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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 2022



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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 2022 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 Ward

Company Secretary

Ms Kate Stoney

Registered Office

1/24 Mumford Place
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Tel +61 8 6241 1870

Share Register

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Level 11, 172 St Georges Terrace
PERTH WA 6000
Tel +61 8 9323 2000

Auditors

RSM Australia Partners
Level 32, Exchange Tower
2 The Esplanade
PERTH WA 6000

Website Address

www.indianaresources.com.au

Stock Exchange

Shares are listed on the Australian Securities Exchange under the code IDA.

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 2022.

Amounts are expressed in Australian dollars unless otherwise noted.

Directors' Report

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.

Ms Bronwyn Barnes
 Mr Robert Adam
 Mr David Ward
 Ms Felicity Repacholi-Muir
 Mr Michael Rosenstreich

Executive Chairman
 Non-Executive Director
 Non-Executive Director (appointed 18 October 2022)
 Technical Director (resigned 18 October 2022)
 Non-Executive Director (resigned 18 October 2022)

Company Secretary

Ms Kate Stoney

PRINCIPAL ACTIVITIES

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

REVIEW OF OPERATIONS

EXPLORATION – CENTRAL GAWLER CRATON PROJECT

During the period the Company continued to progress exploration activities at its 100%-owned Central Gawler Craton Project in South Australia (refer Figure 1). The Company's 5,713 km² portfolio of tenements is prospective for gold, rare earth elements (REE) and base metals, and is strategically located between the historic gold mining centres of Tunkillia (965,000 ounce gold resource) and Tarcoola (15,800 ounce gold resource).

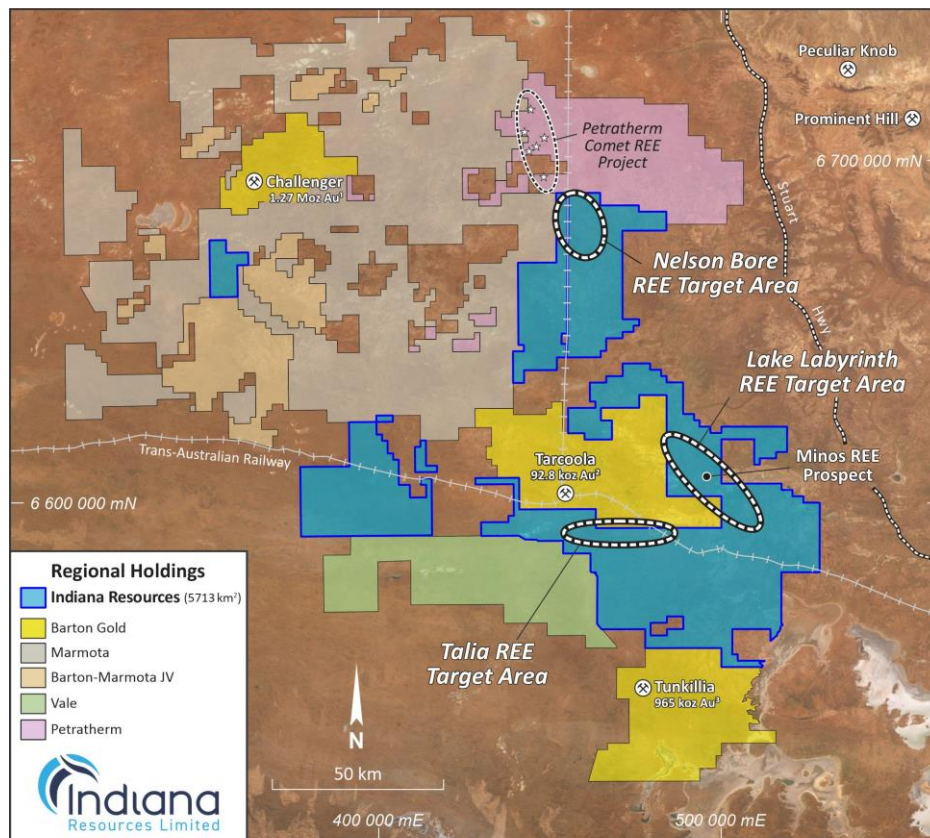


Figure 1: Indiana's ground position in the Central Gawler Craton

RARE EARTH EXPLORATION

During the half-year, the Company confirmed the presence of high-grade rare earth element¹ (REE) mineralisation at the Central Gawler Craton Project, following the re-assaying of samples from previous air core (AC) drilling within the Lake Labyrinth Shear Zone (LLSZ).

The Company has identified thick regolith-hosted REE mineralisation over a minimum 10 km strike zone at the Minos prospect within the LLSZ, with mineralisation appearing continuous and remaining open in all directions (refer Figure 2). Analysis of sample pulps from previous AC gold drilling in 2021 has confirmed high-grade total rare earth oxide (TREO) mineralisation at Minos, with a significant proportion of high-value magnet rare earth oxide (MREO) content.

Technical reviews of the historic Minos data have confirmed the following significant attributes of the REE mineralisation:

- TREO up to 15,486 ppm (1.6%) and MREO up to 7,436 ppm (48% of TREO)
- High-value MREO's average 28% of the TREO grade
- The average Nd-Pr component of MREO's is 77.5%
- 87% of holes included results ≥ 500 ppm TREO
- 49% of holes included results ≥ 750 ppm TREO
- Clay-hosted TREO mineralisation occurs, in some cases, from a depth of only 4 m
- The average TREO grade and thickness is 831 ppm and 27.9 m in holes >500 ppm
- The longest TREO intercept >500 ppm is 86 metres

Further reviews have highlighted multiple REE target areas across the Central Gawler Craton Project, with the Company initiating a multi-phase exploration programme to systematically test the potential of the target areas (refer Figure 3).

Phase 1 AC drilling of priority Minos REE targets was undertaken in December 2022, with 72 holes completed for 3,251 m. The programme was designed to infill and extend a 2 km long area within the previously identified strike zone, with a 4.5 km traverse completed across strike to test the width of the mineralisation. Initial assays results were received post-period end and confirmed significant REE mineralisation approximately 1.2 km south-west of the main corridor, with mineralisation remaining open further to the south. Results are awaited for the balance of the AC holes.

