

30/04/2019

QUARTERLY ACTIVITIES REPORT

Quarter ended 31 March 2019

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

GROWTH and EXPLORATION

Mali – Growth

During the Quarter, the Company continued with its project generation review of the Kenieba inlier region to develop an understanding of properties that may be available for joint venture or acquisition that would be value accretive for Indiana shareholders. The Company is particularly interested in acquiring additional ground in proximity to its current holdings to grow its footprint in the region, which has a demonstrated potential for multiple million-ounce gold projects. With major existing, operating gold projects in the area such as Sadiola (IAMGOLD, 12.1 Million oz), Loulo (Randgold, 13.1 Million oz) and Sabadola (Teranga, 6 Million oz), the Company believes it to be an opportune time to consolidate a strategic footprint in the area given current levels of corporate activity amongst mid-tier gold mining companies and the strong gold price.

During the Quarter the Company announced that it had entered into a non-binding term sheet ('Term Sheet') for a joint venture ('JV') with Altus Strategies Plc ('Altus'). Subject to entering into a definitive agreement ('Agreement') with Altus, Indiana will have the option to earn up to an 85% interest in Legend Mali Inc. ('Legend'), a wholly owned subsidiary of Altus, which holds a 100% interest in the Lakanfla and Tabakarole gold projects ('Projects') located in western and southern Mali respectively (see Figure 1). Altus is a London (AIM: ALS) and Toronto (TSX-V: ALTS) listed entity, focused on exploration project generation in Africa.

Lakanfla is strategically located adjacent to the world renowned Sadiola gold mine in western Mali. Based on our review of historical data, we believe that Lakanfla hosts a potentially substantial karst-style gold target, analogous to the adjacent FE3 and FE4 pits of the Sadiola mine. Separately the Tabakarole project, which is located in southern Mali, targets a shear zone which has been mapped for 2.7km long and up to 200m wide.

Analysis and verification of geophysical data, including Ground Gravity and IP data, pertaining to the Lakanfla licence, was completed during the quarter, with results showing a strong gravity low which corresponds with the mapped edges of a granodiorite ore body which has intruded sediments of the Kofi formation; the same host rocks as the nearby Sadiola FE3 and FE4 pits. This gravity low is hypothesised to indicate a substantial karst collapse structure which may host mineralisation in a setting analogous to Sadiola FE3 and FE4 pits which are located approximately 6.5km to the north-west of the Lakanfla anomaly (Figure 1).

Historical exploration at Lakanfla has included soil sampling across the entire licence area, on a 500m x 250m (and in places 250m x 100m) sample grid. The programme defined a number of anomalies which were further refined by shallow auger drilling. Follow up diamond, RC and RAB drilling programmes primarily targeted shallow gold mineralised breccias. The breccias are also the primary target for artisanal gold miners, the workings of which extend for approximately 2.5km of strike length. From 2001 to 2011 over 29,000 metres of drilling was completed at Lakanfla including RAB, Air Core, Reverse Circulation and Diamond drilling.

The 100km² Tabakorole Project is located in southern Mali, approximately 280km south of the capital, Bamako. The project sits on the Massagui Belt which hosts the 7.0Moz Morila gold mine operated by AngloGold Ashanti and Barrick Gold. Since 2003, a significant amount of Diamond, Reverse Circulation, Auger and Air Core drilling has reportedly been completed, in addition to 1,400 line km of airborne geophysics.

Following Indiana's initial review of available historic technical information, the Company has agreed with Altus, based on the complexity of compiling and verifying the large volume of historical data, an extension to the Due Diligence Period to 6 May 2019. The Due Diligence process is on going and the Company will update the market in due course.

