

QUARTERLY ACTIVITIES REPORT

Quarter ended 30 June 2023

Indiana Resources Limited (ASX: IDA) ('Indiana' or the 'Company') is pleased to provide its activities report for the quarter ended 30 June 2023.

HIGHLIGHTS

Arbitration Award

- ICSID arbitration proceedings conclude post-quarter end – unanimous finding that Tanzania unlawfully expropriated the Ntaka Hill Nickel Project
- Tribunal awards compensation of **US\$109.5M (~A\$160M)** plus legal costs of over US\$4M
- Letter of demand issued for US\$113.6M – interest continues to accrue until payment
- Award is enforceable against Tanzania in all 158 countries party to the ICSID Convention
- Preparation for enforcement activities underway, provisionally stayed pending Tanzanian application for annulment

Rare Earth Exploration

- Final assays received from December 2022 AC drilling programme at Minos REE Prospect
- Assays confirm continuity of REE¹ mineralisation along 4.5km strike and increase width of target zone to 6km
- High-grade clay-hosted total rare earth oxide (TREO) mineralisation remains open in all directions, with significant component of high-value magnet rare earth oxides (MREO)
- Results during quarter include outstanding bonanza grade intersections:
 - **26m @ 4,767ppm TREO and 1,894ppm MREO** from 46m, including
 - **1m @ 46,721ppm (4.67%) TREO and 22,255ppm (2.23%) MREO** from 48m,
 - **5m @ 16,706ppm TREO** from 48m, and
 - **7m @ 5,597ppm MREO** from 48m
- Other significant results include:
 - **14m @ 2,441ppm TREO and 1,024ppm MREO** from 56m, including
 - **3m @ 5,293ppm TREO and 2,741ppm MREO** from 62m
 - **40m @ 1,047ppm TREO** from 14m
 - **33m @ 1,250ppm TREO** from 23m
 - **29m @ 1,366ppm TREO** from 22m
- Zone of REE enrichment extends from 4m below surface to depths of up to 75m, with MREO zone (>300ppm contour) up to 14m thick
- Metallurgical test and recovery work underway, further AC drilling planned to test lateral extent of REE mineralisation and distribution of TREO and MREO enrichment zones

Corporate

- Rights issue raises \$1.01M to fund near-term activities

¹ The group of metals referred to as rare earth elements (REE) comprises the 15 elements of the lanthanide series. Metals in the lanthanide series are: lanthanum (La), cerium (Ce), praseodymium (Pr), neodymium (Nd), promethium (Pm), samarium (Sm), europium (Eu), gadolinium (Gd), terbium (Tb), dysprosium (Dy), holmium (Ho), erbium (Er), thulium (Tm), ytterbium (Yb) and lutetium (Lu). In addition, yttrium (Y) and scandium (Sc) are often grouped with the lanthanides and referred to as REEs.



CAPITAL STRUCTURE

535,676,061
Shares on Issue

A\$0.069
Share Price

\$37M
Market Cap

BOARD & MANAGEMENT

Bronwyn Barnes
Executive Chair

Robert (Bob) Adam
Non-Executive Director

David Ward
Non-Executive Director

Kate Stoney
CFO & Company Secretary

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TANZANIA

ICSID Arbitration

Tribunal Award

During the quarter, the final submissions were made in the arbitration proceedings against the United Republic of Tanzania over the unlawful expropriation of the Ntaka Hill Nickel Project. Post-quarter end, the arbitration tribunal handed down its Award on 14 July 2023, ordering that Tanzania pay compensation of at least **US\$109.5M** in damages and accrued interest (refer ASX release 18 July 2023).

The arbitration proceedings were conducted through the International Centre for Settlement of Investment Disputes ("ICSID"), which is part of the World Bank Group. ICSID awards are enforceable in any one of the 158 countries that have ratified the ICSID Convention.

The ICSID tribunal unanimously found that Tanzania breached the UK-Tanzania Bilateral Investment Treaty by expropriating Ntaka Hill from the Claimants. Indiana is the majority shareholder in the Claimants, which comprise Ntaka Nickel Holdings Ltd ("NNHL"), Nachingwea UK Ltd ("NUKL") (both incorporated in the United Kingdom), and Nachingwea Nickel Ltd (incorporated in Tanzania).

