

29 July 2016

Report for the Quarter ended 30 June 2016

Highlights

Kishugu and Naujombo Gold Prospects

- Confirmation of exploration programs to commence in the September Quarter 2016
 - 1,200 metres of Rotary Air Blast ('**RAB**') drilling at the Kishugu and Naujombo gold prospects to commence in August
 - Extensional and in-fill soil sampling at Naujombo under way
 - Geophysical (Gradient Array Induced Polarisation (GAIP)) program at Naujombo under way
- Post Quarter end, assay results returned for surface soil samples confirm Naujombo is an extensive, coherent gold anomaly now measuring 9.5km by 600m, with up to 811ppb Au within the main trend

Corporate

- Repositioning of the company with a dedicated focus on gold exploration in Tanzania
- Completion of restructure of ownership of Tanzanian assets with the sale of the Chilalo Graphite Project to Graphex Mining Limited ('**Graphex**') for consideration of \$1.0 million cash and \$4.0 million of Graphex shares, of which approximately 82% was distributed *in specie* to IMX shareholders
- Appointment of high calibre executive Campbell Baird as Managing Director
- Consolidation of share capital on a ratio of 50:1
- Change of name from IMX Resources Limited to Indiana Resources Limited ('**Indiana**' or the '**Company**')

Chairman Derek Fisher commented, *"The June Quarter marked a key point in the Company's history. Conclusion of the sale of the Chilalo Graphite Project, the restructure of the Company's share capital, the appointment of a new, highly credentialled Managing Director and a change of name has reshaped the Company as it embarks on a program of gold exploration at our exciting Kishugu and Naujombo prospects. Kishugu and Naujombo are large, coherent gold-in soil-anomalies with attractive geological characteristics and multi-element soil geochemical signatures that make them outstanding exploration targets. We look forward to testing these targets in the coming months."*

