

31 July 2018

QUARTERLY ACTIVITIES REPORT

Quarter ended 30 June 2018

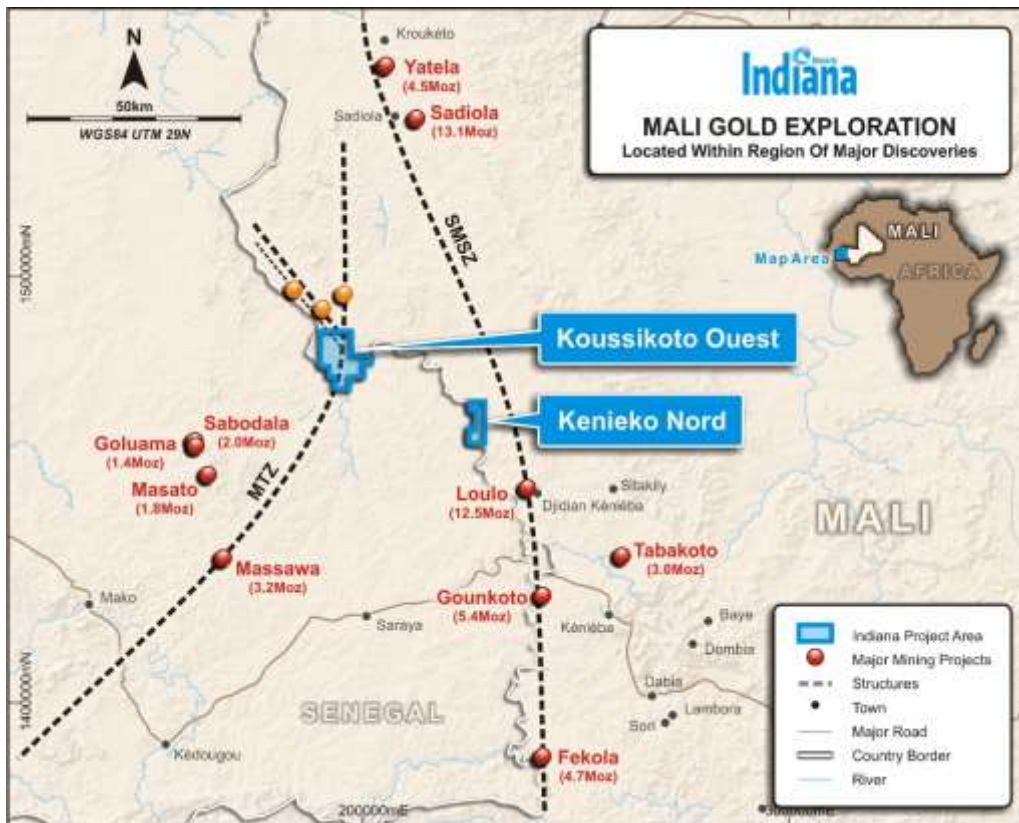
EXPLORATION and DEVELOPMENT

Acquisition of exploration properties in western Mali

Following successful completion of due diligence, the Company reached agreement to acquire 100% of the shares of Mukuyu Resources Limited (**'Mukuyu'**), the owner of interests in two highly prospective gold exploration permits in western Mali – Koussikoto Ouest (**'Koussikoto'**), in which it holds 75% and Kenieko Nord (**'Kenieko'**), in which it holds 95%, with the remaining interest in both permits held by local partners. Post Quarter end, all conditions precedent to the acquisition of Mukuyu were satisfied or waived and the acquisition completed

Koussikoto and Kenieko, which cover a total area of 126km², are located in the prolifically gold mineralised Kenieba Province of western Mali, where there have been multiple large-scale gold discoveries, approximately 550km west of the capital city of Bamako (Figure 1).

Figure 1 – Koussikoto and Kenieko located in attractive regional setting



Exploration results

During the Quarter, the Company completed a 4,325m program of shallow, wide spaced, reconnaissance aircore drilling at Koussikoto and Kenieko. At Koussikoto, drilling comprised 150 holes for 3,967m and focused on priority geochemical and structural targets along the 10km Main Transcurrent Zone ('MTZ') within the central portion of the Project area.

Drilling at Koussikoto returned strong gold intersections, including:

- 8m @ 3.37 g/t Au, from 12m¹
- 5m @ 4.86 g/t Au, from 12m¹
- 4m @ 2.16 g/t Au, from 4m¹
- 2m @ 1.34 g/t Au, from 16m¹
- 8m @ 3.00 g/t Au, from 16m, ending in mineralisation²

The results further demonstrate that the mineralised trend has the potential to extend along an 8km strike length and comprise a number of high-grade zones within that trend. In particular, three new priority areas have been identified for follow up and infill drilling. At these locations, gold occurs in multiple holes on each drill traverse; defining broad gold-mineralised trends which can be inferred from geophysics and are open along strike. Significant intersections, including 8m @ 3.37 g/t Au and 5m @ 4.86 g/t Au¹ occur within the broadly mineralised envelopes and provide significant encouragement for the discovery of potential ore-grade mineralisation along these newly-defined trends.

At Kenieko, 19 holes for 358m were drilled, targeting a recently identified artisanal gold mining trend in the north of the project area. Assay results are expected in August.

Analytical results from a trenching program carried out during the Quarter generated encouraging results, confirming anomalous extensions along portions of the predicted trends.¹

At this stage, the Company intends to implement a multi-faceted exploration campaign at Koussikoto, which is expected to commence following the end of the rainy season in October 2018. This programme will follow up and infill drill adjacent to recent significant intersections and include an expanded programme of reconnaissance auger and aircore drilling to investigate poorly explored areas in the west and east of the Koussikoto property.

