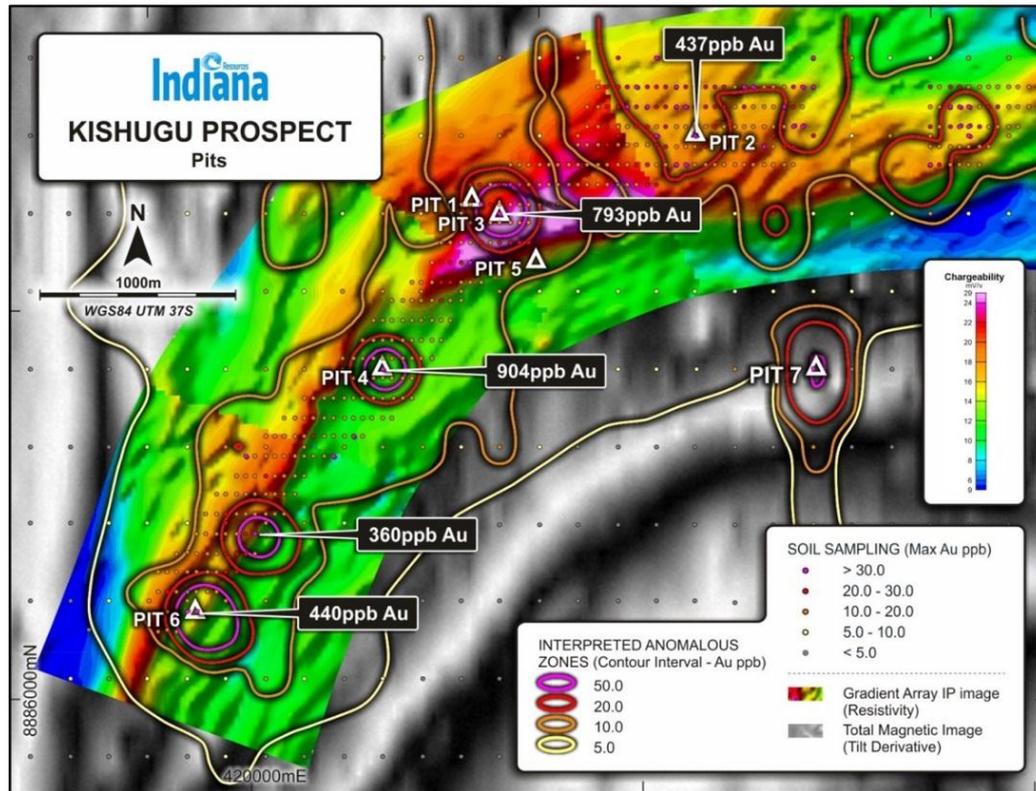


Figure 3. Kishugu Prospect showing IP conductivity, gold in surface soils and location of test pits²

Kishugu and Naujombo Gold Prospects

The scale and level of gold anomalism at Naujombo is similar to that of Kishugu, with the two anomalies located 35km from one another, in a very similar structural setting. Figure 1 illustrates that Naujombo and Kishugu are associated with the same structural corridor and are located on the margin of similar circular magnetic features. The potential exists to identify a significant gold camp should the anomalies confirm the presence of economic gold mineralisation. Both anomalies also exhibit very similar multi-element signatures typical of primary gold mineralisation (arsenic, bismuth and silver).

The Kishugu Gold Prospect was identified in 2014 as a large gold-in-soil anomaly with significant coincident GAIP anomalies.³ In the December Quarter of 2015, the Company completed an exploration program that comprised seven test pits (ASX Announcement 30 November 2015) as shown in Figure 3.⁴ Downhole channel samples from the pits confirmed gold anomalies in the soils and elevated arsenic in bedrock.⁴ The depth of the cover (4-5m) indicates that RAB drilling is the best method to quickly and cost effectively sample the bedrock.

The main focus of these first drilling programs will be as reconnaissance programs designed to unlock the geology of the anomalies and explore the links between the recent IP and soils programs (Figures 2 and 3) and to confirm the presence of gold mineralization in bedrock (ASX Announcement 8 August 2016). The information derived from these programs will help Indiana to design the next stage of exploration across the prospect areas.

² Since announcing these exploration results on 30 November 2015, Indiana confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

³ Since announcing these exploration results on 29 May 2014, Indiana confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

⁴ Since announcing these exploration results on 30 November 2015, Indiana confirms that it is not aware of any new information or data that materially affects the information included in that announcement.



About Indiana Resources Limited

Indiana is an Australian minerals exploration company that holds a 901 km² tenement package in south-east Tanzania. The Company's tenement package hosts the Ntaka Hill Nickel Project and the Kishugu and Nujombo Gold Prospects.

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

