

31/01/2019

## QUARTERLY ACTIVITIES REPORT

Quarter ended 31 December 2018

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

### GROWTH and EXPLORATION

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#### Mali – Growth

During the Quarter, the Company undertook a prospectivity 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, 2 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 rising gold price.

This strategy resulted in the Company entering into a joint venture over two exploration permits located immediately adjacent to Koussikoto Ouest with Caracal Gold Mali SARL, a wholly owned subsidiary of Cradle Arc plc. The joint venture agreement over the Kossanto West Gold Project ('Kossanto West') in western Mali, located immediately adjacent to the Company's Koussikoto Ouest Gold Project (see Figure 1), effectively doubled the land available for Indiana's exploration activities, bringing the Company's total exploration area in Mali to 263km<sup>2</sup>.

Kossanto West comprises two permits, the Kobokoto Est and Koussikoto exploration permits, which cover a total area of 137 km<sup>2</sup>, located on the Main Transcurrent Zone, which is interpreted to be one of the structures which controls mineralisation in Western Mali. This is an excellent geological and structural location, within the highly prospective Kenieba Inlier of Western Mali.

The Company is currently in discussions with other groups for additional ground in the region and will update the market accordingly.

#### Mali – Exploration

In December 2018, accompanied by the Company's Exploration Manager and a group of potential investors, Indiana Managing Director Chris van Wijk visited the Company's Koussikoto and Kenieko Nord exploration projects in Mali. This visit also provided an opportunity to inspect possible additional ground acquisition opportunities in the region.

Line cutting in preparation for an IP Geophysical survey was completed at the end of the quarter for a total of 189 line kilometres at Kossanto West and 82 line kilometres at Koussikoto Ouest. The Company anticipates commencing the Gradient Array IP survey in February 2019.

Additional field work undertaken during the Quarter involved an inspection of historic artisanal workings across the existing project areas and inspection of several prospect areas where outstanding exploration results have been previously recorded and remain to be tested. These include 10.2m @ 2.5g/t Au in trench MSTR01 (September 11, 2018).<sup>1</sup> Follow up of untested targets is expected to be a key focus of the Company's 2019 exploration program.

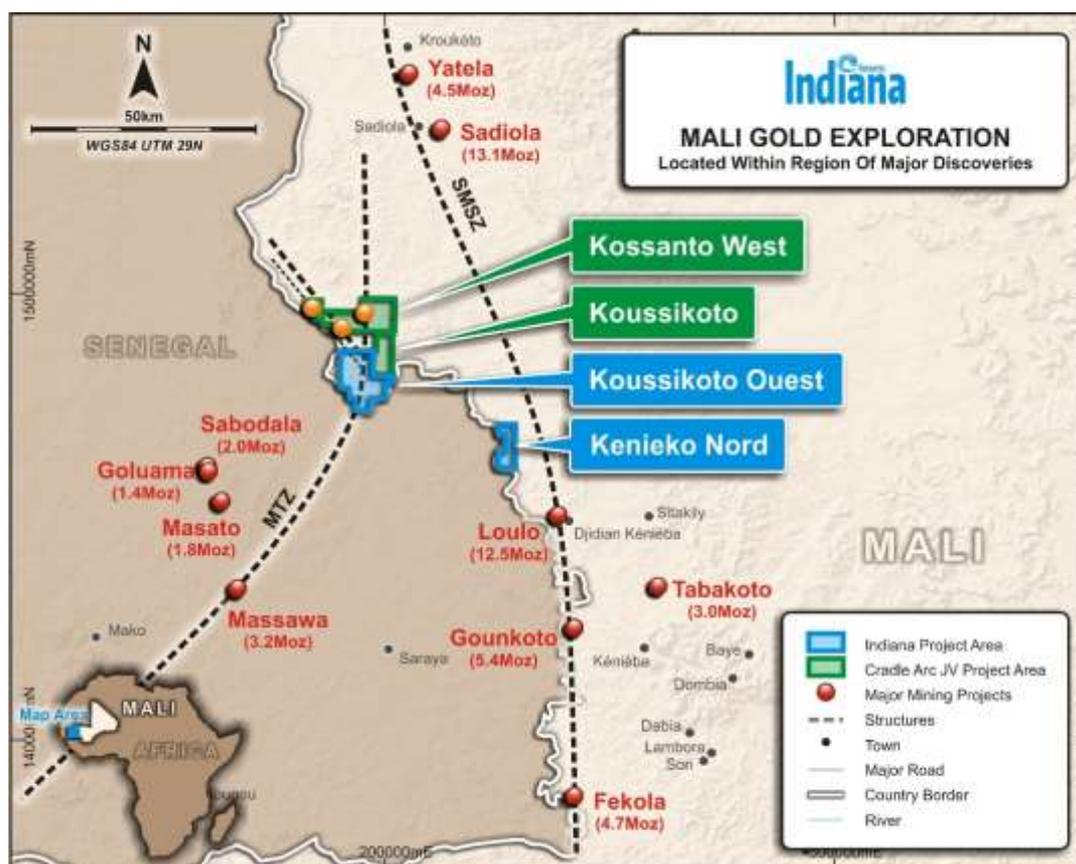
The current state of artisanal mining at Koussikoto Ouest was also assessed with artisanal miners having largely vacated previously outlined resources. Artisanal miners are still active at a low level across the property, however the Company accepts their presence, as the artisanal miners are compliant with local customs and norms, including not mining below a level of 2m from surface and not using machinery to mine.

