

Letter to Shareholders

Dear Shareholder

As we start the year, I wanted to provide an overview of activities shareholders can expect from the Company in 2023. I also wanted to recap some of the Company's major achievements of 2022 as we progressed exploration activities at our South Australian, Rare Earth Element ("REE"), gold, and base metals projects within the Central Gawler Craton and continued arbitration against the United Republic of Tanzania over the expropriation of the Ntaka Hill Nickel Project.

Before I do, I would like to sincerely thank our existing shareholders for their ongoing support – your genuine interest in our work programs in South Australia and continued support of our arbitration activities provides great confidence to the Board. We are fortunate to have a very engaged shareholder base, and we welcome your continued interest and questions around our activities. For new shareholders, I welcome you to the Company and look forward to what I hope to be a very active, eventful, prosperous, and exciting year for the Company.

Shareholders would have seen that we ended the year by completing a \$500,000 placement to an existing shareholder, a private resources-focused investment group, at market price. This funding commitment demonstrates the strong support Indiana's Board and management have from shareholders for our projects in South Australia and our arbitration activities.

This funding, along with the \$1.84 million raised in June 2022, enabled the advancement of exploration activities for the 2022 year and provides sufficient cash resources to progress planned activities for the first part of 2023. Against the backdrop of a strong commodities market for both REE, gold and base metals, I am predicting strong investor support for our planned activities. As existing shareholders know, the Board and its management employs the Company's cash resources with great prudence and is focused on ensuring each dollar spent creates value within the Company.

Looking Ahead – 2023

For Q1 2023, shareholders can expect to see updates from the Company on the following:

Late January 2023	Assay results – Phase 1 REE AC drilling
February 2023	Assay results – Gold RC Drilling
February 2023	Drill sample sizing assay results

CAPITAL STRUCTURE

501,004,819
Shares on Issue
A\$0.061
Share Price
30.6M
Market Cap

BOARD & MANAGEMENT

Bronwyn Barnes
Executive Chair
Bob Adam
Non-executive Director
David Ward
Non-executive Director

Richard Maish
CEO
Kate Stoney
CFO & Company Secretary

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February 2023	Arbitration – United Republic of Tanzania
February/March 2023	REE Phase 2 AC drilling
Late March 2023	Assay results Phase 2 REE AC drilling
February/March 2023	Results from Heli/TEM Survey – Harris Greenstone Domain
March 2023	Identify zones of REE enrichment for follow up AC programs

This strong anticipated news flow continues on from a very active 2022 year where we made 48 ASX releases focused on updating shareholders on our exploration activities in South Australia, arbitration and company updates.

2022 Recap

Central Gawler Project – Gold

At our Central Gawler Project in South Australia, our exploration activities began with a focus on gold exploration at Minos. Early in the first quarter of 2022 we released assay results from Reverse Circulation (RC) drilling at Minos that delivered significant results, including:

- 36m @ 2.63g/t Au from 124m, including 1m @ 12.60g/t Au and 1m @ 12.50g/t Au
- 21m @ 3.14g/t Au from 75m, including 1m @ 19.70g/t Au and 1m @ 21.80g/t Au
- 25m @ 2.42g/t Au from 140m, including 2m @ 14.85g/t Au
- 20m @ 2.34g/t Au from 116m, including 1m @ 17.70g/t Au
- 9m @ 2.77g/t Au from 186m, including 1m @ 17.20g/t Au
- 2m @ 11.30g/t Au from 190m
- 7m @ 3.18g/t Au from 54m, including 1m @ 12.20g/t Au
- 11m @ 1.76g/t Au from 135m
- 17m @ 1.08g/t Au from 25m
- 17m @ 1.05g/t Au from 59m
- 4m @ 4.14g/t Au from 43m, including 1m @ 10.00g/t Au

(Refer ASX releases 23 February 2022 & 15 March 2022)

These outstanding results identified thick and high-grade intersections in the north-western portion of the orebody, with gold mineralisation confirmed over a 600m strike length at Minos and open along strike in both directions and at depth.

Unfortunately, unseasonal heavy rainfall and severe flooding in South Australia in the first quarter of 2022 delayed follow up drilling to further test these results until April, when a further RC drilling programme was completed at Minos. The programme comprised fourteen (14) drillholes for 1,868m metres and was designed to infill the existing drill hole coverage within



the central portion of the defined mineralisation and to provide further geological information for inclusion in the proposed resource estimate for Minos.

Results from the first nine (9) RC drillholes were received in June (refer ASX Release 9 June 2022) with the final five (5) RC drillholes received in July (refer ASX Release 21 July 2022).

