ASX: IDA

22/05/2018

Drilling Commenced at Koussikoto Gold Project, Mali

HIGHLIGHTS

- **4,500m aircore drilling campaign commenced at the Koussikoto Ouest**
- **Trenching programme of 4,618m completed with results expected in three weeks**
- **Results from trenching confirm and extend anomalous gold trends at Koussikoto**

Indiana Resources Limited (**ASX: IDA**) (**'Indiana'** or the **'Company'**) is pleased to announce the commencement of drilling at the Koussikoto Ouest Gold Project ('**Koussikoto**'), located in the prolifically gold mineralised Kenieba Province of western Mali.

Indiana recently completed the acquisition of Mukuyu Resources Limited ('**Mukuyu**'), which controls two highly gold prospective exploration permits at Koussikoto Ouest and Kenieko Nord (total area of 126km^2), situated in the Kenieba Province. Fieldwork including trenching, mapping and new target generation has continued uninterrupted during the due diligence period, enabling the company to aggressively target its first campaign of drilling at Koussikoto within days of finalising the Mukuyu acquisition.

Indiana's Chairman, Ms Bronwyn Barnes, commented, "*I am very pleased that we have been able to move forward with this drilling programme so quickly after completion of the acquisition, which is testament to the quality of our in-country team. This drilling programme has been designed to test areas of interest identified during the trenching campaign*."

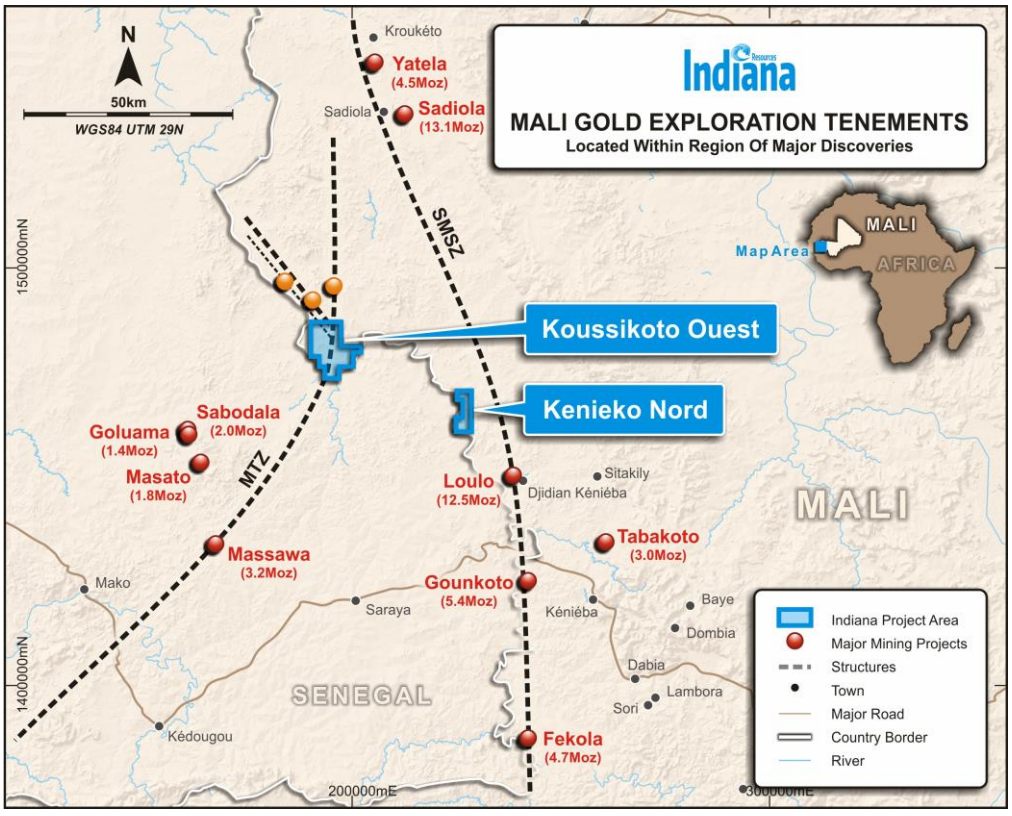

Figure 1 – Indiana project areas, west Mali

Indiana Resources Limited ABN 67 009 129 560
Suite 4, Level 1, 2 Richardson Street, West Perth WA 6005 Australia | PO Box 749, West Perth WA 6872 Australia
t +61 8 9388 7877 f +61 8 9382 2399 e info@indianaresources.com.au www.indianaresources.com.au

Koussikoto straddles the gold mineralised Main Transcurrent Zone (MTZ) in the far west of the Kenieba Province, along strike from the Massawa (+3Moz) and Sabodala (+2Moz) gold deposits in Senegal (see Figure 1).

The drilling campaign which has now commenced, will comprise 4,500m of aircore traverses to investigate priority geochemical and structural targets along the 10km MTZ within the central portion of the Project area (Figure 2). Analytical results are expected at the end of June and this data will be used to plan the next phase of exploration activity.