REE target areas within the Central Gawler Craton Project planned for further evaluation include:

- Lake Labyrinth (~450km²) – includes Minos, Partridge, Company Well and Hick Wells prospects
- Talia (~290km²) – follow-up of historic drilling
- Nelson Bore (~250km²) – south of Petrathem's Comet REE project

Notes: The technical information relating to REE exploration contained in this report is derived from the below ASX releases:

| | |
|-------------|---|
| 14 Jun 2022 | Rare Earth Potential Identified at Central Gawler Project |
| 7 Jul 2022 | Native Title Agreement |
| 2 Aug 2022 | Assays Confirm High Grade Ionic Clay Rare Earths |
| 10 Aug 2022 | 72 Additional Drillholes Submitted for REE Assay |
| 8 Sep 2022 | High-Grade Rare Earth Mineralisation Confirmed |
| 19 Sep 2022 | Final Assays Confirm Significant REE Discovery |
| 1 Dec 2022 | REE Air-Core Drilling Underway – Minos |
| 14 Dec 2022 | Multiple New REE Exploration Targets Identified |
| 22 Dec 2022 | Completion of REE AC & Gold RC Drilling – Minos |
| 23 Jan 2023 | New Significant REE Discovery South of Minos |

¹The group of metals referred to as rare earth elements (REE) comprises the 15 elements of the lanthanide series. Metals in the lanthanide series are: lanthanum (La), cerium (Ce), praseodymium (Pr), neodymium (Nd), promethium (Pm), samarium (Sm), europium (Eu), gadolinium (Gd), terbium (Tb), dysprosium (Dy), holmium (Ho), erbium (Er), thulium (Tm), ytterbium (Yb) and lutetium (Lu). In addition, yttrium (Y) and scandium (Sc) are often grouped with the lanthanides and referred to as REEs.

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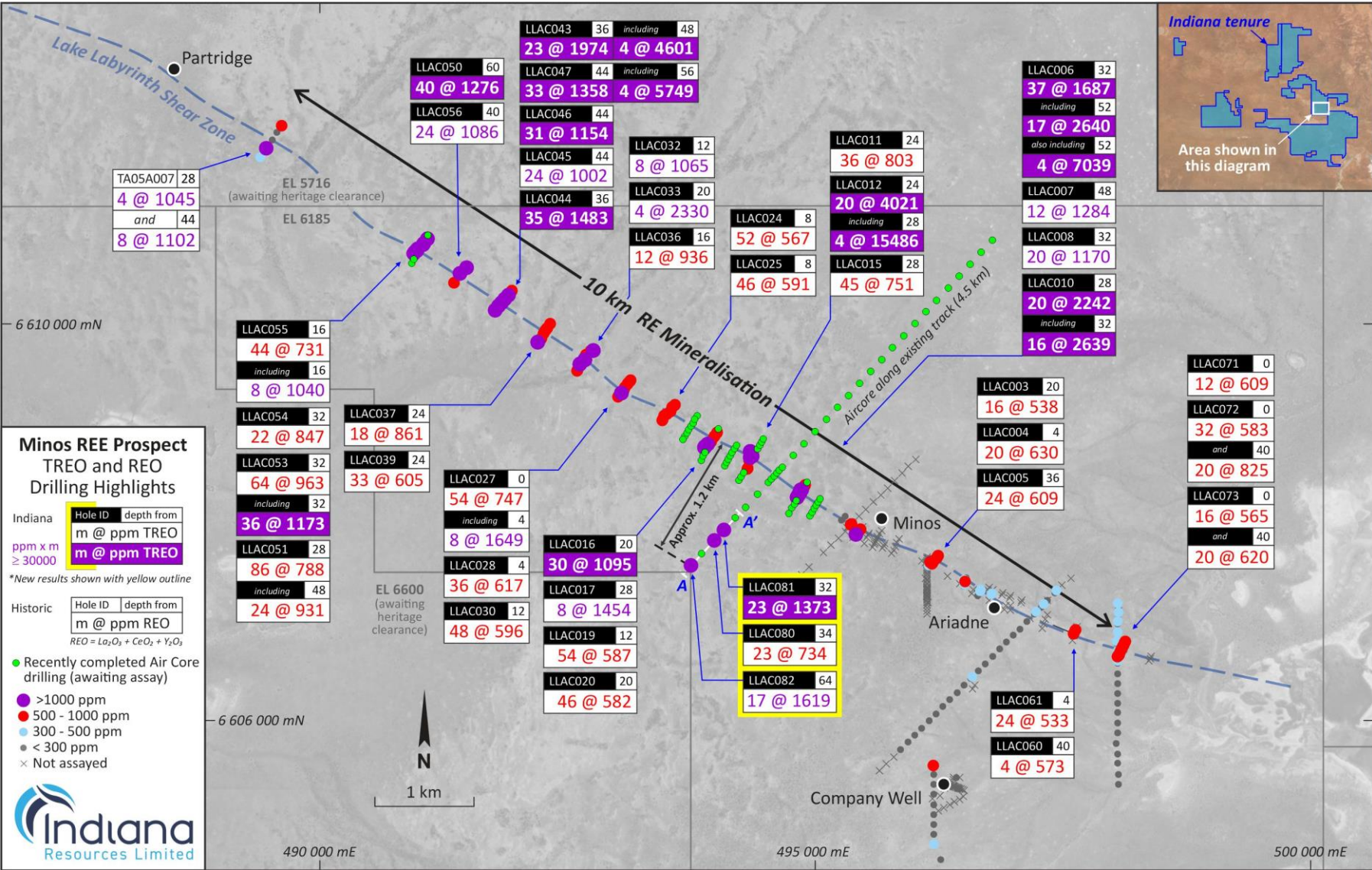