The results confirmed the Lake Labyrinth Shear Zone as a significant gold bearing system with gold mineralisation remaining open along strike in both directions and at depth and with shallow gold mineralisation intersected in all sections tested. Significant results on the new section include:

- 11m @ 1.77g/t Au from 39m in hole LLRC080
- 16m @ 1.91g/t Au from 73m in hole LLRC081 including 1m @ 12.10g/t Au from 80m
- 7m @ 1.28g/t Au from 113m in hole LLRC082
- 24m @ 1.41g/t Au from 37m in hole LLRC083 including 1m @ 16.00g/t Au from 53m
- 9m @ 1.06g/t Au from 82m and 8m @ 0.82g/t Au from 100m in hole LLRC084
- 8m @ 2.25g/t Au from 113m in hole LLRC085
- 14m @ 2.56g/t Au from 44m in hole LLRC087
- 9m @ 1.97g/t Au from 88m in hole LLRC088
- 5m @ 1.41g/t Au from 113m in hole LLRC089
- 24m @ 0.98g/t Au from 55m in hole LLRC090 including 14m @ 0.90g/t Au from 55m and 7m @ 1.47g/t Au from 72m
- 8m @ 1.38g/t Au from 88m in hole LLRC091
- 4m @ 5.31g/t Au from 106m in hole LLRC091
- 4m @ 1.33g/t Au from 116m in hole LLRC091
- 5m @ 1.10g/t Au from 123m in hole LLRC092
- 8m @ 0.85g/t Au from 149m in hole LLRC092

Based on the outstanding results that continued to be delivered from drilling at Minos, the Company undertook a further RC drilling programme at the Minos and Ariadne Prospects in August with a total of seventeen (17) drillholes completed for 2,599m.

At Minos, fifteen (15) holes were drilled to test the extension of the known strike towards the northwest and tighten the existing drill density. At Ariadne, two (2) drillholes were completed to test the orientation of the gold mineralisation at depth identified from historical workings. Gold mineralisation has previously been identified in an intense alteration system adjacent to a prominent, unmineralised massive quartz zone referred to as the Quartz Unit.

Once again, the program delivered outstanding drill results underlining the consistency of gold mineralisation in what we believe to be a large system that remains open along strike



and at depth demonstrating that that the LLSZ has the potential to host a large significant gold bearing system (Refer ASX release 2 November 2022).

Significant results from the August program included:

- 10m @ 4.40g/t Au from 123m in LLRC102 including 2m @ 17.70g/t Au from 123m
- 15m @ 1.97g/t Au from 91m in LLRC095
- 3m @ 6.68g/t Au from 210m in LLRC104 including 1m @ 19.00g/t Au from 210m
- 12m @ 1.67g/t Au from 89m in LLRC103
- 8m @ 2.26g/t Au from 181m in LLRC105
- 1m @ 28.3g/t Au from 169m in LLRC098

Significantly the intercept in LLRC102 appears to be a new zone of high-grade mineralisation that remains untested on adjacent sections.

The Company committed to a further RC drill program at Minos in December 2022, with 10 holes completed for 1,668m to test the recently identified parallel structure at the northwest end of Minos. Results from this program are expected in February 2023 and we look forward to receiving these in due course.

Central Gawler Project – Rare Earth Elements

Whilst gold exploration of the LLSZ continues to remain a high priority for future exploration, technical reviews conducted during the year identified the potential for REE mineralisation to be hosted within our Central Gawler Project.

Within the database, a quarter of the holes across Indiana's tenements have had some REE analysis, in some cases limited to a single sample per drillhole. The limited historical REE analyses were initially undertaken to determine geochemical vectors of IOCG and shear-hosted gold mineralisation, therefore only considered partial analysis of the REE suite comprising Cerium (Ce), Lanthanum (La) and Yttrium (Y) – often the most abundant of the REE suite and relatively, the lowest value.

With evidence of REE in the region and localised enrichment evident, selected samples were submitted for assay for the complete REE suite to fully assess the potential for large scale, high-grade, ionic clay hosted REE mineralisation.

An initial batch of sample pulps from 6 holes drilled along the LLSZ were submitted for the full suite of rare earth elements (TREE). The sample pulps from the six holes were part of a total of 78 drillholes completed in 2021. Results returned significant values up to 15,486ppm (1.55%) TREE (Refer ASX release 2 August 2022).

