

31 October 2018

QUARTERLY ACTIVITIES REPORT

Quarter ended 30 September 2018

EXPLORATION and DEVELOPMENT

Exploration at Koussikoto and Kenieko

During the Quarter, the Company reported the results of Phase 2 drilling at the Koussikoto Ouest Gold Project ('**Koussikoto**'), located in western Mali. The Phase 2 drilling of 45 holes for 358m was part of the overall program of shallow, wide spaced, reconnaissance drilling at Koussikoto that comprised 150 holes for 3,967m (Figure 1). Results from Phase 2 drilling included¹:

- 8m @ 3.00 g/t Au, from 16m, ending in mineralisation
- 8m @ 0.67 g/t Au, from 45m

These results followed Phase 1 drilling at Koussikoto, which included the following significant intersections²:

- 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 @ 0.83 g/t Au, from 24m

Subject to available funding, the Company aims to implement a multi-faceted exploration campaign at Koussikoto, which is expected to commence towards the end of 2018. This programme is expected to follow up and infill drill adjacent to recent significant intersections and include an expanded programme of reconnaissance auger and aircore drilling to investigate poorly explored areas in the west and east of the Koussikoto property.

At Kenieko,

At the Kenieko Nord Gold Project ('**Kenieko**'), reconnaissance drilling of 19 holes for 358m targeted an area of recently commenced artisanal mining situated in the central portion of the property and backed up with highly anomalous soil geochemistry (Figure 2).

Holes were drilled on two sections spaced approximately 1,200m apart at either end of the anomaly to give some geological context to the artisanal mining activity. Holes were typically spaced 50m apart on each

¹ ASX announcement 12 July 2018. Indiana confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

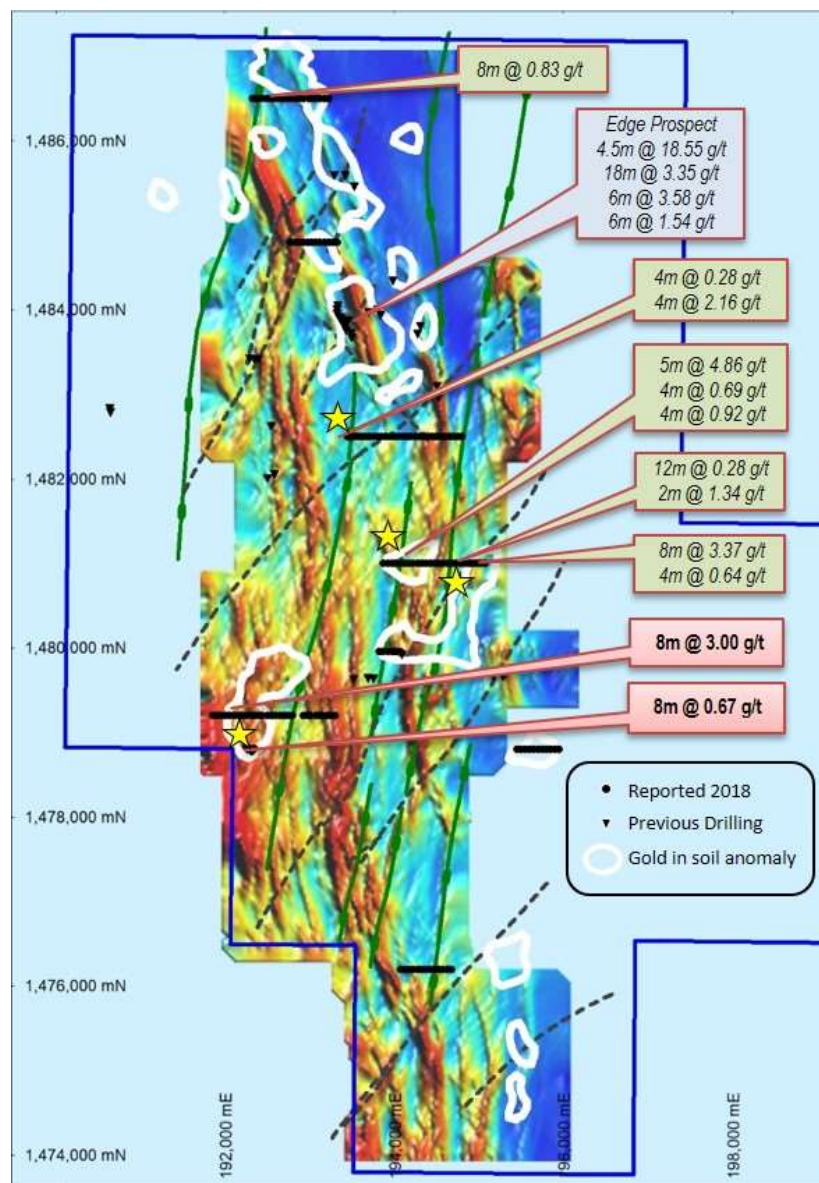
² ASX announcement 29 June 2018. Indiana confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

