

31 January 2020

## QUARTERLY ACTIVITIES REPORT

Quarter ended 31 December 2019

Indiana Resources Limited (ASX: IDA) ('Indiana' or the 'Company') is pleased to provide its Quarterly Activities report for the December Quarter 2019.

### EXPLORATION and GROWTH

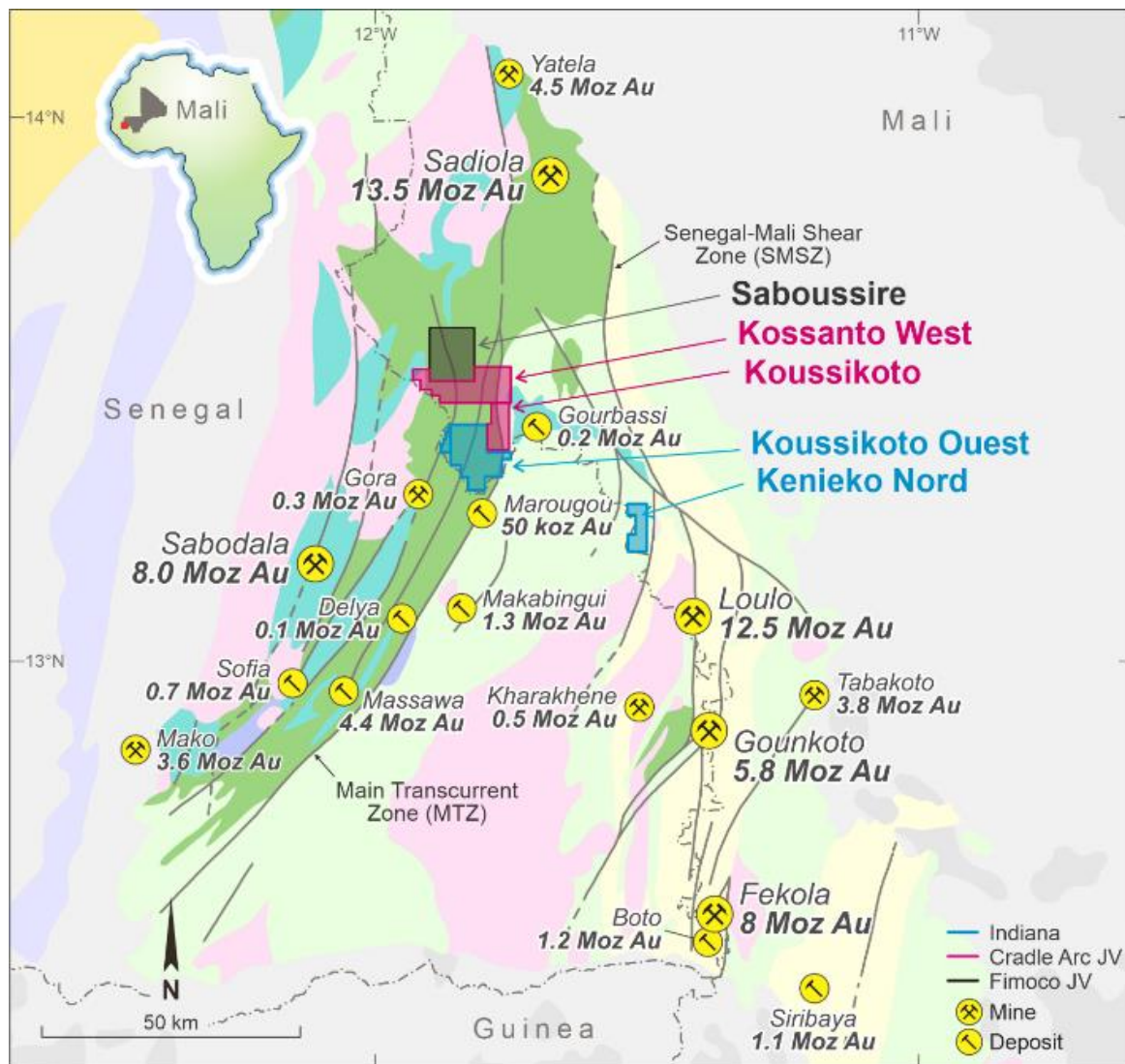
---