The Award comprises US\$76.71M as compensation for the expropriation of the Project, plus compound interest at 2% above the USD prime rate (currently 8.50%) on the amount awarded from 10 January 2018 to the date of payment. The tribunal additionally ordered that Tanzania pay \$4.11M in respect of the tribunal's costs and Claimants' legal costs.

Next Steps

Post-quarter end, the Claimants issued a letter of demand to the Solicitor-General of Tanzania for payment of \$US113.6M by 17 August 2023 (refer ASX release 20 July 2023). Interest on the award continues to accrue until the date of payment. The Government of Tanzania subsequently lodged an application for annulment of the Award (refer ASX release 28 July 2023). ICSID will convene an ad hoc committee to hear the request for annulment, with enforcement of the Award provisionally stayed pending constitution of the ad hoc committee.

The Claimants were represented in the arbitration proceedings by LALIVE and Boies Schiller Flexner LLP, two international law firms that specialise in international arbitration. A litigation funding facility for US\$4.65M is in place with Litigation Capital Management Ltd ("LCM"), with the funding facility covering all legal costs associated with arbitration and repayable on the successful enforcement of the Award. The total amount currently repayable to LCM under the facility is approximately US\$15M, which will continue to increase until the facility has been repaid and closed.

During the quarter, the Company continued to update the market on the dispute between the shareholders of NNHL (one of the Claimants), which has been referred to the Australian Centre for International Commercial Arbitration (refer ASX releases 16 March 2023 and 23 June 2023). Indiana's stake in the Claimants may increase as a result of the proceedings, which concern a funding call made by NNHL to its shareholders NUKL (in which Indiana holds an 83.7% stake) and Loricatus Resources Investments ("LRI").

EXPLORATION

South Australia – Gawler Craton Rare Earth & Gold Project

Rare Earth Exploration

During the quarter, the Company received the final assays from its December 2022 Phase 1 AC drilling programme at the Minos REE Prospect, comprising 72 holes for a total of 3,251m (refer ASX release 22 December 2022). The programme consisted of 48 holes completed along the 6km central "Track Section" corridor and a further 24 holes completed in northern and southern extensions spanning 4.5km across strike (refer Figures 1 and 2).



Assays from 48 AC holes completed in the central Minos corridor were received in April 2023, with a number of holes intersecting very high-grade REE mineralisation (refer ASX release 17 April 2023). The below hole intersected bonanza grade mineralisation up to 4.67% TREO and 2.23% MREO:

- **26 metres @ 4,767ppm TREO and 1,894ppm MREO** from 46 metres (LLAC128), including:
 - **1 metre @ 46,721ppm and 22,255ppm MREO** from 48 metres
 - **5 metres @ 16,706ppm TREO** from 48 metres, and
 - **7 metres @ 5,597ppm MREO** from 48 metres

Other significant results included:

- 33 metres @ 1,250ppm TREO (23% MREO) from 33 metres (LLAC091)
- 25 metres @ 1,511ppm TREO (25% MREO) from 38 metres (LLAC113)
- 20 metres @ 1,109ppm TREO (24% MREO) from 21 metres (LLAC117)
- 29 metres @ 1,366ppm TREO (20% MREO) from 22 metres (LLAC119)
- 22 metres @ 1,458ppm TREO (31% MREO) from 26 metres (LLAC130)
- 38 metres @ 840ppm TREO (29% MREO) from 22 metres (LLAC140)
- 16 metres @ 1,389ppm TREO (27% MREO) from 29 metres (LLAC142)
- 24 metres @ 1,376ppm TREO (27% MREO) from 27 metres (LLAC143)

Results from the remaining 21 AC holes along the traverse north and south of the Track Section were received in June 2023 (refer ASX release 21 June 2023). All holes intersected TREO mineralisation greater than 500ppm, with further significant results including:

- 26 metres @ 1,656ppm TREO and 622ppm MREO from 33 metres (LLAC085), including
 - 14 metres @ 2,441ppm TREO and 1,024ppm MREO from 56 metres, and
 - 3 metres @ 5,293ppm TREO and 2,741ppm MREO from 62 metres
- 18 metres @ 1,272ppm TREO (19% MREO) from 51 metres (LLAC084)
- 12 metres @ 1,705ppm TREO (28% MREO) from 9 metres (LLAC095)
- 25 metres @ 908ppm TREO (27% MREO) from 8 metres (LLAC104)
- 25 metres @ 919ppm TREO (27% MREO) from 5 metres (LLAC105)
- 14 metres @ 960ppm TREO (27% MREO) from 4 metres (LLAC106)
- 26 metres @ 884ppm TREO (27% MREO) from 4 metres (LLAC107)

All AC holes intersected a regolith profile including soil/calcrete, ferricrete, clay and saprolite above strongly weathered/oxidised granitic basement. The final results indicate a sub horizontal zone of significant REE enrichment that extends from about 4 metres below surface to depths of up to 75 metres. REE assays were by mixed acid digest.

Intercepts in all holes confirmed the continuity of REE mineralisation along the Track Section tested by the AC programme (refer Figures 1 and 2). A horizontal zone of MREO enrichment defined by a 300ppm contour has been intersected in most holes, confirming significant remobilisation of REE has occurred in the weathering profile. The zone of MREO enrichment is located within the saprolite/clay zone, up to 14 metres thick and at depths of 8 to 70 metres below surface.

Infill AC drilling is required to evaluate the distribution of the TREO and MREO enrichment zones and identify the extent of the high-grade mineralisation contained within each zone. The lateral extent of the REE mineralisation has been significantly increased but remains to be fully tested, with mineralisation remaining open in all directions.