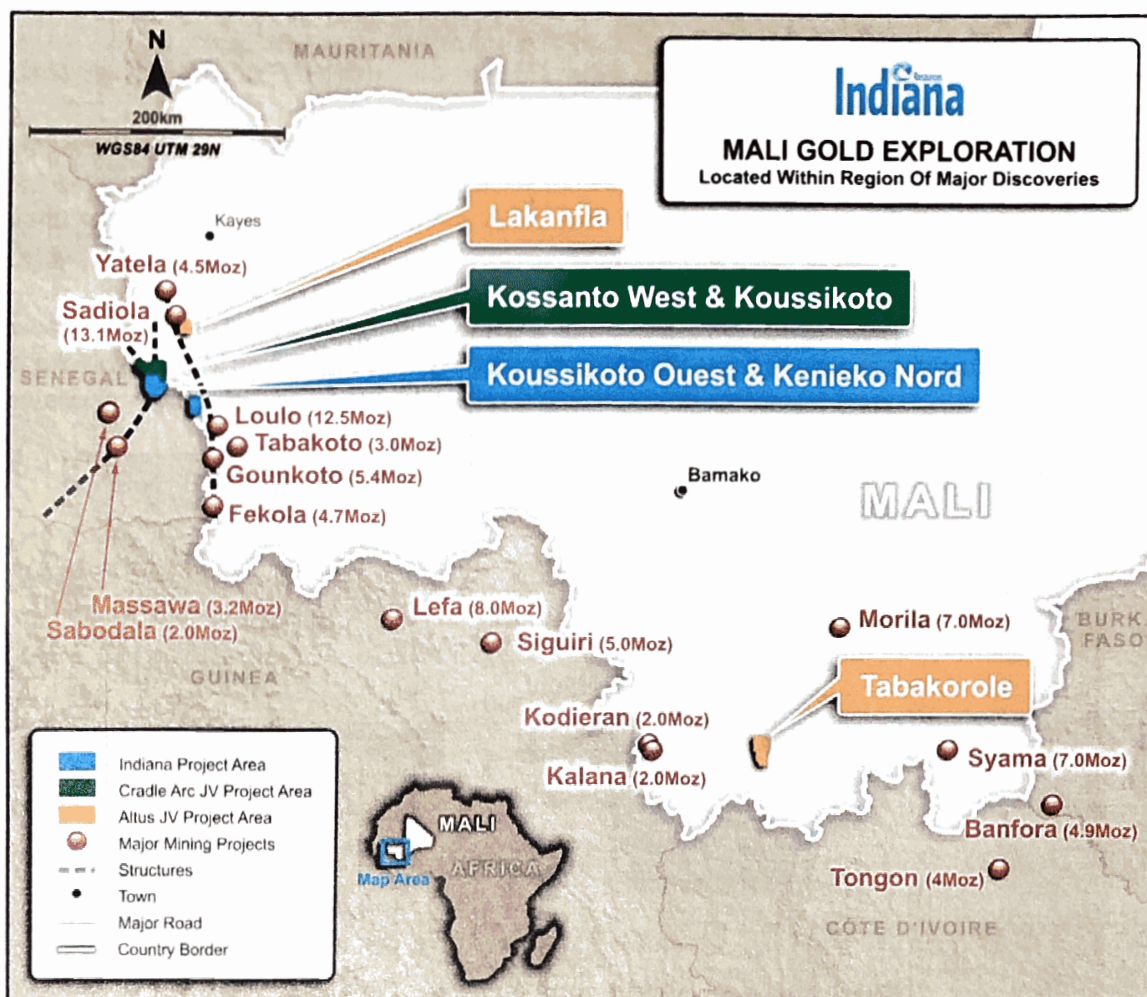


Figure 1 - Location of Lakanfla and Tabakorole Gold Projects relative to other Indiana tenure

The Company considers the opportunity to consolidate a strategic footprint in this region as a solid long-term positioning strategy. Discussions with other groups for additional ground that builds on the Company's strategic position in the region is ongoing with strong opportunity to grow the existing tenement portfolio. The Company remains actively engaged on the acquisition of additional ground in the near term as market conditions are opportune.