Significant intersections of Rare Earth Oxide Composite Results \geq 500 ppm TREE) included:

- 20m @ 4,021ppm TREE from 24m (LLAC012)



- including 16m @ 4,830ppm TREO and 2,070ppm MREO from 24m
- including 4m @ 15,486ppm (1.55%) TREO and 7,403ppm MREO from 28m
- 45m @ 751ppm TREO from 24m (LLAC015)
 - including 12m @ 1,276ppm TREO from 28m
- 36m @ 803ppm TREO from 24m (LLAC011)
 - including 4m @ 1,001ppm TREO from 40m

The remaining 1,035 sample pulps from 72 aircore (AC) drillholes were submitted for the full suite of rare earth elements assay using a near complete digestion (Lithium Borate Fusion) method.

These assays confirmed thick, widespread REE mineralisation in the northern section of Minos across approximately 8km of strike, returning up to 7,039 ppm TREO and 2,775 ppm Magnetic Rare Earth Oxides (MREO). Intersections up to 76m thick were recorded with high proportions of high-value MREOs. The MREOs are predominantly Terbium (Tb) and Dysprosium (Dy) which are referred to as 'heavy REEs' (HREEs) and Neodymium (Nd) and Praseodymium (Pr), which are termed 'light REEs' (LREEs). Significant intersections (\geq 500ppm TREO grade) included:

- 37 metres @ 1,687ppm TREO (24.9% Magnet REO) from 32 metres (LLAC006)
- 12 metres @ 1,284ppm TREO (25.8% Magnet REO) from 48 metres (LLAC007)
- 20 metres @ 1,170ppm TREO (16.1% Magnet REO) from 32 metres (LLAC008)
- 20 metres @ 2,242ppm TREO (14.7% Magnet REO) from 28 metres (LLAC010)
- 20 metres @ 4,021ppm TREO (41.9% Magnet REO) from 24 metres (LLAC012)
- 30 metres @ 1,095ppm TREO (32.5% Magnet REO) from 20 metres (LLAC016)
- 19 metres @ 2,280ppm TREO (27.7% Magnet REO) from 36 metres (LLAC043)
- 31 metres @ 1,607ppm TREO (29.1% Magnet REO) from 40 metres (LLAC044)
- 24 metres @ 1,002ppm TREO (36.5% Magnet REO) from 44 metres (LLAC045)
- 31 metres @ 1,154ppm TREO (31.8% Magnet REO) from 44 metres (LLAC046)
- 33 metres @ 1,358ppm TREO (38.1% Magnet REO) from 44 metres (LLAC047)
- 40 metres @ 1,276ppm TREO (28.1% Magnet REO) from 48 metres (LLAC050)
- 86 metres @ 788ppm TREO (28.5% Magnet REO) from 28 metres (LLAC051)
- 64 metres @ 963ppm TREO (27.5% Magnet REO) from 32 metres (LLAC053)
- 8 metres @ 999ppm TREO (26.5% Magnet REO) from 4 metres (LLAC054)
- 24 metres @ 1086ppm TREO (31.7% Magnet REO) from 40 metres (LLAC056)

Based on the technical review and the small number of results, the Company committed to a focused REE Air Core drill program and expanded the technical review to assess the REE potential of other zones within the Company's 5,713km² Central Gawler Craton Project.



This technical review identified multiple new target areas which are outlined below (Refer ASX release 14 December 2022):

- Lake Labyrinth (~450km²) – Multiple prospects identified at Minos, Partridge, Company Well West and Hicks Well
- Talia (~290km²) – Follow up of historic drilling required
- Nelson Bore (~250km²) – South of Petrathern's Comet REE project

The expanded technical review also identified high grade TREO with elevated MREO component at Minos with highlights outlined below:

- 87% of holes contained results \geq 500 ppm TREO
- 49% of holes contained results \geq 750 ppm TREO
- Clay-hosted TREO mineralisation commences 4 metres from surface
- Average TREO grade and thickness is 831 ppm and 27.9 metres
- High value MREO averages 28% of TREO grade
- Average Nd + Pr % of MREO 77.5%
- TREO up to 15,486ppm (1.6%) and MREO up to 7,436ppm (48% of TREO)
- High grade MREO (>300ppm) horizontal layer identified in clay zone at Minos

In late November 2022, Air Core drilling was carried out to test a 5km long zone within the 10 km strike length already identified along the LLSZ northwest of Minos targeting the main shear zone and one traverse testing across strike for repetitions of REE mineralisation north and south of the main Minos trend.

A total of 72 holes were completed for 3,252m with results expected late January 2023. These results will provide further information to assist in planning for follow up drilling (~2,500m) which is planned for early March 2023, along with sufficient material to enable metallurgical test work to be undertaken.

