

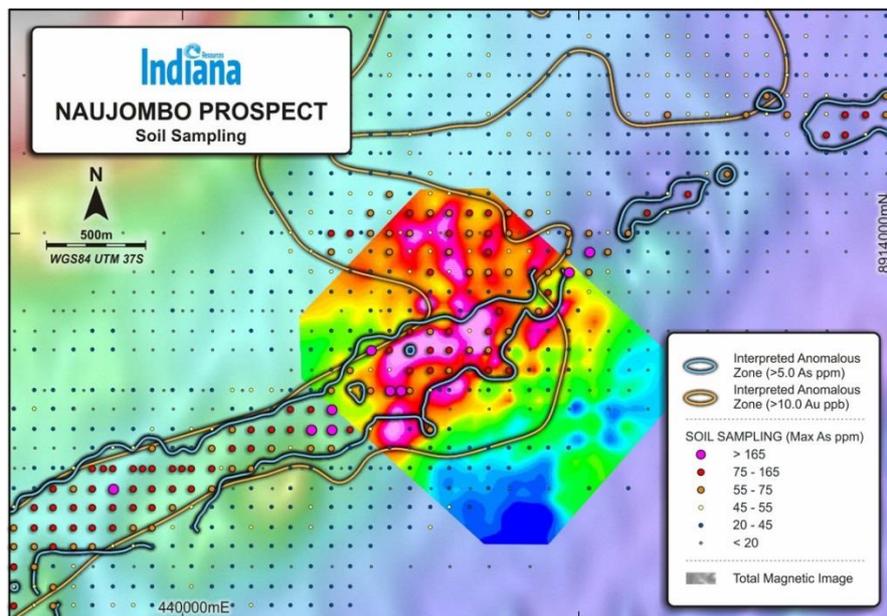
## Strong Geophysical Anomalies coincident with Elevated Soil Gold Values

### HIGHLIGHTS

- IP (gradient array induced polarisation) programs 50% complete at Naujombo showing strong positive correlation with gold-in-soils assays.
- Portable x-ray fluorescence (pXRF) results from infill soil sampling confirm the multi-element anomalism of Naujombo

Indiana Resources Limited (ASX: IDA) ('Indiana' or the 'Company') is pleased to provide an update on its exploration programs to advance the Kishugu and Naujombo gold prospects located in south-east Tanzania.

Analysis of the IP data has now been completed over two of the four blocks at Naujombo. The results show a very strong chargeability anomaly in close proximity to the recent 811 ppb gold in soils results (Figure 1).



**Figure 1: Block one of GAIP program underlying 10 ppb Gold anomaly contour and Arsenic pXRF results.**

The continuing geophysics program across the central portion of Naujombo is providing further information to guide the upcoming RAB drilling programs. Results from the IP program will assist in mapping the presence of disseminated sulphides, a common alteration product associated with gold mineralisation.

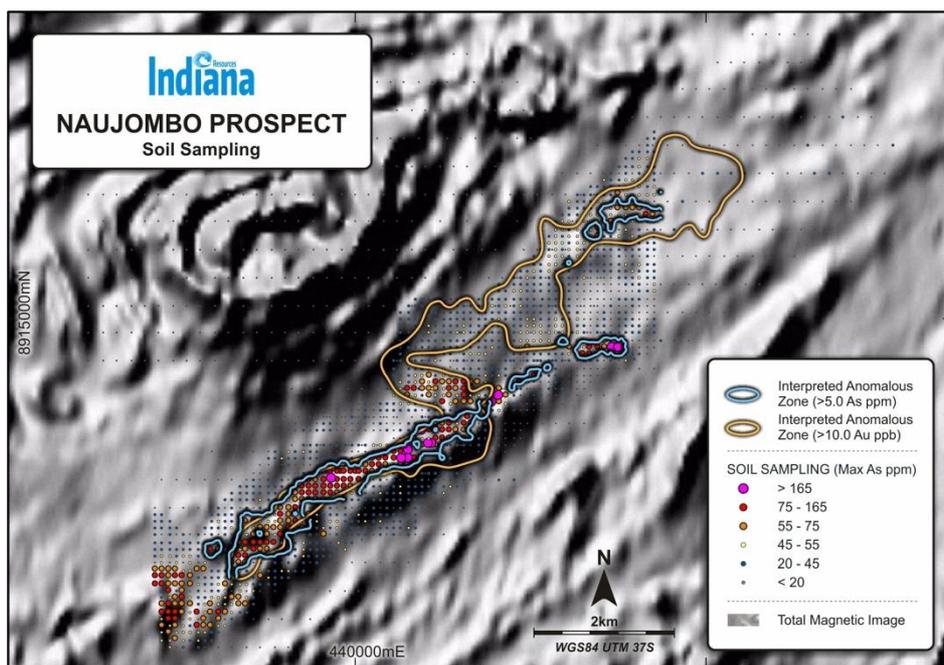
Results to date show a strong correlation with results from the ongoing multi-element soil sampling programs (Fig.1).

