

31 January 2024

QUARTERLY ACTIVITIES REPORT

Quarter ended 31 December 2023

Indiana Resources Limited (ASX: IDA) ("Indiana" or the "Company") is pleased to present its activities report for the quarter ended 31 December 2023.

HIGHLIGHTS

Arbitration Award

- Interest accruing at **US\$1M (~A\$1.5M) per month** on ICSID Award of **US\$120M (~A\$180M)**
- Undertaking received from Tanzania to pay full amount of the Award to Claimants within 45 days of ICSID *ad hoc* Committee's final ruling on annulment application
- Tanzania will abide by the Committee's final annulment decision and will not subject the Award to any enforcement proceedings or scrutiny of Tanzanian courts

Exploration

- On-ground exploration recommences with mapping and sampling activities at REE, gold and base metal targets in Central Gawler Craton
- Multiple field programmes completed during quarter; mapping and sampling data will inform exploration plans for first half of 2024
- Metallurgical test work progressing on REE samples from Minos, petrographic analysis being undertaken on gold core samples
- Expansion of statutory and heritage clearances underway to allow access to new target areas

Corporate

- Successful placement raises \$3.8M to self-fund ICSID annulment and enforcement activities and reactivate exploration activities
- Directors subscribe for shares to the value of \$140,000
- Shareholder dispute between Claimants and JV partner settled
- Experienced executive Ms Maja McGuire appointed Non-Executive Director

TANZANIA

ICSID Arbitration

During the quarter, the Company continued its preparations for the annulment proceedings in the International Centre for Settlement of Investment Disputes ("ICSID"), part of the World Bank Group.

The amount payable by the Government of Tanzania currently stands at approximately USD\$120 million (AUD\$180 million), being the amount of the Award plus interest together with legal costs of USD\$4.28 million (refer ASX release 27 December 2023). Interest continues to accrue on the Award at a rate of 2% above the current USD prime rate of 8.5%, being approximately USD\$1 million (AUD\$1.5 million) per month.

Background to the Award

On 14 July 2023, the ICSID arbitration tribunal ruled that the Government of Tanzania had unlawfully expropriated the Ntaka Hill Nickel Project ("the Project") and ordered Tanzania to pay compensation of at least US\$109.5M, plus legal costs (refer ASX release 18 July 2023). 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

615,237,061
Shares on Issue
A\$0.083
Share Price
51M
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

CONTACT US

+61 (8) 6241 1870
info@indianaresources.com.au
www.indianaresources.com.au
9/22 Ware St
Thebarton SA 5031



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 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\$18M, which will continue to increase until the facility has been repaid and closed.

Annulment and Stay of Enforcement

The Government of Tanzania lodged an application for annulment of the Award in July 2023 (refer ASX release 28 July 2023), with enforcement of the Award preliminarily stayed pending a ruling from the ICSID *ad hoc* Committee convened to hear the annulment application. Boies Schiller Flexner LLP 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 Article 52(1) of the ICSID Convention. The ICSID *ad hoc* Committee has determined that it will not take into consideration Tanzania's assertion that it is "aggrieved and dissatisfied" with the Award, which is not a ground for annulment of ICSID awards under the Convention.

In November 2023, the ICSID *ad hoc* Committee advised that the stay of enforcement would be lifted unless Tanzania provided a binding undertaking that it would (a) recognise the Award as final and binding, and abide by and comply with the terms of the Award, (b) pay the full amount of the Award, plus interest, within 45 days of the final decision on annulment, and (c) not subject the payment of the Award to any enforcement proceedings in domestic courts in any jurisdiction, including Tanzania (refer ASX release 3 November 2023).

In December 2023, the Company advised that Tanzania had provided a binding undertaking to the satisfaction of the ICSID *ad hoc* Committee (refer ASX release 27 December 2023), with the provisional stay of enforcement continuing accordingly. The Company additionally advised that a hearing had taken place on the Claimants' preliminary objection to Tanzania's annulment application.

Settlement of Shareholder Dispute

In December 2023, the Company advised the settlement of a dispute between the shareholders of Ntaka Nickel Holdings Ltd ("NNHL") in relation to a funding call made to NNHL shareholders in October 2022 (refer ASX release 6 December 2023). The shareholders in NNHL are Nachingwea UK Limited ("NUKL") (Indiana: 83.7% ownership), and Loricatus Resource Investments (LRI). NNHL and NUKL are Claimants in the ICSID arbitration proceedings against the Government of Tanzania.

The dispute was referred to arbitration administered by the Australian Centre for International Commercial Arbitration ("ACICA") in accordance with the Project Acquisition Agreement between NUKL and LRI. Under the terms of the settlement, NUKL's stake in NNHL increased from 70% to 82% and LRI's stake was diluted from 30% to 18%, providing clarity around the shareholding structure of the Claimants. The settlement was reached in advance of the arbitration hearing, with each party bearing its own costs.