section and were drilled to an average depth of only 19m. Broad anomalous gold intervals were returned from surface in adjacent holes³:

- 20m @ 0.35 g/t Au, from surface
- 12m @ 0.26 g/t Au, from surface

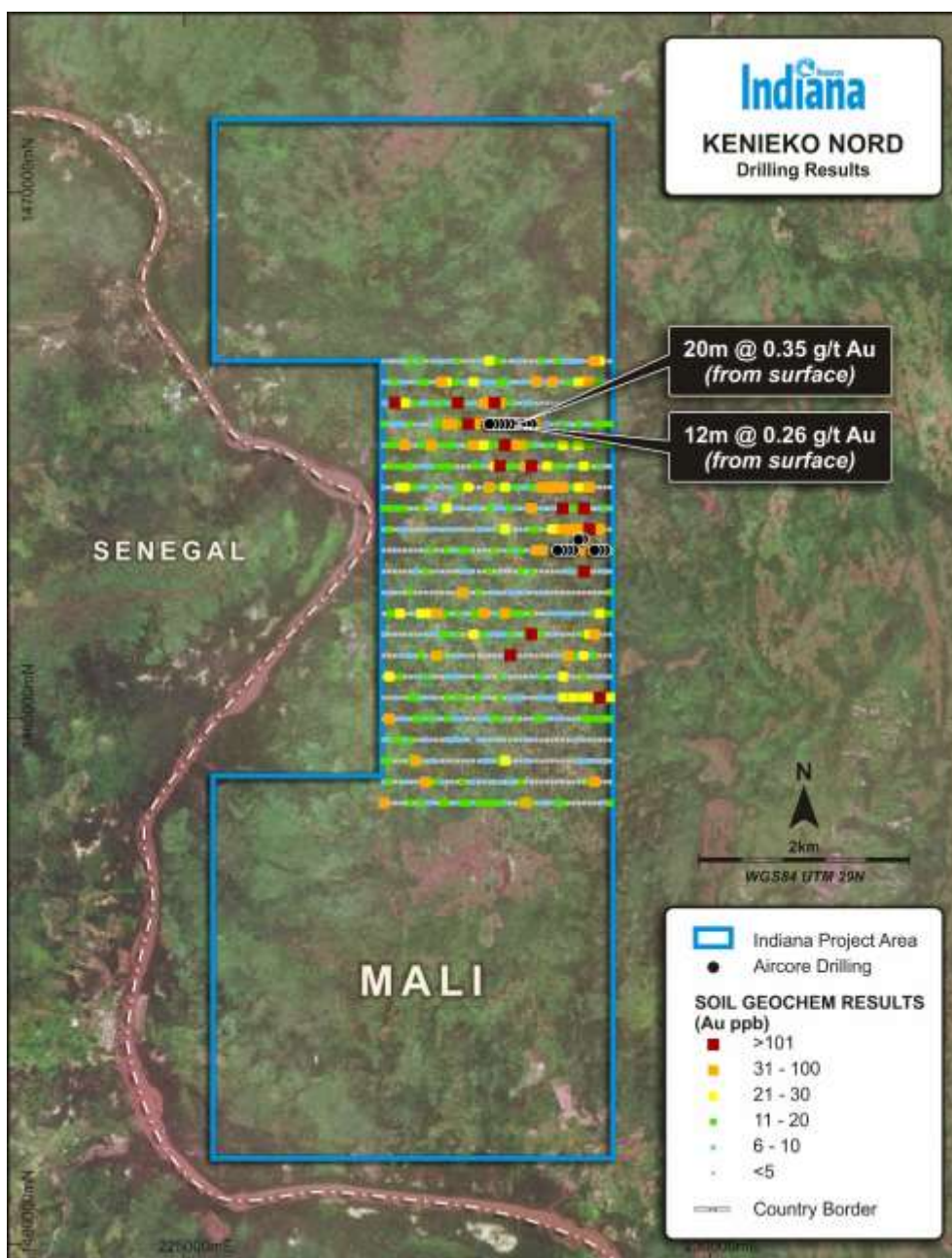
The results at Kenieko confirm the soil geochemical anomalism and indicate that there is up to 1km of strike. With the active presence of artisanal mining, the Company believes that there may be a number of higher-grade zones within that trend.