EXPLORATION and DEVELOPMENT

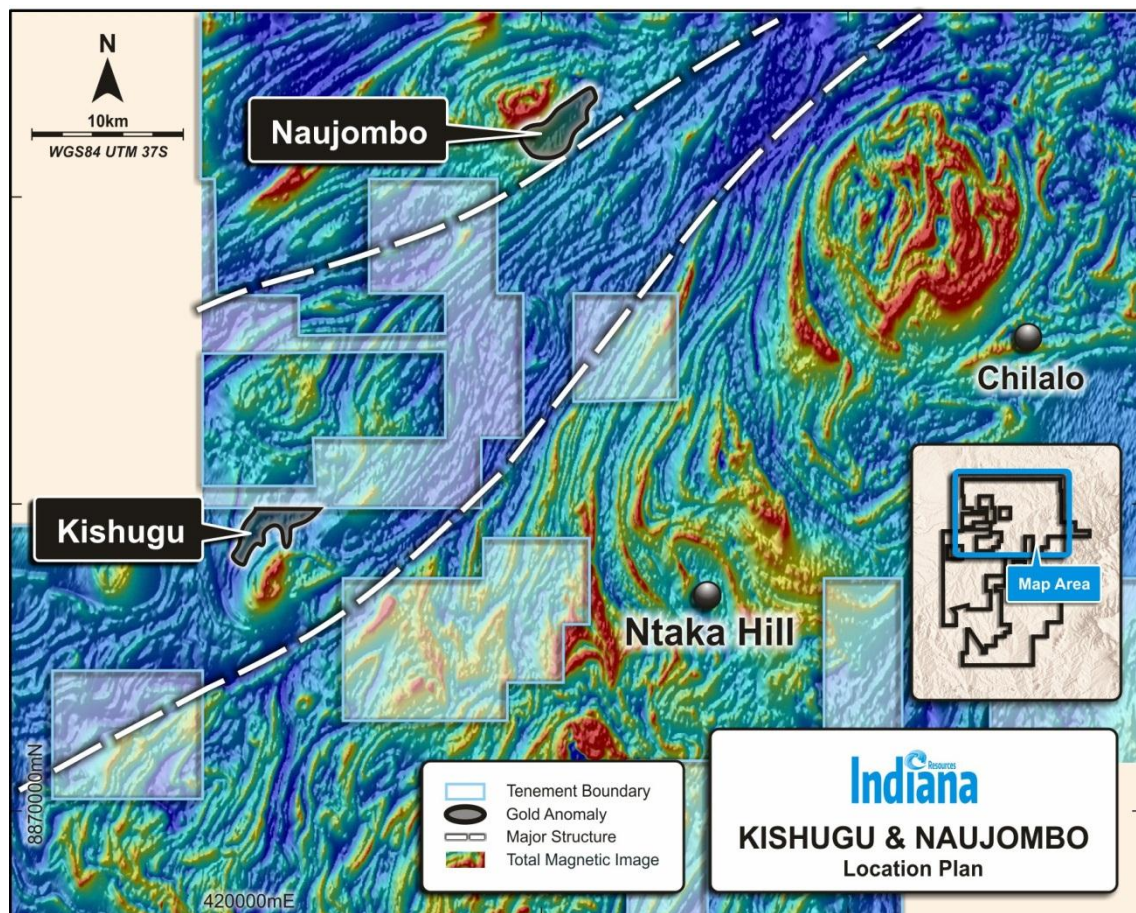
Kishugu and Naujombo gold prospects

Preparation for ongoing exploration at the Kishugu and Naujombo gold anomalies was finalised during the Quarter. Both Kishugu and Naujombo are extensive coherent gold-in-soil geochemical anomalies:

- Kishugu, covering 6km long and 600m wide, with up to 904ppb Au within the main trend (ASX announcements 14 October 2014 and 26 November 2014)¹; and
- Naujombo, covering 9.5km long and 600m wide, with up to 811ppb Au within the main trend (ASX announcement 28 July 2015)².

Kishugu and Naujombo are located 35km from one another, are associated with the same structural corridor (Figure 1) and exhibit very similar multi-element soil geochemical signatures (arsenic, bismuth and silver).

Figure 1. Location of Kishugu and Naujombo



¹ Since announcing these exploration results on 14 October 2014 and 26 November 2014, Indiana confirms that it is not aware of any new information or data that materially affects the information included in those announcements.

² Since announcing these exploration results on 28 July 2015, Indiana confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

Given the broad spread and scale of these anomalous soils, the Company plans to initially use low cost RAB drilling to better pinpoint the source of this gold anomalism. This will also provide data to identify the bedrock geology below the deep soil cover.