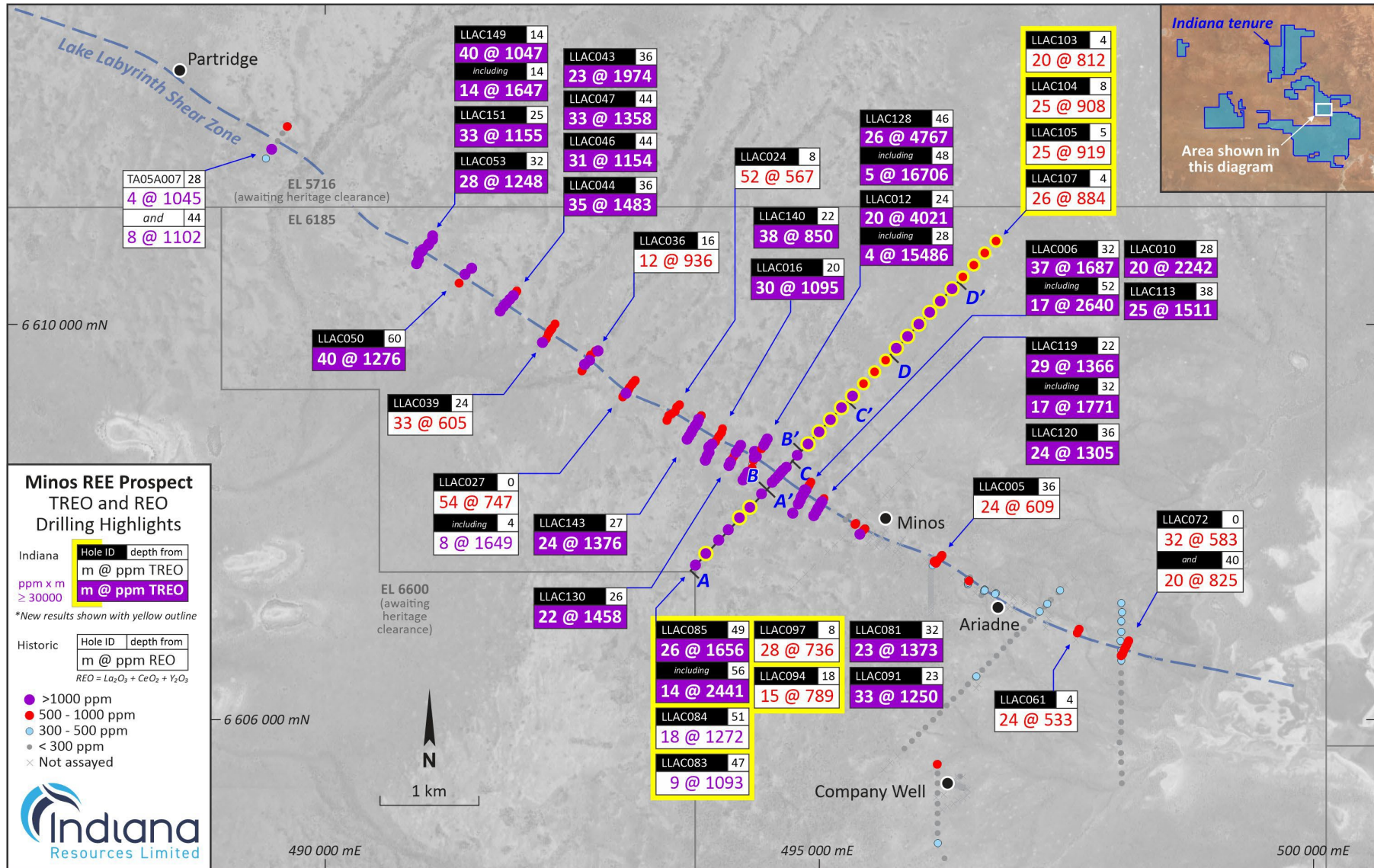


Figure 1: Minos REE Prospect TREO highlights (most recent results highlighted in yellow)

Gold and Base Metals Exploration

The Company has received the preliminary results of its HeliTEM² airborne electro-magnetic survey completed in November 2022 over the Hopeful Hill Greenstone Belt, which is prospective for zinc and nickel mineralisation (refer ASX release 14 November 2022). A technical review of the data is underway to further assess a largescale 17km east-west striking zone of zinc anomalism. It is anticipated that the data review may identify bedrock conductors that could be a response from massive sulphide mineralisation. The survey was co-funded by a grant received under the South Australian Government's Advanced Discovery Initiative (refer ASX release 21 June 2022), with funding of \$150,000 due to be released following submission of project reporting in the current quarter.

CORPORATE

During the quarter, the Company raised approximately \$1,012,400 (before costs) from a 1-for-20 pro rata non-renounceable entitlement issue at \$0.04 per Share, made under its prospectus dated 27 April 2023 ("Entitlement Offer").

The Directors of the Company took up the entirety of their rights under the Entitlement Offer, contributing funds of \$74,851. Additionally, during the quarter Mr Bob Adam, a Director of the Company, exercised 1,000,000 \$0.04 unlisted options to realise proceeds of \$40,000.

In June 2023, the Company advised the appointment of Rothsay Audit & Assurance Pty Ltd as auditor of the Company, in place of RSM Australia Partners.

Appendix 5B

Attached to this report is the Appendix 5B which contains the Company's cash flows for the quarter. The Company had cash at bank of approximately \$1,177,000 at 30 June 2023. The significant outflows for the quarter included \$383,000 on exploration and evaluation (March: \$406k), which wholly related to the Company's exploration program at its Gawler Craton Project in South Australia. The Company also spent \$259,000 on administration and corporate costs (March: \$354k), including expenses relating to the arbitration proceedings against Tanzania.

The amount of payments made to related parties and their associates during the quarter was approximately \$7,000, as disclosed under section 6.1 of the Appendix 5B. This amount consisted solely of statutory superannuation payments to Directors, with all other payments to Directors deferred in line with the Company's previously announced cash preservation measures (refer ASX release 20 February 2023).

– ENDS –

This announcement has been authorised by the board of directors of the Company.

