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INDIANA RESOURCES LIMITED

and its controlled entities

ABN 67 009 129 560

INTERIM FINANCIAL REPORT
for the half-year ended 31 December 2020



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Contents

PAGE

Corporate Directory	1
Directors' Report	2
Auditor's Independence Declaration	9
Consolidated Statement of Profit or Loss and Other Comprehensive Income	10
Consolidated Statement of Financial Position	11
Consolidated Statement of Cash Flows	12
Consolidated Statement of Changes in Equity	13
Notes to the Consolidated Financial Statements	14
Directors' Declaration	22
Independent Auditor's Review Report	23

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by Indiana Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

INDIANA RESOURCES LIMITED

Corporate Directory

Directors

Ms Bronwyn Barnes
Mr Robert Adam
Mr David Williams

Company Secretary

Ms Aida Tabakovic

Registered Office

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Share Register

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Auditors

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Website Address

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Stock Exchange

Shares are listed on the Australian Securities Exchange under the code IDA, IDAOA

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INDIANA RESOURCES LIMITED

Directors' Report

The Directors present the consolidated financial report of Indiana Resources Limited (“Indiana” or the “Company”) and its controlled entities (the “Group”) for the six months ended 31 December 2020.

Amounts are expressed in Australian dollars unless otherwise noted.

Directors

The names of the Company’s Directors in office during the half-year and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Executive

Ms Bronwyn Barnes (Executive Chairman)

Non-Executive

Mr Bob Adam (Non - Executive Director)

Mr David Williams (Non-Executive Director) – appointed 2 November 2020

Mr Steven Zaninovich (Non - Executive Director) – resigned 28 February 2021

Company Secretary

Ms Aida Tabakovic

PRINCIPAL ACTIVITIES

During the period, the principal continuing activities of the Group consisted of exploration for minerals.

REVIEW OF OPERATIONS

During the 6 months ended 31 December 2020, Indiana completed the 100% acquisition of Endeavour Copper Gold Pty Ltd (“ECG”) and Earea Dam Mining Pty Ltd (“EDM”) from private company Patron Resources Ltd (“Patron”). The acquisition provided Indiana with a 2,704km² tenement holding in the highly prospective Central Gawler Craton in South Australia. Consideration for the acquisition was a combination of fully paid ordinary shares and options in Indiana and a small cash component with further details provided below. Whilst finalising the transaction with Patron the Company made a number of applications for exploration licences for additional tenements in the Central Gawler Craton, bringing the combined ground position to 5,080km².

The strategic aggregation of a significant land position in the Central Gawler Craton has created for shareholders a low-cost, low-risk exposure to highly sought-after exploration ground in South Australia which is proven to be prospective for significant gold mineralisation.

Exploration activities for the Company’s South Australia project undertaken during the period of the half yearly report included a comprehensive technical review of historic work completed at the Central Gawler Craton, and planning for an initial 1,500m Reverse Circulation (“RC”) drill programme focused on the Minos Prospect. The RC drill programme was completed subsequent to the end of the 6 month period and results have been released to the ASX on 22nd February and 3rd March 2021.

During the period of this report, the Company significantly progressed its Claim to Arbitration against the Government of Tanzania over the illegal expropriation of the Ntaka Hill Nickel Project located in south-eastern Tanzania. The key achievement for the period was finalising the Funding Confirmation Notice (“FCN”) for USD4,653,400 with Litigation Capital Management Limited (“LCM”) - a firm listed on the Alternative Investment Market (“AIM”) of the London Stock Exchange. The FCN provides for funds to be progressively drawn down from a financing facility to meet legal expenses associated with the Claim to Arbitration.

In September 2020 the Company lodged the Request for Arbitration (“RfA”) with the International Centre for Settlement of Investment Disputes (“ICSID”), part of the World Bank, in accordance with the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (the “ICSID Convention”). The RfA contains a background to the dispute, a summary of the Claimant’s claims and an initial estimate of compensation

INDIANA RESOURCES LIMITED

Directors' Report

for loss of the Project and damages sustained by the Investors resulting from the actions of the Government of Tanzania, which is currently in excess of US\$95 million. The RfA was accepted by ICSID in October and the Government of Tanzania was advised. Subsequent to the end of the year, ICSID have now fully constituted the Arbitral Panel and the first hearing will take place on 22nd April 2021.

Corporate

Results for the Half-Year

The net loss after income tax of the Group for the half-year ended 31 December 2020 was \$0.82 million (2019: \$4.72 million). The result for the half-year is attributable to:

- 1) Corporate and administration costs of \$1.03 million (2019: \$0.32 million);
- 2) Share based payment of \$0.18 million (2019: \$0.50 million);
- 3) Exploration costs of \$0.06 million (2019: \$0.67 million); and
- 4) Other income of \$0.48 million (2019: \$0.08 million).

As at 31 December 2020, the Group had \$0.19 million in cash and cash equivalents and the Company has the following securities on issue:

- 249,389,981 fully paid ordinary shares;
- 1,272,022 unlisted options exercisable at \$0.12 on or before 22 July 2021;
- 148,538,275 listed options exercisable at \$0.03 on or before 5 August 2021;
- 3,000,000 unlisted options exercisable at \$0.035 on or before 26 June 2022;
- 500,000 unlisted options exercisable at \$0.00 on or before 1 July 2022;
- 500,000 unlisted options exercisable at \$0.20 on or before 4 July 2022;
- 2,500,000 unlisted options exercisable at \$0.025 on or before 6 October 2022;
- 5,000,000 unlisted options exercisable at \$0.03 on or before 25 October 2022;
- 3,369,990 unlisted options exercisable at \$0.036 on or before 25 October 2022;
- 800,000 unlisted options exercisable at \$0.09 on or before 14 January 2023;
- 800,000 unlisted options exercisable at \$0.12 on or before 14 January 2023;
- 800,000 unlisted options exercisable at \$0.09 on or before 16 August 2023;
- 800,000 unlisted options exercisable at \$0.12 on or before 16 August 2023;
- 3,000,000 unlisted options exercisable at \$0.03 on or before 1 October 2023;
- 550,000 unlisted options exercisable at \$0.08 on or before 1 October 2023;
- 3,500,000 unlisted options exercisable at \$0.04 on or before 5 October 2023;
- 5,000,000 unlisted options exercisable at \$0.07 on or before 5 October 2023; and
- 3,500,000 unlisted options exercisable at \$0.06 on or before 1 December 2023.

