

31 October 2023

QUARTERLY ACTIVITIES REPORT

Quarter ended 30 September 2023

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

HIGHLIGHTS

Arbitration Award

- ICSID tribunal awards compensation of **US\$109M (~A\$170M) plus costs** to Claimants for Tanzania's illegal expropriation of the Ntaka Hill Nickel Project
- Interest continues to accrue at over US\$1M per month
- Boies Schiller Flexner appointed to represent Claimants in enforcement and annulment proceedings
- Award is enforceable against Tanzania in all 158 countries party to the ICSID Convention
- Enforcement provisionally stayed following Tanzanian application for annulment of the Award – ICSID *ad hoc* tribunal convened and first session held post-quarter end
- Claimants can seize Tanzanian assets up to the value of the Award, process of identifying assets of interest has begun

Rare Earth and Gold Exploration

- Work begun to follow up outstanding REE and gold results received earlier this year
- Experienced geologist Mr Mathew Perrot appointed full-time Exploration Manager to drive new phase of exploration work
- Field reconnaissance programme completed during quarter, including evaluation of REE, gold and base metal targets
- Activities undertaken include collection of REE samples for metallurgical test work and selection of core samples for petrographic analysis
- Expansion of statutory and heritage clearances underway to allow access to new target areas

Corporate

- Post-quarter end, successful placement raises \$3.8M to self-fund ICSID Award annulment and enforcement activities, as well as reactivation of exploration activities
- Directors subscribe for \$140,000 (subject to shareholder approval)
- Experienced executive Ms Maja McGuire appointed Non-Executive Director

TANZANIA

ICSID Arbitration

Tribunal Award

On 14 July 2023, the arbitration proceedings against the Government of Tanzania over the unlawful expropriation of the Ntaka Hill Nickel Project ("the Project") concluded with Tanzania ordered to pay compensation of at least **US\$109.5M** (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, and where sovereign states fail to pay, assets may be seized up to the full value of the Award.

CAPITAL STRUCTURE

612,437,061
Shares on Issue
A\$0.049
Share Price
30M
Market Cap

BOARD & MANAGEMENT

Bronwyn Barnes
Executive Chair
Robert (Bob) Adam
Non-Executive Director
David Ward
Non-Executive Director

Maja McGuire
Non-Executive Director
Kate Stoney
CFO & Joint Company Secretary
Josh Merriman
Joint Company Secretary

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The ICSID tribunal unanimously found that Tanzania breached the UK-Tanzania Bilateral Investment Treaty by expropriating the Project 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 loss of the Claimants' investment in 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. Interest on the Award is accruing at the rate of approximately \$US1M per month. The tribunal additionally ordered that Tanzania pay \$4.11M in respect of the tribunal's costs and Claimants' legal costs.

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\$17M, which will continue to increase until the facility has been repaid and closed.

Application for Annulment

Following the Award, the Claimants issued a letter of demand to the Solicitor-General of Tanzania for payment of \$US113.6M (refer ASX release 20 July 2023). The Government of Tanzania subsequently lodged an application for annulment of the Award (refer ASX release 28 July 2023). Boies Schiller Flexner LLP (“BSF”) is representing the Claimants in the annulment and enforcement phase, led by Mr Timothy Foden, who worked with the Claimants during the arbitration process.

In the view of the Claimants' legal representatives, Tanzania's request for annulment has failed to demonstrate any of the specific and narrow grounds for the annulment of ICSID awards which are articulated in ICSID Convention Article 52(1).

In August 2023, the Company advised that ICSID had convened its *ad hoc* Committee to hear Tanzania's application for annulment of the Award (refer ASX release 28 August 2023). In advance of the first session, the Claimants applied for the annulment process to be discontinued on the grounds that the application for annulment was manifestly without legal merit (refer ASX release 18 September 2023). The Claimants additionally applied for Tanzania's application to maintain the provisional stay of enforcement to be denied, allowing the Claimants to begin seizing assets up to the full value of the Award.

Post-quarter end, the Company advised that the first session of the ICSID *ad hoc* Committee had been held to consider the timetable for the annulment process (refer ASX release 18 October 2023). A procedural order was subsequently issued with the proposed briefing and hearing schedule for the rest of the annulment proceedings. The process of identifying assets of interest held by Tanzania has begun, in anticipation of the lifting of the provisional stay of enforcement.

EXPLORATION

South Australia – Gawler Craton Rare Earth & Gold Project

Subsequent to the end of the quarter the Company announced that it had recommenced on-ground REE and gold exploration activities at its 100% owned Central Gawler Craton Project, following the outstanding assays results received earlier this year. Mr Mathew Perrot, an experienced geologist, has been appointed full-time Exploration Manager to drive the Company's new phase of work (refer ASX release 18 October 2023).

