

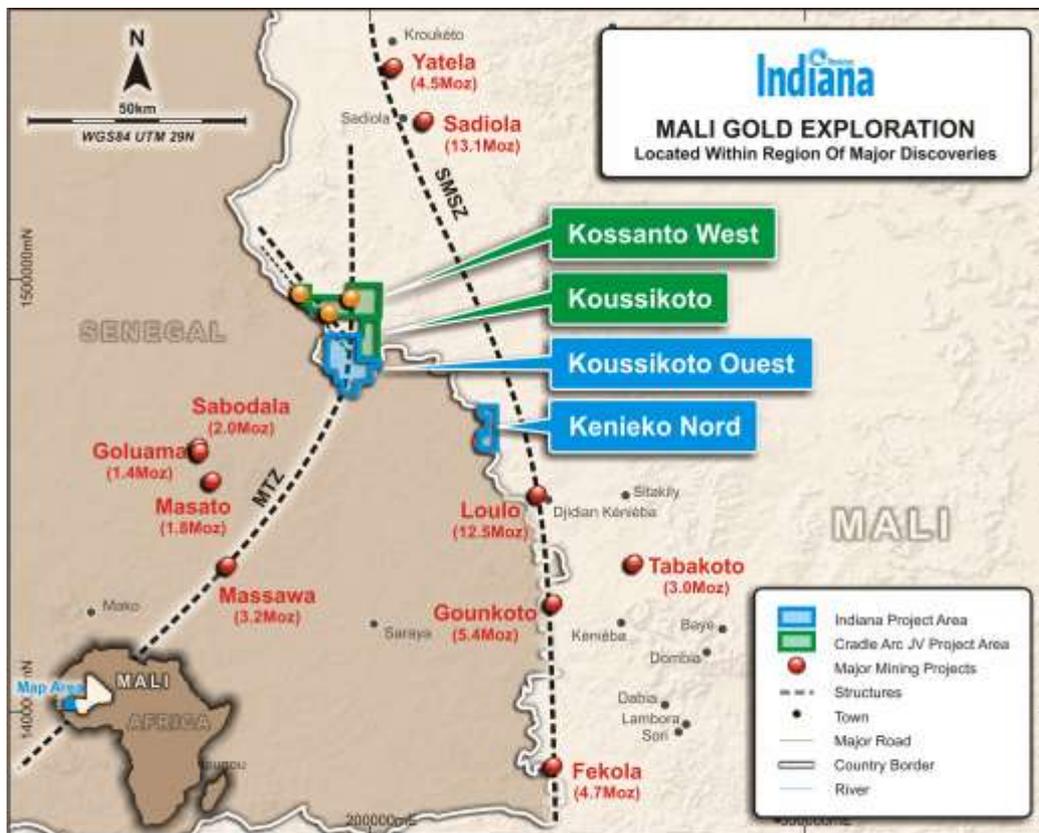
17 October 2018

Exploration Update – Mali Gold

Indiana Resources Limited (ASX: IDA) ('Indiana' or the 'Company') is pleased to provide details of its proposed 2018-19 exploration program ('Exploration Program') for its properties located in western Mali – Kossanto West, Koussikoto, Koussikoto Ouest and Kenieko Nord – (Figure 1).

Kossanto, Koussikoto and Kenieko project areas are located in the prolifically gold mineralised Kenieba Province of western Mali, where there have been multiple large-scale gold discoveries and there are a number of operating gold mines including Loulo (Randgold; 12.5m oz deposit), Sabodala (Teranga Gold; 2.0m oz) and Massawa (Randgold; 3.2m oz).

Figure 1. Location of Mali Exploration Properties



Indiana’s CEO, Chris van Wijk, commented “We are excited to be starting fieldwork for the 2018-19 season. Indiana has accumulated a strategic land package in a prolific gold producing belt. The past two months has involved an extensive review of data sets and formulating the upcoming exploration program. We look forward to commencing activities on the ground and believe that there is good potential for exploration success in the short term.”