South Australia – Acquisition Agreement with Patron Resources Ltd

In August 2020 Indiana completed the 100% acquisition of private company Patron Resource Ltd's ("Patron") subsidiaries, Endeavour Copper Gold Pty Ltd ("ECG") and Earea Dam Mining Pty Ltd ("EDM"), in a cash and scrip based transaction as per the following terms:

- 1) payment of a non-refundable cash deposit of \$30,000 to Patron,
- 2) payment of the rehabilitation bond for exploration work on EL6184 and EL6185 of \$15,000,
- 3) 18,000,000 IDA Shares to be issued to Patron and a further \$95,000 cash on completion of the transaction,
- 4) 11,000,000 options with an exercise price of \$0.08 and an expiry date of 3 years from the date of issue. Upon conversion, each option will convert into one ordinary fully paid share in Indiana.

This has provided the Company with a large land-holding of 2,704km² in the highly prospective Central Gawler Craton in South Australia. Combined, ECG and EDM hold 100% of 14 granted exploration licences and one mining lease in the Central Gawler Craton Gold Province.

INDIANA RESOURCES LIMITED

Directors' Report

The strategic acquisition of ECG and EDM provides shareholders with low-cost, low-risk exposure to some highly sought-after exploration ground in South Australia which is proven to be prospective for significant gold mineralisation.

Following the announcement of the binding agreement to acquire the assets of Patron the Company announced that it had lodged applications for four exploration licences with the South Australian Department for Energy and Mining which were accepted. The additional licences expanded Indiana's total ground position in the Gawler Craton of South Australia to 5,090km².

Exploration

South Australia – Gawler Craton Gold Province

Following the completion of the transaction with Patron, and the application for the additional exploration licences in the Central Gawler Craton, the Company undertook an extensive desk top review of historical technical data for the entire project area and developed an exploration strategy for the tenement package. The Tenements contain the majority of the highly prospective Archaean Harris Greenstone Belts, similar in style to the WA greenstone belts, with significant potential for gold and base metals.

The Central Gawler Craton has outstanding potential for the discovery of significant gold deposits, as indicated by Tunkillia 965,000 ounce gold resource¹, which adjoins the southern edge of the Tenements and the historical mining centre of Tarcoola, which adjoins the northern edge of the Tenements, where historic production and current resources total approximately 92,800 ounces¹. Many smaller historical gold workings are present throughout the region and remain underexplored, including the Lake Labyrinth, Company Well and Earea Dam mines, which fall within the Tenement area.

As previously reported (refer ASX releases dated 4th August and 28th September 2020), significant mineralisation has been intersected by historic drilling at the Minos and Ariadne targets located within the 40km long Lake Labyrinth Shear Zone ("LLSZ"). Initial review of historic drill hole data including diamond drilling completed at Minos has highlighted significant high-grade structures within the mineralised zone that were not tested effectively by earlier drilling programmes.

Initial geologic review highlighted several significant structural features with respect to the internal geometry and distribution of the gold mineralisation at Minos as follows:

- The main mineralised shear zone (LLSZ) strikes approximately NW to SE and is sub vertical or steeply dipping to the SW
- Early phase mineralisation lies within the main foliation that is either parallel to the walls of the main shear or shallower dipping to the SW and characterised by sericite-silica-pyrite alteration and quartz carbonate veining
- Late stage high grade mineralisation hosted by quartz carbonate veins containing pyrite, sphalerite and galena
- The shear zone host rock adjacent to these late stage veins are commonly brecciated and hematite altered

There appear to be at least two generations of mineralisation in different structural orientations, one subparallel to the shear zone and the second dipping to the NE at about 70 degrees . This is consistent with surface mapping at the Ariadne prospect where structural measurements of late stage high grade veins associated with surface workings dip to the NE at 70 to 80 degrees. Further logging of the drill core will be undertaken to accurately determine the strike and dip of the high-grade veins.

These features highlighted the need to orient drilling in a direction that adequately tests all the gold bearing vein orientations and structures within the Minos mineralisation. THRC060, an RC drill hole completed as a water bore to assist previous diamond drilling, also highlighted this point. THRC060 appears to have intersected both orientations of veining and provided a far more consistent result than all other holes which were drilled to the NE at a dip of 60 degrees.

¹ Tarcoola and Tunkillia Resources: <https://www.bartongold.com.au/jorc-2012-resources>