For further information, please contact:

Bronwyn Barnes
Executive Chairman
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Competent Person Statement

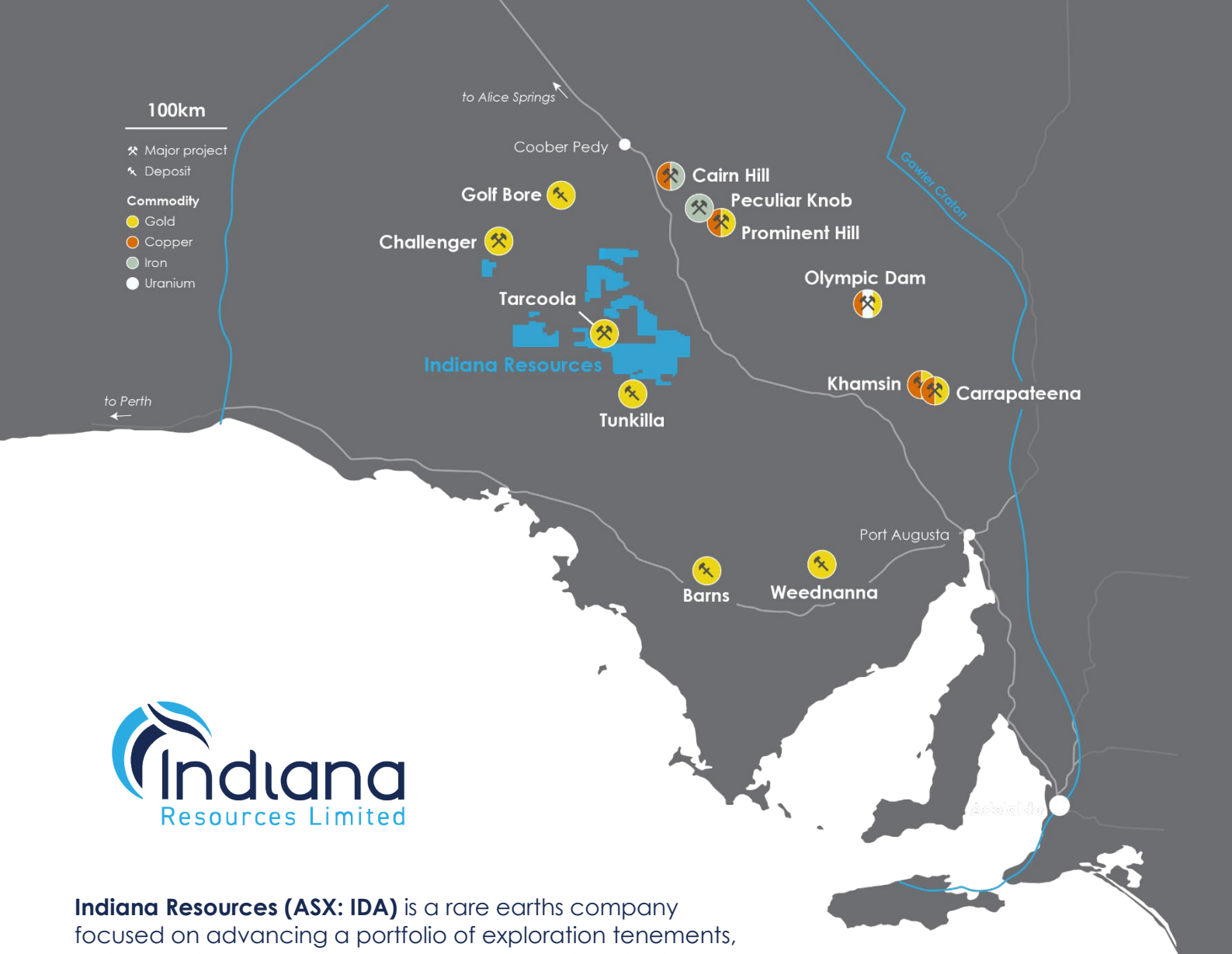
The information in this report that relates to Exploration Results is based on information compiled or reviewed by Mr David Ward, a Competent Person who is a Director of the Company. Mr Ward is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Ward consents to the inclusion of the information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the Exploration Results information included in this report from previous Company announcements, including Exploration Results extracted from the Company's subsequent ASX announcements.