Analytical results have been received for a further six trenches from the current programme (Appendix A). To date, approximately 80% of trench sample results have been received, with encouraging results confirming anomalous extensions along portions of the predicted trends. These anomalous zones will now be ground truthed and followed up with further sampling and / or drilling.

Trenching has now been completed, with a total of 4,618m of trenches excavated in this recent programme. All samples have been dispatched to the laboratory for analysis, with final analytical results for the remainder of the trench samples expected later in June.

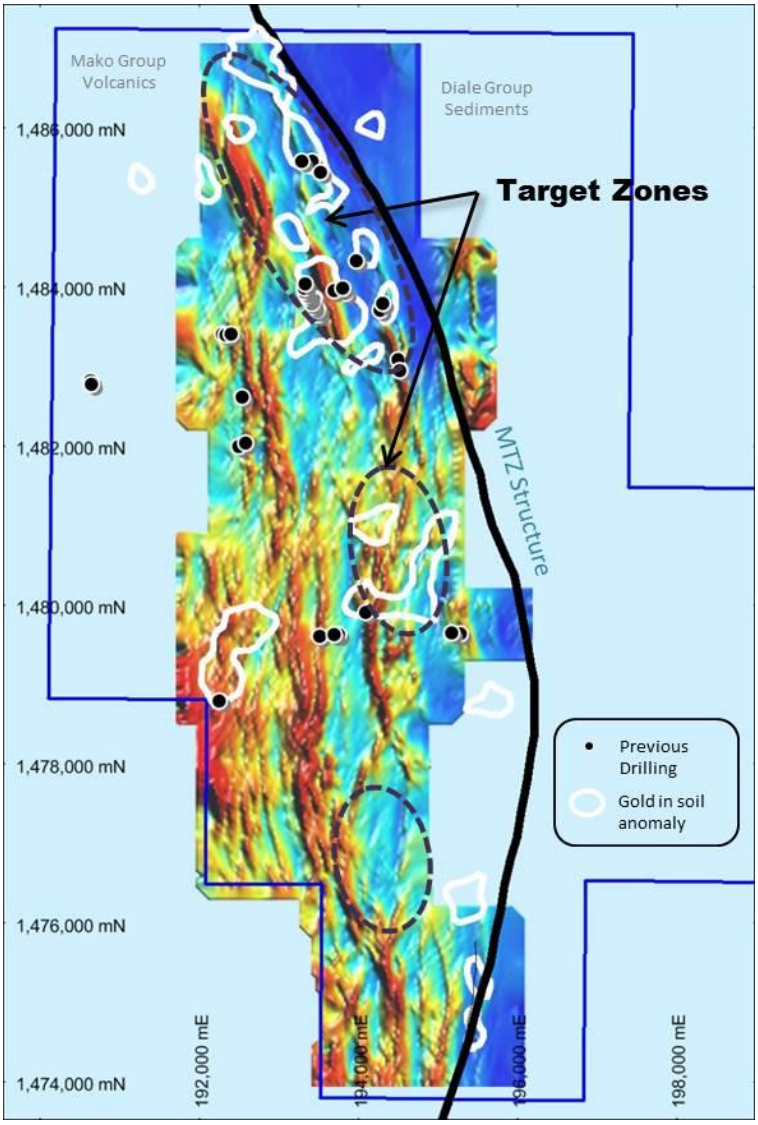

Figure 2 – Koussikoto. Drill Target Zones. Gold-in-soil anomalies over IP resistivity image

Koussikoto Trenches

For further information, please contact:

Bronwyn Barnes
Chairman
T: +61 (0) 417 093 256

Stuart McKenzie
Commercial Manager and Company Secretary
T: +61 8 9388 7877

Competent Person's Statement

*The information in this report that relates to Exploration Results is based on information compiled by Kevin Anthony Joyce. Mr Joyce is engaged as a consultant to the Company and is a Member of the Australian Institute of Geoscientists. Mr Joyce 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 Joyce consents to the inclusion of the information relating to exploration results in this announcement in the form and context in which it appears.*

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

Appendix A

Summary of Trench Results at Koussikoto Ouest, Mali

Trench_ID	Northing	Easting	Dip	Azimuth	Length	From	To	Width	Grade
TP4_N001	1484700	194030	0	90	162	48	56	8	0.27
and						77	78	1	0.41
and						84	85	1	1.17
TPS_S001	1474600	195225	0	90	488	238	240	3	0.29
and						359	362	3	0.32
TP31_000Ext	1484000	193817	0	90	80	28	31	3	0.26
and						34	36	2	0.45
TP31_N001	1484100	193617	0	90	99	38	41	3	0.21
TCH_N007	1484150	193250	0	90	288	148	155	7	0.20
TCH_N008	1484250	193200	0	90	196	90	97	7	0.28

1) Intervals are calculated as length weighted averages of samples using a 0.2 g/t Au cut-off, allowing for 2m maximum internal waste.
2) Refer to JORC Table 1 for additional detailed reporting parameters