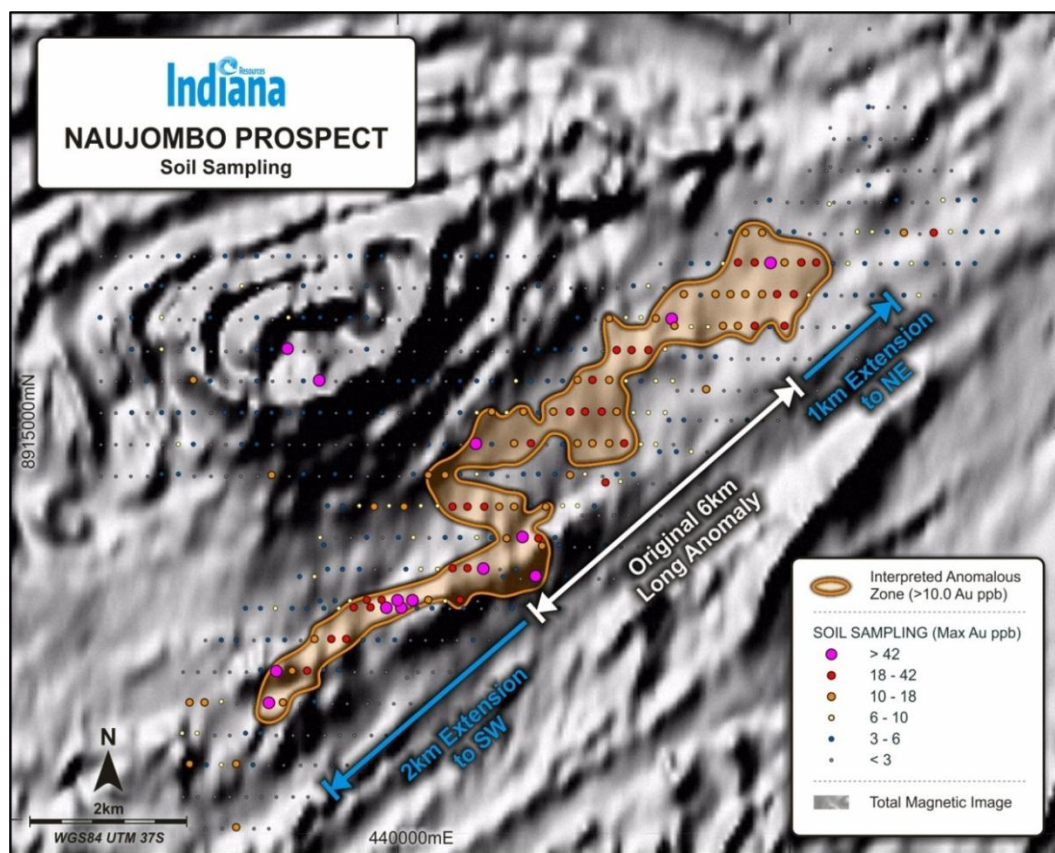
In addition to the RAB drilling, extensional soil sampling programs will be conducted at the same time at Naujombo, the purpose of which is to close off the Naujombo anomalism, infill the existing 400m x 200m grid to a 100m x 100m grid and better define the local distribution of gold anomalism.

The GAIP at Naujombo over the central part of the Naujombo anomaly will assist with mapping the presence of disseminated sulphides, a common alteration product associated with gold mineralisation, which will support better targeting for a reverse circulation drilling program that is expected to commence later in the year.

Naujombo soil sampling results

The Company recently received assay results from a batch of soil samples collected in 2015 which are positive and accretive to the Naujombo prospect. Each sample was assayed for gold, platinum and palladium, with results producing the highest recorded gold assay (811ppb or 0.8g/t) at Naujombo as well as an additional four samples of greater than 50ppb. These higher results are distributed along the entire length of the anomalous trend, which is now interpreted to extend over 9.5km and greater than 600m wide (Figure 2).³

Figure 2. Expanded >10ppb gold contours based upon the updated 2016 soils results – note growth of interpreted anomaly to the south and north, now extending over 9.5km and greater than 600m wide



³ Since announcing these exploration results on 28 July 2015, Indiana confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

CORPORATE

Completion of restructure of asset ownership

During the Quarter, the Company completed a restructure of ownership of its assets (the '**Restructure**') with the sale of the Chilalo Graphite Project to Graphex. Consideration for the sale of Chilalo was comprised of \$1.0 million cash and \$4.0 million of Graphex shares, which were distributed *in specie* to IMX shareholders.

The effect of the Restructure was the creation of two distinct companies:

- IMX Resources Limited, a base and precious metals company with the Kishugu and Naujombo gold exploration prospects and a controlling interest in the Ntaka Hill nickel project; and
- Graphex Mining Limited, a graphite company committed to fast tracking Chilalo towards production. Graphex commenced trading on the ASX (ASX Code: GPX) on 14 June 2016.

Extraordinary General Meeting

An extraordinary general meeting ('**EGM**') of IMX shareholders was held on 20 April 2016, with all resolutions carried. The EGM, as well as approving the sale of Chilalo and the in-specie distribution of Graphex shares to IMX shareholders, also approved major corporate changes to IMX. These changes included a considerable consolidation of the Company's capital and a change in the Company's name to Indiana Resources Limited (ASX Code: IDA).