INDIANA RESOURCES LIMITED

Directors' Report

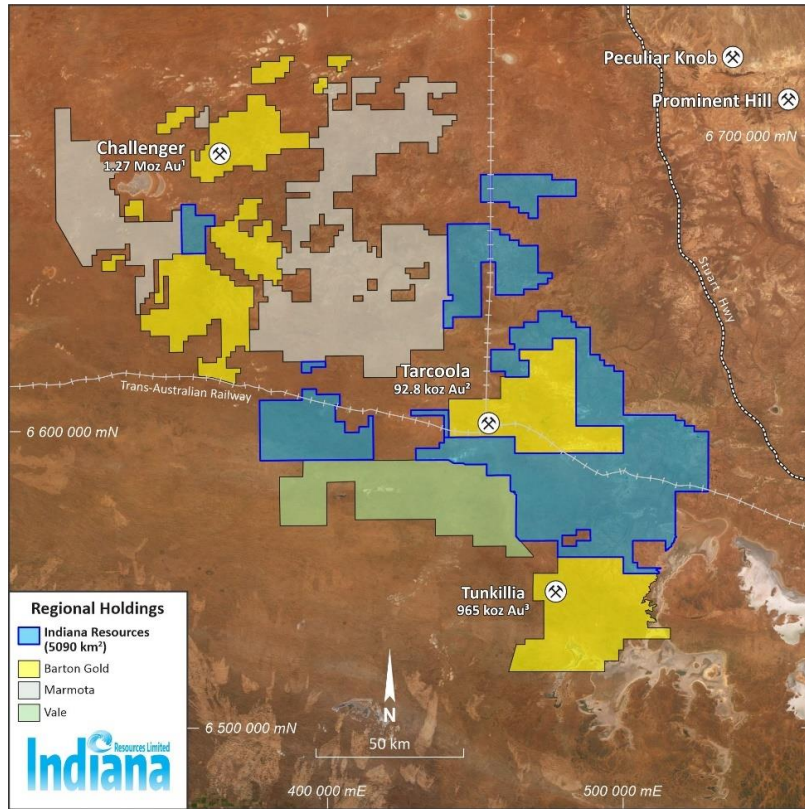


Figure 1: IDA's total ground position in the Central Gawler Craton

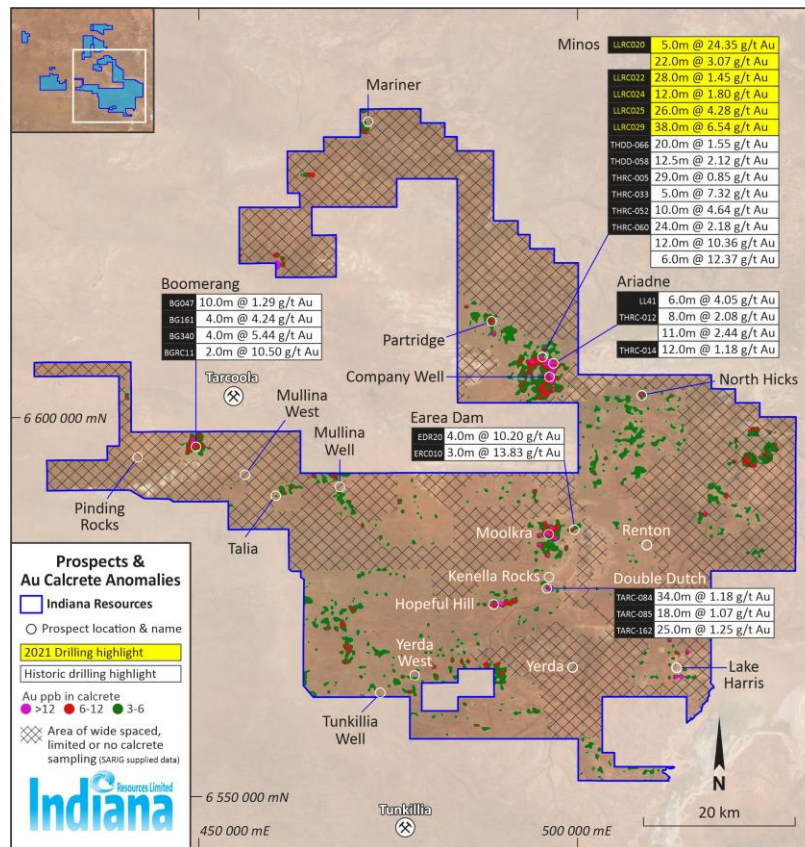


Figure 2: Tenement Location Plan showing Prospects and historic Calcrete Anomalies

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INDIANA RESOURCES LIMITED

Directors' Report

Tanzania - Ntaka Hill Nickel Project – Claim to Arbitration

During the last six months Indiana continued progress with the Claim to Arbitration against the Government of Tanzania over the illegal expropriation of the Ntaka Hill Nickel Project (the "Project") located in south-eastern Tanzania. As the majority shareholder in the United Kingdom incorporated companies, Ntaka Nickel Holdings Ltd ("NNHL") and Nachingwea UK Ltd ("NUK"), Indiana is the manager of the Joint Venture for the Project and is leading activities with regards to this matter.

During the current half-year period the Company secured a litigation funding facility with highly respected funding firm Litigation Capital Management (UK). Under the agreement all legal expenses associated with the Claim to Arbitration will be met through a funding facility of US\$4,653,400 that is only repayable in the event of a successful award from arbitration. A detailed budget has been approved as part of the Litigation Funding Agreement, which confirms all expected legal and ancillary costs associated with the arbitration process.

In September 2020, the Company announced the lodgement of a Request for Arbitration ("RfA") with the International Centre for Settlement of Investment Disputes ("ICSID"), part of the World Bank, in accordance with the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (the "ICSID Convention"). The RfA contains a background to the dispute, a summary of the Claimant's claims and an initial estimate of compensation for loss of the Project and damages sustained by the Investors resulting from the actions of the Government of Tanzania, which is currently in excess of US\$95 million.

ICSID sent the RfA to the Government of Tanzania in September and registered the RfA in October 2020. Tanzania was invited to agree with the Claimants on a method of constitution of the arbitral tribunal and during the quarter formally advised ICSID that it will be represented by the Hon. Attorney General of the United Republic of Tanzania, Prof. Adelardus Kilangi and the Hon. Solicitor General of the United Republic of Tanzania, Mr. Gabriel Malata.

In the RfA, the Claimants had proposed that the arbitral tribunal consist of three members and nominated Mr R. Doak Bishop as their arbitrator panel member. Mr Bishop is a Partner in United States firm King & Spalding. This nomination has been accepted and Tanzania has proposed a second member for the arbitral tribunal, Ms Sanji Mmasenono Monageng, whose nomination has also been accepted. Subsequent to the end of the period Mr Cavinder Bull SC was appointed Chair of the arbitral tribunal and the first hearing date was set for 22nd April 2021.

