

30 April 2018

QUARTERLY ACTIVITIES REPORT

Quarter ended 31 March 2018

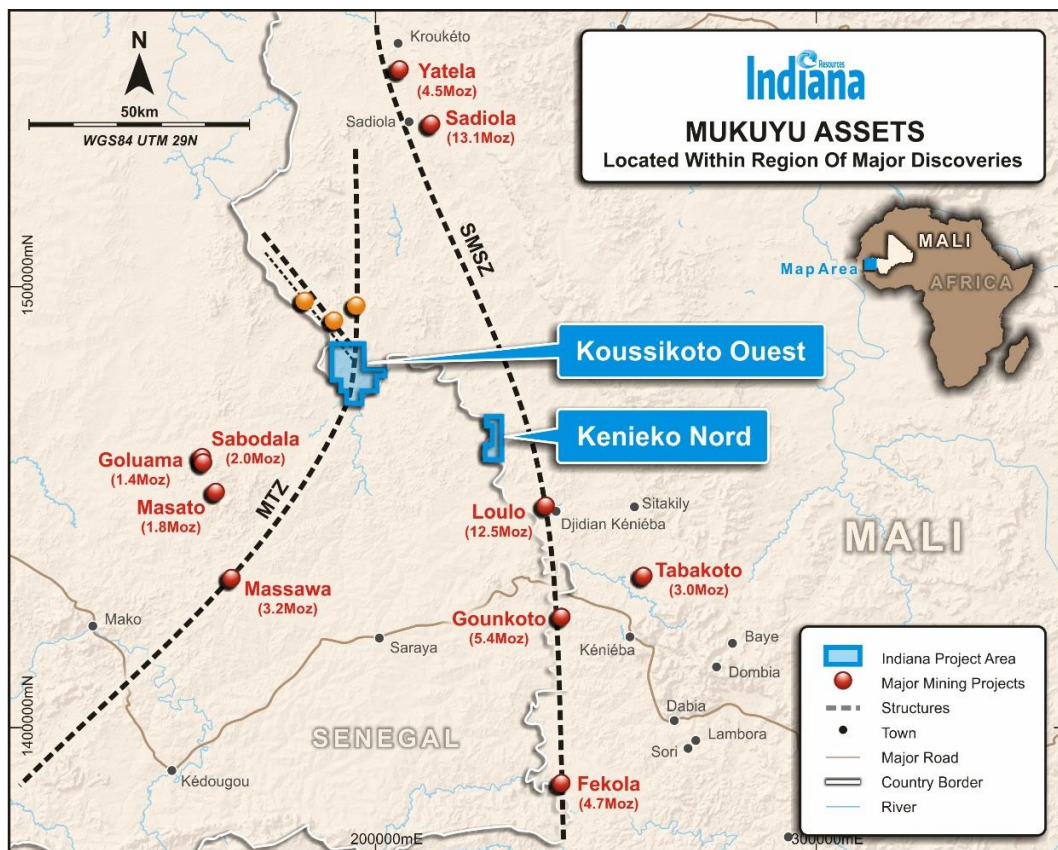
EXPLORATION and DEVELOPMENT

Acquisition of exploration properties in western Mali

During the Quarter, the Company reached agreement on a detailed term sheet (**'Term Sheet'**) which provided Indiana with the option to acquire Mukuyu Resources Limited (**'Mukuyu'**), the owner of interests in two highly prospective gold exploration licences in western Mali (**'Mukuyu Assets'**) (ASX announcement 1 March 2018).

The Mukuyu Assets comprise two exploration licences at Koussikoto Ouest and Kenieko Nord (total area of 126km²), located in the prolifically gold mineralised Kenieba Province of western Mali, approximately 550 km west of the capital city of Bamako (Figure 1).

Figure 1 – Koussikoto Ouest and Kenieko Nord located in attractive regional setting



Koussikoto Ouest

World-class gold deposits occur throughout the Kenieba Province, including Sadiola (13.1 Moz) and Loulo (12.5Moz), and there is a long history of artisanal gold mining in the region. Mali is the third largest gold producing country in Africa, hosting multiple operating gold mines (exploiting numerous individual deposits) along with a number of gold mines in the development stage.

Koussikoto Ouest covers an area of 100km² and straddles a regionally significant structure referred to as the Main Transcurrent Zone in the far west of the Kenieba Province, along strike from the Massawa (+3Moz) and Sabodala (+2Moz) gold deposits in Senegal (Figure 1).

Exploration work previously carried out at Koussikoto Ouest has focused on the northern portion of the permit (Figure 2) where soil geochemistry surveys, geophysics, trenching and drilling have been completed.

A number of broad gold-in-soil anomalies have been delineated, with trenching returning results such as 22m @ 3.29 g/t Au and 15m @ 2.29 g/t Au. Shallow follow up drilling beneath these trenches intersected high-grade gold mineralisation, including 18m @ 3.35 g/t Au and 4.5m @ 18.55 g/t Au.¹

In total, 49 holes for 5,068 metres of drilling have been undertaken on the northern portion of Koussikoto Ouest. The drilling to date, which sporadically targeted small sections of an extensive 4km long gold trend, provides significant encouragement for the discovery of potentially economic gold deposits along trend. In addition, multiple untested anomalies occurring more broadly on the project area call for detailed drill follow-up and a more extensive exploration programme on the balance of the property.

