

29th April 2020

QUARTERLY ACTIVITIES REPORT

Quarter ended 31 March 2020

Indiana Resources Limited (ASX: IDA) ('Indiana' or the 'Company') is pleased to provide its Quarterly Activities report for the March Quarter 2020.

PROJECTS

Tanzania - Ntaka Hill Nickel Project – Claim to Arbitration

In January 2020 Indiana Resources Limited (ASX: IDA) ('Indiana' or the 'Company'), through its majority shareholding position in Ntaka Nickel Holdings Ltd ("NNHL", incorporated in the United Kingdom, the "Investors"), delivered a Notice to the President of Tanzania, H. E. The Hon John Magufuli, to the Tanzanian Solicitor General and to the Tanzanian Ministry of Energy and Minerals on 14th January 2020, advising that a dispute has arisen in relation to NNHL's investment in the Ntaka Hill Nickel Project located in the Nachingwea Property in south-eastern Tanzania (the "Project").

The dispute arises out of certain acts and omissions of the United Republic of Tanzania ("Tanzania") in breach of the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the United Republic of Tanzania for the Promotion and Protection of Investments ("BIT") and international law in relation to the Project. The Notice was delivered in accordance with Article 8(3) of the BIT which provides that the Investors may submit the dispute to the International Centre for the Settlement of Investment Disputes ("ICSID") if the Investors and Tanzania are unable to reach an agreement concerning the dispute within six months of the dispute arising.

Consequently, the Investors formally notified Tanzania on 14th January 2020 of the commencement of the six-month period. The Notice of Intent is necessary in order to preserve the Company's rights to initiate arbitration should a resolution with Tanzania not be reached. Indiana confirms that it is taking all necessary actions to preserve its rights as a shareholder of NNHL. To date no response has been received from the Government of Tanzania and NNHL has commenced preparing for arbitration.

During the quarter a Request for Proposal ("RFP") for the provision of ongoing legal advice regarding the Claim in early March 2020 was released to a select list of international investment arbitration firms. Several competitive proposals were received from experienced and highly respected international investment arbitration law firms. A review proposals was undertaken by both Indiana and the Board of NNHL.

The two boards were unanimous of their selection of Lalive given their significant experience in investment arbitration and extensive experience in claims against the Government of Tanzania. In addition, Lalive

(www.lalive.law) presented an innovative approach to fees, which included deferring costs until litigation funding had been secured.

Discussions with litigation funders are well advanced and the Company is keen to deliver a solution where litigation is funded by an experienced and dedicated party, and costs will not be borne by Indiana's shareholders.

The focus of the Company for the next period will be on commencing arbitration activities against the Government of Tanzania. It is not expected that the current situation with regards to Covid-19 pandemic will have any significant impact on these activities, as reflected by the recent appointment of Lalive to commence preparing for arbitration.

During the quarter a number of exploration permits in Tanzania expired and were not renewed. Given the current dispute with the Government of Tanzania following the expropriation of the Ntaka Hill Nickel Project, the Company is now closing all operations in Tanzania and the Board resolved to relinquish all remaining permits as they expired.

Mali – Exploration

During the Quarter the Company reported excellent high-grade soil samples from the Saboussire and Kenieko licenses in West Mali (Figure 1).

At Saboussire, a large +50 ppb gold anomaly extending over 2 kilometres in a north-south direction and 1 kilometre in an east-west direction was identified in the south west area of the licence. In the central portion of the licence, a 9610 ppb Au (9.6 g/t Au) result was returned with this area now earmarked for immediate follow up (Figure 2).

The soil geochemistry programme had been designed to test and extend existing Government soil sample anomalies on the licence and test the strike extent of the strong mineralised trend identified at Kossanto and further south at Koussikoto. Soil sampling totalling 1,253 samples was completed over 3 individual areas of the Saboussire licence on a nominal 200m x 100m grid pattern.