Central Gawler Project – Base Metals

Whilst the Company's project area is known to contain REE and gold mineralisation, there is still a large part of our project area that has very limited exploration and has the potential to host other base metal minerals, including zinc, cobalt and nickel.

During the year the Company was pleased to have received an Accelerated Discovery Initiative ('ADI') grant of \$255,000 to support exploration activities at the Harris Greenstone Domain within the Company's Central Gawler Craton Project. The ADI is a South Australian Government initiative designed to accelerate mineral discovery through innovative exploration and research projects in regional and frontier terrains throughout South Australia. This is the first time Indiana has received a grant for its Central Gawler Craton Project.



The grant followed the recent completion of an assessment for base metal mineralisation and a high-level review completed by Dr Jon Hronsky AOM, a leading industry expert. The review completed by Dr Hronsky identified the prospectivity for Volcanogenic Massive Sulphide ('VMS') Zn-Cu mineralisation within the Harris Greenstone Domain ('HGD') along with a recommendation to fully assess the nickel-sulphide potential.

The key findings from Dr Jon Hronsky's report are highly encouraging – including the identification of a large-scale, 17km, east-west striking zone of zinc anomalism. In November 2022 the Company commissioned and completed an Airborne Electromagnetic Survey that will provide information to assist in identifying targets within the HGD for future drilling programs. Results from this survey is expected in the first quarter of 2023 and based on these results the Company will determine next steps for exploration activities within this underexplored but highly prospective region.

Central Gawler Project – Community

As we look to expand our exploration activities within the Central Gawler Craton, our relationships with the traditional custodians of the lands on which we operate remain of the highest importance. During the year we announced that a Native Title Mining Agreement (NTMA) has been successfully completed with the Antakirinja Matu Yankunytjatjara Aboriginal Corporation Registered Native Title Body Corporate (RNTBC) (AMYAC) and subsequently registered by the Department for Energy and Mining, South Australia. The NTMA signed with the Antakirinja Matu-Yankunytjatjara People represented by AMYAC, covers 15 Exploration Licences located in the northern portion of the Company's 5,713km² Gawler Craton Project. The area represents roughly 60% of Indiana's Project package.

During the year we also concluded a Native Title Mining Agreement (NTMA) signed with the Gawler Ranges Aboriginal Corporation RNTBC, unlocking the southern portion of Indiana's portfolio which hosts the highly prospective Archaean Harris Greenstone Belt. We look forward to working with both groups on exploration activities and have used these agreements as opportunities to ensure we have traditional owner engagement, employment and a solid working relationship.

Ntaka Hill Nickel Project, Tanzania – Arbitration

During the year we also progressed our claim to arbitration against the United Republic of Tanzania over the expropriation of the Ntaka Hill Nickel Project. At the beginning of 2022 the Company was approached by the United Republic of Tanzania to discuss the potential for a settlement and agreed to meet with the Special Presidential Government Negotiation Team (SPGNT) in Dar es Salaam to discuss a potential settlement involving the return of the Ntaka Hill licence.

A number of meetings were held, however during a site visit in May 2022 it became clear that Ntaka Hill had been developed by third parties with extensive and sophisticated mining activities taking place.



The Company subsequently advised the SPGNT that a settlement involving payment of a cash sum to compensate the losses suffered was the only option to resolve the dispute in advance of arbitration. No further communications have been received from the SPGNT since May, and in the absence of an agreed early settlement being reached, the Company has continued to prepare for the hearing at the International Centre for Settlement of Investment Disputes, part of the World Bank.

The hearing is scheduled to commence on Monday 30th January 2023, and we are well prepared to present at the hearing.

Summary

In summary the Company is looking forward to delivering a strong news flow in the first quarter of 2023, which will provide the basis for ongoing work programs for the remainder of the year. I want to thank the Board and Indiana staff for their dedication to progressing exploration across our various prospects at our South Australian project, and for their continued focus on arbitration activities. I would like to also extend these thanks to our team of contractors and consultants. Without them we would not have been able to progress matters so significantly in 2022, and 2023 is also shaping up to be a busy year.