Exploration work has continued (at Mukuyu's expense) during the due diligence period. In parallel with a trenching programme that is currently under way, the Company has commenced field work to compile an updated geological interpretation over Koussikoto Ouest, which will enable field teams to further define and prioritise targets for a significantly expanded exploration programme next field season.

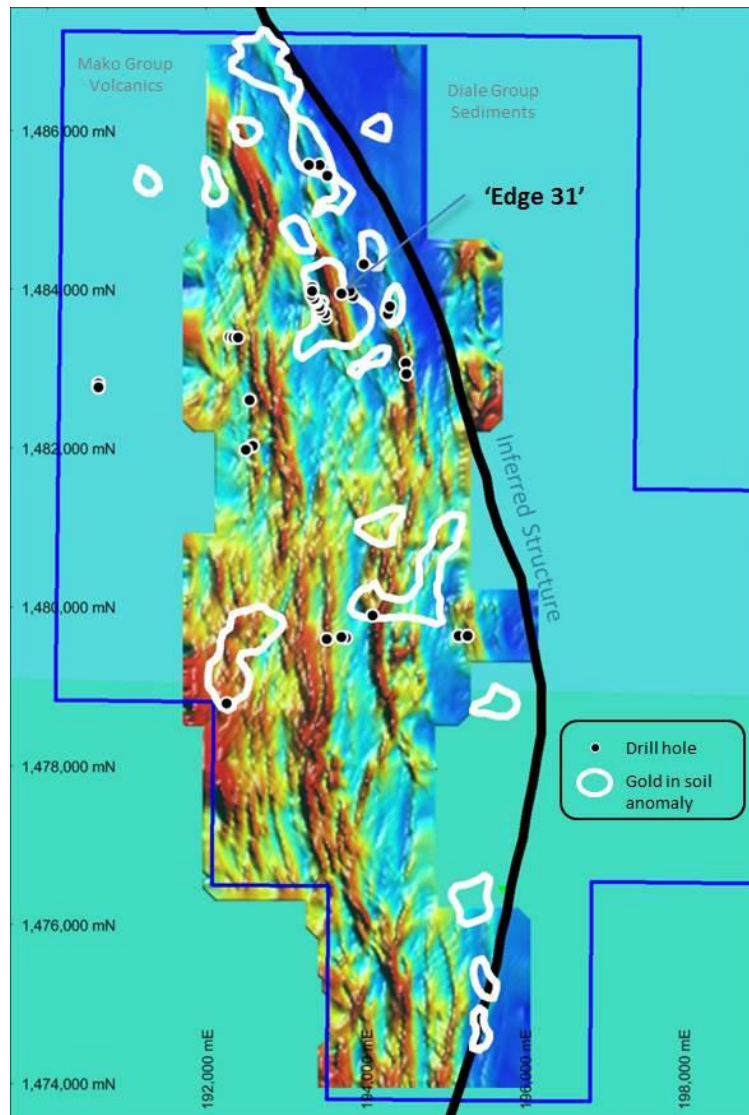
Kenieko Nord

Gold prospective rocks along the eastern side of the Kenieba Province are transected by a NNW-SSE trending strike-slip fault known as the Senegal-Malian Shear Zone ('SMSZ'). This structure is present over a strike length of more than 500km. The Sadiola (13Moz), Yatela (+4Moz), Loulo (+12Moz) and Fekola (+4Moz) gold deposits are related to this major structure (Figure 1).

Kenieko Nord is located in proximity to the SMSZ, to the north of the Loulo Gold Mine Camp (+12Moz, Randgold Resources – see Figure 1). The property is bounded to the west by the Faleme River, defining the border between Mali and Senegal. Soil sampling, which appears to be incomplete over the permit area, is the only work done to date. Indiana considers the regional geological setting, together with the early positive results from the soil sampling, to be highly encouraging for gold, and believes an expanded exploration programme is warranted to define targets for drill testing.

¹ ASX announcement 1 March 2018. Indiana confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

Figure 2 – Koussikoto Ouest: drill holes with gold-in-soil anomalies over IP resistivity image



Status of acquisition of the Mukuyu Assets

The Company has completed its due diligence and the parties are in the final stages of review of legal agreements. In anticipation of the acquisition shortly completing, Indiana has begun transitioning Mukuyu's highly capable and motivated in-country team across to Indiana. The team includes a Country Manager, Exploration Manager, Senior Geologists and a full exploration team with four years' experience in working on Koussikoto Ouest and Kenieko Nord. Development of exploration programmes for both Kussikoto Ouest and Kenieko Nord is under way.

Details of the Term Sheet

The commercial terms of the Term Sheet are summarised below. Provisions of the Term Sheet relating to matters such as the grant of the option, the due diligence process and specified other matters are binding, but otherwise the Term Sheet is non-binding.