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Trenches were excavated with a track mounted excavator to a maximum 3m depth. • Systematic channel sampling has been taken on nominal 1m intervals along the entire length of each trench. • Channel sampling was done as continuous and equal sampling of exposure of in-situ material to provide a representative sample of material sampled • Routine standard reference material, sample blanks, and sample duplicates were inserted/collected at every 10th sample in the sample sequence. • All samples were submitted to SGS Bamako for preparation and analysis by 50g Fire Assay.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Trenching was undertaken using a track mounted excavator.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Sample recovery and quality is believed to be adequate for the technique employed.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Samples are not intended for use in mineral resource estimation or mining studies. • All sample intervals were geologically logged by Company geologists. • Where appropriate, geological logging recorded the abundance of specific minerals, rock types and weathering using a standardized logging system.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Channel sampling was done as continuous and equal sampling of exposure of in-situ material to provide a representative sample of material sampled. • Additional sample preparation was undertaken by SGS Bamako laboratory. • At the laboratory, samples were weighed, dried and crushed to -2mm in a jaw crusher. A 1.5kg split of the crushed sample was subsequently pulverised in a ring mill to achieve a nominal particle size of 85% passing 75um. • Sample sizes and laboratory preparation techniques are considered to be appropriate for this early stage exploration and the commodity being targeted.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld*	• Analysis for gold was undertaken at SGS Bamako by 50g Fire Assay with AAS finish to a lower detection limit of 0.01ppm. Fire assay is considered a "total" assay technique.

Criteria	JORC Code explanation	Commentary
	XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• No geophysical tools or other non-assay instrument types were used in the analyses reported. • Routine standard reference material, sample blanks, and sample duplicates were inserted/collected at every 10th sample in the sample sequence. • Review of standard reference material and sample blank data suggest there are no significant analytical bias or preparation errors. • Results of analyses for field sample duplicates are consistent with the style of mineralisation being evaluated.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Data was compiled and digitally captured by Company geologists. • Twin holes were not utilized to verify results. • Reported trench intervals have been compiled by the Company's technical consultant utilising the digital data provided by the Company. • There were no adjustments to assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Trench locations were set out in UTM grid WGS84_Zone29N using a hand-held GPS. • Trench azimuth was defined using a hand-held compass. Trenches were generally linear and did not deviate significantly along the length of the excavation. Terrane is generally flat. • Locational accuracy is considered appropriate for this early stage of exploration.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Trenches were excavated at varied spacing on nominal east-west orientated sections. • The reported trenches have not been used to estimate JORC-compliant mineral resources or reserves. • Sample compositing was not applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Exploration is at an early stage and the true orientation of mineralisation has not been confirmed at this stage.
Sample security	• *The measures taken to ensure sample security.*	• Samples were stored on site prior to road transport by Company personnel to the laboratory in Bamako, Mali.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• There have been no external audit or review of the sampling techniques or data.

APPENDIX B. JORC 2012 Table 1 Reporting (cont.)
Section 2. Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The reported results are from within the Koussikoto Ouest Permit, which is held by Olive Mining SARL, a subsidiary of Indiana Resources • The Koussikoto Ouest permit is in good standing
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The area which is presently covered by the permit area was explored intermittently by Randgold Resources and Caracal Gold during the period 1990 to 2013. Exploration consisted of mapping and soil sampling. • Mukuyu Resources undertook exploration during the period 2013 to present, which included surface sampling, geophysical surveying, trenching and drilling.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The deposit style targeted for exploration is lode gold. This style of mineralisation typically forms as veins or disseminations in altered host rock. • Surficial geology within the project area consists of outcropping basement, indurated gravels forming plateau, and broad depositional plains consisting of colluvium and alluvial to approximately 2m vertical depth. • Lateritic weathering is common within the project area. The depth to fresh rock can be up to 70m vertical.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  ○ *easting and northing of the drill hole collar*
	  ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  ○ *dip and azimuth of the hole*
	  ○ *down hole length and interception depth*
	  ○ *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Reported results are summarised in Appendix A within the attached announcement.
		• The trenches reported in this announcement have the following parameters applied. All trenches completed, including those with no significant gold intersections are reported.
		• Grid co-ordinates are UTM WGS84_29N
		• Collar elevation is defined as height above sea level in metres (RL)
		• Dip is the inclination of the trench from the horizontal. Azimuth is reported in WGS 84_29N degrees as the direction toward which the trench was excavated.
		• Trench length is the distance from the starting point (collar) to the end of the trench, as measured along the length of the trench
		• Intersection depth is the distance along the trench from the start point, as measured along the drill trace.
		• Intersection width is the horizontal distance of an intersection as measured along the length of the trench

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Trench intervals are reported from length weighted average sample assay results • A minimum cut-off grade of 0.2 g/t Au is applied to the reported intervals. • Maximum internal dilution is 2m within a reported interval. • No grade top cut off has been applied. • No metal equivalent reporting is used or applied.

Criteria	JORC Code explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• The reported results are from early stage exploration; as such the orientation of geological structure is uncertain. • Results are reported as lengths along a horizontal trench, true width is unknown.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Locations are included in Appendix A
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Results have been comprehensively reported in this announcement. • Trenches completed, including those with no significant gold intersections, are reported
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• To the Company's knowledge, at the present time there is no other exploration data which is considered material to the results reported in this announcement.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Additional trenching and reconnaissance drilling is currently being considered as follow up.