There is an excellent correlation between gold-in-soil and the IP chargeability. The broad chargeability anomaly lies within the >10ppb gold in soil contour and is broken into smaller anomalies of between 100m to 300m in strike length. Modelling of the GAIP chargeability puts the anomalies at approximately 30m to 50m below any transported material. The high resistivity results suggest that silicification has occurred which is a common alteration style associated with gold mineralisation.

Infill soil sampling programs will reduce the spacing between soil samples at Naujombo from 400m x 200m to 100m x 100m and the results entered into the database. The strong arsenic anomalism continues to present a good correlation to the gold assays from original soil sampling programs. As well as arsenic, Indiana has identified a number of other elements that are presenting strong anomalism at Naujombo.

The soil chemistry is being determined using portable XRF analytical instruments (pXRF). The arsenic anomaly is coherent with up to 622 ppm Arsenic (As) within the main trend. Other elements reported by the pXRF include antimony, lead, zinc and copper. These geochemical results also correlate very well with the IP results as they did at Kishugu.(Figure 4).

The presence of appreciable levels of arsenic, lead and zinc in the soils pXRF data, combined with the elevated levels of silver (Ag), bismuth (Bi) and lead (Sb) in laboratory results, suggest that the gold present is reflecting a bedrock source rather than an alluvial source.



**Figure 2: Gold 10ppb Contours of soil sampling at Naujombo. Anomaly interpreted at 6.5 km x 600 m. Results of the arsenic anomaly coincident with gold (50 ppm)**

A 1,200m RAB (rotary air blast) drilling program is planned in August, beginning with Naujombo and to be followed by Kishugu. The RAB drilling programs are early stage reconnaissance programs designed to unlock the geology of the anomalies and explore the links between the recent IP and soils programs and to confirm the presence of gold mineralisation in bedrock. Once results from the RAB programs have been interpreted, a Stage 2 RAB or reverse circulation (RC) program is expected to be undertaken.

Indiana's Managing Director Campbell Baird said:

*"The sheer size of the Kishugu and Naujombo gold anomalies presented a significant challenge in determining targets for the maiden drilling programs to commence this week. We have had exploration teams in the field, primarily at Naujombo, undertaking follow up infill soil sampling and GAIP programs to assist in narrowing down our starting position for these drilling programs.*

*"The data being delivered from these programs, particularly the pXRF results continue to confirm the multi-element nature of Naujombo and provide further evidence of a basement source of mineralisation at both Kishugu and Naujombo.*

*"The recent geophysical results at Naujombo also point to evidence of a basement source of mineralisation so we will be utilising all this information to guide the RAB drilling programs."*



**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**

**Competent Person's Statement**

Information relating to exploration results at the Kishugu and Naujombo Prospects, located on the Company's tenement package in south-east Tanzania, is based on data collected under the supervision of Mr Nick Corlis, in his capacity as General Manager – Technical. Mr Corlis, BSc (Hons) MSc, is a registered member of the Australian Institute of Geoscientists and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and the activity being undertaken 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. Corlis has verified the data underlying the information contained in this presentation and approves and consents to the inclusion of the data in the form and context in which it appears.

**About Indiana Resources Limited**

Indiana is an Australian minerals exploration company that holds a 901 km<sup>2</sup> tenement package in south-east Tanzania. The Company's tenement package hosts the Ntaka Hill Nickel Project and the Kishugu and Naujombo Gold targets.

To find out more, please visit [www.indianaresources.com.au](http://www.indianaresources.com.au).

## Kishugu & Naujombo Gold Projects

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. The potential exists to identify a significant gold camp should the anomalies confirm the presence of economic gold mineralisation. Figure 3 illustrates that Naujombo and Kishugu are associated with the same structural corridor and are located on the margin of similar circular magnetic features. 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. The Company has recently completed an exploration program that comprised seven test pits (ASX Announcements 30 November 2015)<sup>1</sup>. The depth of the cover (4-5m) indicates that RAB is the best method to quickly and cost effectively sample the bedrock. Downhole channel samples from the pits confirmed gold anomalies in the soils and elevated arsenic in bedrock.