1. Mukuyu is a proprietary exploration company and is the legal and beneficial owner of interests in two exploration permits at Koussikoto Ouest (75% interest via Olive Mining SARL) and Kenieko Nord (95%

interest via Lucky Miners) covering a total area of 126km², located in the Kenieba Province of western Mali.

2. The consideration for the Option has been satisfied through the issue of 650,000 fully paid ordinary shares in the capital of the Company.
3. Upon successful completion of due diligence and exercise of the Option, the Company will issue 6,500,000 fully paid ordinary shares in the capital of the Company (**'Consideration Shares'**) to acquire all of the issued capital in Mukuyu.
4. Mukuyu shareholders have agreed to voluntarily escrow the Consideration Shares for a period of 12 months from settlement of the Acquisition (**'Settlement'**).
5. Subject to exercising the Option, Indiana has agreed to spend A\$2 million on exploration of the Mukuyu Assets (including expenditure on tenement rentals, maintaining the tenements in good standing and administration in Mali) within 12 months from Settlement.
6. In addition, Indiana has agreed to pay deferred consideration (subject to any required regulatory approvals), linked to the discovery of mineral resources (that meet the requirements of the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) as follows:
 - 10,000,000 shares on the delineation of a mineral resource of 500,000 ounces of gold on the Mukuyu Assets, subject to at least 250,000 ounces being in the category of Indicated Resources; and
 - 12,500,000 shares and 6,500,000 options with an exercise price of \$0.20 and a term of 4 years from date of issue, on the delineation of a mineral resource of 1,000,000 ounces of gold on the Mukuyu Assets, subject to at least 500,000 ounces being in the category of Indicated Resources.

Ntaka Hill Retention Licence

The Mining Regulations published in January 2018, as they relate to mining 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 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 with the Mining Act or the applicable regulations, Indiana would be surprised if the Ministry of Minerals did not allow the Retention Licence to remain valid to its expiry date or provide Indiana with the opportunity to apply for an alternative class of licence.

Following discussions with the Ministry of Minerals earlier this year, the Company has made a submission to the Ministry of Minerals 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 continues to be on reaching a satisfactory outcome with the Government of Tanzania.

CORPORATE

Share capital

During the Quarter, the Company issued 7,244,685 shares pursuant to acceptances received under the 1 for 3 non-renounceable entitlement offer (the **'Entitlement Offer'**), which closed at 5:00pm on 19 January 2018. Since the Entitlement Offer closed, the Company has completed the placement of 10,712,890 shares, which represented the shortfall from the Entitlement Offer.

A further 3,488,265 shares were issued pursuant to the exercise of unquoted options, 650,00 shares were issued as consideration for the option to acquire the Mukuyu Assets and 3,085,110 shares were issued (Post Quarter end) using the Company's share issuance capacity under ASX Listing Rule 7.1.

As at 30 April 2018, the Company had 79,053,677 shares on issue and 4,590,088 unquoted options.

Cash position

As at 31 March 2018, the Company had cash at bank of \$1.0 million. In April, the Company completed the placement of 5,300,00 shares at 6.5 cents per share for proceeds of \$344,500.

Formation of Tanzanian Mining Commission

Post Quarter end, the Government of Tanzania announced the formation of the Mining Commission in accordance with the Mining Act. This follows announcement by the Honourable Dr John Pombe Magufuli, President of the United Republic of Tanzania, of the appointment of Professor Idris Suleiman Kikula as Chairman of the Mining Commission and the appointment of other Commissioners.

The Mining Commission is a new body with wide ranging responsibilities that was created under the July 2017 legislation. The formation of the Mining Commission, together with the recent return to office by the Honourable Ms Angellah Kairuki, Minister of Minerals, following a period of leave, are positive developments as the Tanzanian Government seeks to restore investor confidence in the mining industry.

TENEMENT INTERESTS

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
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

Tenement	Ownership	Project	Location
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

There was no change to the Company's tenement interests during the Quarter.

- ENDS -

Bronwyn Barnes

Chairman

For further information, please contact:
Bronwyn Barnes – Chairman
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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 March 2018

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	(57)	(393)
(b) development	-	-
(c) production	-	-
(d) staff costs	(126)	(337)
(e) administration and corporate costs	(116)	(299)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other*	-	-
1.9 Net cash from / (used in) operating activities	(299)	(1,024)

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	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
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)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	1,000	1,000
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	(30)	(30)
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	970	970

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	335	1,063
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(299)	(1,024)
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)	970	970
4.5	Effect of movement in exchange rates on cash held	(2)	(4)
4.6	Cash and cash equivalents at end of period	1,004	1,004

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	37	212
5.2 Call deposits	967	123
5.3 Bank overdrafts		-
5.4 Other ()		-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,004	335

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	37
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.

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	

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(222)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(135)
9.5 Administration and corporate costs	(99)
9.6 Other (Due diligence costs)	(197)
9.7 Total estimated cash outflows	(653)

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				
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:
(Director/Company secretary)

Date: 30 April 2018

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.