Figure 2: Minos REE Prospect overview

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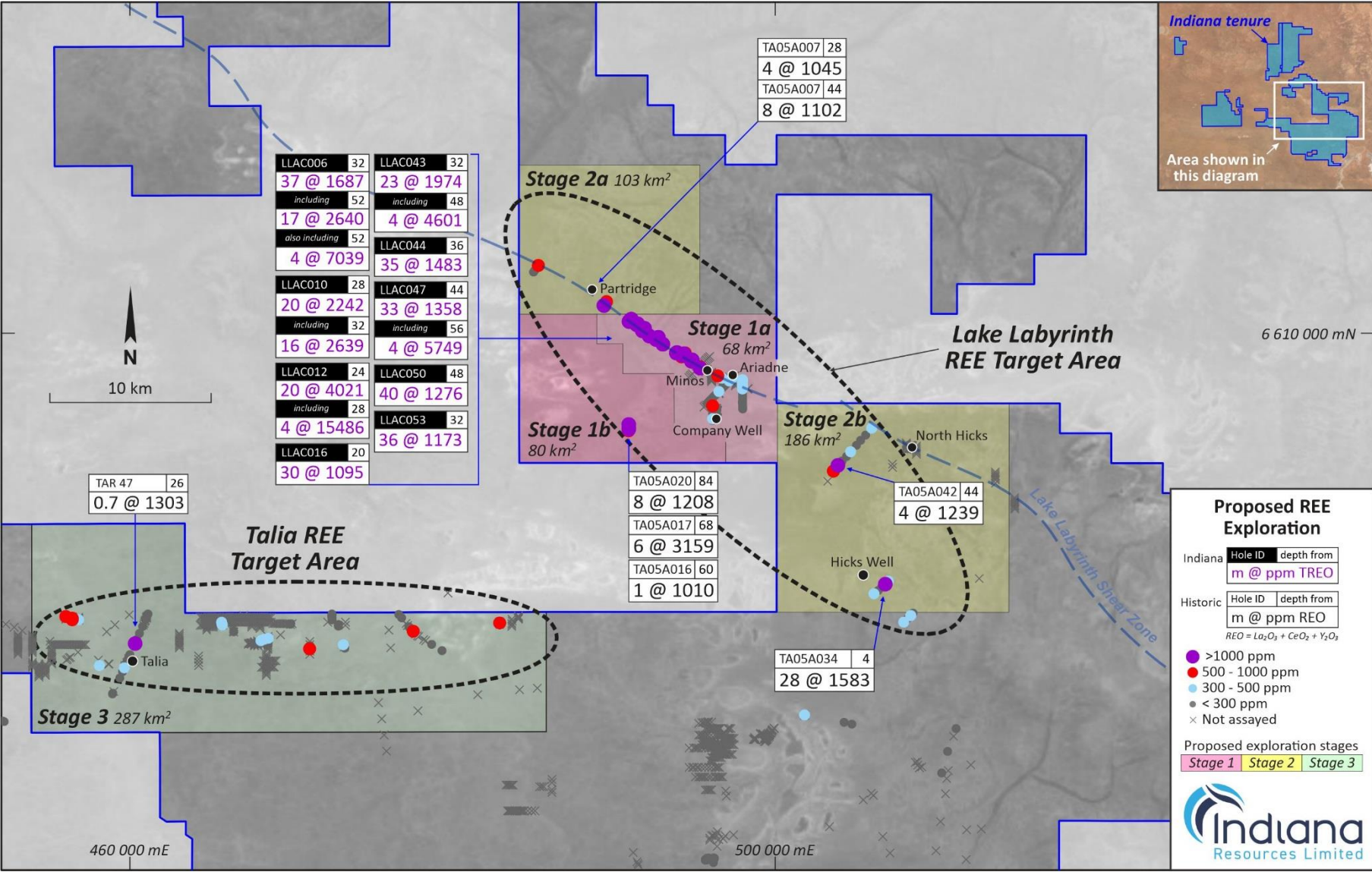


Figure 3: Lake Labyrinth (including Minos) and Talia REE target areas, showing regional anomalies and recent highlights

GOLD EXPLORATION

Exploration activities at Minos during the half-year have emphasised the Lake Labyrinth Shear Zone (LLSZ) as a significant gold-bearing system. Shallow, near-surface gold mineralisation has been confirmed over a 600 m strike zone and remains open across strike, along strike in both directions, and at depth (refer Figure 4).

In August 2022, a reverse circulation (RC) drilling programme was completed at Minos and Ariadne (500 m south-east of Minos), with 17 holes completed for 2,599 m to test extension of the known strike to the north-west and tighten the existing drill density.

Significant assay results from the programme included:

- 10 m @ 4.40 g/t Au from 123 m including 2m @ 17.70 g/t Au from 123 m
- 15 m @ 1.97 g/t Au from 91 m
- 3 m @ 6.68 g/t Au from 210 m including 1m @ 19.00 g/t Au from 210 m
- 8 m @ 2.26 g/t Au from 181 m

A follow-up RC programme at Minos was undertaken in December 2022, with 10 holes completed for 1,668 m to infill the main structure and test the new parallel zone of mineralisation in the north-west identified in the August programme.

Assays results received post-period end strengthened confidence in the continuity of gold zones at Minos and confirmed a new zone of high-grade mineralisation which remains open, with significant results including:

- 12 m @ 9.06 g/t Au from 106 m, including 1 m @ 95.6 g/t Au from 109 m
- 13 m @ 5.95 g/t Au from 110 m, including 1 m @ 34.0 g/t Au from 111 m
- 16 m @ 3.43 g/t Au from 120 m, including 2 m @ 11.35 g/t Au from 133 m
- 15 m @ 1.90 g/t Au from 37 m

Notes: The technical information relating to gold exploration contained in this report is derived from the below ASX releases:

| | |
|-------------|--|
| 4 Aug 2020 | Indiana to Acquire South Australia Gold Projects |
| 28 Sep 2020 | IDA Completes Acquisition of South Australian Gold Projects |
| 27 Jan 2021 | Completion of Drilling at Central Gawler Craton Gold Project |
| 9 Feb 2021 | Significant Au Results – Minos Diamond Hole |
| 22 Feb 2021 | Exceptional High-Grade Gold Results at Minos Prospect |
| 3 Mar 2021 | High Grade Gold Results Continue at Minos |
| 23 Mar 2021 | Exploration Update |
| 19 Apr 2021 | Commencement of RC Drilling at Minos, Central Gawler Craton |
| 3 May 2021 | Completion of Drilling at Central Gawler Craton Gold Project |
| 24 Jun 2021 | Exploration Update – Central Gawler Craton Gold Project |
| 13 Jul 2021 | Stunning High-Grade Gold Results Continue at Minos Prospect |
| 12 Aug 2021 | Aircore Drilling & Exploration Update |
| 7 Oct 2021 | Exploration Update |
| 3 Nov 2021 | Further Diamond Assays Received from Minos |
| 21 Dec 2021 | Drilling Extends Mineralization at LLSZ |
| 11 Jan 2022 | Wide Gold Intersections Extend Minos Strike |
| 23 Feb 2022 | Strong Gold Results Continue at Minos Prospect |
| 15 Mar 2022 | Minos Continues to Deliver Strong, Coherent Gold Zones |
| 17 May 2022 | New targets identified at Central Gawler Gold Project |
| 9 Jun 2022 | Significant Gold Bearing System Defined at Minos |
| 21 Jul 2022 | Minos Drilling Highlights Continuous Gold Mineralisation |
| 22 Aug 2022 | RC Drilling Commenced at Minos |
| 31 Aug 2022 | RC Drilling Completed at Minos |
| 2 Nov 2022 | High Grade Results Confirm Significant Gold Bearing System |
| 16 Dec 2022 | RC Drilling Commenced at Minos |
| 22 Dec 2022 | Completion of REE AC & Gold RC Drilling – Minos |
| 13 Feb 2023 | High Grade Gold Results at Minos – Up To 95.6 g/t Au |

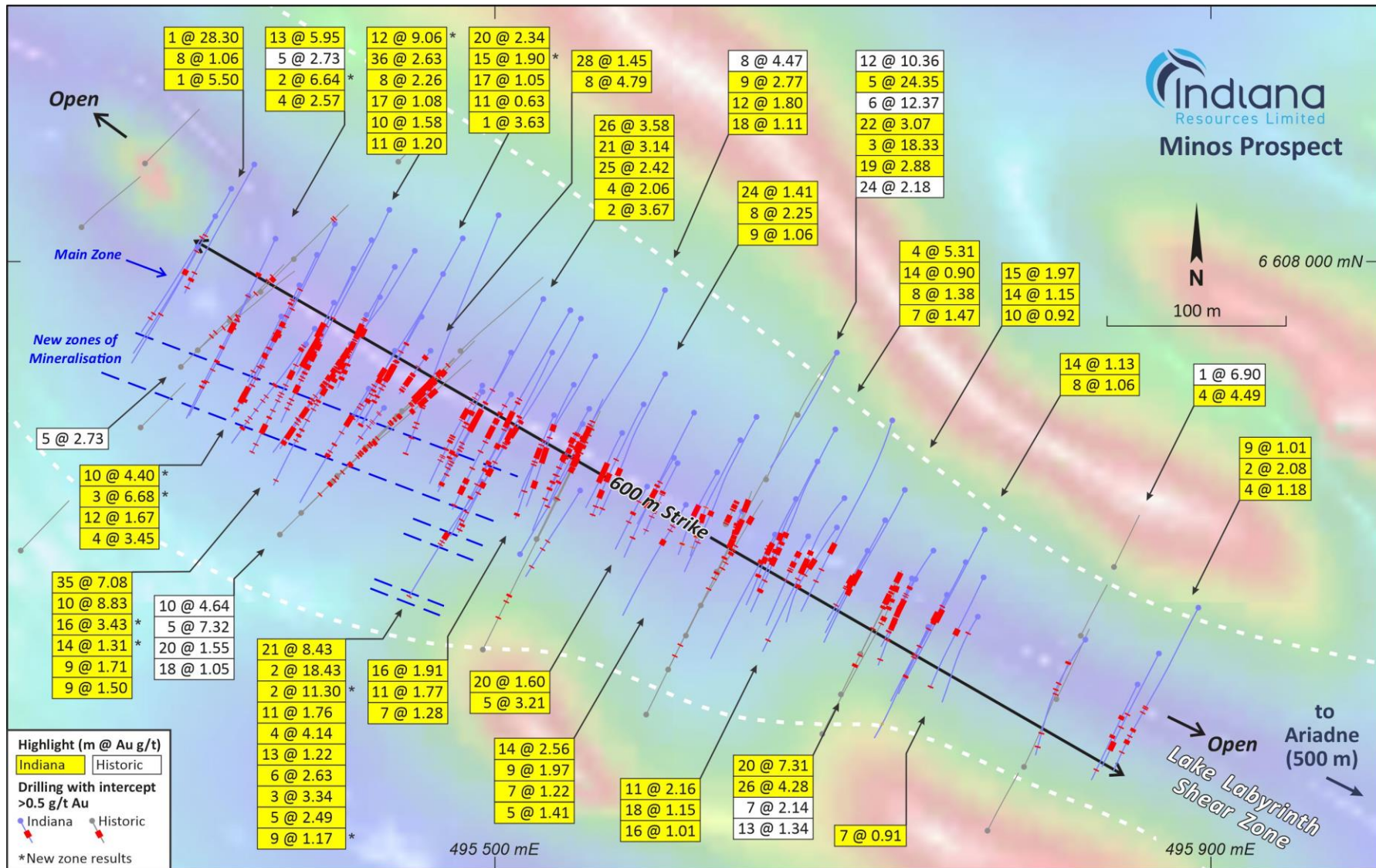


Figure 4: Significant gold results at Minos, including newly identified zone of mineralisation in the north-west

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BASE METALS EXPLORATION

In November 2022, the Company undertook a HeliTEM airborne electro-magnetic survey over the Hopeful Hill Greenstone Belt which is prospective for zinc and nickel mineralisation (refer Figure 5).

The HeliTEM survey covered an area of 323 km² at the Central Gawler Craton Project, including a cumulative strike of 38 km of the Hopeful Hill Greenstone Belt, and is co-funded by a grant received under the South Australian Government’s Advanced Discovery Initiative (ADI). The Hopeful Hill Greenstone Belt is part of the Harris Greenstone Domain (HGD), the only known occurrence of Archean komatiite outside Western Australia.

The ADI grant followed the completion of an assessment of Indiana's Project for base metal mineralisation and a high-level review completed by Dr Jon Hronsky AOM, a leading industry expert. The review completed by Dr Hronsky identified prospectivity for Volcanogenic Massive Sulphide (VMS) zinc-copper mineralisation within the HGD, along with a recommendation to fully assess the nickel-sulphide potential.

The results of the survey will allow for further assessment of a large scale 17km east-west striking zone of zinc anomalism identified in Dr Hronsky's report. It is anticipated that the survey may identify bedrock conductors that could be a response from massive sulphide mineralisation.