Koussikoto

Koussikoto straddles the gold mineralised Main Transcurrent Zone ('MTZ') in the far west of the Kenieba Province, along strike from the Massawa (+3Moz) and Sabodala (+2Moz) gold deposits in Senegal. Exploration previously carried out at Koussikoto (prior to the acquisition of Mukuyu) has focused on the northern part of the permit and confirmed the prospectivity of Koussikoto. 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.³

¹ ASX announcement 29 June 2018. Indiana confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

² ASX announcement 12 July 2018. Indiana confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

³ 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.

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.

Project generation

With the acquisition of Mukuyu complete, Indiana is now reviewing opportunities to strengthen its position in Mali. This is expected to include assessment of the acquisition of additional exploration properties and consideration of joint venture and earn-in arrangements and option agreements. The acquisition of Mukuyu brought a team with a strong operating history and sound understanding of Mali. Together with the recent appointment of new Chief Executive Officer Chris van Wijk, who has substantial exploration and business development experience in Africa, the Company is well placed to strategically grow its interests in Mali.

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**').

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 outlining historic work programmes completed and showing a clear schedule of potential development activities. During the Quarter, Indiana lodged an application for a Prospecting Licence over the area previously covered by the Retention Licence as an interim step to clarifying tenure for Ntaka Hill.

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 be granted an alternative class of licence. Indiana remains in close communication with the Ministry of Minerals and is working with them to progress a solution for the current tenure issue for Ntaka Hill.

CORPORATE

Share capital

During the Quarter, the Company issued 12,300,000 shares, as follows:

- 2,214,890 shares as shortfall under the 1 for 3 non-renounceable entitlement offer that closed at 5:00pm on 19 January 2018;
- 3,085,110 shares using the Company's issuance capacity under ASX Listing Rule 7.1;
- 6,500,000 shares as consideration for the acquisition of Mukuyu; and

- 500,000 shares as consideration for advisory services provided in connection with the acquisition of Mukuyu.

As at 30 June 2018, the Company had 86,053,677 shares on issue and 5,090,088 unquoted options.

Post Quarter end, the Company announced a non-renounceable pro rata entitlement offer to eligible shareholders on the basis of 10 shares at an issue price of 6.0 cents for every 17 fully paid ordinary shares to raise up to approximately \$3.0 million (before costs).

During the Quarter, the Company provided a share sale facility (**'Facility'**) to holders of a less than marketable parcel of shares to sell their shares without incurring any brokerage or handling costs. The final number of shares sold under the Facility was 1,577,520 shares from 2,486 shareholders. The Shares were sold to sophisticated and professional investors at an average price of \$0.0611 per share.

In July, Mr Chris van Wijk commenced as Chief Executive Officer of Indiana. Mr van Wijk is a qualified geologist with extensive experience in both francophone West Africa and East Africa, having led multi-national exploration teams across a range of commodities in several countries. He has a proven track record in base and precious metals exploration, commercial negotiations and business development.

Cash position

As at 31 March 2018, the Company had cash at bank of \$0.7 million.

Formation of Tanzanian Mining Commission

Pursuant to the Presidential appointment of Professor Idris Suleiman Kikula as Chairman of the Mining Commission and the appointment of other Commissioners, the Government of Tanzania announced the establishment of the Mining Commission in April.

Post Quarter end, the Mining Commission issued the Mining Commission (Guidelines for Submission of Local Content Plan) 2018 (**'Local Content Guidelines'**). All companies that hold mineral licences (including Mining Licences and Prospecting Licences) are required to submit a local content plan and The Local Content Guidelines set out the required format of the local content plan and information to be included.

In addition, the Government issued the Mining (Integrity Pledge) Regulations 2018 (**'Integrity Pledge Regulations'**) in July. Among other things, the Integrity Pledge Regulations define the principles, obligations, responsibilities and prescribed form of the Integrity Pledge.

The Company considers these initiatives to be positive developments as the Tanzanian Government seeks to provide greater certainty on the legal and regulatory framework and to restore investor confidence in the mining industry.

TENEMENT INTERESTS

Tenements held and location

Tenement	Ownership	Project	Location
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 9939/2014 - Mjembe East	100%*	Nachingwea	Tanzania
PL 9942/2014 - Naujombo North	100%*	Nachingwea	Tanzania

Tenement	Ownership	Project	Location
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
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

* 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

During the Quarter, the Company relinquished PL 9759/2014 as it was considered to be not prospective and PL 6397/2010 expired.

Post Quarter end, the Company completed the acquisition of Mukuyu, which holds a 75% interest in the Koussikoto exploration permit and a 95% interest in the Kenieko Nord exploration permit.

- ENDS -



Bronwyn Barnes
Chairman

For further information, please contact:
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Secretary
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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")

30 June 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(143)	(537)
(b) development	-	-
(c) production	-	-
(d) staff costs	(94)	(431)
(e) administration and corporate costs	(145)	(444)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	7
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)	(166)	(166)
1.9 Net cash from / (used in) operating activities	(548)	(1,571)
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 (12 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	328	1,327
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)
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	328	1,297

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,004	1,063
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(548)	(1,571)
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)	328	1,297
4.5	Effect of movement in exchange rates on cash held	-	(5)
4.6	Cash and cash equivalents at end of period	784	784

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	23	37
5.2 Call deposits	761	967
5.3 Bank overdrafts		
5.4 Other ()		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	784	1,004

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	140
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	

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	(342)
9.2 Development	-
9.3 Production	-
9.4 Staff costs	(120)
9.5 Administration and corporate costs	(205)
9.6 Other (Business Development and Acquisition)	(30)
9.7 Total estimated cash outflows	(697)

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	PL 9759/2014	Prospecting Licence	100%	-
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: 31 July 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.