The Company has significantly progressed its preparation for filing of the Claimants' Memorial, which will include all evidence and supporting documents to support the Claim for Compensation.

Mali

During this period the Company continued to work on resolving issues arising from the previously advised (31 January 2019) Notice of Claim relating to the Koussikoto Ouest Project. The Company was verbally notified that it has been unsuccessful in defending the claim. The Company is now waiting to receive formal notification of the judgement from the Courts to determine whether to appeal the matter.

At Kenieko Nord, a renewal submission has been made but all renewal approvals are on hold until the new Mining Code has been presented to Parliament. However, given the current political situation in Mali there is no clear timeline as to when the new Mining Code will be presented.

Given current travel restrictions as a result of Covid 19, there is minimal exploration work planned for the Company's exploration assets in Mali. Consideration is currently being given to their future, as the Company is fully engaged with exploration activities across its high potential South Australian projects.

INDIANA RESOURCES LIMITED

Directors' Report

Tenements held and location

Tenement	Change in Holding	Ownership	Project	Location
EL 5716	-	100%	Gawler Craton	South Australia
EL 5779	-	100%	Gawler Craton	South Australia
EL 5786	-	100%	Gawler Craton	South Australia
EL 5989	-	100%	Gawler Craton	South Australia
EL 5991	-	100%	Gawler Craton	South Australia
EL 5992	-	100%	Gawler Craton	South Australia
EL 6184	-	100%	Gawler Craton	South Australia
EL 6185	-	100%	Gawler Craton	South Australia
EL 6186	-	100%	Gawler Craton	South Australia
EL 6256	-	100%	Gawler Craton	South Australia
EL 6570	-	100%	Gawler Craton	South Australia
EL 6571	-	100%	Gawler Craton	South Australia
EL 6575	-	100%	Gawler Craton	South Australia
EL 6576	-	100%	Gawler Craton	South Australia
EL 6586	-	100%	Gawler Craton	South Australia
EL 6587	-	100%	Gawler Craton	South Australia
ML 5856 – Earea Dam Goldfield	-	100%	Gawler Craton	South Australia
ELA 2020/00106 ¹	-	100%	Gawler Craton	South Australia
ELA 2020/00109 ²	-	100%	Gawler Craton	South Australia
ELA 2020/00172 ³	-	100%	Gawler Craton	South Australia
ELA 2020/00190 ⁴	-	100%	Gawler Craton	South Australia
ELA 2020/00236 ⁵	-	100%	Gawler Craton	South Australia
PR 13/647 Koussikoto Ouest	-	75%	Koussikoto	Mali
PR 15/736 Kenieko Nord	-	95%	Kenieko	Mali
Claim Block 4242 ⁶	-	50%	St Stephen	New Brunswick, Canada
Claim Block 5787 ⁶	-	50%	St Stephen	New Brunswick, Canada

¹ Application lodged 15 July 2020

² Application lodged 29 July 2020

³ Application lodged 14 October 2020

⁴ Application lodged 23 October 2020

⁵ Application lodged 23 December 2020

⁶ Subject to 50/50 joint venture with Vision Lithium Inc

INDIANA RESOURCES LIMITED

Directors' Report

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

In January 2021, the Company announced that it had located uncut and unassayed Diamond Drill core at the South Australian Core Reference Library located at Tonsley, SA. The HQ core hole (THDD-066) was drilled at the Minos Prospect and was drilled on the 600 Section line at Minos, most likely to provide samples for metallurgical test work. Subsequent to the end of the half year, significant results were received and released to the ASX.

In late January, an initial RC drilling programme was completed safely and ahead of schedule at the Minos Prospect. A total of 1,604m of Reverse Circulation (RC) drilling was completed for 10 holes varying in depth from 72 to 210 metres. The programme had been designed to test a 600 metre long section in the core of the Minos target.

Nine of the ten holes drilled for the programme ended in the mineralised shear zone and the Minos prospect appears to be open along strike and at depth. Samples were collected and sent to Bureau Veritas in Adelaide for assay.

Significant results were received from the first programme and announced to the ASX on 22nd February and 3rd March 2021. A summary of key results is included below:

- 19m @ 2.88 g/t Au from 78m
- 5m @ 24.35 g/t Au from 106m
- 22m @ 3.07 g/t Au from 125m
- 3m @ 18.33 g/t Au from 189m
- 8m @ 4.79 g/t Au from 89m
- 38m @ 6.54 g/t Au from 29m
- 2m @ 6.32 g/t Au from 100m
- 26m @ 4.28 g/t Au from 68m

The results received from this programme will assist with planning for an expanded drill programme, which will likely include diamond drilling to test the depth and extend the total width of the mineralised shear zone. Given drilling that has already been conducted to date at the Minos Prospect it is likely that an expanded drill programme will be completed at a spacing to assist with the calculation of a JORC resource. The future drilling programme will also likely test targets at Ariadne and Company Well, both located within the LLSZ.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires the Company's auditors to provide the Directors of Indiana Resources Limited with an Independence Declaration in relation to the half-year ended 31 December 2020. The Independence Declaration is attached to and forms part of this Directors' Report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.