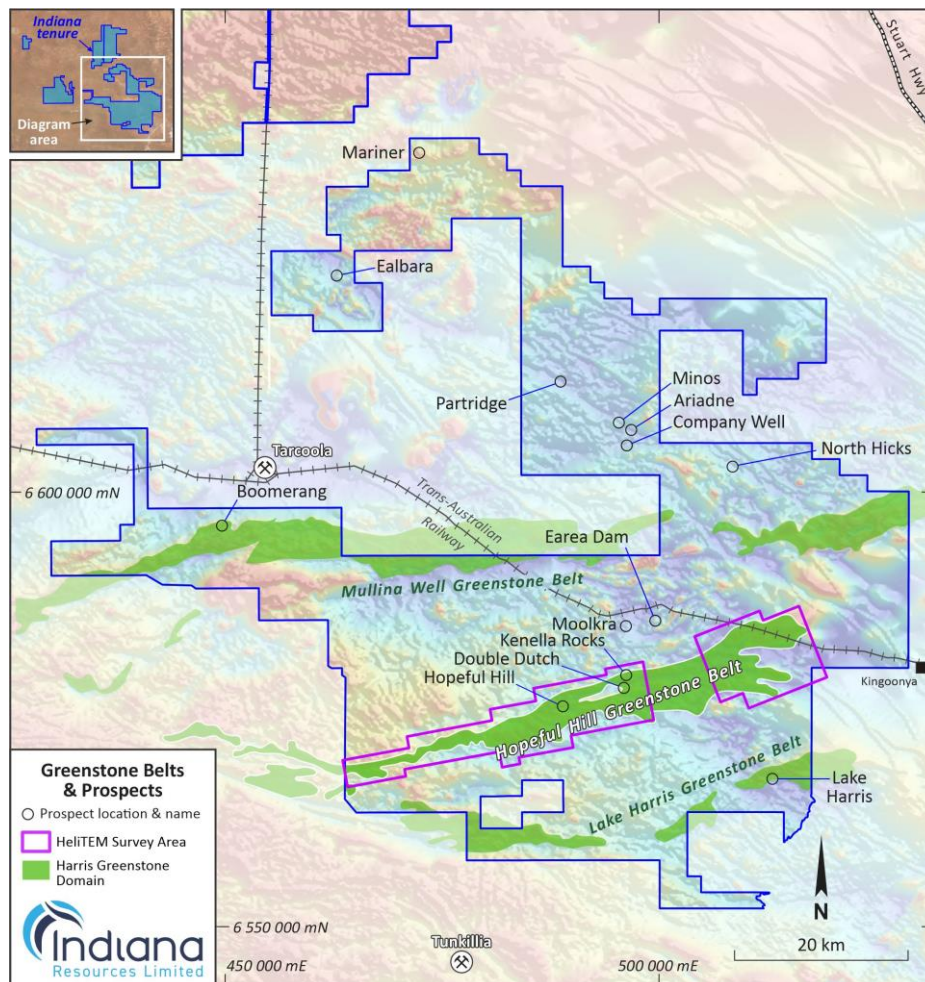


Figure 5: Harris Greenstone Domain and HeliTEM survey area

Notes: The technical information relating to base metals exploration contained in this report is derived from the below ASX releases:

- 21 Jun 2022 *Indiana Secures Government Grant to Advance VMS Targets*
- 14 Nov 2022 *Exploration Update – Central Gawler Craton Project*

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TENEMENT HOLDINGS AT 31 DECEMBER 2022

| Tenement | Ownership | Project | Location |
|-------------------------------|-----------|---------------|-----------------|
| EL 5716 Gibber Plains | 100% | Gawler Craton | South Australia |
| EL 5779 Hicks Well | 100% | Gawler Craton | South Australia |
| EL 5786 Yerda | 100% | Gawler Craton | South Australia |
| EL 5989 Hopeful Hill | 100% | Gawler Craton | South Australia |
| EL 5991 Yerda | 100% | Gawler Craton | South Australia |
| EL 5992 Tarcoola | 100% | Gawler Craton | South Australia |
| EL 6184 Coondambo | 100% | Gawler Craton | South Australia |
| EL 6185 Lake Labyrinth | 100% | Gawler Craton | South Australia |
| EL 6186 Pinding | 100% | Gawler Craton | South Australia |
| EL 6256 Wilgena Area | 100% | Gawler Craton | South Australia |
| EL 6570 Wilgena | 100% | Gawler Craton | South Australia |
| EL 6571 Pompeter Rocks | 100% | Gawler Craton | South Australia |
| EL 6575 Big Tank | 100% | Gawler Craton | South Australia |
| EL 6576 Lake Harris | 100% | Gawler Craton | South Australia |
| EL 6586 Tarcoola West | 100% | Gawler Craton | South Australia |
| EL 6587 Birthday | 100% | Gawler Craton | South Australia |
| EL 6600 Mt Eba | 100% | Gawler Craton | South Australia |
| EL 6601 North Hicks | 100% | Gawler Craton | South Australia |
| EL 6629 Mentor | 100% | Gawler Craton | South Australia |
| EL 6667 Yerda Northwest | 100% | Gawler Craton | South Australia |
| EL 6688 Harris | 100% | Gawler Craton | South Australia |
| EL 6810 ¹ | 100% | Gawler Craton | South Australia |
| ML 5856 Earea Dam | 100% | Gawler Craton | South Australia |
| Claim Block 4242 ² | 50% | St Stephen | New Brunswick |
| Claim Block 5787 ² | 50% | St Stephen | New Brunswick |

¹ Granted 9 August 2022.

² Subject to 50/50 joint venture with Vision Lithium Inc.

RESULTS OF OPERATIONS

The Group incurred an after-tax operating loss and non-controlling interest for the half-year ended 31 December 2022 of \$0.749 million (31 December 2021: \$1.401 million).

CORPORATE

The Company held its Annual General Meeting in November 2022, with all resolutions passed by shareholders.

During the period, the Company placed 10,000,000 shares at market price to an existing cornerstone shareholder, raising \$500,000. The Company additionally received proceeds of \$266,500 from the exercise of unlisted options in various classes during the period.