Soil sampling completed at Kenieko Nord totalled 606 samples over areas not previously sampled and were completed on a 400m x 100m grid pattern. The soil sample results returned have identified narrow spot highs and review of both the magnetics and interpreted geology have largely shown the underlying geology covers magnetic lows, commensurate with the interpreted sedimentary underlying geology (Figures 3 and 4).

Kenieko Nord is considered to be an excellent geological and structural location, within the highly prospective Kenieba Inlier of Western Mali, which hosts a number of multi-million ounce gold deposits, including the Loulou 12.5Moz deposit (Barrick Gold) and the Sabodala 6Moz deposit (Teranga Gold).

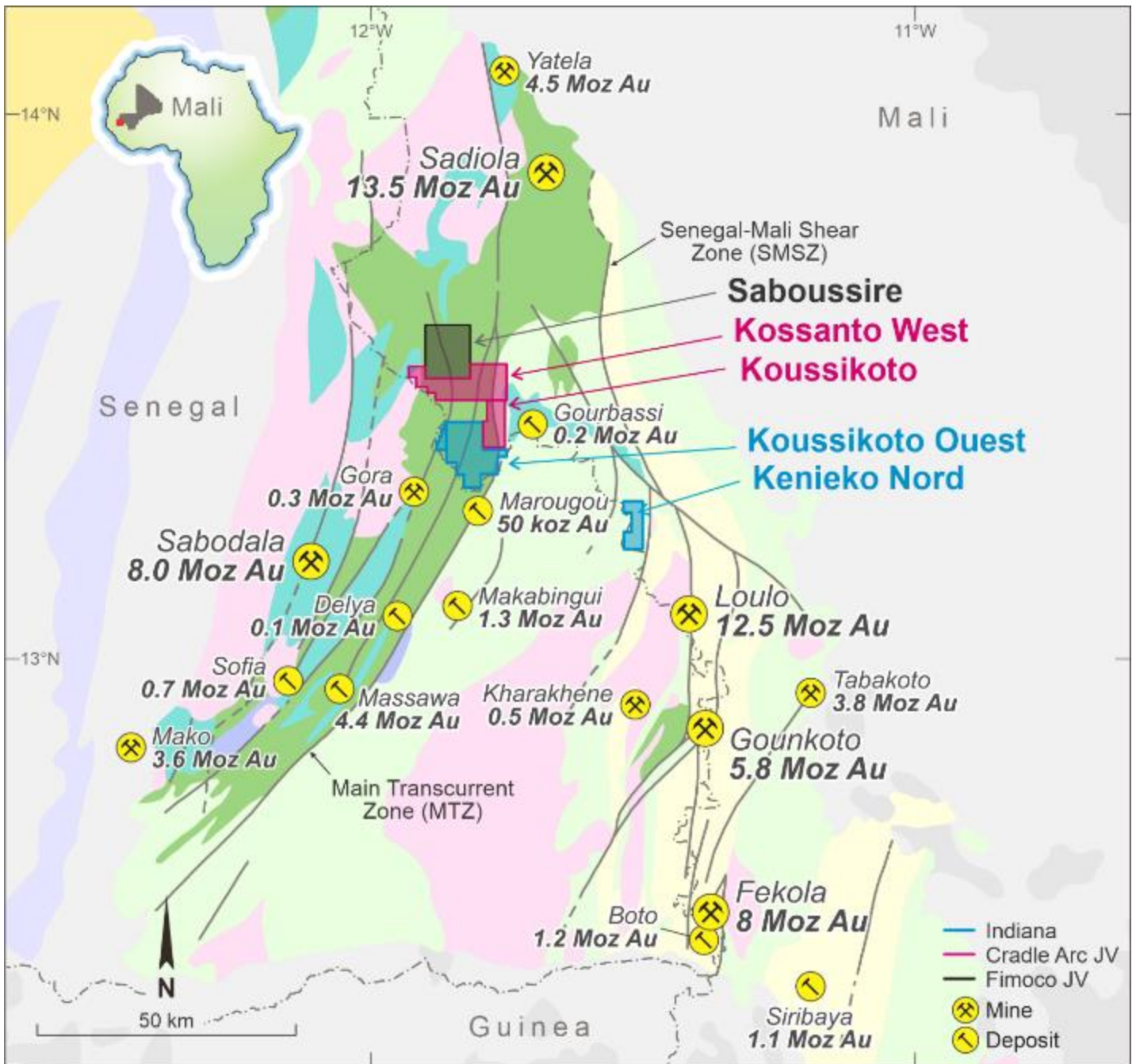


Figure 1 – Indiana West Mali tenure showing location of Saboussire and Kenieko

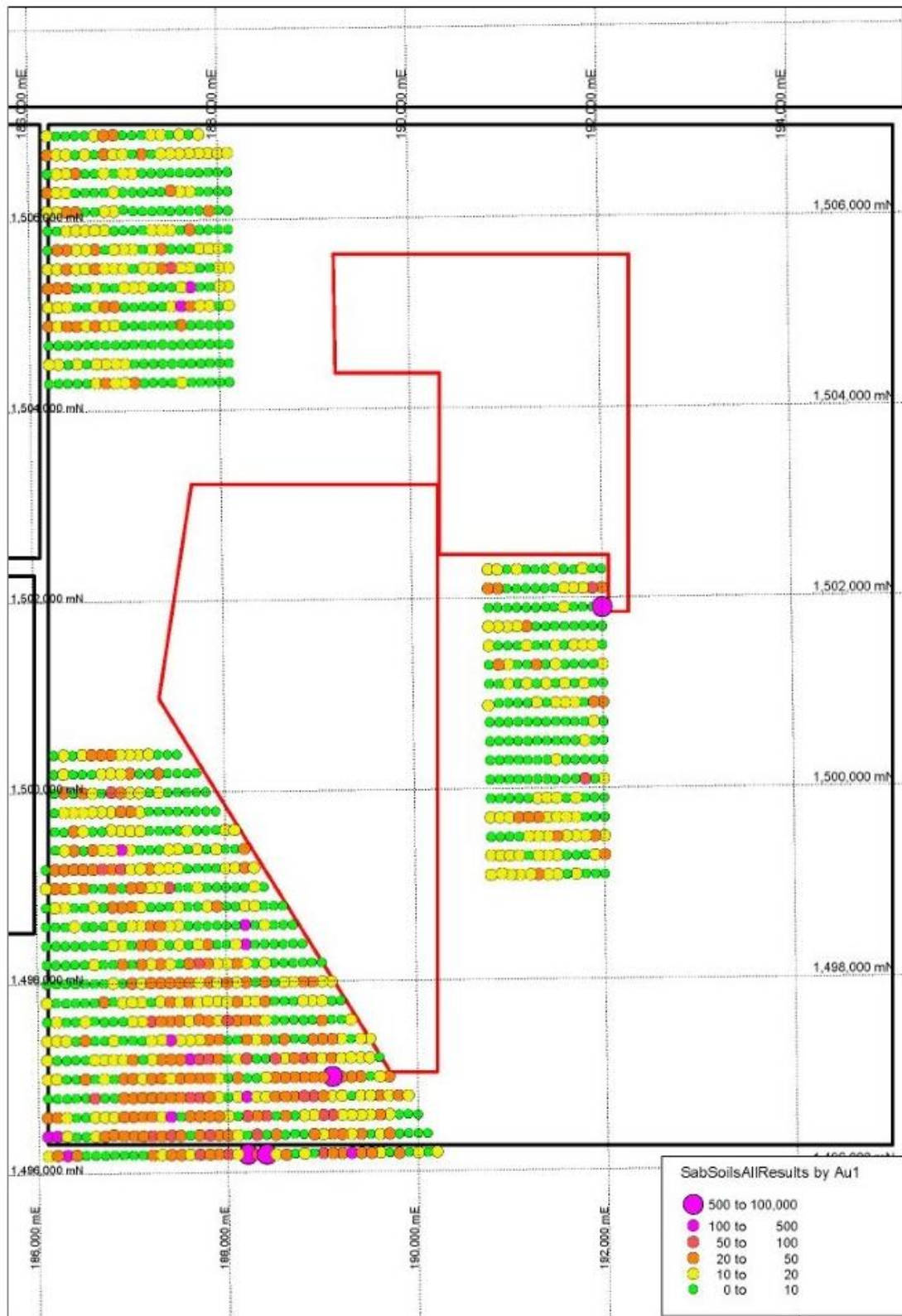


Figure 2 - Saboussire: Soil sample results and areas recommended for further work