Figure 1. Koussikoto drill holes and selected significant intersections over gold-in-soil anomalies and IP resistivity image¹.



³ ASX announcement 6 August 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. Kenieko drill hole locations and soil geochemical results

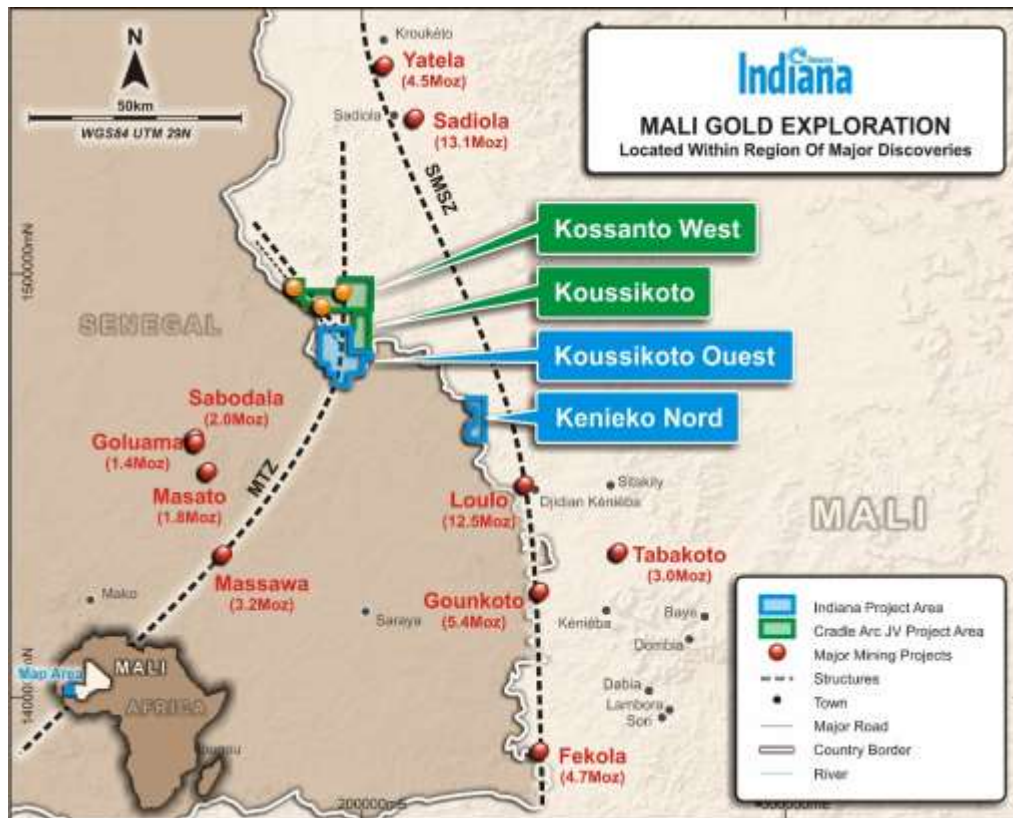


Joint venture doubles exploration ground in Mali

During the Quarter, the Company entered into a joint venture agreement (the '**Joint Venture**') over the Kossanto West Gold Project ('**Kossanto West**') in western Mali, located immediately adjacent to the north of the Company's Koussikoto property (see Figure 1). The Joint Venture effectively doubles the land available for Indiana's exploration activities, bringing the Company's total exploration area in Mali to 263km².