In December 2022, the Company announced the relocation of its principal place of business to its existing office/warehouse premises in Adelaide.

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NTAKA HILL NICKEL PROJECT – ARBITRATION

During the period, the Company continued to progress its claim against the Government of Tanzania over the illegal expropriation of the Ntaka Hill Nickel Project (“Ntaka Hill”). The claim is the subject of arbitration through the International Centre for Settlement of Investments Disputes (“ICSID”). Indiana is responsible for all activities in relation to arbitration as the major shareholder in and appointed manager for Nachingwea UK Ltd, Ntaka Nickel Holdings Ltd and Nachingwea Nickel Ltd (“Claimants”).

The Claimants’ Memorial lodged with ICSID in July 2021 contains the basis for compensation of \$US93.7 million plus interest which continues to accrue. The Company’s litigation funding facility with Litigation Capital Management Ltd remains in place.

On 14 October 2022, the Company advised that meetings had taken place in Dar es Salaam with the Government of Tanzania’s Special Presidential Government Negotiation Team. A site visit to Ntaka Hill was also undertaken, which found that the site had been developed by third parties and a significant amount of the previously identified high-grade nickel sulphide zone had been extracted. In the absence of an agreed early settlement between the parties, the Company continued its preparations for the final evidentiary hearing, which commenced in Washington, D.C., in January 2023.

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 6 February 2023, the Company announced the completion of the final evidentiary hearing in the ICSID arbitration proceedings against the Government of Tanzania over the expropriation of the Ntaka Hill Nickel Project. Post-hearing submissions and cost submissions are due by 5 April 2023, with cost schedules to be submitted thereafter.

On 20 February 2023, the Company announced that it had made the strategic decision to temporarily suspend its exploration activities and implement capital preservation strategies, in order to avoid diluting existing shareholders by raising additional funds prior to the conclusion of the ICSID arbitration proceedings.

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 2022. 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 2023

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RSM Australia Partners

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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 2022, 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 2023

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AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

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**Consolidated Statement of Profit or Loss and
Other Comprehensive Income
For the half-year ended 31 December 2022**

| | Notes | 31 DECEMBER 2022 \$'000 | 31 DECEMBER 2021 \$'000 |
|---|-------|-------------------------------|-------------------------------|
| Interest income | | 8 | 8 |
| Other income | | 6 | - |
| Business development expenses | | (138) | (47) |
| Corporate and administration expenses | | (503) | (829) |
| Depreciation and amortisation | | (39) | (29) |
| Exploration and evaluation expenses | | - | (342) |
| Share based payments | | (98) | (134) |
| Other expenses | | (9) | (28) |
| LOSS BEFORE INCOME TAX EXPENSE | | (773) | (1,401) |
| Income tax benefit | | - | - |
| LOSS AFTER INCOME TAX EXPENSE | | (773) | (1,401) |
| OTHER COMPREHENSIVE INCOME | | | |
| Items that may be reclassified subsequently to profit and loss | | | |
| Foreign currency translation differences, net of tax | | (9) | (4) |
| TOTAL COMPREHENSIVE LOSS FOR THE PERIOD | | (782) | (1,405) |
| Net loss is attributable to: | | | |
| Owners of Indiana Resources Limited | | (749) | (1,401) |
| Non-controlling interest | | (24) | - |
| | | (773) | (1,401) |
| Total comprehensive loss is attributable to: | | | |
| Owners of Indiana Resources Limited | | (758) | (1,405) |
| Non-controlling interest | | (24) | - |
| | | (782) | (1,405) |
| Loss per share attributable to owners of the Company: | | | |
| Basic loss per share (cents) | | (0.15) | (0.34) |
| Diluted loss per share (cents) | | (0.15) | (0.34) |

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

Consolidated Statement of Financial Position

As at 31 December 2022

| | Notes | 31 DECEMBER 2022 \$'000 | 30 JUNE 2022 \$'000 |
|--|-------|-------------------------------|---------------------------|
| CURRENT ASSETS | | | |
| Cash and cash equivalents | | 1,551 | 2,367 |
| Trade and other receivables | | 223 | 398 |
| TOTAL CURRENT ASSETS | | 1,774 | 2,765 |
| NON-CURRENT ASSETS | | | |
| Exploration and evaluation expenditure assets | 5 | 5,068 | 3,606 |
| Plant and equipment | | 64 | 75 |
| Right-of-use assets | | 69 | 132 |
| TOTAL NON-CURRENT ASSETS | | 5,201 | 3,813 |
| TOTAL ASSETS | | 6,975 | 6,578 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 748 | 558 |
| Application monies | | 99 | - |
| Provisions | | 33 | 35 |
| Lease liabilities | | 90 | 77 |
| TOTAL CURRENT LIABILITIES | | 970 | 670 |
| NON-CURRENT LIABILITIES | | | |
| Lease liabilities | | 33 | 119 |
| TOTAL NON CURRENT LIABILITIES | | 33 | 119 |
| TOTAL LIABILITIES | | 1,003 | 789 |
| NET ASSETS | | 5,972 | 5,789 |
| EQUITY | | | |
| Contributed equity | 6 | 25,909 | 24,819 |
| Reserves | | 7,068 | 7,212 |
| Accumulated losses | | (27,328) | (26,589) |
| EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT | | 5,649 | 5,442 |
| Non-controlling interest | | 323 | 347 |
| TOTAL EQUITY | | 5,972 | 5,789 |

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

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Consolidated Statement of Cash Flows

For the half-year ended 31 December 2022

| | 31 DECEMBER 2022 \$'000 | 31 DECEMBER 2021 \$'000 |
|---|-------------------------------|-------------------------------|
| CASH FLOWS USED IN OPERATING ACTIVITIES | | |
| Interest and other receipts | 8 | 8 |
| Payments to suppliers and employees | (821) | (922) |
| Net cash outflow used in operating activities | (813) | (914) |
| CASH FLOWS USED IN INVESTING ACTIVITIES | | |
| Payment of exploration assets | (679) | (1,214) |
| Payment of plant and equipment | (10) | (21) |
| Net cash outflow used in investing activities | (689) | (1,235) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from issue of shares (net of costs) | 738 | 3,473 |
| Repayment of lease liabilities | (43) | - |
| Repayment of borrowings | - | (6) |
| Net cash inflow from financing activities | 695 | 3,467 |
| NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS | (807) | 1,318 |
| Opening cash and cash equivalents brought forward | 2,367 | 1,281 |
| Effects of exchange rate movements on opening cash | (9) | (7) |
| CASH AND CASH EQUIVALENTS CARRIED FORWARD | 1,551 | 2,592 |