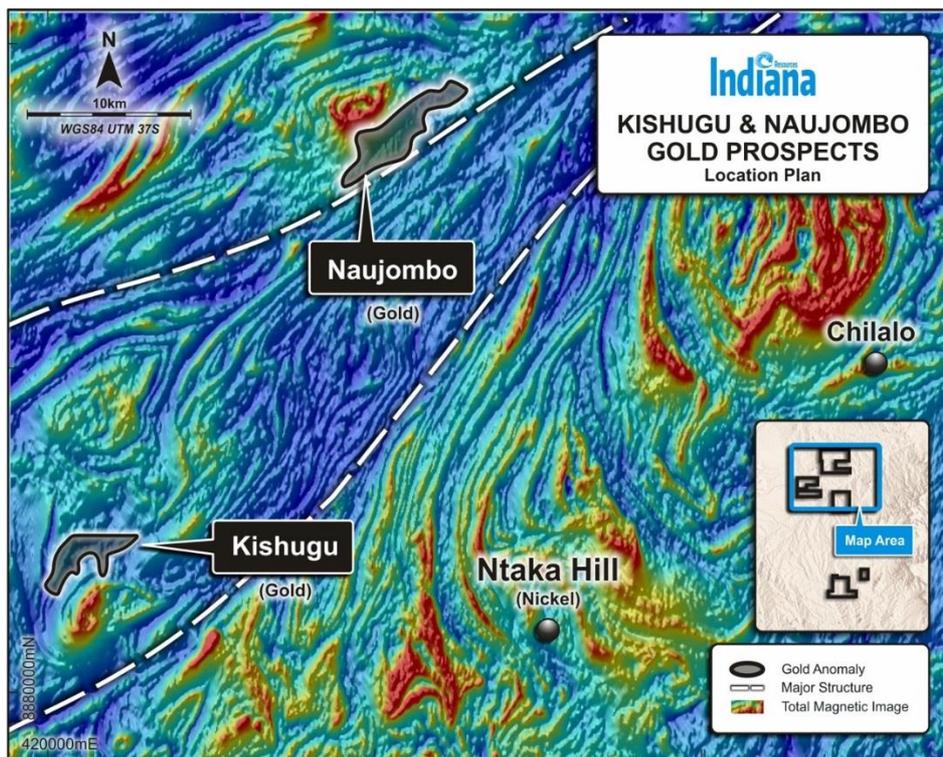


Figure 3: Location of Kishugu & Naujombo within the broader Nachingwea property

<sup>1</sup> 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 this announcement.

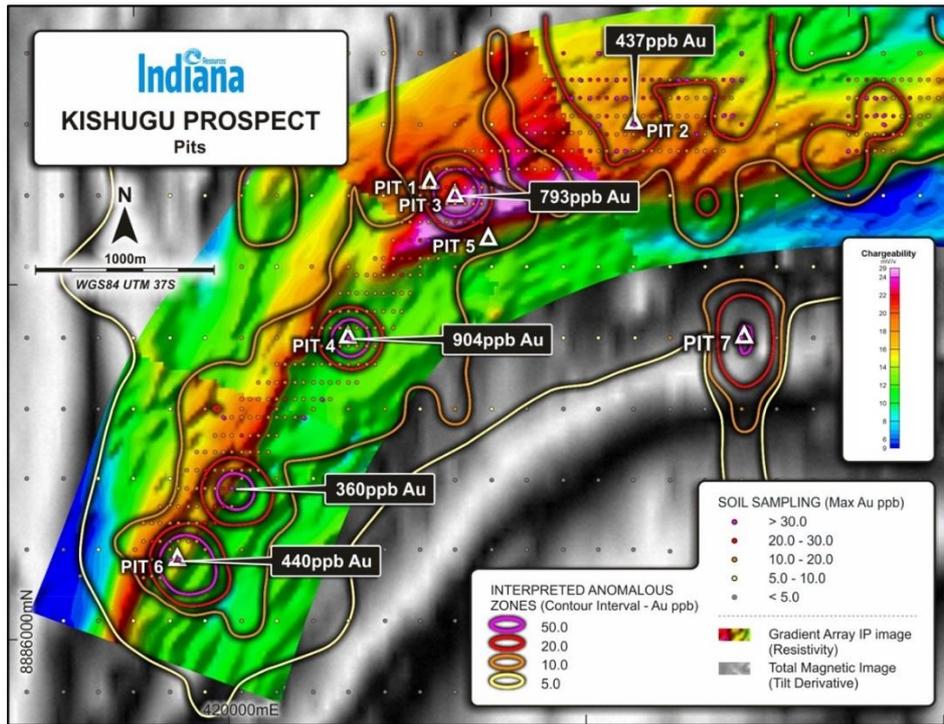


Figure 4: Kishugu Prospect showing IP conductivity, gold in surface soils and location of test pits