Bronwyn Barnes
EXECUTIVE CHAIRMAN
PERTH, WA

15 March 2021



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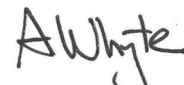
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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Indiana Resources Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM
RSM AUSTRALIA PARTNERS


ALASDAIR WHYTE
Partner

Perth, WA
Dated: 15 March 2021

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INDIANA RESOURCES LIMITED
Consolidated Statement of Profit or Loss and Other Comprehensive
Income
For the half-year ended 31 December 2020

	Notes	31 DECEMBER 2020 \$'000	31 DECEMBER 2019 \$'000
Interest income		1	1
Other income	9	479	82
Business development costs		(25)	(88)
Corporate and administration expenses		(1,027)	(318)
Depreciation and amortisation		(1)	(26)
Exploration and evaluation expenses		(60)	(672)
Share based payments		(175)	(505)
Impairment of exploration and evaluation asset		-	(3,170)
Other expenses		(12)	(20)
LOSS BEFORE INCOME TAX EXPENSE		(820)	(4,716)
Income tax benefit		-	-
LOSS AFTER INCOME TAX EXPENSE		(820)	(4,716)
Other Comprehensive Income			
Items that may be reclassified subsequently to profit and loss			
Foreign currency translation differences, net of tax		344	(193)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(476)	(4,909)
Net Loss is attributable to:			
Owners of Indiana Resources Limited		(476)	(4,909)
Non-controlling interest		-	-
		(476)	(4,909)
Total Comprehensive Loss is attributable to:			
Owners of Indiana Resources Limited		(476)	(4,909)
Non-controlling interest		-	-
		(476)	(4,909)
Loss per share attributable to owners of the Company:			
Basic loss per share (cents)		(0.36)	(0.03)
Diluted loss per share (cents)		(0.36)	(0.03)

The accompanying notes form part of these consolidated interim financial statements.

INDIANA RESOURCES LIMITED
Consolidated Statement of Financial Position
As at 31 December 2020

	Notes	31 DECEMBER 2020 \$'000	30 JUNE 2020 \$'000
CURRENT ASSETS			
Cash and cash equivalents		187	504
Trade and other receivables		176	121
TOTAL CURRENT ASSETS		363	625
NON-CURRENT ASSETS			
Exploration and evaluation expenditure assets	5	1,129	-
Plant and equipment		4	27
Right-of-use asset	6	38	-
TOTAL NON-CURRENT ASSETS		1,171	27
TOTAL ASSETS		1,534	652
CURRENT LIABILITIES			
Trade and other payables		449	1,277
Loans and borrowings	7	-	-
Lease liability	6	20	-
TOTAL CURRENT LIABILITIES		469	1,277
NON-CURRENT LIABILITIES			
Lease liability	6	18	-
TOTAL NON CURRENT LIABILITIES		18	-
TOTAL LIABILITIES		487	1,277
NET ASSETS / LIABILITY		1,047	(625)
EQUITY			
Contributed equity	8	16,772	15,797
Reserves		7,908	6,391
Accumulated losses		(23,633)	(22,813)
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		1,047	(625)
Non-controlling interest		-	-
TOTAL EQUITY		1,047	(625)

The accompanying notes form part of these consolidated interim financial statements.

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INDIANA RESOURCES LIMITED
Consolidated Statement of Cash Flows
For the half-year ended 31 December 2020

	31 DECEMBER 2020 \$'000	31 DECEMBER 2019 \$'000
CASH FLOWS USED IN OPERATING ACTIVITIES		
Interest and other receipts	-	1
Payments to suppliers and employees	(1,058)	(894)
Payment of exploration expenditure	(37)	(672)
Net cash outflow used in operating activities	(1,095)	(1,565)
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of exploration assets	(140)	-
Acquisition of plant and equipment	(2)	-
Proceeds from sale of plant and equipment	6	-
Net cash outflow used in investing activities	(136)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	965	1,491
Direct costs of equity issued	(52)	(64)
Net cash inflow from financing activities	913	1,427
NET DECREASE IN CASH AND CASH EQUIVALENTS	(318)	(138)
Opening cash and cash equivalents brought forward	504	380
Effects of exchange rate movements on opening cash	1	(1)
CASH AND CASH EQUIVALENTS CARRIED FORWARD	187	241

The accompanying notes form part of these consolidated interim financial statements.

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INDIANA RESOURCES LIMITED
Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2020

	Contributed Equity	Foreign Currency Translation Reserve	Share Based Equity Reserve	Other Equity Reserve	Accumulated Losses	Total Equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2019	13,026	4,981	1,236	(922)	(16,104)	3,139
Total Other Comprehensive Income for half-year						
Loss for the half-year	-	-	-	-	(4,716)	(4,716)
Foreign exchange translation differences	-	(193)	-	-	-	(193)
	-	(193)	-	-	(4,716)	(4,909)
Transactions with owners in their capacity as owners:						
Equity attributed to minority	-	-	-	-	-	-
Issue of shares net of transaction costs	1,427	-	-	-	-	1,427
Acquisition via share issue	318	-	-	-	-	318
Employee and director share based payments	176	-	214	-	-	390
Advisor share based payments	54	-	115	-	-	169
Balance at 31 December 2019	15,001	4,788	1,565	(922)	(20,820)	534
Balance at 1 July 2020	15,797	4,726	1,665	-	(22,813)	(625)
Total Other Comprehensive Income for half-year						
Loss for the half-year	-	-	-	-	(820)	(820)
Foreign exchange translation differences	-	344	-	-	-	344
	-	344	-	-	(820)	(476)
Transactions with owners in their capacity as owners:						
Equity attributed to minority	-	-	-	-	-	-
Issue of shares net of transaction costs	833	-	-	-	-	833
Employee and director share based payments	45	-	(16)	-	-	29
Exercise of unlisted options	97	-	-	-	-	97
Other share based payments	-	-	1,189	-	-	1,189
Balance at 31 December 2020	16,772	5,070	2,838	-	(23,633)	1,047

The accompanying notes form part of these consolidated interim financial statements.

INDIANA RESOURCES LIMITED

Notes to the Consolidated Financial Statements

1. Corporate information

Indiana Resources Limited (“Indiana” or the “Company”) is a company incorporated in Australia and limited by shares. Indiana shares are publicly traded on the Australian Securities Exchange under the stock code IDA and listed Options under the stock code IDAOA. The consolidated interim financial statements of the Company as at, and for the half-year ended, 31 December 2020 comprise the Company and its subsidiaries (together the “Group”).