#### Mali – Exploration

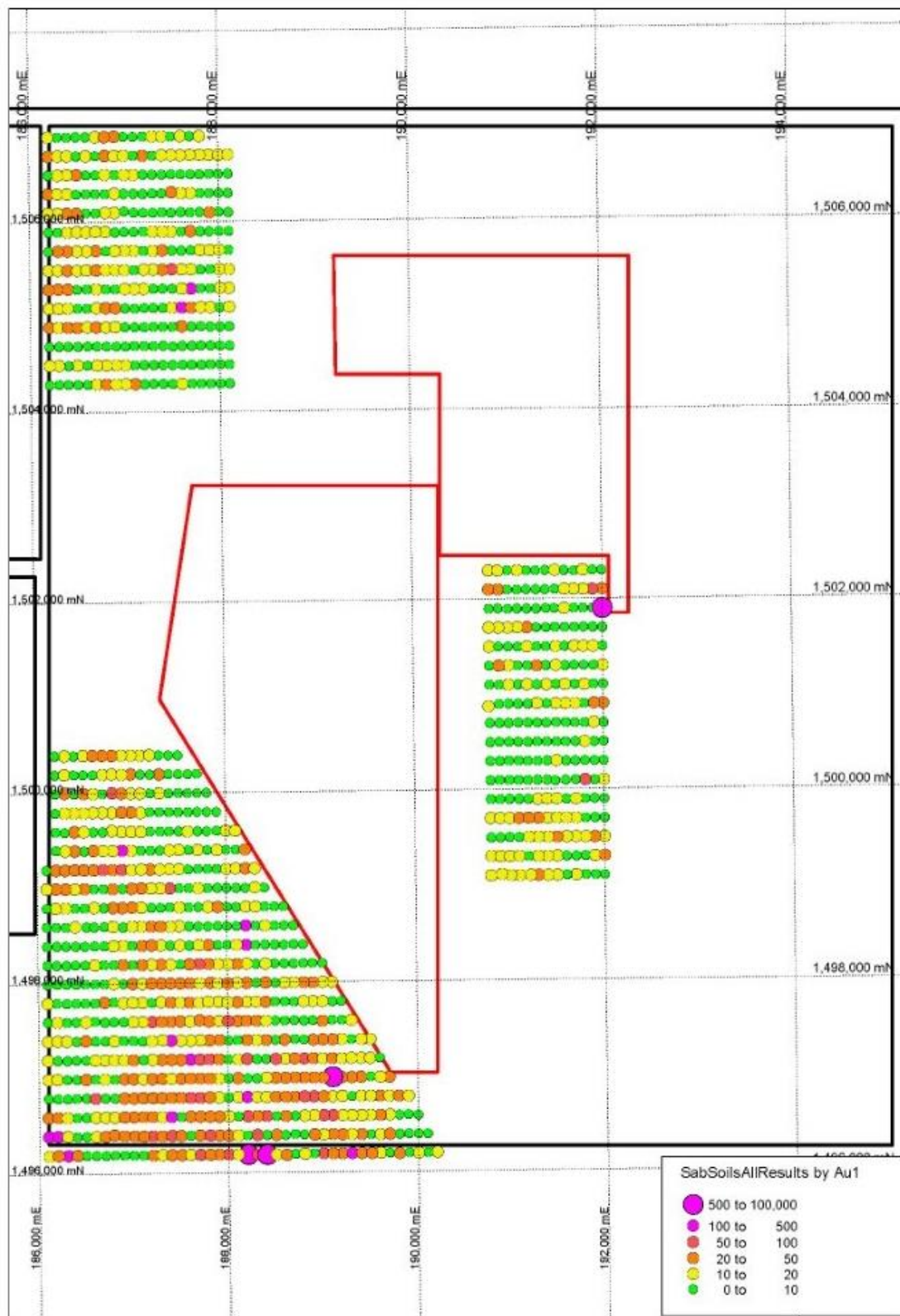
During the Quarter the Company completed soil sampling programmes at both the Saboussire and Kenieko licences in West Mali (Figure 1). Results from these programmes were reported subsequent to the end of the quarter and the Company has now designed an additional programme for immediate implementation.