Mali – Exploration

During the Quarter the Company completed regolith and geological mapping of the Kenieko Nord permit. The mapping revealed lithologies and geological structures that are key in gold mineralization in Western Mali and an extensive review of artisanal workings was undertaken which showed the working to follow the main targeted trend. The regolith mapping showed that most of the north and north west parts of the permit are covered by transported material.

In Western Mali, gold is commonly hosted in folded and faulted metasediments, along secondary structures that branch off the main larger structure called the Senegalo Malian Shear Zone (SMSZ). Along these mineralized secondary structures there is a typical quartz tourmaline alteration associated with mineralization.

At Kenieko Nord the secondary structure that branches off the main SMSZ was mapped and found to be within folded and faulted metasediments, that are associated with quartz tourmaline alteration. Also mapped were extensive surface artisanal workings, which extend for over 1km. These workings are following an outcropping north west trending quartz tourmaline structure. The company has subsequently identified this quartz tourmaline structure, which coincides with a geochemical anomaly, as the primary drill-ready target at Kenieko Nord.

At Koussikoto Ouest, following completion of the IP line cutting, the Company is planning for the mobilization of a geophysics team. The company continues to monitor the state of artisanal mining at Koussikoto Ouest and Kenieko Nord and can report that there is no new influx of artisanal miners.