The principal activities of the Company are exploration for base and precious metals.

The consolidated financial statements of the Group as at and for the year ended 30 June 2020 are available online at www.indianaresources.com.au or upon request from the Company’s registered office located at Suite 3, 339 Cambridge Street, Wembley, Western Australia 6014, Australia.

This financial report was authorised for issue in accordance with a resolution of the Directors on 15 March 2021.

2. Basis of preparation and accounting policies

This general purpose interim financial report for the half-year ended 31 December 2020 has been prepared in accordance with IAS 34 *Interim Financial Reporting* and the *Corporations Act 2001*. The financial report does not include all notes of the type normally included within the annual financial report. However selected explanatory notes are included to explain events and transactions that are important to an understanding of changes in the Group’s financial position and performance since the last annual consolidated financial statements, as of, and for the year ended 30 June 2020.

It is recommended that this interim financial report be read in conjunction with the annual report for the year ended 30 June 2020 and considered together with any public announcements made by Indiana during the half-year ended 31 December 2020 in accordance with the Company’s continuous disclosure obligations.

2(a) Going concern

The Group incurred a net loss after income tax expense for the half year ended 31 December 2020 of \$0.820 million and net cash outflows from operating activities of \$1.095 million. As at 31 December 2020, the Group had cash and cash equivalents of \$0.187 million. As at that date, the Group had net current liabilities of \$0.106 million.

As disclosed in Note 13 (Subsequent Events), since the date of this report the Group has received additional funding through a Share Placement (\$1 million before costs), a Share Purchase Plan (\$0.334 million before costs) and the exercise of options (\$0.106 million). This gives the Group the funds it needs for its immediate drilling program and its other normal business activities. However, further funds are expected to be required during the next twelve months to ensure the realisation of assets and extinguishment of liabilities as and when they fall due, including progression of its exploration activities.

The Directors are satisfied that there are reasonable grounds to believe that the Group will be able to continue to meet its debts as and when they fall due and that it is appropriate for the financial statements to be prepared on a going concern basis. The Directors have based this on the following:

- The Group had over 148 million \$0.03 listed options expiring 5 August 2021 outstanding at the date of this report, and the Directors expect most of these will be exercised to raise up to \$4.4 million.
- As disclosed in Note 13, the Group raised \$1.334 million subsequent to the period-end, through share placements.
- The Directors believe that future funding will be available to meet the Group’s objectives and debts as and when they fall due, including through engaging with parties interested in joint venture arrangements and/or raising additional capital through equity placements to existing or new investors. The Group has a demonstrated history of success in this regard with the Directors being confident in the ability to continue to raise additional funds on a timely basis, as and when required.

INDIANA RESOURCES LIMITED

Notes to the Consolidated Financial Statements

3. New or amended Accounting Standards and interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current and prior reporting periods.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

4. Use of judgements and estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 30 June 2020.

5. Exploration and Evaluation Expenditure Assets

	31 December 2020 \$'000	30 June 2020 \$'000
Exploration & evaluation expenditure assets	<u>1,129</u>	-
<i>Reconciliation of exploration & evaluation expenditure assets</i>		
Carrying amount at the beginning of the period	-	4,148
Additions via acquisition of subsidiary	1,129	-
Impairment	-	(4,148)
Carrying amount at the end of period	<u>1,129</u>	-

Impairment Assessment - Ntaka Hill Nickel Project

During the last six months Indiana continued progress with the Claim to Arbitration against the Government of Tanzania over the illegal expropriation of the Ntaka Hill Nickel Project (the "Project") located in south-eastern Tanzania.

The initial estimate of compensation for loss of the Project and damages sustained by the Investors resulting from the actions of the Government of Tanzania is currently in excess of US\$95 million.

The Group has fully impaired the carrying value of the Ntaka Hill Nickel Project.

Koussikoto Ouest Project

The Group has fully impaired the carrying value of the Koussikoto Quest Project.

INDIANA RESOURCES LIMITED

Notes to the Consolidated Financial Statements

6. Right-Of-Use Assets & Lease Liabilities

The Group has a two year office lease contract with an option for two more years.

Right-Of-Use Assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period.

	31 December	30 June
	2020	2020
	\$'000	\$'000
Cost	39	-
Accumulated depreciation	(1)	-
Carrying amount at the end of period	38	-
<i>Reconciliation of right-of-use assets</i>		
As at beginning of period	-	-
Additions	39	-
Depreciation expense	(1)	-
Carrying amount at the end of period	38	-

Right-Of-Use Lease Liabilities

Set out below are the carrying amounts of right-of-use lease liabilities recognised and the movements during the period.

	31 December	30 June
	2020	2020
	\$'000	\$'000
Current liabilities	20	-
Non-current liabilities	18	-
Carrying amount at the end of period	38	-
<i>Reconciliation of right-of-use lease liabilities</i>		
As at beginning of period	-	-
Additions	39	-
Principal repayments	(1)	-
Carrying amount at the end of period	38	-

INDIANA RESOURCES LIMITED

Notes to the Consolidated Financial Statements

7. Loans and borrowings

	31 December 2020 \$'000	30 June 2020 \$'000
Convertible note	-	-
Carrying amount at the end of the period	-	-

During 31 December 2018 period, the Company entered into an unsecured loan agreement for up to \$1,000,000 with Michael George Fotios and associated entities ("**Loan Agreement**"), a major shareholder. The Company had completed drawdowns totalling \$0.3 million under the Loan Agreement, with a balance of \$0.7 million undrawn. On 8 August 2019 at a General Meeting, the Shareholders approved for the drawdown face value amount and interest accrued on the face value totalling \$0.31 million to be repaid via issuance of fully paid shares in Indiana. On 16 August 2019, Indiana issued \$0.3 million worth of fully paid shares at a conversion price of \$0.06 per share and \$0.01 million worth of fully paid ordinary shares at a conversion price of \$0.024 per share repaying the amount that was drawn down.