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

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Consolidated Statement of Changes in Equity For the half-year ended 31 December 2022

| | Contributed Equity | Foreign Currency Translation Reserve | Share Based Equity Reserve | Accumulated Losses | Non- Controlling Interest | Total Equity |
|--|-----------------------|---|-------------------------------|-----------------------|---------------------------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at 1 July 2021 | 19,632 | 4,847 | 2,143 | (24,491) | - | 2,131 |
| Total Other Comprehensive Income for half-year | | | | | | |
| - Loss for the half-year | - | - | | (1,401) | | (1,401) |
| - Foreign exchange translation differences | - | (4) | - | - | - | (4) |
| | - | (4) | - | (1,401) | - | (1,405) |
| Transactions with owners in their capacity as owners: | | | | | | |
| - Issue of shares net of transaction costs | 3,473 | - | - | - | - | 3,473 |
| - Employee and director share based payments | - | - | 134 | - | - | 134 |
| - Non-controlling interest | - | - | - | - | 363 | 363 |
| Balance at 31 December 2021 | 23,105 | 4,843 | 2,277 | (25,892) | 363 | 4,696 |
| Balance at 1 July 2022 | 24,819 | 4,869 | 2,343 | (26,589) | 347 | 5,789 |
| Total Other Comprehensive Income for half-year | | | | | | |
| - Loss for the half-year | - | - | - | (749) | (24) | (773) |
| - Foreign exchange translation differences | - | (9) | - | - | - | (9) |
| | - | (9) | - | (749) | (24) | (782) |
| Transactions with owners in their capacity as owners: | | | | | | |
| - Issue of shares net of transaction costs | 600 | - | - | - | - | 600 |
| - Shares issued upon conversion of options | 490 | - | (223) | - | - | 267 |
| - Employee and director share based payments | - | - | 98 | - | - | 98 |
| - Transfers upon lapse of options | - | - | (10) | 10 | - | - |
| Balance at 31 December 2022 | 25,909 | 4,860 | 2,208 | (27,328) | 323 | 5,972 |

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

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. Shares in the Company are publicly traded on the Australian Securities Exchange (ASX) under the stock code IDA. The consolidated interim financial statements of the Company as at and for the half-year ended 31 December 2022 comprise the Company and its subsidiaries (together the "**Group**" or "**Consolidated Entity**").

The principal activity of the Consolidated Entity is exploration for minerals.

The consolidated financial statements of the Group for the year ended 30 June 2022 are available online at www.indianaresources.com.au.

This financial report was authorised for issue in accordance with a resolution of the Directors on 15 March 2023.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This general purpose interim financial report for the half-year ended 31 December 2022 has been prepared in accordance with AASB 134 *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 for the year ended 30 June 2022.

It is recommended that this interim financial report be read in conjunction with the annual report for the year ended 30 June 2022 and considered together with any public announcements made by Indiana during the half-year ended 31 December 2022 in accordance with the Company's continuous disclosure obligations.

Going concern

The Group incurred a loss for the half-year ended 31 December 2022 of \$0.773 million and net cash outflows from operating activities and investing activities of \$0.813 million and \$0.689 million respectively. As at 31 December 2022, the Group had cash and cash equivalents of \$1.551 million and net current assets of \$0.804 million. On 20 February 2023, the Company announced that it had taken the strategic decision to temporarily suspend exploration activities and implement other capital preservation measures, to reduce the short-term need to raise further funds which might dilute existing shareholders prior to any award or settlement in connection with the arbitration proceedings.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. As a result, the Group's ability to continue as a going concern is dependent on it being able to secure funding through equity raises, which may be supplemented by further reduction in operating costs.

Going concern (continued)

The Directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- As referred above, the action taken on 20 February 2023 to temporarily suspend exploration activities and implement other capital preservation measures, to reduce the short-term need to raise further funds; and
- The Group has the capacity, if necessary, to raise further capital in order to manage its working capital requirements.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

3. NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRERATIONS 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 2022.

5. EXPLORATION ASSETS

| | 31 December 2022 \$'000 | 30 June 2022 \$'000 |
|---|--|------------------------------------|
| Exploration and evaluation expenditure – at cost | 5,068 | 3,606 |
| Reconciliation of exploration & evaluation expenditure assets | | |
| Carrying amount at the beginning of the period | 3,606 | 1,662 |
| Additions of exploration and evaluation expenditure | 1,462 | 1,944 |
| Impairment | - | - |
| Carrying amount at the end of period | 5,068 | 3,606 |

All capitalised exploration expenditure relates to the Group's 100%-owned Central Gawler Craton Project in South Australia. The Consolidated Entity has reviewed the value of exploration assets carried at 31 December 2022 and is satisfied the requirements of AASB 6 have been met.

6. CONTRIBUTED EQUITY

| | 31 December 2022 | | 30 June 2022 | |
|---|---------------------|---------------|---------------------|---------------|
| | Number of shares | \$'000 | Number of shares | \$'000 |
| (a) Issued and paid-up capital | | | | |
| Ordinary shares fully paid | 501,004,819 | 25,909 | 478,122,466 | 24,819 |
| (b) Movement in fully paid ordinary shares | | | | |
| | Number of shares | \$'000 | Number of shares | \$'000 |
| Balance at the beginning of the period | 478,122,466 | 24,819 | 318,696,336 | 19,632 |
| Issue of shares, net of costs | 12,200,000 | 600 | 35,011,645 | 1,567 |
| Shares issued upon conversion of options | 10,682,353 | 490 | 124,414,485 | 3,620 |
| Balance at the end of the period | 501,004,819 | 25,909 | 478,122,466 | 24,819 |