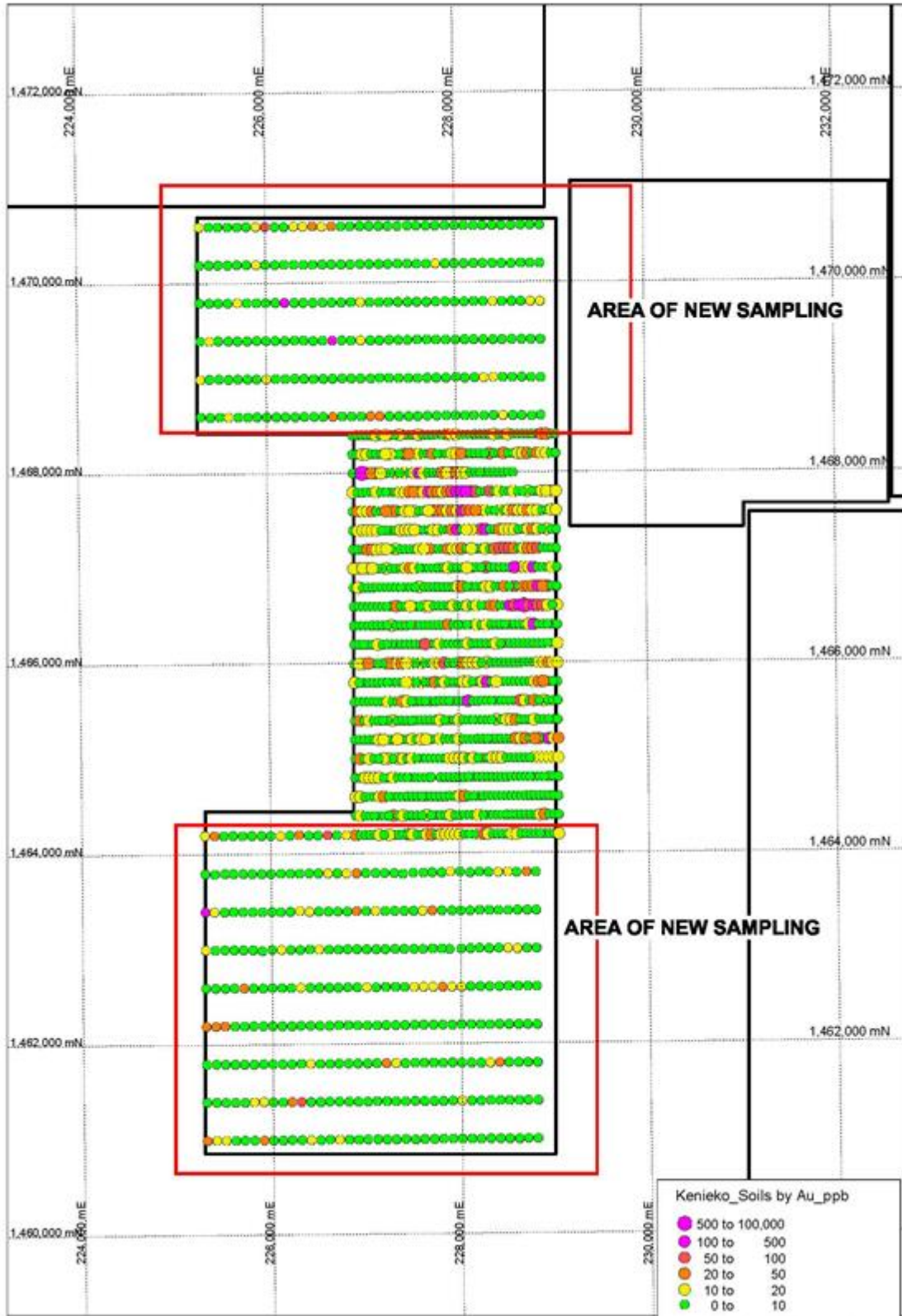


Figure 3 - Kenieko Nord: Soil sample results

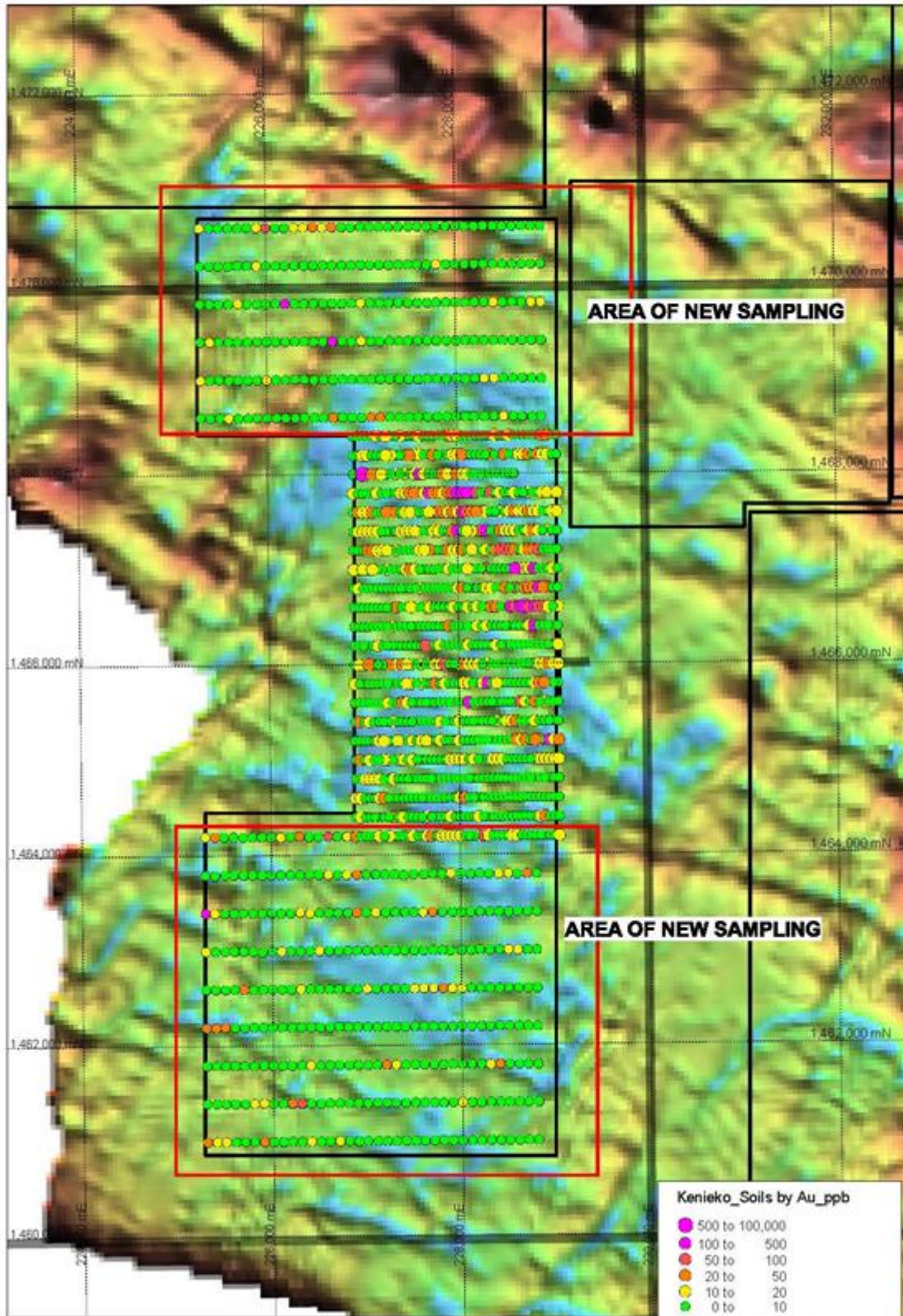


Figure 4 - Kenieko Nord: Soil sample results on Magnetics

Koussikoto Ouest

During the quarter the Company continued to work on resolving issues arising from the previously advised (31 January 2019) Notice of Claim relating to the Koussikoto Ouest Project. The exploration licence is held by Olive Mining SARL, a Malian company owned 75% by Mukuyu with the remaining 25% held by a private Malian citizen ('Minority Shareholder'). The Company had received a Notice of Claim from the Minority Shareholder alleging certain breaches of the shareholders' agreement between the Company and the Minority Shareholder, challenging the Company's 75% ownership and disputing responsibility for the Minority Shareholder's percentage of expenditure. The Company received written legal advice that the claims of the Minority Shareholder were without foundation and continues to work with the Malian court system and the Minority Shareholder to resolve the matters included in the Statement of Claim. Given the current Covid-19 pandemic, Malian courts have been suspended, with no current date advised for when they will resume activities.