EXPLORATION

South Australia – Gawler Craton Rare Earth & Gold Project

During the quarter the Company recommenced field-based activities at its 100% owned Central Gawler Craton Project in South Australia. The Company's work during the quarter was designed to assist the Company to evaluate additional prospect areas, define key targets and inform key decisions around future exploration programmes. Mr Mathew Perrot, an experienced geologist, has been appointed full-time Exploration Manager to lead the Company's new phase of work (refer ASX release 18 October 2023).

An initial field reconnaissance programme was completed in October 2023 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. Existing diamond core samples stored at the Company's Adelaide warehouse were 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.

At Hopeful Hill, where the Company has previously completed an airborne electromagnetic survey (refer ASX release 14 November 2022), the dominant rock type associated with base metal targets has been assessed as ultramafic lithologies capable of hosting Ni-Cu-Co-PGE base metal mineralisation. Mapping of the area will assist in identifying the presence of gossans to explain the anomalies detected by the airborne survey.

A follow-up field programme commenced in November 2023 including geological mapping of key prospect areas, with a focus on REE and gold commodity groups (refer ASX release 27 November 2023). The programme was designed to enhance the understanding of the relationship between enriched clay-hosted REE's and the underlying bedrock lithology. Bottom of hole (BOH) geochemical sampling was also completed.

During the quarter, the Company also lodged two new Exploration Programs for Environment Protection and Rehabilitation (EPEPRs) with the South Australian Department for Energy and Mining, following a review of the status of statutory and heritage clearances outside the existing Lake Labyrinth Shear Zone (LLSZ) corridor. 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

Capital Raising

In October 2023, 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). The shares were placed utilising the Company's existing capacity under Listing Rules 7.1 and 7.1A, with Directors of the Company subscribing for shares to the value of \$140,000. The shares were issued to the Directors following shareholder approval at the Company's Annual General Meeting.

Other Matters

On 18 October 2023, the Company advised 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.

The Annual General Meeting of the Company was held on 30 November 2023, with all resolutions passed by shareholders. The Company additionally held an Extraordinary General Meeting on 13 October 2023, with all resolutions passed by shareholders.

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 \$2.71 million at 31 December 2023. The significant outflows for the quarter included \$1.15 million on administrative and corporate costs (September: \$692,000), inclusive of payments relating to the ICSID and ACICA arbitration proceedings. Following the resumption of on-ground activities, payments on exploration and evaluation during the quarter totalled \$213,000 (September: \$139,000).

The amount of payments made to related parties and their associates during the quarter was approximately \$299,000, as disclosed under section 6.1 of the Appendix 5B. This amount including payments for directors' fees, salaries and bonuses, superannuation, and consulting fees. Following the completion of its successful capital raising, the Company paid out the remaining accrued amounts owed to directors which had been 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:

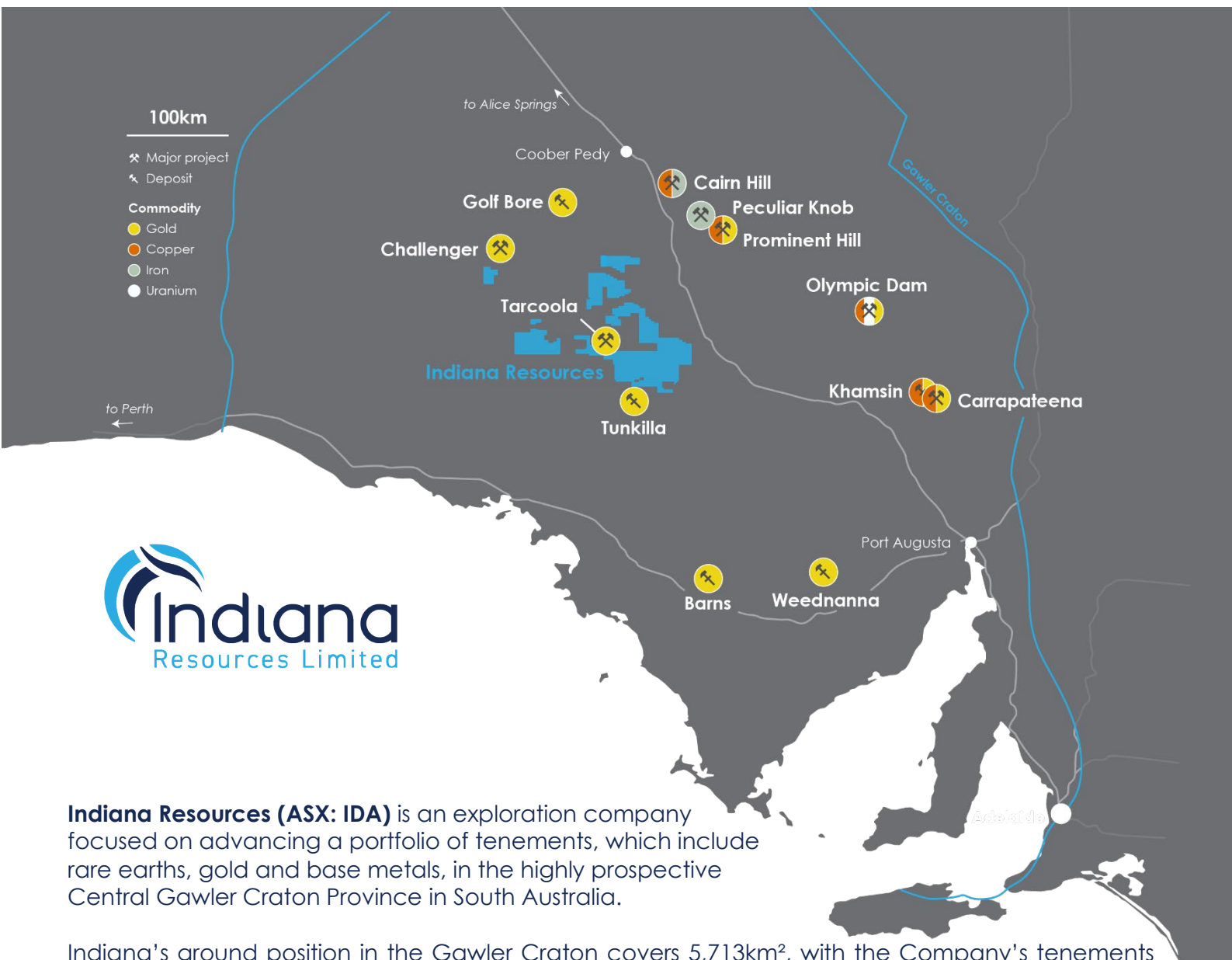
Bronwyn Barnes
Executive Chair
T: +61 (0) 417 093 256

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

Tenement interests at 31 December 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 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")

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(213)	(352)
(b) development	-	-
(c) production	-	-
(d) staff costs	(112)	(122)
(e) administration and corporate costs ¹	(1,147)	(1,839)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	12
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	165
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,462)	(2,136)
¹ Inclusive of expenditure relating to the Company's ICSID arbitration proceedings against the Government of Tanzania and ACICA arbitration proceedings against Loricatus Resource Investments.		

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(5)	(10)
(d) exploration & evaluation	-	-
(e) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(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) ¹	33	33
2.6 Net cash from / (used in) investing activities	28	23
¹ Subscription monies received from JV partner for shares in the Company's subsidiary Ntaka Nickel Holdings Ltd (refer ASX announcement 6 December 2023).		

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	3,828	3,828
3.2 Proceeds from issue of convertible debt securities	-	-
3.3 Proceeds from exercise of options	-	90
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(260)	(260)
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	3,568	3,658

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	574	1,177
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,462)	(2,136)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	28	23
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,568	3,658
4.5	Effect of movement in exchange rates on cash held	6	(8)
4.6	Cash and cash equivalents at end of period	2,714	2,714

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	2,699	559
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)	2,714	574

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	299
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, bonuses, 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)	(1,462)
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)	(1,462)
8.4 Cash and cash equivalents at quarter end (item 4.6)	2,714
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	2,714
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.9
<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?
	No. Operating cash flows in the December quarter were higher than usual due to the payment of legal fees in relation to the Company's ACICA arbitration proceedings which were settled during the quarter (refer ASX announcement 6 December 2023). The Company additionally settled overdue invoices voluntarily deferred by related parties from previous quarters, following the Company's capital raising (refer ASX announcement 18 October 2023).
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?
	As detailed in the accompanying quarterly activities report for the period ended 31 December 2023, the Company has received an Award of approximately USD\$120 million (AUD\$180 million) from the International Centre for Settlement of Investment Disputes ("ICSID") in respect of the arbitration proceedings against the Government of Tanzania. The Company's future capital requirements will be shaped by the progression of Tanzania's application for annulment of the Award. Should additional capital be required prior to the receipt of funds from the Award, the Company is confident that it will be able to raise funds as required on favourable terms as demonstrated by its history of successful capital raisings.

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?

Yes, on the basis that operating cash flows are expected to be lower in future quarters and the Company is confident that it can satisfy its capital requirements as outlined in its response to question 8.8.2 above.

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 January 2024

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.