At Saboussire, the soil sampling programme totalling 1,253 samples and was completed over 3 individual areas on a nominal 200m x 100m grid pattern. Results identified a large **+50 ppb** gold anomaly extending over 2 kilometres in a north-south direction and 1 kilometre in an east-west direction in the south west area of the licence. In the central portion of the licence, **a 9610 ppb Au (9.6 g/t Au)** result was returned with this area now earmarked for immediate follow up. Two additional areas have been identified at Saboussire that require additional sampling to follow up on the anomalous trends and the high-grade result (see Figures 2 and 3). An additional programme has been designed that includes approximately 1,200 samples on a 200m x 100m grid to infill and cover the new areas identified.

Soil sampling completed at Kenieko Nord totalled 606 samples over areas not previously sampled and completed on a 400m x 100m grid pattern. The soil sample results returned have identified narrow spot highs and review of both the magnetics and interpreted geology have largely shown the underlying geology covers magnetic lows, commensurate with the interpreted sedimentary underlying geology. The Company is now reviewing existing data for this license and considering the potential to conduct some basic mapping in the areas of the highest values.

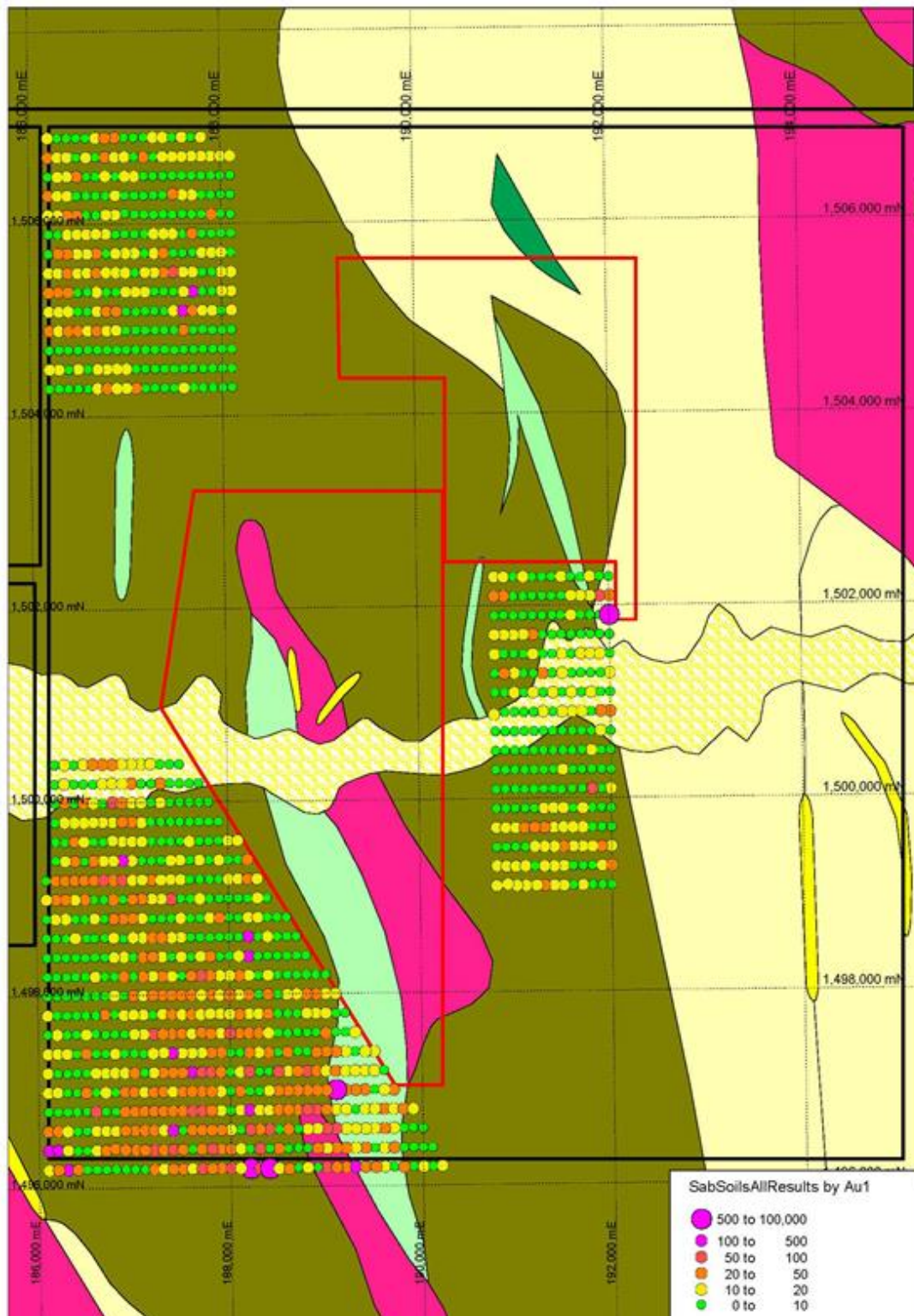


**Figure 1 – Indiana West Mali tenure**



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





**Figure 3 - Saboussire: Soil sample results on Interpreted Geology and areas recommended for further work**

### **Koussikoto Ouest**

During the quarter the Company continued to work on resolving issues arising from the previously advised (31 January 2019) Notice of Claim relating to the Koussikoto Ouest Project. The exploration licence is held by Olive Mining SARL, a Malian company owned 75% by Mukuyu with the remaining 25% held by a private Malian citizen ('Minority Shareholder'). The Company had received a Notice of Claim from the Minority Shareholder alleging certain breaches of the shareholders' agreement between the Company and the Minority Shareholder, challenging the Company's 75% ownership and disputing responsibility for the Minority Shareholder's percentage of expenditure. The Company received written legal advice that the claims of the Minority Shareholder were without foundation and continues to work with the Malian court system and the Minority Shareholder to resolve the matters included in the Statement of Claim.