The loan facility expired on 31 December 2020.

8. Contributed Equity

	31 December 2020	30 June 2020
	Number of shares	Number of shares
	\$'000	\$'000
(a) Issued and Paid up Capital		
Ordinary shares fully paid	249,389,981	216,994,693
	16,772	15,797
(b) Movement in fully paid Ordinary Shares		
	Number of shares	Number of shares
	\$'000	\$'000
Balance at the beginning of the period	216,994,693	105,994,876
Issue of shares, net of costs	-	6,696,653
Shares issued as conversion of convertible note	-	5,771,978
Shares issued under the Employee Share Scheme	-	7,533,670
Share based payments to settle creditors	1,271,250	-
Employee and directors' Share Based Payment	-	90,997,516
Shares issued as conversion of Listed Options	17,903,904	-
Shares issued as conversion of Unlisted Options	13,220,134	-
Balance at the end of the period	249,389,981	216,994,693
	16,772	15,797

Dividends: There were no dividends paid, recommended or declared during the current half or previous financial year.

INDIANA RESOURCES LIMITED

Notes to the Consolidated Financial Statements

8. Contributed Equity (contd.)

(c) Outstanding Share Options

As at 31 December 2020, the Company has the following share options outstanding:

Expiry Date and Price	Type	Number
OPTIONS EXP 22/07/21 @ \$0.12	Unlisted Option	1,272,022
OPTIONS EXP 05/08/21 @ \$0.03	Listed Option	148,538,275
OPTIONS EXP 25/06/22 @ \$0.035	Unlisted Option	3,000,000
OPTIONS EXP 01/07/22 @ \$0.00	Unlisted Option	500,000
OPTIONS EXP 04/07/22 @ \$0.20	Unlisted Option	500,000
OPTIONS EXP 25/10/22 @ \$0.03	Unlisted Option	5,000,000
OPTIONS EXP 6/10/22 @ \$0.025	Unlisted Option	2,500,000
OPTIONS EXP 25/10/22 @ \$0.036	Unlisted Option	3,369,990
OPTIONS EXP 14/01/23 @ \$0.09	Unlisted Option	800,000
OPTIONS EXP 14/01/23 @ \$0.12	Unlisted Option	800,000
OPTIONS EXP 16/08/23 @ \$0.09	Unlisted Option	800,000
OPTIONS EXP 16/08/23 @ \$0.12	Unlisted Option	800,000
OPTIONS EXP 01/10/23 @ \$0.03	Unlisted Option	3,000,000
OPTIONS EXP 01/10/23 @ \$0.08	Unlisted Option	550,000
OPTIONS EXP 05/10/23 @ \$0.04	Unlisted Option	3,500,000
OPTIONS EXP 05/10/23 @ \$0.07	Unlisted Option	5,000,000
OPTIONS EXP 01/12/23 @ \$0.06	Unlisted Option	3,500,000
		183,430,287

9. Other Income

2020

Included in other income for the six months ended 31 December 2020 is a \$0.45 million gain in relation to subsidiaries in Cyprus and Mali, and temporary cash flow supports from the Australian Government, through the Australian Taxation Office, in response to COVID-19 that amounted to \$0.03 million.

2019

Included in other income for the six months ended 31 December 2019 is \$81,778 which is the corresponding reimbursement cost to date settled by the insurance policy to Clayton Utz, the legal counsel for the former Directors and Officers of the Company's former subsidiary Termite Resources NL ("**Termite**"). The costs are in relation to the claim outlined in the contingent liabilities note in the financial statements for the year ended 30 June 2019. The Directors and Officers insurance policy has covered all legal costs incurred by the Directors and Officers in connection with the claim up to the half-year ended 31 December 2020.

INDIANA RESOURCES LIMITED

Notes to the Consolidated Financial Statements

10. Contingent Assets and Liabilities

Ntaka Hill Nickel Project

Indiana has progressed with the Claim to Arbitration against the Government of Tanzania over the illegal expropriation of the Ntaka Hill Nickel Project (the "Project").

The Company has secured a litigation funding facility with highly respected funding firm Litigation Capital Management (UK). Under the agreement all legal expenses associated with the Claim to Arbitration will be met through a funding facility of US\$4,653,400 that is only repayable in the event of a successful award from arbitration. A detailed budget has been approved as part of the Litigation Funding Agreement, which confirms all expected legal and ancillary costs associated with the arbitration process.

In September 2020, the Company announced the lodgement of a Request for Arbitration ("RfA") with the International Centre for Settlement of Investment Disputes ("ICSID"), part of the World Bank, with an initial estimate of compensation in excess of US\$95 million.

A three person arbitral tribunal has been nominated and accepted with the first hearing date was set for 22nd April 2021. The Company has significantly progressed its preparation for filing of the Claimants' Memorial which will include all evidence and supporting documents to support the Claim for Compensation.

Koussikoto Ouest Project

During this period the Company continued to work on resolving issues arising from the previously advised (31 January 2019) Notice of Claim against Olive Mining SARL relating to the Koussikoto Ouest Project. The Company was verbally notified that it has been unsuccessful in defending the claim and is now waiting to receive formal notification of the judgement from the Courts to determine whether to appeal the matter.

Other than the matters disclosed above there have been no change to the contingent assets and liabilities disclosed in the 30 June 2020 Annual Report.

11. Commitments

There has been no change to the commitments disclosed in the 30 June 2020 Annual Report.

12. Operating Segments

Management has determined the operating segments based on the reports reviewed by the chief operating decision makers, being the Board and Executives.