Appointment of Managing Director

Campbell Baird has been appointed as Managing Director of the Company, replacing Phil Hoskins, who became Managing Director of Graphex in June 2016. Most recently, Campbell was Chief Executive Officer with Focus Minerals, where, during his tenure, annual gold production increased from 5,000 ounces to 175,000 ounces during a four year period of organic development and strategic acquisitions.

Share consolidation

During the Quarter, a consolidation of the Company's share capital on a ratio of 50:1 was completed. The new issued capital for the Company is 31,337,216 ordinary fully paid shares and 360,000 unlisted stock options.

Name change

On 22 June 2016, the process for changing the Company's name to Indiana Resources Limited concluded and its shares commenced trading under the ASX Code IDA.

Cash position

As at 30 June 2016, Indiana had cash at bank of \$685,000. The Company has a receivable of \$80,000 that is expected in the coming days and a research and development tax refund of approximately \$410,000 (net of preparation costs) that is expected during the September Quarter.

Owing to completion of the Restructure occurring later than anticipated, Indiana incurred ongoing costs for a longer period than originally expected.

In the September Quarter, the Company expects to spend \$330,000 on exploration and evaluation, of which \$134,000 is for the Ntaka Hill retention licence, the remainder to be spent on commencing soil sampling programs, geophysical (GAIP) programs, RAB drilling and other in-country costs.

A tenement rationalisation program undertaken in the past quarter has resulted in a significant reduction in tenement holding costs from approximately USD670,000 per year in 2015 to USD290,000 for the coming 12 months (including two renewal payments totalling USD196,000 for the Ntaka Hill Retention Licence).

Indiana has taken the opportunity of the re-launch of the Company to reduce overhead costs. This has been achieved by entering into a co-operation agreement with Graphex to share office and administration costs, a reduction in the office rentals paid, rationalisation of tenement holdings as noted above and sharing technical and administration skills and costs in both Australia and Tanzania.

There remains a number of transaction costs related to the Restructure which are to be paid during the September Quarter, including tax advisory fees for the class ruling for all shareholders and advisory fees. Once these are completed, Indiana will be able to direct all its resources towards the exploration programs in Tanzania.

TENEMENT INTERESTS

Table 1. Tenements held and location

Tenement	Ownership	Project	Location
PL5977/2009 - Naujombo	100%*	Nachingwea	Tanzania
PL6397/2010 - Kipepere West	100%*	Nachingwea	Tanzania
PL6634/2010 - Mihumo	100%*	Nachingwea	Tanzania
PL6635/2010 - Nachingwea NW	100%*	Nachingwea	Tanzania
PL7095/2011 - Nditi	100%*	Nachingwea	Tanzania
PL8627/2012 - Lumpumbulu	100%*	Nachingwea	Tanzania
PL8754/2012 - Chikoweti	100%*	Nachingwea	Tanzania
PL9397/2013 - Mtimbo South	100%*	Nachingwea	Tanzania
PL9442/2013 - Nachi West	100%*	Nachingwea	Tanzania
PL9757/2014 - Mihumo West	100%*	Nachingwea	Tanzania
PL9759/2014 - Mjembe	100%*	Nachingwea	Tanzania
PL9939/2014 - Mjembe East	100%*	Nachingwea	Tanzania
PL9942/2014 - Naujombo North	100%*	Nachingwea	Tanzania
PL9944/2014 - Namarongo North	100%*	Nachingwea	Tanzania
PL10099/2014 - Nanyindwa	100%*	Nachingwea	Tanzania
PL10302/2014 - Namatutwa	100%*	Nachingwea	Tanzania
RL0017/2015 - Ntaka Hill	86%***	Nachingwea	Tanzania
PL7226/2011 – Ntaka South	100%***	Nachingwea	Tanzania
Claim Block 4242	50% **	St Stephen	New Brunswick, Canada
Claim Block 5787	50% **	St Stephen	New Brunswick, Canada