Kossanto West comprises two permits, the Kobokoto Est and Koussikoto exploration permits, which cover a total area of 137 km², located on the Main Transcurrent Zone, which is interpreted to be one of the structures which controls mineralisation in Western Mali (Figure 3). 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 (Randgold Resources and the Sabodala 2Moz deposit (Teranga Gold).

Figure 3. Location of Kossanto West



The Joint Venture is consistent with the Company's stated strategy to increase its interests in Mali and allows Indiana to methodically continue its exploration in the area. With all expenditure committed to exploration, it represents a low-cost option that is non-dilutive to shareholders

Key terms of the Joint Venture include:

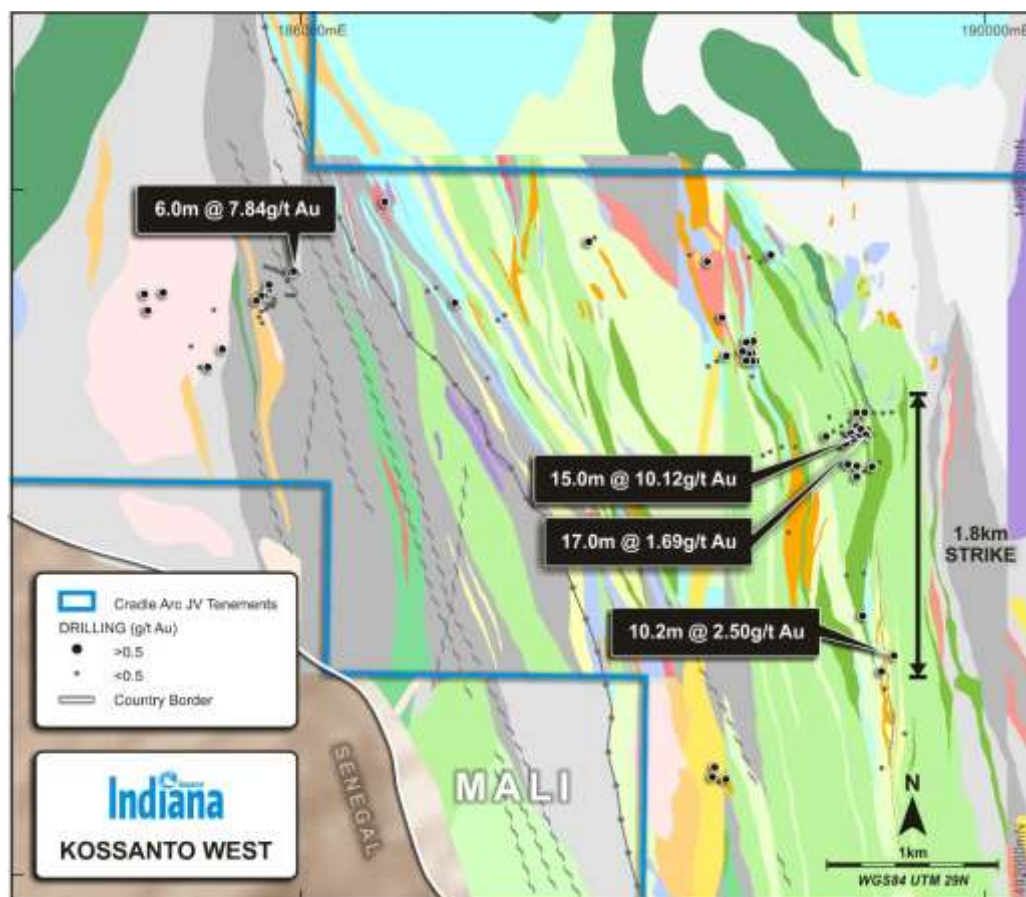
- Indiana will fund all costs up to and including the completion of a pre-feasibility study ('PFS');
- On completion of a PFS, Indiana will hold a 65% participating interest and Cradle Arc will retain a 35% participating interest in the Permits;
- All costs thereafter will be split between the Joint Venture parties in accordance with their participating interest; and
- The two permits will continue to be held by Caracal, until such time as the Joint Venture Committee establishes a new company for the future development of a mine.