The Group operates in the resources industry. The Group has previously had operating segments in Tanzania and Mali, but exploration activities have since stopped in these countries. The Group is now exploring in South Australia, which is a new operating segment. Non-exploration activities are considered corporate. The Groups reportable segments in accordance with AASB 8 Operating Segments are as follows:

- Exploration – Group's exploration carried out in South Australia
- Exploration – Group's exploration carried out in Tanzania;
- Exploration – Group's exploration carried out in Mali; and
- Unallocated – to manage the corporate affairs of the Group.

INDIANA RESOURCES LIMITED

Notes to the Consolidated Financial Statements

12. Operating Segments (contd.)

Segment Revenue and Results

Period Ended 31 December 2020	South Australia \$'000	Tanzania \$'000	Mali \$'000	Corporate \$'000	Total \$'000
Segment Revenue	-	-	-	480	480
Segment Results	(44)	-	(16)	(760)	(820)

Period Ended 31 December 2019	South Australia \$'000	Tanzania \$'000	Mali \$'000	Corporate \$'000	Total \$'000
Segment Revenue	-	-	-	83	83
Segment Results	-	(122)	(365)	(4,229)	(4,716)

Segment Assets and Liabilities

Period Ended 31 December 2020	South Australia \$'000	Tanzania \$'000	Mali \$'000	Corporate \$'000	Total \$'000
Total Assets	1,129	-	-	405	1,534
Total Liabilities	32	-	-	455	487

Period Ended 30 June 2020	South Australia \$'000	Tanzania \$'000	Mali \$'000	Corporate \$'000	Total \$'000
Total Assets	-	1,682	-	(1,030)	652
Total Liabilities	-	48	648	581	1,277

13. Subsequent Events

The impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

On 14 January 2021 the Company issued 100,000 Unlisted Options exercisable at \$0.03 per share expiring 13 January 2024 for services rendered pursuant to an employment agreement.

On 27 January 2021 the Company had 3,259,634 \$0.03 Listed Options exercised into IDA Ordinary Fully Paid Shares.

On 10 February 2021 the Company issued 16,666,667 Ordinary Fully Paid Shares at \$0.06 per share pursuant to the Share Placement to raise \$1M before costs.

On 10 February 2021 the Company issued 240,000 Ordinary Fully Paid Shares as a result of the exercise of \$0.036 Unlisted Options expiring 25 October 2022.

On 10 February 2021 the Company issued 7.5 million Unlisted Options with an exercise price of \$0.09 per share expiring 9 February 2023. The options were issued as part of the fee for the Share Placement.

On 24 February the Company issued 5,566,645 Ordinary Fully Paid Shares at \$0.06 per share to raise \$334,000 before costs pursuant to its Share Purchase Plan closed on 15 February 2021.

On 5 March the Company issued and allotted 8,000,000 Type 2 Tranche One Executive Chair Unlisted Options exercisable at \$0.035 and expiring 2 March 2022.

INDIANA RESOURCES LIMITED

Notes to the Consolidated Financial Statements

14. Interest in Controlled Entities

The consolidated financial statements incorporate the assets, liabilities and the results of the following subsidiaries in accordance with the accounting policy described in Note 1:

Name	Country of incorporation	Class of shares	Equity Holding	
			31 December 2020	30 June 2020
			%	%
Frugal Mining Pty Ltd	Australia	Ordinary	100	100
Outback Iron Pty Ltd	Australia	Ordinary	51	51
Pan African Resources Pty Ltd	Australia	Ordinary	100	100
Zanzibar Gold Pty Ltd	Australia	Ordinary	92	92
Continental Nickel Limited	Canada	Ordinary	100	100
Noble Mineral Resources Pte Ltd	India	Ordinary	100	100
Goldstream Mozambique Limitada	Mozambique	Ordinary	100	100
Anga Resources Limited	Tanzania	Ordinary	86	86
Duma Minerals (Tanzania) Limited	Tanzania	Ordinary	92	92
Kudu limited	Tanzania	Ordinary	100	100
Mukuyu Resources Limited	Cyprus	Ordinary	100	100
Olive Mining SARL	Mali	Ordinary	75	75
Lucky Miners SARL	Mali	Ordinary	95	95
Chi So Mining Company Limited	Mali	Ordinary	100	100
Nachingwea Nickel Limited	Tanzania	Ordinary	58	58
Ngwena Limited	Tanzania	Ordinary	86	86
Nyati Mining (Tanzania) Limited	Tanzania	Ordinary	100	100
Pan African Resources (Tanzania) Limited	Tanzania	Ordinary	100	100
Warthog Resources Limited	Tanzania	Ordinary	86	86
Indiana Resources UK Limited	United Kingdom	Ordinary	100	100
Nachingwea UK Limited	United Kingdom	Ordinary	83	83
Ntaka Nickel Holdings Limited	United Kingdom	Ordinary	58	58
Endeavour Copper Gold Pty Ltd ¹	Australia	Ordinary	100	-
Earea Dam Mining Pty Ltd ¹	Australia	Ordinary	100	-

1. Acquired on 25 September 2020.

INDIANA RESOURCES LIMITED

Directors Declaration

In accordance with a resolution of the Directors of Indiana Resources Limited (the "Directors"), in the opinion of the Directors:

- (a) The financial statements and notes of the Group are in accordance with the *Corporations Act 2001* and:
- (i) give a true and fair view of the financial position as at 31 December 2020 and the performance for the half-year ended on that date of the Group; and
 - (ii) comply with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to Section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Board



Bronwyn Barnes
EXECUTIVE CHAIRMAN
PERTH, WA

15 March 2021

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
INDIANA RESOURCES LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Indiana Resources Limited which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Indiana Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Indiana Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.


Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Indiana Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Perth, WA
Dated: 15 March 2021

RSM
RSM AUSTRALIA PARTNERS


ALASDAIR WHYTE
Partner

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