Tenement interests at 30 June 2023

Tenement Number and name	Ownership	Project	Location
EL 5716 Gibber Plains	100%	Gawler Craton	South Australia
EL 5779 Hicks Well	100%	Gawler Craton	South Australia
EL 5786 Yerda	100%	Gawler Craton	South Australia
EL 5989 Hopeful Hill	100%	Gawler Craton	South Australia
EL 5991 Yerda	100%	Gawler Craton	South Australia
EL 5992 Tarcoola	100%	Gawler Craton	South Australia
EL 6184 Coondambo	100%	Gawler Craton	South Australia
EL 6185 Lake Labyrinth	100%	Gawler Craton	South Australia
EL 6186 Pinding	100%	Gawler Craton	South Australia
EL 6256 Wilgena Area	100%	Gawler Craton	South Australia
EL 6570 Wilgena	100%	Gawler Craton	South Australia
EL 6571 Pompeter Rocks	100%	Gawler Craton	South Australia
EL 6575 Big Tank	100%	Gawler Craton	South Australia
EL 6576 Lake Harris	100%	Gawler Craton	South Australia
EL 6586 Tarcoola West	100%	Gawler Craton	South Australia
EL 6587 Birthday	100%	Gawler Craton	South Australia
EL 6600 Mt Eba	100%	Gawler Craton	South Australia
EL 6601 North Hicks	100%	Gawler Craton	South Australia
EL 6629 Mentor	100%	Gawler Craton	South Australia
EL 6667 Yerda Northwest	100%	Gawler Craton	South Australia
EL 6688 Harris	100%	Gawler Craton	South Australia
EL 6810	100%	Gawler Craton	South Australia
ML 5856 Earea Dam Goldfield	100%	Gawler Craton	South Australia
Claim Block 4242 ⁱ	50%	St Stephen	New Brunswick, Canada
Claim Block 5787 ⁱ	50%	St Stephen	New Brunswick, Canada

ⁱ Subject to 50/50 joint venture with Vision Lithium Inc.



Indiana Resources (ASX: IDA) is a rare earths company focused on advancing a portfolio of exploration tenements, which also include gold and base metals optionality, 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 Tunkillia (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. Indiana has a tightly held register with benefits from strong support from major shareholders who are aligned with the Company's growth story.



Appendix 5B

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

Name of entity

Indiana Resources Limited

ABN

67 009 129 560

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(383)	(1,483)
(b) development	-	-
(c) production	-	-
(d) staff costs	(14)	(405)
(e) administration and corporate costs	(259)	(1,071)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	11
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	(654)	(2,948)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(5)	(20)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 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	(5)	(20)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	1,012	1,512
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	40	373
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(67)	(194)
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) ¹	-	99
3.10 Net cash from / (used in) financing activities	985	1,790

¹ Funds from joint venture partner held in trust

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 (12 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	854	2,363
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(654)	(2,948)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5)	(20)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	985	1,790
4.5	Effect of movement in exchange rates on cash held	(3)	(8)
4.6	Cash and cash equivalents at end of period	1,177	1,177

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	1,162	839
5.2	Call deposits	15	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)	1,177	854

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	7
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>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.</i></p> <p>Payments to Directors during the quarter relate solely to statutory superannuation payments; all other payments to Directors were deferred in line with the Company's cash preservation measures announced 20 February 2023.</p>		

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	150	-
7.4 Total financing facilities	150	-
7.5 Unused financing facilities available at quarter end		150
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.		
Funding agreement under the Government of South Australia's Accelerated Discovery Initiative, as announced on 21 June 2022.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(654)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(654)
8.4 Cash and cash equivalents at quarter end (item 4.6)	1,177
8.5 Unused finance facilities available at quarter end (item 7.5)	150
8.6 Total available funding (item 8.4 + item 8.5)	1,327
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	2.03
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 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?	
N/A	
8.8.2 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?	
N/A	

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

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

N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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: 31 July 2023

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.