### **Mali - Additional Opportunities**

The Company is progressing discussions with a number of other licence holders in this belt to expand its Malian footprint. The opportunity to consolidate a strategic group of tenements and undertake a coordinated exploration programme across the Main Transcurrent Zone ("MTZ") is of great interest to the Company, and other licensees as the approach in the past has been piecemeal, with limited advanced exploration work having been completed consistently across the region. Whilst no definitive agreements have been reached, a number of Confidentiality Agreements have been signed and initial discussions have commenced. The Company will advise if and when successful negotiations are concluded.

### **Tanzania - Ntaka Hill Nickel Project**

During the Quarter consultation continued with the Government of Tanzania to resolve tenure for the Ntaka Hill Nickel Project and explore options for development and financing of the Ntaka Hill Project.

In October 2019 a Mining Exploration and Development Plan was lodged with the Tanzanian Ministry of Minerals that addressed regulatory, development and financing plans for the Ntaka Hill Project that would progress it to a decision to mine stage. These activities include additional drilling to infill the existing resource and upgrade the resource classification, commencement of a desktop feasibility study and initiation of environmental and social impact assessment studies ("ESIA"). The Plan included a four-year work programme and a high-level budget of US\$8-11m to advance Ntaka Hill to development and the Company had received strong interest from existing shareholders and potential investment partners to support funding for development activities

At a meeting held with the Minister for Energy and Minerals, the Mining Commission and other senior government officials on 9<sup>th</sup> December 2019 at which the Chairman was reassured that the Company's historic investment would be respected and the Government would shortly advise a process to agree an appropriate tenure for the Project.