Notable results from previous exploration at Kossanto West (Figure 4) include⁴:

- 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
- 17m @ 1.69 g/t Au, from 34m

⁴ 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

Figure 2. Drilling at Kossanto West



Ntaka Hill Retention Licence

The Mining Regulations published in January 2018, as they relate to mining rights, included a provision that all retention licences issued prior to the date of publication of the Regulations are cancelled and cease to have legal effect. The Company's interest in the Ntaka Hill Project was held in the form of a retention licence ('Ntaka Hill Retention Licence').

During the Quarter, Indiana lodged an application for a Prospecting Licence over the area previously covered by the Retention Licence as an interim step to clarifying tenure for Ntaka Hill, however that application has been rejected. During the Quarter, the Company's CEO met with representatives of the Mining Commission, including the Chairman, Professor Idris Suleiman Kikula, and was encouraged by indications from the Mining Commission regarding its preparedness to recognise the Company's position with respect to the Ntaka Hill property. Indiana continues to work with the Ministry of Minerals to progress a solution for Ntaka Hill.

Given that there has been no breach of the conditions of the Ntaka Hill Retention Licence or failure to comply with the Mining Act or the applicable regulations, Indiana is encouraged that the Ministry of Minerals could provide it with the opportunity to be granted an alternative class of licence.

CORPORATE

Cash position

As at 30 September 2018, the Company had cash at bank of \$0.55 million.

The Company undertook a non-renounceable pro rata entitlement offer to eligible shareholders on the basis of 10 shares at an issue price of 6.0 cents for every 17 fully paid ordinary shares ('**Entitlement Offer**'), in which it received acceptances for a total of 9,633,130 shares for proceeds of \$577,988. As a result, there was a shortfall of 40,986,680 shares.

The Company is currently undertaking a review of its in-country costs at both Tanzania and Mali and expects this review to deliver significant cost savings.

Loan agreement

On 31 October 2018, the Company reached agreement on the terms and conditions of a loan facility agreement ('**Loan Agreement**') under which Michael George Fotios and associated entities will make available a loan facility of \$1,000,000. The material key terms and conditions of the Loan Agreement are set out below:

Lenders:	Michael George Fotios and associated entities
Loan Amount:	Up to \$1,000,000
Interest Rate:	8% per annum and may be capitalised into the Loan amount immediately prior to Repayment or Conversion of the Loan.
Repayment:	Within 10 days of receipt by the Company of sufficient funds from a future capital raising (' Capital Raising ') (the terms of which have not been determined at this date) provided that, if a Capital Raising is not completed by 1 April 2019, then interest, repayment terms and/or conversion of the Loan will be re-negotiated between the parties. The Loan will be repayable upon demand in the discretion of the Lenders until those revised terms are agreed.
Conversion:	The Lenders may give notice to the Borrower ('Conversion Notice') that it wishes to convert all or some of the outstanding balance of the Loan (including any interest payable) into ordinary shares in the Borrower ('Conversion Shares') at the price at which the Capital Raising is to be completed subject to: (i) The Borrower's available share issuance capacity on the date on which the Lenders deliver to the Borrower a Conversion Notice; (ii) Shareholder approval if required; (iii) Any issue of Conversion Shares to the Lenders resulting in the Lenders' voting power in the Borrower not exceeding 20%; and (iv) Compliance with applicable laws and regulations.
Use of funds:	The funds will be applied towards the Company's immediate working capital requirements

Share capital

In addition to shares issued under the Entitlement Offer, the Company issued 6,500,000 shares as consideration for the acquisition of Mukuyu Resources Limited, the entity that holds the Koussikoto and Kenieko properties and 500,000 shares as consideration to the Company's advisor on the acquisition of Mukuyu.

Executive and Non-Executive Director appointments

In July, Mr Chris van Wijk commenced as Chief Executive Officer of Indiana.

