

25 January 2018

## QUARTERLY ACTIVITIES REPORT

Quarter ended 31 December 2017

### EXPLORATION and DEVELOPMENT

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#### Exploration in Tanzania

Exploration in Tanzania remained on hold, pending clarification of the implications of legislation relating to the legal and regulatory framework for the natural resources sector in Tanzania that was passed by the Tanzanian Parliament in July 2017 (the '**July 2017 Legislation**') and the release of the Mining Regulations 2018 (the '**Regulations**') in January 2018.

Previous exploration carried out in the September Quarter confirmed the prospectivity of the Naujombo South gold target. Gold anomalism was detected on all three lines of air core drilling (spaced over 600m), with three holes in particular, intersecting strong levels of anomalous gold mineralisation<sup>1</sup>:

- NAC17-014: 3m @ 1.01 g/t Au from 15m (within a larger 19m @ 0.293 g/t Au from 11m);
- NAC17-015: 8m @ 0.79 g/t Au from 25m (within a larger 44m @ 0.372 g/t Au from 4m); and
- NAC17-018: 3m @ 0.84 g/t Au from 16m.

Naujombo South is a highly prospective gold target that warrants further exploration, however with the current uncertainty associated with the July 2017 Legislation and the Regulations, the Company cannot justify the allocation of capital to such exploration.

#### Project generation activity

With exploration in Tanzania on hold, the Company has committed to securing a project in another jurisdiction. During the Quarter, project review activities commenced and have focused on lithium, and base and precious metal opportunities. The Company remains committed to acquiring such a project and is currently conducting preliminary due diligence on three potential opportunities.

#### Ntaka Hill Retention Licence

The Regulations, as they relate to mining rights, include 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 has been held in the form of a retention licence ('**Ntaka Hill Retention Licence**'). The Ntaka Hill Retention Licence was validly granted on 21 April 2015 for a period of five years. Given that there has been no breach of the conditions of the Ntaka Hill Retention Licence or failure to comply

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<sup>1</sup> ASX announcement 4 August 2017. Since announcing these exploration results on 4 August 2017, Indiana confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

with the Mining Act or the applicable regulations, Indiana would be surprised if it was not offered an alternative class of licence.

Following recent discussions with the Ministry of Minerals, the Company has been requested to make a submission regarding its Ntaka Hill Retention Licence. While the Company believes it may have rights to international arbitration relating to any impact of the Regulations on the Ntaka Hill Retention Licence pursuant to a bilateral investment treaty between the Government of Tanzania and the Government of the United Kingdom, the primary focus is on reaching a satisfactory outcome with the Government of Tanzania.

## CORPORATE

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### Non-renounceable entitlement offer

The Company received acceptances for a total of 7,244,685 shares for proceeds of \$470,906 under the 1 for 3 non-renounceable entitlement offer (the '**Entitlement Offer**'), which closed at 5:00pm on 19 January 2018. These shares were issued on 25 January 2018, with trading to commence on 29 January 2018.

The number of shares offered under the Entitlement Offer was 17,957,575 shares resulting in a shortfall of 10,712,890 shares (the '**Shortfall Shares**'). The Directors of the Company reserve the right to place the balance of the Shortfall Shares at their discretion, with any Shortfall Shares to be issued not later than 19 April 2018.

### Cash position

As at 31 December 2017, the Company had cash at bank of \$0.30 million. Following completion of the Entitlement Offer, the Company has cash of \$0.77 million. As activity is currently limited to project generation work, the Company is incurring minimal costs, with expected cash outflows of \$0.25 million for the March Quarter.

### Annual General Meeting

The Company's Annual General Meeting of Shareholders was held on 23 November 2017, with 10 of the 11 resolutions put to shareholders carried.

## TENEMENT INTERESTS

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### Tenements held and location

Tenement	Ownership	Project	Location
PL 6397/2010 - Kipepere West	100%*	Nachingwea	Tanzania
PL 6634/2010 - Mihumo	100%*	Nachingwea	Tanzania
PL 6635/2010 - Nachingwea NW	100%*	Nachingwea	Tanzania
PL 7095/2011 - Nditi	100%*	Nachingwea	Tanzania
PL 9757/2014 - Mihumo West	100%*	Nachingwea	Tanzania
PL 9759/2014 - Mjembe	100%*	Nachingwea	Tanzania
PL 9939/2014 - Mjembe East	100%*	Nachingwea	Tanzania
PL 9942/2014 - Naujombo North	100%*	Nachingwea	Tanzania
PL 9944/2014 - Namarongo North	100%*	Nachingwea	Tanzania
PL 10099/2014 - Nanyindwa	100%*	Nachingwea	Tanzania
PL 10302/2014 - Namatutwa	100%*	Nachingwea	Tanzania

Tenement	Ownership	Project	Location
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
PL 11049/2017 - Mtimbo	100%*	Nachingwea	Tanzania
PL 11054/2017 - Naujombo West	100%*	Nachingwea	Tanzania
PL 11133/2017 - Mihumo Central	100%*	Nachingwea	Tanzania
PL 11132/2017 - Kishugu	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 joint venture with MMG and joint venture transaction with Fig Tree

#### **Tenements acquired and disposed during the Quarter**

PL 5977/2009 expired during the Quarter.

- ENDS -

**Bronwyn Barnes**  
**Chairman**

For further information, please contact:  
Bronwyn Barnes – Chairman  
Tel: +61 8 9388 7877

Stuart McKenzie – Commercial Manager and Company  
Secretary  
Tel: +61 8 9388 7877

## 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 December 2017

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	(105)	(336)
(b) development	-	-
(c) production	-	-
(d) staff costs	(102)	(212)
(e) administration and corporate costs	(110)	(182)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	1	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other*	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(316)</b>	<b>(725)</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	-	-

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

<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) 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	-	-
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	-	-
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>-</b>	<b>-</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	652	1,063
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(316)	(725)
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)	-	-
4.5	Effect of movement in exchange rates on cash held	(1)	(3)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>335</b>	<b>335</b>

<b>5. 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	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	212	302
5.2 Call deposits	123	350
5.3 Bank overdrafts	-	-
5.4 Other ( )	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>335</b>	<b>652</b>

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	50
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.

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
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	

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

<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	-	-
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.		

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<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	(73)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(75)
9.5 Administration and corporate costs	(102)
9.6 Other	-
<b>9.7 Total estimated cash outflows</b>	<b>(250)</b>

<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				
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: .....  
Company Secretary

Date: 25 January 2017

Print name: Stuart McKenzie

**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.