Kossanto West

In September 2018 the Company entered into a Joint Venture with Caracal Gold Mali SARL ("**Caracal**"), a subsidiary of Cradle Arc plc. In January 2019 Cradle Arc was placed into administration. The Company has continued to liaise with the administrators in an effort to purchase the tenements outright.

During the quarter, the Company understands that the administrator allowed the tenements to lapse and ownership reverted to the Government of Mali. The Company has applied for the tenements, but due to the Covid-19 pandemic, the mines department has suspended all tenement applications.

Australia – Termite Resources NL – Finalisation of Proceedings

During the quarter proceedings against former directors of Termite Resources NL ("**Termite**") were resolved. As a result, the liquidators of Termite have confirmed that no claims lie against the Company and there is no further exposure for Termite, the former directors of Termite or Indiana.

This brings to a conclusion an extended legal process against the former directors and officers of Termite and removes any potential claim against Indiana. Further background information can be found in the Company's 2019 Annual Report and other previously released information to the market.

CORPORATE

Cash position

As at 31 March 2020, the Company had cash at bank of \$ 18,000.00.

On 7th April 2020 the Company successfully placed 12,500,000 shares at 2c per share. The Placement was made using the Company's placement capacity under ASX Listing Rule 7.1 capacity and raised a total of \$250,000 (before costs). The Placement closed oversubscribed and applications were scaled back at the Company's discretion.

Subsequent to the end of the quarter, 6,000,000 shares were issued at 2c per share pursuant to trade creditor invoices in lieu of cash payments.

Share capital

As at 31 March 2020, the Company had 183,494,693 shares on issue and 26,812,146 unquoted options outstanding.

Board Changes

In February 2020 Non-Executive Chair Bronwyn Barnes transitioned to the role of Executive Chair in order to focus on leading activities in the current dispute with the Tanzanian government.

Impact of Covid-19

On 8th April 2020, the Company released to the market information relating to changes to activities and operations in response to the current Covid-19 pandemic. These changes significantly reduced company operating overheads and all exploration activity in Mali has been suspended for the foreseeable future.