Post Quarter end, Mr Morgan Barron was appointed as a Non-Executive Director to replace Dr Derek Fisher, who stood down in order to pursue other interests.

Annual General Meeting

The Company's Annual General meeting will be held at the Main Function Room of the Celtic Club at 48 Ord Street, West Perth on Friday, 30 November 2018 at 4:00 pm (WST).

TENEMENT INTERESTS

Tenements held and location

Tenement	Ownership	Project	Location
PL 6634/2010 - Mihumo	100%*	Nachingwea	Tanzania
PL 6635/2010 - Nachingwea NW	100%*	Nachingwea	Tanzania
PL 7095/2011 - Nditi	100%*	Nachingwea	Tanzania
PL 9757/2014 - Mihumo West	100%*	Nachingwea	Tanzania
PL 9939/2014 - Mjembe East	100%*	Nachingwea	Tanzania
PL 9942/2014 - Naujombo North	100%*	Nachingwea	Tanzania
PL 9944/2014 - Namarongo North	100%*	Nachingwea	Tanzania
PL 10099/2014 - Nanyindwa	100%*	Nachingwea	Tanzania
PL 10302/2014 - Namatutwa	100%*	Nachingwea	Tanzania
RL 0017/2015 - Ntaka Hill	86%***	Nachingwea	Tanzania
PL 7226/2011 - Ntaka South	100%***	Nachingwea	Tanzania
PL 10904/2016 - Namikango North	100%*	Nachingwea	Tanzania
PL 11022/2017 - Ntaka North West	100%*	Nachingwea	Tanzania
PL 11049/2017 - Mtimbo	100%*	Nachingwea	Tanzania
PL 11054/2017 - Naujombo West	100%*	Nachingwea	Tanzania
PL 11133/2017 - Mihumo Central	100%*	Nachingwea	Tanzania
PL 11132/2017 - Kishugu	100%*	Nachingwea	Tanzania
Claim Block 4242	50% **	St Stephen	New Brunswick, Canada
Claim Block 5787	50% **	St Stephen	New Brunswick, Canada
PR 13/647 Koussikoto Ouest	75%	Koussikoto	Mali
PR 15/736 Kenieko Nord	95%	Kenieko	Mali

* Subject to farm-in joint venture with MMG

** Subject to 50/50 joint venture with ABE Resources

*** The Ntaka Hill Retention Licence, and tenure at Ntaka Hill, is currently the subject of discussions with Government. Subject to tenure being resolved, Ntaka Hill is under a farm-in joint venture with MMG and joint venture transaction with Fig Tree

- ENDS -

For further information, please contact:
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Stuart McKenzie – Commercial Manager and Company
Secretary
Tel: +61 8 9388 7877

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Indiana Resources Limited

ABN

67 009 129 560

Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(397)	(397)
(b) development	-	-
(c) production	-	-
(d) staff costs	(146)	(146)
(e) administration and corporate costs	(227)	(227)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (Business development and acquisitions)	-	-
1.9 Net cash from / (used in) operating activities	(769)	(769)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

+ See chapter 19 for defined terms

1 September 2016

Page 1

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	674	674
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(137)	(137)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	537	537

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	784	784
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(769)	(769)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	537	537
4.5	Effect of movement in exchange rates on cash held	(5)	(5)
4.6	Cash and cash equivalents at end of period	547	547

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	305	23
5.2 Call deposits	242	761
5.3 Bank overdrafts		
5.4 Other ()		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	547	784

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
96
Nil

Director fees and consulting.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
Nil
Nil

8. Financing facilities available¹ <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

¹ Subsequent to quarter end the company signed an unsecured convertible loan agreement up to a limit of \$1,000,000. The undrawn loan in combination with the existing cash balances will be used to fund the forecasted cashflow in section 9. below (see Quarterly Activities Report).

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(62)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(113)
9.5 Administration and corporate costs	(79)
9.6 Other (Business Development and Acquisition)	-
9.7 Total estimated cash outflows	(254)

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(~~Director~~/Company secretary)

Date: 31 October 2018

Print name: Stuart McKenzie

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.