* Subject to farm-in joint venture with MMG

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

*** Subject to farm-in JV with MMG and JV transaction with Fig Tree

Table 2. Tenements acquired during the Quarter

Tenement	Ownership	Project	Location
PL 11052/2016 – Ntaka North West	100%*	Nachingwea	Tanzania
PL 11094/2016 – Mtimbo	100%	Nachingwea	Tanzania
PL 11095/2016 – Chilalo West	100%	Nachingwea	Tanzania
ML 00604/2016 – Chilalo ML	100%	Nachingwea	Tanzania

Table 3. Tenements Disposed During the Quarter


Table 3 shows the tenements that were either surrendered or expired without renewal during the Quarter.

Tenement	Action
PL6409/2010 - Rappa	Expired
PL6412/2010 - Mujira	Expired
PL6414/2010 - Kihangara	Expired
PL6467/2010 – Nepanga	Expired
PL9920/2014 – Mtua Central	Surrendered
PL9921/2014 – Nalengwe	Surrendered
PL9922/2014 – Matambare North	Surrendered
PL9924/2014 – Mtua	Surrendered
PL9925/2014 – Namarongo	Surrendered
PL9926/2014 – Nambu East	Surrendered
PL9927/2014 – Lipuyu North	Surrendered
PL9928/2014 – Nangano	Surrendered
PL9930/2014 – Lukumbi West	Surrendered
PL9931/2014 – Mtpula Central	Surrendered
PL9933/2014 – Nakhungu West	Surrendered
PL9935/2014 – Mbondo North	Surrendered
PL9936/2014 – Lionja West	Surrendered
PL9937/2014 – Naolo North	Surrendered
PL9938/2014 – Kiperere Central	Surrendered
PL9940/2014 – Nanyindwa West	Surrendered
PL9941/2014 – Namakungu	Surrendered
PL9943/2014 – Namatumbusi West	Surrendered
PL9945/2014 – Noli	Surrendered
PL9947/2014 – Lukuledi East	Surrendered
PL9948/2014 – Mnero East	Surrendered
PL9949/2014 – Namatutwa North	Surrendered
PL10097/2014 - Mtpula	Surrendered
PL10098/2014 – Nambu	Surrendered
PL10100/2014 – Lukuledi	Surrendered
PL10107/2014 – Nambugu	Surrendered
PL10108/2014 – Namajani	Surrendered
PL10113/2014 – Nachihangi	Surrendered
PL10114/2014 – Naujombo South	Surrendered

Tenement	Action
PL10238/2014 – Mbangala West	Surrendered
PL10239/2014 – Lukumbi East	Surrendered
PL10240/2014 – Chikwale East	Surrendered
PL10301/2014 – Kishugu Gap	Surrendered

Farm-in Agreements

As at 30 June 2016, IMX held an 86.0% interest in the Nachingwea Project tenements, which is the subject of a farm-in agreement with MMG, who holds the remaining 14.0%.



Campbell Baird
Managing Director

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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Indiana Resources Limited

ABN

67 009 129 560

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter June 2016 \$A'ooo	Year to date (12 months) \$A'ooo
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(284)	(4,869)
	(b) project development	-	-
	(c) production	-	-
	(d) administration	(546)	(2,849)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	4	17
1.5	Interest and other costs of finance paid	-	-
1.6	Research and Development cash rebate	-	390
1.7	Other	46	182
Net Operating Cash Flows		(780)	(7,129)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(25)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other - Security Bonds movement	-	-
	- Cash from disposal of tenements	1,000	1,000
Net investing cash flows		1,000	975
1.13	Total operating and investing cash flows (carried forward)	220	(6,154)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	220	(6,154)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	5,097
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Repayment of borrowings – related party	-	-
1.17	Proceeds from JV partner	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	- Finance costs	-	-
	Net financing cash flows	220	5,097
	Net increase (decrease) in cash held	220	(1,057)
1.20	Cash at beginning of quarter/year to date	466	1,745
1.21	Exchange rate adjustments to item 1.20	(1)	(3)
1.22	Cash at end of quarter	685	685
Explanation necessary for an understanding of the transactions			