**Appendix 1 JORC 2012 Table 1 Reporting**  
**Section 1. Sampling Techniques and Data**

Criteria	Explanation
Sampling techniques	<ul style="list-style-type: none"> <li>• Soil samples collected using a clean hoe from the top of the "B" soil horizon, numbered and bagged before being air dried, sieved to 80 mesh (177 microns) before pXRF.</li> </ul>
Drilling techniques	<ul style="list-style-type: none"> <li>• Not applicable, no drilling conducted.</li> </ul>
Drill sample recovery	<ul style="list-style-type: none"> <li>• Not applicable, no drilling conducted.</li> </ul>
Logging	<ul style="list-style-type: none"> <li>• Soils logged to standard template, no geology encountered in sampling.</li> </ul>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <li>• Soils sieved with only material passing 80 mesh submitted to the lab.</li> <li>• Standards and Blanks are inserted every twentieth sample.</li> <li>• Industry acceptable standards and blanks were used as certified reference material to ensure satisfactory performance of Niton XL3.</li> <li>• QAQC results indicate that the sampling is accurate and precise.</li> </ul>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <li>• Niton geochemical data taken from field portable XRF Niton XL3t model.</li> <li>• Duration 60 seconds per filter.</li> <li>• Calibration of the unit was carried out on the unit at the start of the 2016 field season.</li> <li>• The unit was serviced by PAS (Portable Analytical Solutions) in late 2015 prior.</li> <li>• The following elements were analysed; Ag, As, Se, Ca, K, S, Ba, Sb, Sn, Cd, Pd, Zr, Sr, Rb, Pb, Hg, Zn, W, Cu, Ni, Co, V, Ti, Au, Fe, Mn, Cr, Sc, Mo, Th, U, Ta</li> </ul>
Verification of sampling and assaying	<ul style="list-style-type: none"> <li>• Independent verification has not been undertaken on these results.</li> <li>• Below detection limit values (negatives) have been replaced by half detection limit values for each element.</li> <li>• Niton analytical results are deemed fit for purpose to indicate soil anomalism.</li> </ul>
Location of data points	<ul style="list-style-type: none"> <li>• Sample points have been surveyed utilising hand held Garmin GPS.</li> <li>• Grid system is UTM WGS84 Zone 37 South datum and projection.</li> </ul>
Data spacing and distribution	<ul style="list-style-type: none"> <li>• Data spacing is 100m x 100m.</li> </ul>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> <li>• Soil grids are orientated east-west oblique to the interpreted strike of the geology.</li> </ul>
Sample security	<ul style="list-style-type: none"> <li>• Samples are transported back to Ntaka Field Camp by company drivers and prepared in a dedicated soil preparation facility.</li> </ul>

Criteria	Explanation
	<ul style="list-style-type: none"> <li>• Samples are stored in secure facilities prior to transport to the preparation laboratory in Mwanza.</li> <li>• Transport of the samples is done using secure vehicles and a reputable transport company.</li> </ul>
Audits or reviews	<ul style="list-style-type: none"> <li>• No audits have been conducted on this data.</li> </ul>
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>• The exploration results reported in this announcement are from work carried out on granted prospecting licence PL 5977/2009 and PL 9944/2014, which are owned by Ngwena Limited, a subsidiary of IMX.</li> <li>• Prospecting licences PL 5977/2009 and PL 9944/2014 are in good standing.</li> </ul>
Exploration done by other parties	Exploration has been performed by an incorporated subsidiary company of IMX, Ngwena Limited.
Geology	<ul style="list-style-type: none"> <li>• The regional geology is thought to comprise late Proterozoic Mozambique mobile belt lithologies consisting of mafic to felsic gneisses interlayered with amphibolites and metasedimentary rocks.</li> </ul>
Drill hole information	<ul style="list-style-type: none"> <li>• Not applicable, no drilling conducted.</li> </ul>
Data aggregation methods	<ul style="list-style-type: none"> <li>• Not applicable, no drilling conducted.</li> </ul>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>• Not applicable, no drilling conducted.</li> </ul>
Diagrams	<ul style="list-style-type: none"> <li>• Diagrams of soil locations and the location of IMX held tenements are included in this announcement.</li> </ul>
Balanced reporting	<ul style="list-style-type: none"> <li>• All assay results received are reported in the diagrams included in this announcement.</li> </ul>
Other substantive exploration data	<ul style="list-style-type: none"> <li>• Time domain induced potential geophysical survey carried out with the following specifications: <ul style="list-style-type: none"> <li>○ Gradient array configuration</li> <li>○ 100m line spacing with stations at 50m</li> <li>○ Rx dipole length of 50m and Tx dipole length of 2,500m</li> <li>○ Amartem24 receiver and GGT-10 transmitter, with a transmitter current of 2.5-3.5A and base frequency of 0.125Hz</li> </ul> </li> </ul>