Following successful drill programmes conducted in 2018 that included RC drilling at Koussikoto and Kenieko¹, the Company has spent time reviewing existing data and developing programmes for the upcoming field season. Significant drilling results at Koussikoto included²:

- **8m @ 3.37 g/t Au, from 12m**
- **5m @ 4.86 g/t Au, from 12m**
- **4m @ 2.16 g/t Au, from 4m**
- **8m @ 3.00 g/t Au, from 16m, ending in mineralisation**

These highly encouraging intersections, in shallow, wide spaced drilling highlight four new priority areas for follow up and infill drilling. At these locations, multiple holes on each drill traverse define broad gold-mineralised trends which can be inferred from geophysics and are open along strike.

The drill intersections from the recent reconnaissance drilling campaign occur within an 8km long zone in the central portion of the Project area. In addition to those intersections, this zone hosts extensive artisanal gold workings, and significant historical drill and trench results (*ASX Release 1 March 2018*).³

Details of the Exploration Program are set out below and include an expanded programme of reconnaissance auger and aircore drilling to investigate under explored areas in the west and east of the Koussikoto property.

Aircore drilling

The previous aircore drilling program that was completed in mid-2018 covered 4,000m and sought to give context to the lithotypes being recognised in the GAIP survey shown in Figure 3. Significant intersections from this drilling are shown in Figure 2 below, along with intercepts from previous drilling at Kossanto West and geochemical sampling at Koussikoto Ouest.

The Company's Kenieko Nord property is a small license (26km²) located to the east of the Koussikoto property. Kenieko Nord has a 2km strike length with a coherent gold in soil anomaly and experienced a large influx of artisanal miners in 2018. Two lines of aircore were drilled (~400m of drilling) at the northern and southern ends of the soil anomaly and artisanal workings, however the results did not adequately explain the level of artisanal mining observed.

It is proposed to complete two campaigns of aircore drilling over the next 12 months. The first campaign of 5,500m will follow up on anomalous intersections at Koussikoto Ouest (3,500m) and Kossanto West (1,500m), with a further 500m to target geochemical anomalies at Kenieko Nord.