TENEMENT INTERESTS AS REQUIRED BY LISTING RULE 5.3.3

Tenements held and location

During the quarter the following tenements expired and were not renewed. The Retention Licence for Ntaka Hill was expropriated.

| Tenement | Percentage | Note |
|----------------------------------|------------|--|
| PL 7095/2011 - Nditi | 100% | Relinquished |
| RL 0017/2015 - Ntaka Hill | 86% | Expropriated by the Government of Tanzania |
| PL 7226/2011 - Ntaka South | 100% | Relinquished |
| PL 10904/2016 - Namikango North | 100% | Relinquished |
| PL 11022/2017 - Ntaka North West | 100% | Relinquished |

| Tenement | Ownership | Project | Location |
|----------------------------|-----------|------------|----------|
| PR 13/647 Koussikoto Ouest | 75% | Koussikoto | Mali |
| PR 15/736 Kenieko Nord | 95% | Kenieko | Mali |

The Board of Directors of Indiana Resources Limited authorised this announcement for release to the market.

- ENDS -

For further information, please contact:

Bronwyn Barnes – Chairman
Tel: +61 8 9429 8829

Aida Tabakovic – Company Secretary
Tel: +61 8 94281 0389

Competent Person's Statement

Mali

Information relating to exploration results is based on information reviewed by Mr Simon Coxhell B.Sc, who is a consultant to Indiana Resources Ltd and is a Member of the Australian Institute of Mining and Metallurgy. Mr Coxhell has sufficient experience which is relevant to the style of mineralisation 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 Coxhell consents to the inclusion of the information relating to historical exploration results in this announcement in the form and context in which it appears.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Indiana Resources Limited and its Controlled Entities

ABN

67 009 129 560

Quarter ended ("current quarter")

31 March 2020

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation (if expensed) | (127) | (908) |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (37) | (47) |
| (e) administration and corporate costs | (60) | (831) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | - | 1 |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Government grants and tax incentives | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (224) | (1,785) |

| | | |
|--|---|---|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | - | - |
| (d) exploration & evaluation (if capitalised) | - | - |
| (e) investments | - | - |
| (f) other non-current assets | - | - |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|--------------------------------------|---|----------------------------|---------------------------------------|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) 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 equity securities (excluding convertible debt securities) | - | 1,491 |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | - |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | (64) |
| 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 | - | 1,427 |
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 241 | 380 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (224) | (1,785) |
| 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) | - | 1,427 |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|---|------------------------------------|--|
| 4.5 | Effect of movement in exchange rates on cash held | 1 | (4) |
| 4.6 | Cash and cash equivalents at end of period | 18 | 18 |

| 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 | 18 | 226 |
| 5.2 | Call deposits | - | 15 |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 18 | 241 |

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

22

-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

The amount reported in item 6.1 relates to payments made to Directors during the quarter.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| 7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|---|---|--|
| 7.1 Loan facilities | 1,000 | - |
| 7.2 Credit standby arrangements | - | - |
| 7.3 Other (please specify) | - | - |
| 7.4 Total financing facilities | 1,000 | - |

7.5 **Unused financing facilities available at quarter end** 1,000

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

The amount reported in item 7.1 is the loan facility with the lender Michael Fotios and Associated Entities which is unsecured with an interest rate of 8% per annum, which is capitalised into the loan immediately prior to repayment or conversion. The loan facility expires on 31 December 2020 and can be converted into equity at the same price as the Company's next capital raising or repaid from the proceeds of the capital raising, at the Company's option.

| 8. Estimated cash available for future operating activities | \$A'000 |
|---|----------------|
| 8.1 Net cash from / (used in) operating activities (Item 1.9) | (224) |
| 8.2 Capitalised exploration & evaluation (Item 2.1(d)) | - |
| 8.3 Total relevant outgoings (Item 8.1 + Item 8.2) | (224) |
| 8.4 Cash and cash equivalents at quarter end (Item 4.6) | 18 |
| 8.5 Unused finance facilities available at quarter end (Item 7.5) | 1,000 |
| 8.6 Total available funding (Item 8.4 + Item 8.5) | 1,018 |
| 8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3) | 4.53 |

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

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.

Date: 29 April 2020

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.