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	151
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

During the quarter the Company disposed of its graphite Prospecting Licenses including the Chilalo Graphite Project to its subsidiary Graphex Mining Limited (Graphex) for \$4 million in shares and \$1 million in cash. Graphex was subsequently spun off and listed via an initial public offering on the ASX. The Company then distributed the Graphex shares to its shareholders via an in-specie distribution.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	330
4.2 Development	-
4.3 Production	-
4.4 Administration	350
Total	680

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	685	466
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		685	466

+ See chapter 19 for defined terms.

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	PL 6409/2010 PL 6412/2010 PL 6414/2010 PL 6467/2010 PL 9920/2014 PL 9921/2014 PL 9922/2014 PL 9924/2014 PL 9925/2014 PL 9926/2014 PL 9927/2014 PL 9928/2014 PL 9930/2014 PL 9931/2014 PL 9933/2014 PL 9935/2014 PL 9936/2014 PL 9937/2014 PL 9938/2014 PL 9940/2014 PL 9941/2014 PL 9943/2014 PL 9945/2014 PL 9947/2014 PL 9948/2014 PL 9949/2014 PL 10097/2014 PL 10098/2014 PL 10100/2014 PL 10107/2014 PL 10108/2014 PL 10113/2014 PL 10114/2014 PL 10238/2014 PL 10239/2014 PL 10240/2014 PL 10301/2014 PL 5447/2008* PL 6073/2009* PL 6158/2009* PL 8628/2012* PL 9929/2014* PL 9946/2014*	Prospecting Licences – expired, sold or surrendered	100%	Nil
6.2 Interests in mining tenements acquired or increased	PL 11052/2016 PL 11094/2016	Prospecting Licences – acquired	Nil	100%

*Assets sold to Graphex Mining Limited as outlined in 2.1 above.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)	-	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	*Ordinary securities	31,337,216	31,337,216		
7.4	Changes during quarter (a) Increases through issues	9,166,666 11,581,481	9,166,666 11,581,481	Nil Nil	Nil Nil
	(b) Decreases through returns of capital, buy-back, consolidation*	1,535,495,003	1,535,495,003	N/A*	N/A*
7.5	*Convertible debt securities (description)	Nil			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	10,000** 100,000** 30,000** 120,000** 100,000**		Exercise price 13.4 dollars 74.5 cents 49.5 cents 49.5 cents 1.4 dollars	Expiry date 23.08.17 29.12.16 11.03.17 14.07.17 17.09.18
7.8	Issued during quarter	4,454,182		Nil	15.12.25
7.9	Exercised during quarter	9,991,385		Nil	15.12.25
7.10	Expired during quarter	2,366,918 738,478 8,479,249 26,730,000		8.05 cents 9.59 cents Nil Nil	29.06.16 30.05.16 15.12.25 15.12.25
7.11	Debentures (totals only)	Nil			
7.12	Unsecured notes (totals only)	Nil			

+ See chapter 19 for defined terms.

7.13 Performance Rights <i>(totals only) (Vesting dependent on achievement of performance criteria)</i>	Nil			
Share Appreciation Rights <i>(totals only) (Vesting dependent on achievement of performance criteria)</i>	Nil			

* Capital consolidation at a ratio of 50:1 as approved at the shareholders meeting on 20 April 2016

** Price and number of options adjusted in accordance with the capital consolidation at a ratio of 50:1 as approved at the shareholders meeting on 20 April 2016.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: _____
Company secretary

Date: 29 July 2016

Print name: Stuart McKenzie