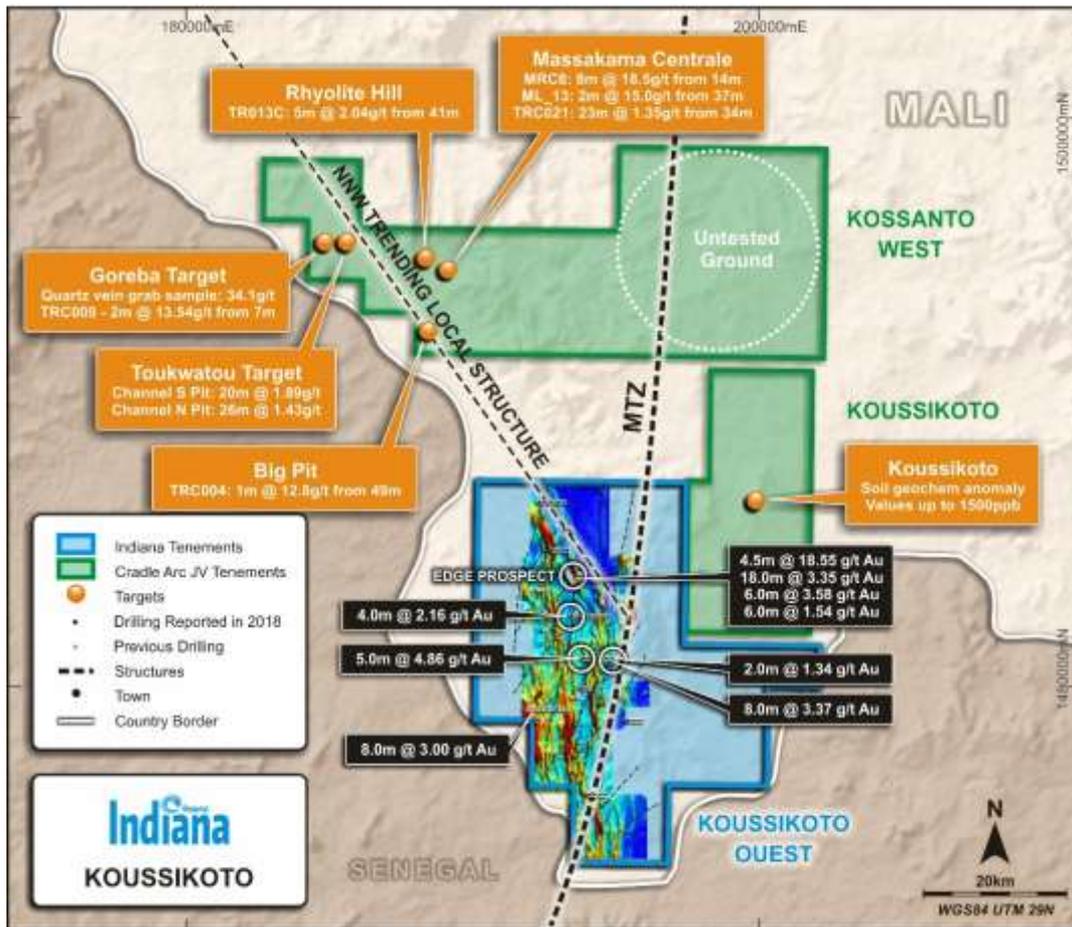
A second campaign is planned to test anomalies generated from the GAIP surveys discussed above and would likely involve a further 5,000m of drilling to define new targets.

¹Through its ownership of Mukuyu Resources, Indiana holds 75% of the Koussikoto Ouest Project and 95% of Kenieko Nord in conjunction with local partners.

² ASX announcement 29 June 2018 and 12 July 2018. Indiana confirms that it is not aware of any new information or data that materially affects the information included in those announcements.

³ ASX announcements 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.

Figure 2. Significant results from previous exploration⁴



Reverse Circulation drilling

It is expected that several targets defined from the aircore drilling will require follow-up using Reverse Circulation ('RC') drilling as a first step to defining a Mineral Resource. While the requirement for future RC drilling is currently uncertain, budgeting for the Exploration Program will include an allowance for 2,500m of RC drilling over the next 12 months.

Geophysics

Geophysical work will focus on the Koussikoto Ouest and Kossanto West properties using Gradient Array Induced Polarisation ('GAIP'). Evidence from geophysics previously conducted (specifically the Toukwatou target) suggests that there may be a mineralised trend which extends south from Koussikoto into the western edge of the Koussikoto Ouest property. At the Toukwatou target, previous reverse circulation drilling has returned several attractive intersections, including⁵:

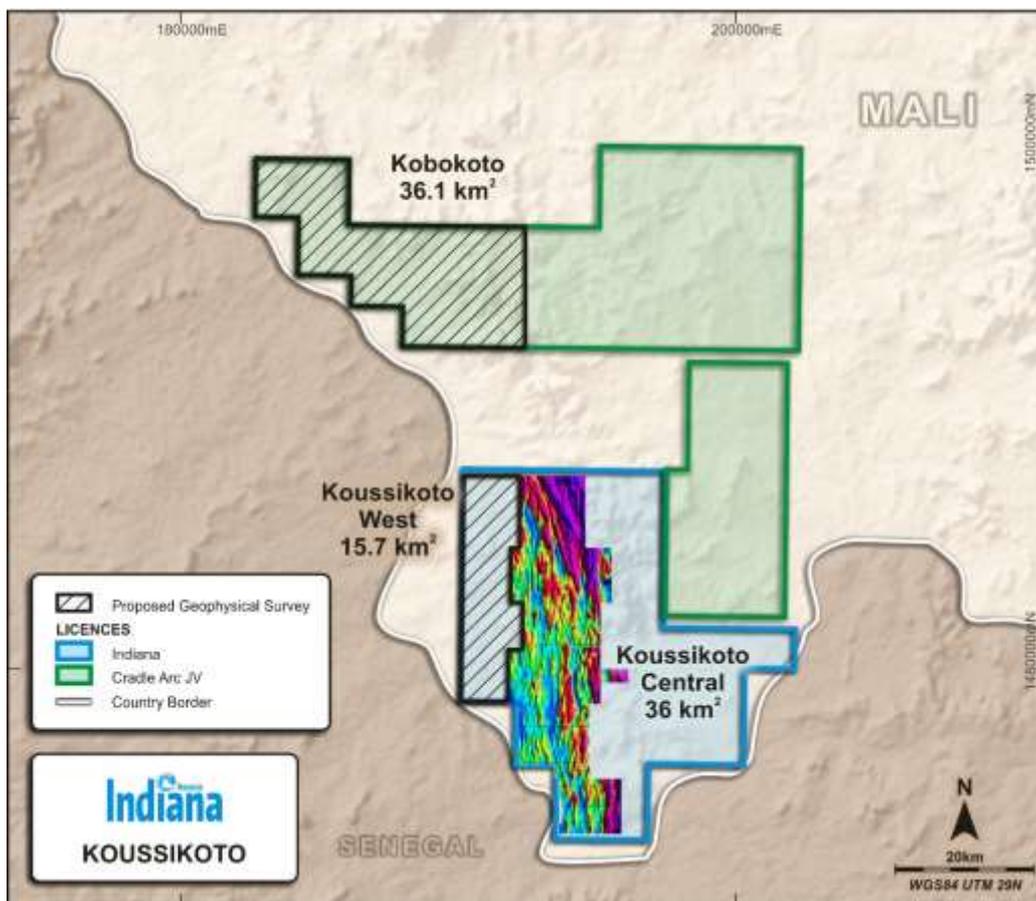
- 4m @ 6.8 g/t
- 15m @ 2.74 g/t, incl. 6m @ 5.29g/t
- 16m @ 3.03 g/t incl. 9m @ 7.84g/t

⁴ ASX announcements 1 March 2018, 29 June 2018, 12 July 2018 and 11 September 2018. Indiana confirms that it is not aware of any new information or data that materially affects the information included in those announcements.

⁵ 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.

GAIP has been shown to work well at Koussikoto Ouest and the planned work will cover the western half of the property. The proposed GAIP will cover extensive areas, with 15.7km² planned at Koussikoto Ouest and 36.1km² planned at Kossanto West (see Figure 3).

Figure 3. GAIP survey locations – Koussikoto Ouest and Kossanto West



Mapping

Recent interpretation of the GAIP data that was completed during the recent wet season has highlighted a number of structural trends in the data which are not immediately apparent in the surface data collected to date. The Company plans to engage a consultant structural geologist to map the entire area and spend time in the artisanal workings to identify the most prospective structural trends on which to focus future exploration. This program is expected to take two weeks with a further week of data compilation and reporting.

Timing

The GAIP survey work and proposed mapping are low cost estimated to cost US\$120,000 and US\$25,000 respectively. The GAIP survey work is expected to commence in December 2018 and the mapping in January 2019.

In August, the Company received proceeds of \$577,988 from a non-renounceable entitlement offer that closed on 13 August 2018 ('Entitlement Offer'). The number of shares offered under the Entitlement Offer was 50,619,810 shares resulting in a shortfall of 40,986,680 shares, which the Company is seeking to place in the coming weeks in order to meet the costs of the Exploration Program.

For further information, please contact:

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

Stuart McKenzie
Company Secretary
T: +61 8 9388 7877

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