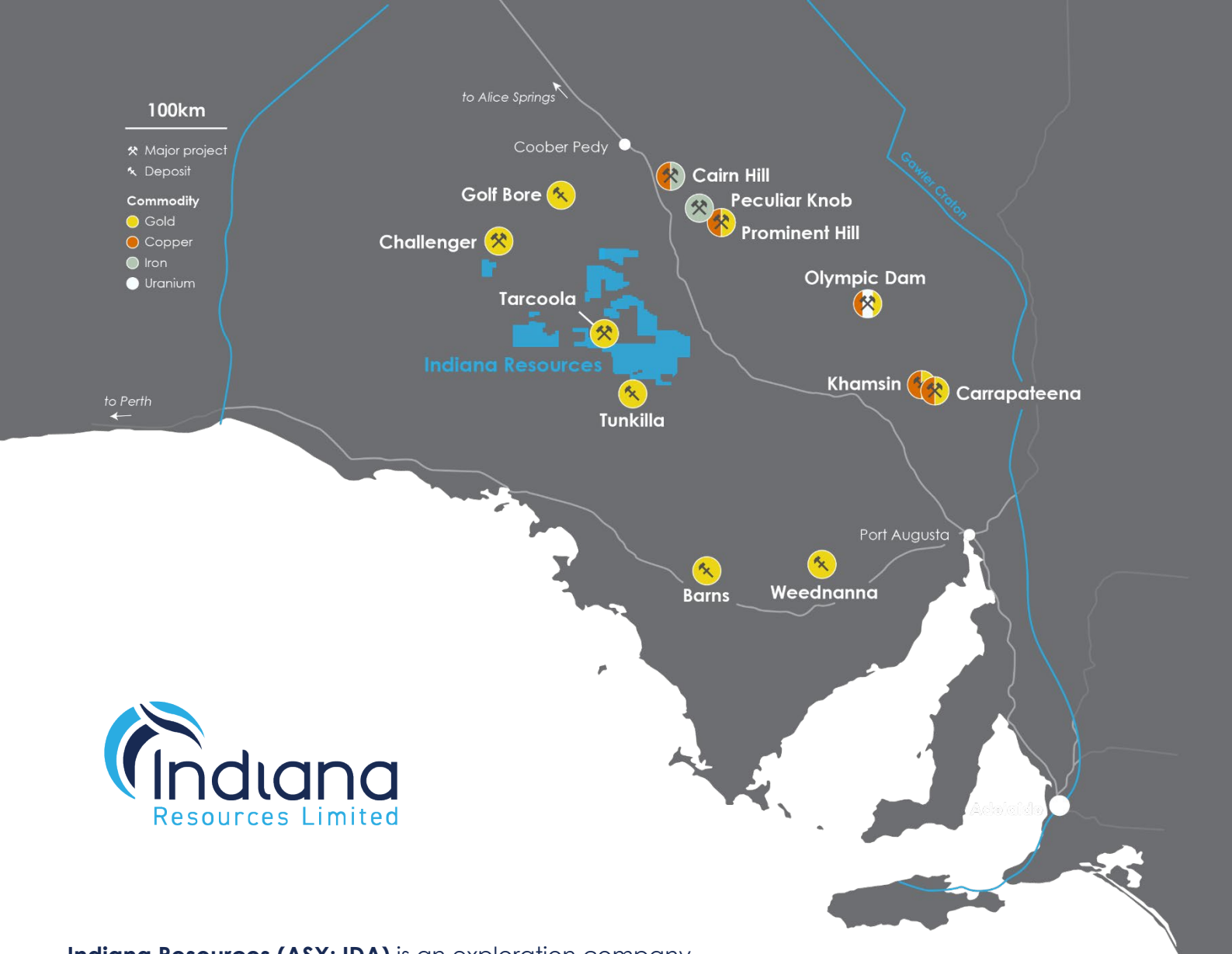
Finally, thank you once again to our many supportive shareholders – I remain available to discuss any aspects of our projects with you and truly enjoy connecting with our wide shareholder base. I am confident that 2023 will be one of our strongest years and look forward to sharing with you our progress during the year.

Yours sincerely



Bronwyn Barnes
Executive Chair





Indiana Resources (ASX: IDA) is an exploration company focused on advancing a portfolio of tenements, which include rare earths, gold and base metals, in the highly prospective Central Gawler Craton Province in South Australia.

Indiana's ground position in the Gawler Craton covers 5,713km²- with the Company's tenements strategically located between the historic gold mining centres of Tunkilla (965,000 ounce gold resource) and Tarcoola (15,800 ounce gold resource).

With a historical focus on gold, Indiana is progressing plans for a targeted Rare Earth Elements (REE) drilling programme. The Company benefits by its strategic positioning in a tightly held region, known for gold but with exciting REE opportunities.

The Company has a highly experienced management team, led by Executive Chair, Bronwyn Barnes and CEO Richard Maish. Indiana has a tightly held register with benefits from strong support from major shareholders who are aligned with the Company's growth story.