On 19 December 2019, the Mining Commission of Tanzania announced a public invitation to tender for the joint development of areas covered previously by Retention Licences (the "**19 December Tender**"). This public invitation was not sent to the Company but was advertised on the website for the Ministry of Energy and Minerals.

On 20 December 2019, the Mining Commission of Tanzania announced a revised public invitation to tender (the "**20 December Tender**") with slightly amended conditions from the 19 December Tender.

Subsequent to the end of the quarter, a Letter of Notice was served to Tanzanian President, Attorney General and Ministry of Energy and Minerals in relation to the Ntaka Hill Nickel Project Retention Licence advising that a dispute has arisen in relation to the Ntaka Hill Nickel Project (the "**Project**").

The dispute arises out of certain acts and omissions of the United Republic of Tanzania in breach of the Agreement between the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the United Republic of Tanzania for the Promotion and Protection of Investments (“**BIT**”) and international law in relation to the Project, and the Notice was delivered in accordance with Article 8(3) of the BIT.

An International specialist investment arbitration law firm has been appointed to represent the Company’s interests and advise on actions necessary to ensure its rights to the Licence are protected.

Should an amicable resolution not be achieved within the six-month period, the Company can pursue its claims before ICSID. ICSID is housed within the World Bank and is the agreed forum for settlement of any dispute between NNHL and the Tanzanian Government. Through this forum NNHL can seek full compensation for the loss suffered through the revocation of the Retention Licence for the Project. The quantum of the claim may include, but will not be limited to:

- the value of historic investments in Tanzania,
- the value of the project at the time tenure was expropriated,
- and damages the Company has suffered as a result of Tanzania’s acts and omissions.

The Notice of Intent is necessary in order to preserve the Company’s rights to initiate arbitration should a resolution with the Tanzanian government not be reached. Indiana confirms that it is taking all necessary actions to preserve its rights as a shareholder of NNHL.

Subsequent to the end of the quarter the Company has received numerous approaches from experienced and respected International litigation funding firms interested in working with the Company to ensure its rights are protected and pursued. Indiana is encouraged by the level of interest and the feedback received thus far from the different litigation funders. NNHL and its lawyers are now working to engage a firm interested in providing litigation funding services.

## **CORPORATE**

---

### **Cash position**

As at 31 December 2019, the Company had cash at bank of \$ 0.245 million.

### **Shortfall Placement**

During the quarter the Company successfully placed 35,480,000 shares at a price of 2.4c per share. The placement constituted the entire available Shortfall Offer made pursuant to a Prospectus announced on 26 June 2019 and represented Entitlements not taken up by shareholder through an Entitlements Issue that closed on 6 August 2019.

The Placement raised \$851,520 before costs.

### **Share capital**

As at 31 December 2019, the Company had **183,494,693** shares on issue and **26,812,146** unquoted options outstanding.

## TENEMENT INTERESTS AS REQUIRED BY LISTING RULE 5.3.3

### Tenements held and location

Tenement	Ownership	Project	Location
PL 7095/2011 - Nditi	100%*	Nachingwea	Tanzania
RL 0017/2015 - Ntaka Hill	86%***	Nachingwea	Tanzania
PL 7226/2011 - Ntaka South	100%***	Nachingwea	Tanzania
PL 10904/2016 - Namikango North	100%*	Nachingwea	Tanzania
PL 11022/2017 - Ntaka North West	100%*	Nachingwea	Tanzania
Claim Block 4242	50% **	St Stephen	New Brunswick, Canada
Claim Block 5787	50% **	St Stephen	New Brunswick, Canada
PR 13/647 Koussikoto Ouest	75%	Koussikoto	Mali
PR 15/736 Kenieko Nord	95%	Kenieko	Mali
PR 2015/3392 Kossanto West ****	65%	Koussikoto	Mali
PR 2014/2350 Kossanto West*****	65%	Kobokoto	Mali