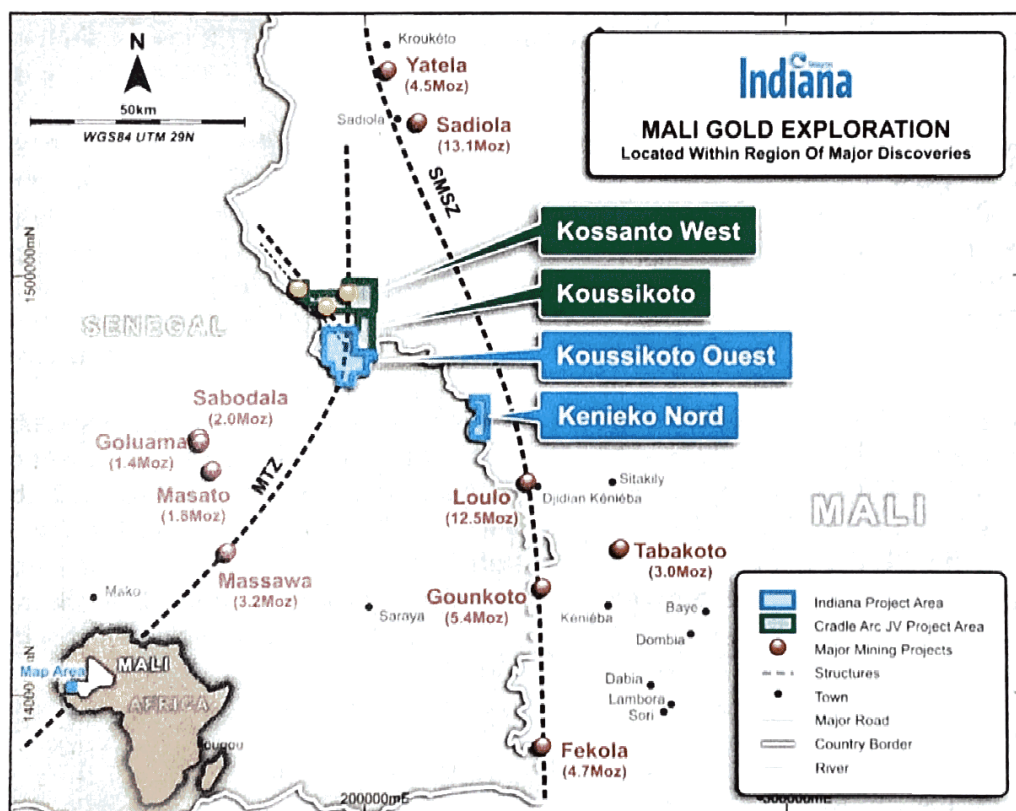


Figure 2. Exploration interests in Mali

Ntaka Hill Retention Licence

Subsequent to the end of the quarter and as announced to the ASX on 17 April 2019 “*Ntaka Hill Nickel Project Update on Status and Activities*”, the Company’s Board representative, Mr Bob Adam, met with a senior representative of the Ministry of Minerals in order to progress discussions with regards to resolution of tenure for Ntaka Hill and confirm the Company’s commitment to progressing development plans for the project. The Company notes recent progress made by several companies such as Walkabout Resources Limited, Black Rock Mining Limited and Kibaran Resources Limited all of whom have recently been able to progress their projects with support and endorsement from the Tanzanian Government. Indiana is encouraged by these developments and remains committed to working with the Tanzanian Government on a suitable development plan for Ntaka Hill.

The Mining Regulations published in January 2018, as they relate to mineral rights, included a provision that all retention licences issued prior to the date of publication of the Regulations are cancelled and cease to have legal effect. The Company’s interest in the Ntaka Hill Project was held in the form of a retention licence (**‘Ntaka Hill Retention Licence’**).

Given that there has been no breach of the conditions of the Ntaka Hill Retention Licence or failure to comply with the Mining Act or the applicable regulations, Indiana would be surprised if the Ministry of Minerals did not provide Indiana with the opportunity to be granted an alternative class of licence.

The meeting in Tanzania was very positive, with Indiana confirming its commitment to progressing development plans for Ntaka Hill and its willingness to engage with the government on incorporating changes to the resources industry legal and regulatory framework into those development plans. To support its negotiations with Government and demonstrate its commitment to Ntaka Hill, the Company is actively working on a submission for the Ministry of Minerals that will address three key areas – Regulatory, Development and Financing.

The Company remains confident that a resolution can be reached that confirms tenure for Ntaka Hill and is planning to engage with the Government on a regular basis to support this outcome being achieved. Given the significance of these discussions, the Board have allocated responsibility for discussions with the Tanzanian government to Chairman Bronwyn Barnes and Non-Executive Director Bob Adam both of whom plan to be in Tanzania regularly. The seniority of this representation reflects the Company’s commitment to progressing discussions. The Company will provide further updates to the market on developments in Tanzania as matters progress.

Sulphide nickel is a key component of the lithium-ion technology underpinning the EV battery storage market industry and there has been a renewed focus on developing high grade nickel sulphide assets that can meet this demand. Considering the current opportunity in the nickel market which is reflected in an increasing nickel price, Ntaka Hill remains an asset of significant value and Indiana is focussed on retaining tenure so that the value of this asset is realised for shareholders and Tanzania. Over US\$60 million has been spent on exploration at Ntaka Hill, with significant high-grade intersections recorded (see Figure 3) and a large mineral resource defined (see Table 1 below).

Table 1. Ntaka Hill Mineral Resource¹

Category	Ore (kT)	% Ni	% Cu	% Co	Contained nickel(t)
Measured	1,124	1.74	0.29	0.06	19,500
Indicated	19,199	0.51	0.12	0.02	98,380
Inferred	35,930	0.70	0.14	0.02	238,500
Total	56,253	0.66	0.14	0.02	356,380

1. ASX announcement 19 August 2013. Since announcing the Mineral Resource estimate on 19 August 2013, Indiana confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning that Mineral Resource estimate continue to apply and have not materially changed.