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

(c) Outstanding Share Options

As at 31 December 2022, the Company has the following share options outstanding:

| ASX class | Exercise price | Expiry date | No. on issue |
|-----------|----------------|-------------|-------------------|
| IDAAAA | \$0.03 | 1 Oct 2023 | 3,000,000 |
| IDAAAB | \$0.08 | 1 Oct 2023 | 550,000 |
| IDAAAC | \$0.06 | 1 Dec 2023 | 3,500,000 |
| IDAAAD | \$0.03 | 13 Jan 2024 | 100,000 |
| IDAAAE | \$0.09 | 9 Feb 2023 | 7,500,000 |
| IDAAAG | \$0.08 | 22 Apr 2024 | 11,000,000 |
| IDAAAH | \$0.03 | 26 Apr 2024 | 100,000 |
| IDAAAI | \$0.00 | 12 Aug 2023 | 1,500,000 |
| IDAAAK | \$0.10 | 22 Dec 2024 | 9,000,000 |
| IDAAAL | \$0.15 | 22 Dec 2025 | 4,000,000 |
| IDAAAM | \$0.00 | 22 Dec 2024 | 1,000,000 |
| IDAAAN | \$0.00 | 22 Dec 2025 | 1,000,000 |
| IDAAAO | \$0.00 | 22 Dec 2026 | 1,000,000 |
| IDAAO | \$0.09 | 14 Jan 2023 | 800,000 |
| IDAAO | \$0.12 | 14 Jan 2023 | 800,000 |
| IDAAO | \$0.09 | 16 Aug 2023 | 800,000 |
| IDAAO | \$0.12 | 16 Aug 2023 | 800,000 |
| IDAAO | \$0.08 | 28 Jun 2024 | 4,000,000 |
| IDAAS | \$0.04 | 5 Oct 2023 | 2,500,000 |
| IDAAT | \$0.07 | 5 Oct 2023 | 5,000,000 |
| | | | 57,950,000 |

7. CONTINGENT ASSETS AND LIABILITIES

Ntaka Hill Nickel Project

During the half-year, the Company continued to progress its claim against the Government of Tanzania over the illegal expropriation of the Ntaka Hill Nickel Project, which is the subject of arbitration through the International Centre for Settlement of Investments Disputes (ICSID).

Further information on the arbitration process is provided in the Directors' Report, and further developments after the end of the period are disclosed in Note 11. The Company has not recognised an asset in relation to the claim as both the outcome and the quantum of the claim are not certain and do not meet the recognition requirements of IAS/AASB 37.

Other than the matters disclosed above, there have been no change to the contingent liabilities disclosed in the 30 June 2022 Annual Report.

8. COMMITMENTS

| | 31 December 2022 \$'000 | 30 June 2022 \$'000 |
|---|--|------------------------------------|
| Below are the commitments in relation to its exploration and evaluation assets: | | |
| Within one year | 950 | 1,186 |
| Later than one year but not later than five years | 1,374 | 4,744 |
| | 2,324 | 5,930 |

9. OPERATING SEGMENTS

The Group's exploration activities take place solely in South Australia, following the discontinuation of previous exploration activities in Mali and Tanzania. All non-exploration activities are considered corporate in nature. For comparison purposes, the Mali and Tanzania segments reported at 31 December 2021 have been amalgamated into a single 'Other' segment.

Segment Revenue and Results

| | Australia \$'000 | Corporate \$'000 | Other \$'000 | Total \$'000 |
|--|-----------------------------|-----------------------------|-------------------------|-------------------------|
| Period Ended 31 December 2022 | | | | |
| Segment income | - | 14 | - | 14 |
| Segment result | - | (773) | - | (773) |
| Segment assets | 5,068 | 1,907 | - | 6,975 |
| Segment liabilities | 484 | 519 | - | 1,003 |
| | Australia \$'000 | Corporate \$'000 | Other \$'000 | Total \$'000 |
| Period Ended 31 December 2021 | | | | |
| Segment income | - | 8 | - | 8 |
| Segment result | 237 | (1,308) | (330) | (1,401) |
| Segment assets | 1,624 | 3,575 | 356 | 5,555 |
| Segment liabilities | (288) | 469 | 678 | 859 |

10. SUBSEQUENT EVENTS

On 6 February 2023, the Company announced the completion of the evidentiary hearing for the arbitration proceedings against the Government of Tanzania over the illegal expropriation of the Ntaka Hill Nickel Project, which are taking place through the International Centre for Settlement of Investments Disputes (ICSID). Post-hearing submissions are due by 5 April 2023.

On 20 February 2023, the Company announced that it had taken the strategic decision to temporarily suspend exploration activities and implement other capital preservation measures, to reduce the short-term need to raise further funds which might dilute existing shareholders prior to any award or settlement in connection with the arbitration proceedings.

No other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

11. 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 2022 % | 30 June 2022 % |
| 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 Limited | Mozambique | Ordinary | 100 | 100 |
| Anga Resources Limited | Tanzania | Ordinary | 100 | 100 |
| Duma Minerals (Tanzania) Limited | Tanzania | Ordinary | 100 | 100 |
| 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 | 83 | 83 |
| Nyati Mining (Tanzania) Limited | Tanzania | Ordinary | 100 | 100 |
| Pan African Resources (Tanzania) Limited | Tanzania | Ordinary | 100 | 100 |
| Warthog Resources Limited | Tanzania | Ordinary | 100 | 100 |
| IMX UK Limited | United Kingdom | Ordinary | 100 | 100 |
| Nachingwea UK Limited | United Kingdom | Ordinary | 83 | 83 |
| Ntaka Nickel Holdings Limited | United Kingdom | Ordinary | 70 | 70 |
| Endeavour Copper Gold Pty Ltd | Australia | Ordinary | 100 | 100 |
| Earea Dam Mining Pty Ltd | Australia | Ordinary | 100 | 100 |

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 2022 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* and other mandatory professional reporting requirements.
- (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 2023



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of INDIANA RESOURCES LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Indiana Resources Limited which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated 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.

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 2022 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*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the half-year financial report, which indicates that the consolidated entity incurred a net loss of \$773,000 and had net cash outflows from operating and investing activities of \$813,000 and \$689,000 respectively for the half year ended 31 December 2022. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of Indiana Resources Limited in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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.

Directors' Responsibility for the Half-Year Financial Report

The directors of Indiana Resources Limited 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 for the Review of the Financial Report

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 2022 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*.

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.

RSM

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink that reads 'A Whyte'.

ALASDAIR WHYTE
Partner

Perth, WA
Dated: 15 March 2023