\* Subject to farm-in joint venture with MMG

\*\* Subject to 50/50 joint venture with ABE Resources

\*\*\* Subject to farm-in joint venture with MMG and joint venture transaction with Fig Tree. Pursuant to legislation introduced in July 2017, the Government of Tanzania purported to cancel retention licences and has subsequently advertised the Project as available for Tender. At this stage, The Company continues to note the uncertainty with regards to this title whilst pursuing its legal rights.

\*\*\*\* Subject to a farm in joint venture with Caracal SARL, a subsidiary of Cradle Arc PLC. Cradle Arc PLC was placed into administration in 2019 and the Company continues to work with the Administrator in an effort to purchase the tenements.

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

- ENDS -

For further information, please contact:

**Bronwyn Barnes – Chairman**  
Tel: +61 8 9429 8829

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

### Competent Person's Statement

#### Mali

Information relating to exploration results is based on information reviewed by Mr Simon Coxhell B.Sc, who is a consultant to Indiana Resources Ltd and is a Member of the Australian Institute of Mining and Metallurgy. Mr Coxhell has sufficient experience which is relevant to the style of mineralisation under consideration and the activity he is undertaking to qualify as a Competent Person in terms of the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('JORC 2012'). Mr Coxhell consents to the inclusion of the information relating to historical exploration results in this announcement in the form and context in which it appears.

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

Indiana Resources Limited and its Controlled Entities

### ABN

67 009 129 560

### Quarter ended ("current quarter")

30 December 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(377)	(781)
(b) development	-	-
(c) production	-	-
(d) staff costs	(10)	(10)
(e) administration and corporate costs	(165)	(442)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>1.8 Net cash from / (used in) operating activities</b>	<b>(552)</b>	<b>(1,233)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) equity investments	-	-
	(d) 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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	819	1,235
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	(107)	(137)
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)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>712</b>	<b>1,098</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	85	380
4.2	Net cash from / (used in) operating activities (item 1.9 above)	-	-
		(552)	(1,233)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	712	1,098
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>245</b>	<b>245</b>

5. <b>Reconciliation of cash and cash equivalents</b> 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	230	70
5.2      Call deposits	15	15
5.3      Bank overdrafts	-	-
5.4      Other (provide details)	-	-
<b>5.5      Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>245</b>	<b>85</b>

**6.      Payments to directors of the entity and their associates**

- 6.1      Aggregate amount of payments to these parties included in item 1.2
- 6.2      Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3      Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter  
\$A'000**

18

-

Payments to directors including non-executive directors' fees and superannuation for the quarter.

**7.      Payments to related entities of the entity and their associates**

- 7.1      Aggregate amount of payments to these parties included in item 1.2
- 7.2      Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3      Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter  
\$A'000**

-

-

**8.      Financing facilities available**

*Add notes as necessary for an understanding of the position*

**Total facility amount  
at quarter end  
\$A'000**

**Amount drawn at  
quarter end  
\$A'000**

- 8.1      Loan facilities

1,000

-

- 8.2      Credit standby arrangements

-

-

- 8.3      Other (please specify)

-

-

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

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	50
9.2 Development	-
9.3 Production	-
9.4 Staff costs	14
9.5 Administration and corporate costs	150
9.6 Other (Costs associated with financing activities)	
<b>9.7 Total estimated cash outflows*</b>	<b>214</b>

*\* The Company is evaluating options for further funding and is noting the current \$1million loan note facility still being available to the Company.*

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/A			
10.2 Interests in mining tenements and petroleum tenements acquired or increased	N/A			

### Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Sign here: ..Aida Tabakovic.....  
(Company Secretary)

Date: .....31 January 2020.....

Print name: Aida Tabakovic

### Notes

- The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
- If this quarterly 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 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.
- 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.