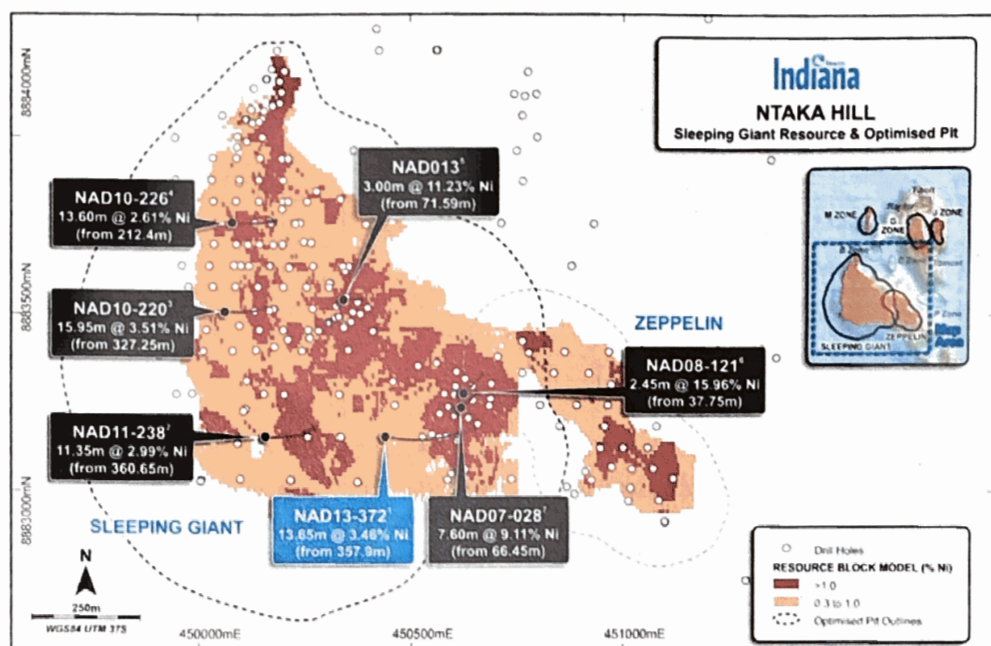


Figure 3. Significant high-grade intersections at Ntaka Hill

CORPORATE

Cash position

As at 31 March 2019, the Company had cash at bank of \$ 0.38 million.

Share capital

As at 31 March 2019, the Company had 105,994,876 shares on issue and 6,898,057 unquoted options outstanding.

TENEMENT INTERESTS

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
<i>* Subject to farm-in joint venture</i>			
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 sought to cancel retention licences. The Company continues to work with the Government on reaching a satisfactory resolution regarding title to the Ntaka Hill Retention Licence.*

- ENDS -

For further information, please contact:
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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

ABN

67 009 129 560

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(193)	(863)
(b) development	-	-
(c) production	-	-
(d) staff costs	(89)	(397)
(e) administration and corporate costs	(77)	(462)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (Business development and acquisitions)	-	-
1.9 Net cash from / (used in) operating activities	(359)	(1,722)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

(c) 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)	-	-
2.6 Net cash from / (used in) investing activities	-	-

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	500	1,174
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	(33)	(170)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	300
3.7 Transaction costs related to loans and borrowings	-	(5)
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	467	1,299

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	276	784
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(359)	(1,722)
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)	467	1,299
4.5 Effect of movement in exchange rates on cash held	(4)	19
4.6 Cash and cash equivalents at end of period	380	380

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	28	49
5.2 Call deposits	352	227
5.3 Bank overdrafts		
5.4 Other		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	380	276

6. Payments to directors of the entity and their associates

**Current quarter
\$A'000**

6.1	Aggregate amount of payments to these parties included in item 1.2	15
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	Nil
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Director fees and consulting.

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

**Current quarter
\$A'000**

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

8. Financing facilities available¹

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	300
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.		

The facility is with the lender Michael Fotios and associated entities which is unsecured with an interest rate of 8% per year which is capitalised into the loan immediately prior to repayment or conversion. The loan now expires 30 June 2019.

9. Estimated cash outflows for next quarter

\$A'000

9.1	Exploration and evaluation	(200)
9.2	Development	-
9.3	Production	-
9.4	Staff costs	(90)
9.5	Administration and corporate costs	(100)
9.6	Other (Business Development and Acquisition)	-
9.7	Total estimated cash outflows	(390)

Mining exploration entity and oil and gas exploration entity quarterly report

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

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.

Sign here:

Date: 30 April 2019

(Company secretary)

Print name: J. R. Moran

Notes

1. 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.
2. 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.
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.