The Company is currently finalising its 2019 exploration program and is in discussion with drilling companies regarding the commercial arrangements under which an extensive drilling program could be completed in the coming months.

### Mali – Community

During the quarter meetings were held with local elders and the village Chiefs, where the Company received commitments of support for Indiana's exploration activities. The Company looks to maintain good lines of communication with local community and seeks to utilise local labour wherever possible to support exploration and camp activities and operations.

Figure 1. Exploration interests in Mali



<sup>1</sup> ASX announcement 11 September 2018. Indiana confirms that it is not aware of any new information or data that materially affects the information included in that announcement.

## CORPORATE

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### Cash position

As at 31 December 2018, the Company had cash at bank of \$0.27 million.

During the Quarter, the Company entered into an unsecured loan agreement for up to \$1,000,000 with Michael George Fotios and associated entities (**'Loan Agreement'**), the Company's major shareholder. The Company has completed drawdowns totalling \$0.3 million under the Loan Agreement, with a further \$0.7 million undrawn.

### Ntaka Hill Retention Licence

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 Company continues to work with the Government on reaching a satisfactory resolution regarding title to the Ntaka Hill Retention Licence.

### New Minister of Minerals

Post Quarter end, the Government of Tanzania announced the appointment of the Honourable Doto Biteko as the new Minister of Minerals, replacing the former minister, the Honourable Angellah Kairuki. Shortly after his appointment, Minister Biteko invited the Tanzanian Chamber of Minerals and Energy (**'TCME'**) to a meeting in Dodoma. Indiana is encouraged by Minister Biteko's willingness to meet the TCME in order to understand the perspective of the resources industry as a whole.

### Share capital

As at 31 December 2018, the Company had 95,686,807 shares on issue and 5,090,088 unquoted options outstanding.

### Managing Director appointment

In November, Mr Chris van Wijk was appointed Managing Director, having held the position of Chief Executive Officer of Indiana for the previous four months.

### Annual General Meeting

The Company's Annual General meeting was held on 30 November 2018. A total of six resolutions were put to shareholders, all of which were passed.

### Notice of claim

The Koussikoto Ouest Project is held by a Malian company that is owned 75% by the Company and 25% by a private Malian citizen (**'Minority Shareholder'**). The Company received a writ from the Minority Shareholder alleging certain breaches of the shareholders' agreement between the Company and the Minority Shareholder, challenging the Company's 75% ownership. The Company has received written advice that the

claims of the Minority Shareholder are without any foundation or legal basis and is actively defending the claim.

## 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
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.

During the Quarter, in order to minimise tenement holding costs, the Company surrendered a number of Prospecting Licences, all of which were considered to be low priority.

Tenement	Ownership	Project	Location
PL 9757/2014 - Mihumo West	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 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

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