A field reconnaissance programme was completed covering key targets at the Project (refer ASX release 30 October 2023), including reviews of REE and gold targets at the Minos Prospect, assessments of regional gold targets (including Company Well, Partridge, Earea Dam, Moolkra, Double Dutch and Boomerang), and evaluation of base metal targets in the Hopeful Hill greenstone belt.

At Minos, representative samples of clay-hosted REE mineralisation were taken from selected AC holes for beneficiation and metallurgical test work, with a total of 109 kg of samples collected and transported to Perth for processing.

Diamond core samples stored at the Company's Adelaide warehouse have been selected for petrographic thin section analysis to determine the alteration assemblages associated with gold mineralisation, unmineralised wall rocks at Minos, and the original host rocks. In-situ remnant drill spoils from historical gold exploration activities were also collected and will be sampled and tested to identify geochemical signatures similar to the mineralisation at Minos and Ariadne.

The Company has also reviewed the status of statutory and heritage clearances outside the existing Lake Labyrinth Shear Zone (LLSZ) corridor. The Company will lodge two new Exploration Programs for Environment Protection and Rehabilitation (EPEPRs) with the South Australian Department for Energy and Mining, allowing for the expansion of exploration activities outside existing zones, and further heritage clearances are being requested within the area covered by the Native Title Mining Agreement with the Gawler Ranges Aboriginal Corporation RTNBC to allow access to Earea Dam, Moolkra and Boomerang for ground disturbing activities.

CORPORATE

Post-quarter end, the Company raised \$3,828,050 (before costs) via a placement to new and existing sophisticated investors in Australia and London (refer ASX release 18 October 2023). Directors of the Company subscribed for shares to the value of \$140,000, the issue of which is subject to shareholder approval at the Company's Annual General Meeting. During the quarter, the Company also issued 4,161,250 fully paid ordinary shares to satisfy trade payables totalling \$166,450 owed to contractors and consultants of the Company.

The Company also advised post-quarter end the appointment of Ms Maja McGuire as a Non-Executive Director. Ms McGuire is an experienced legal professional and company director who has held senior executive roles and board positions across a number of publicly listed companies.

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 \$574,000 at 30 September 2023. The significant outflows for the quarter included \$139,000 on exploration and evaluation (June: \$383,000). The Company also spent \$692,000 on administration and corporate costs (June: \$259,000), including expenses relating to the arbitration proceedings against Tanzania and arbitration proceedings in the shareholder dispute against Loricatus Resource Investments (refer ASX releases 16 March and 23 June 2023).

The amount of payments made to related parties and their associates during the quarter was approximately \$107,000, as disclosed under section 6.1 of the Appendix 5B. This amount related to directors' fees and salaries, superannuation, and consulting fees, including the payment of fees deferred from previous quarters in line with the Company's previous cash preservation measures (refer ASX release 20 February 2023).

ENDS

This announcement is authorised for release by the Chair of Indiana Resources Limited with the authority from the Board of Directors.

For further information, please contact:

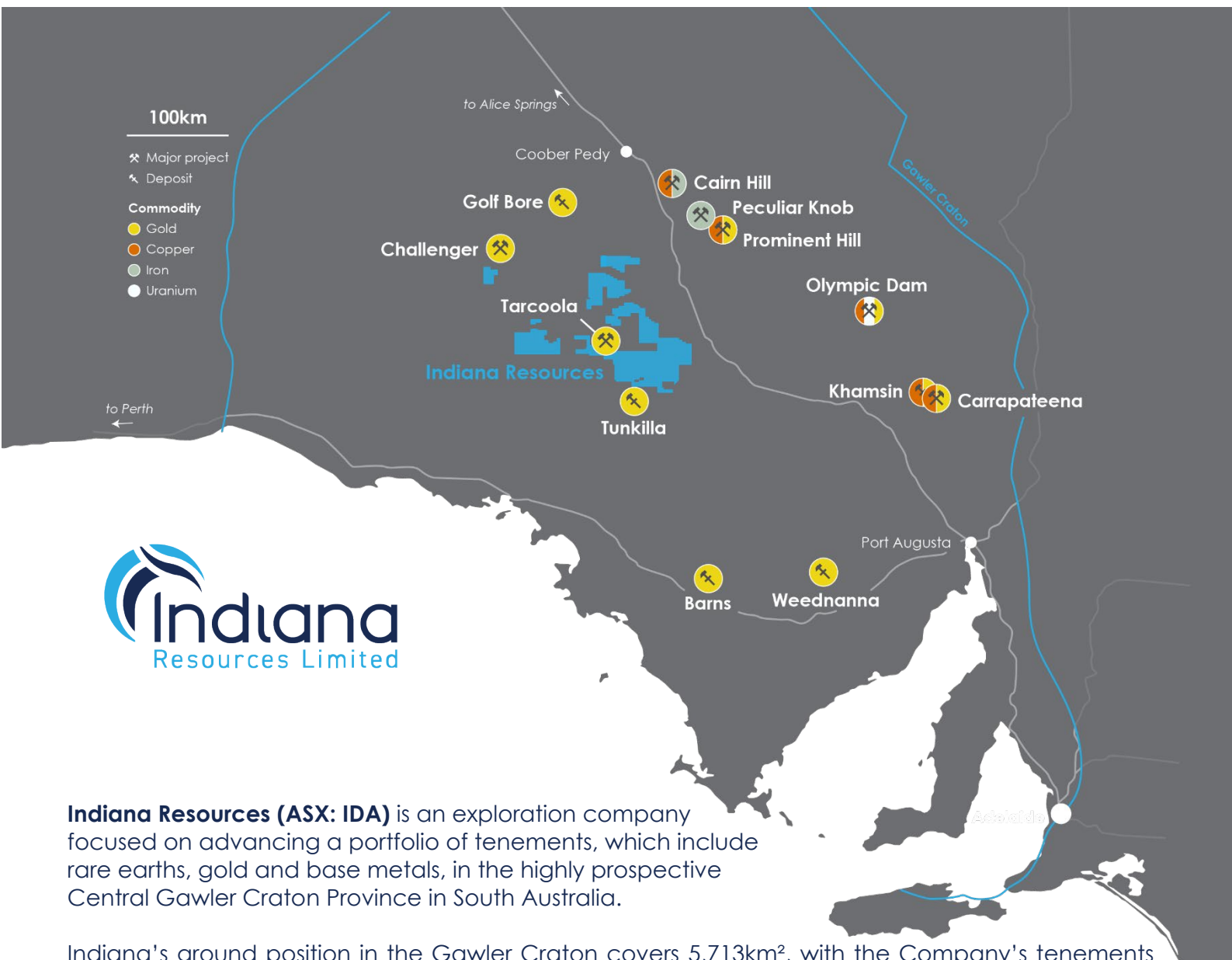
Bronwyn Barnes
Executive Chair
T: +61 (0) 417 093 256

For more information, please visit www.indianaresources.com.au

Tenement interests at 30 September 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 ¹	50%	St Stephen	New Brunswick, Canada
Claim Block 5787 ¹	50%	St Stephen	New Brunswick, Canada

¹ Subject to 50/50 joint venture with Vision Lithium Inc.



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. 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 September 2023

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	(139)	(139)
(b) development	-	-
(c) production	-	-
(d) staff costs	(10)	(10)
(e) administration and corporate costs ¹	(692)	(692)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	2	2
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives ²	165	165
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(674)	(674)
¹ Inclusive of expenditure relating to the Company's ICSID arbitration proceedings against the Government of Tanzania. ² Co-funding payment received under the South Australian Government's Accelerated Discovery Initiative (refer ASX release 21 June 2022).		

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(5)	(5)
(d) exploration & evaluation	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(e) investments	-	-
(f) other non-current assets	-	-
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)	(5)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	90	90
3.4 Transaction costs related to issues of equity securities or convertible debt securities	-	-
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	90	90

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	1,177	1,177
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(674)	(674)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5)	(5)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	90	90
4.5	Effect of movement in exchange rates on cash held	(14)	(14)
4.6	Cash and cash equivalents at end of period	574	574

5. Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	559	1,162
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)	574	1,177

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	107
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-

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.

Payments to Directors during the quarter relate to director's fees and salaries, consulting fees and superannuation, including the payment of amounts deferred from previous quarters in line with the Company's cash preservation measures announced 20 February 2023.

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)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		
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.	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(674)
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)	(674)
8.4 Cash and cash equivalents at quarter end (item 4.6)	574
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	574
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.85
<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?	
Yes.	
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?	
Yes – following the end of the quarter, the Company raised approximately \$3.8 million (before costs) pursuant to its placement announced 18 October 2023.	
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?	
Yes, on the basis that it has raised further funds since the end of the quarter as outlined in section 8.8.2.	
<i>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.</i>	

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 October 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.