

US\$109.5m Award Against Tanzania

Highlights

- The International Centre for Settlement of Investment Disputes, part of the World Bank, has declared arbitration proceedings against the United Republic of Tanzania (“Tanzania”) closed
- The Tribunal has delivered its Award with Tanzania ordered to pay compensation for the unlawful expropriation of Ntaka Hill of more than US\$109.5 million (including interest already accrued) to the Claimants
- Indiana is a 62.4% shareholder of the combined holdings of the Claimants
- This holding percentage may increase as a result of the current ACICA arbitration proceedings between shareholders of one of the Claimants
- Indiana to commence enforcement process for the Award

Indiana Resources Limited (**ASX: IDA**) (“Indiana” or the “Company”) provides the following update on the dispute with the United Republic of Tanzania (“Tanzania”) which was the subject of arbitration through the International Centre for Settlement of Investment Disputes (“ICSID”).

As the majority shareholder in Ntaka Nickel Holdings Ltd (“NNHL”), Nachingwea UK Ltd (“NUK”) (both incorporated in the United Kingdom), and Nachingwea Nickel Ltd (“NNL”, incorporated in Tanzania); together known as the “Claimants”, Indiana is the manager of the Joint Venture and responsible for activities relating to the arbitration against Tanzania.

The Tribunal delivered its Award on 14 July 2023, and unanimously found that Tanzania had unlawfully expropriated the Ntaka Hill Nickel Project (“Ntaka Hill”) on 10 January 2018 in breach of the UK-Tanzania Bilateral Investment Treaty (“BIT”).

The Award

The arbitration Tribunal unanimously ordered Tanzania to pay the Claimants **US\$76,706,461** in damages and additional losses, as well as compound interest at the rate of 2% above the USD Prime rate on the amount awarded from 10 January 2018 to the date of payment. This amounts to a total of more than **US\$109.5 million** in damages and accrued interest at the date of the Tribunal’s Award (and interest continues to accrue until payment).

The Tribunal also decided that the costs of the arbitration, including the fees and expenses of ICSID and the Tribunal, should be borne by Tanzania. The Tribunal also ordered that Tanzania pay the Claimants **US\$3,859,161** in respect of the Claimants’ legal costs and expenses.



CAPITAL STRUCTURE

535,676,061
Shares on Issue
A\$0.041
Share Price
22M
Market Cap

BOARD & MANAGEMENT

Bronwyn Barnes
Executive Chair
David Ward
Non-Executive Director
Robert (Bob) Adam
Non-Executive Director

Kate Stoney
CFO & Company Secretary

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Under the ICSID Rules, either party may file an application for annulment within 120 days after the Award was rendered. The grounds for an annulment are extremely limited and the Claimants see no reason why a challenge would be successful.

Company Comment – Bronwyn Barnes, Executive Chairman

"I am delighted that we have received the Award from ICSID, and that the amount of the Award reflects the substantial investment that has been lost by shareholders through Tanzania's unlawful expropriation of Ntaka Hill. My message to shareholders has been consistent – we had a clear and compelling position to support our claim for compensation and have worked tirelessly for five years to ensure that we maintained our position with strength and determination. The conclusion of arbitration proceedings brings me great satisfaction, and I would like to sincerely thank those shareholders who have supported the Company during that time."

"We now move to the enforcement phase. The ICSID Convention has been ratified by 158 Member States of the World Bank - including Tanzania. This means that any award issued by an ICSID tribunal is enforceable in any one of those 158 member States as if it were a judgment of one of their own courts. We have consistently said that we would look to enforce an award against Tanzania, and that work will commence now. I will keep shareholders updated as we progress."

"On behalf of shareholders I would also like to sincerely thank the Claimants' legal team who have worked so diligently on this process - Tim Foden, Dr Marc Veit, Augustin Barrier, Robert Denison and Ms Eden Jardine. It has been a pleasure working with you. I also thank all others who assisted during the arbitration process, including the Secretariat quantum expert team, Travis Taylor and Abigail Harris."

Background to Claim

On 21 April 2015, Tanzania issued a Retention Licence for the Project, covering the same area as the Ntaka Hill Prospecting Licence, for a period of 5 years.

In July 2017, the Government of Tanzania amended the Mining Act 2010 by, *inter alia*, abolishing the legislative basis for the Retention Licence classification with no replacement classification.

On 10 January 2018, Tanzania published the Mining (Mineral Rights) Regulations 2018, which made it clear that all Retention Licences no longer existed and that the underlying rights over all areas under Retention Licences, including the Retention Licence held for the Project, reverted to the Government of Tanzania.

During the time from January 2018 to December 2019, the Company actively engaged with the Tanzanian Minister for Minerals and the Mining Commission in an effort to resolve a suitable tenure mechanism for the Project Licence to be reinstated. At all times Tanzanian Government representatives reassured the Claimants' representatives, as well as Indiana Board members that visited Tanzania for the purpose of collaborative engagement with the Government, that their historical investment would be recognised and that their rights would be respected and protected.

On 19 December 2019, the Mining Commission of Tanzania announced a public invitation to tender for the joint development of areas covered previously by Retention Licences.

This initial invitation to tender provided that the successful bidder must compensate the previous Retention Licence holder for its exploration costs incurred. This public invitation was not sent to the Company or the Claimants but was advertised on the website for the Ministry of Minerals.

One day after that invitation to tender was published, the Mining Commission of Tanzania announced a revised public invitation to tender on 20 December 2019, which removed the requirement that the successful bidder must compensate the previous retention licence holder for its exploration costs incurred.

Background to the Award

LALIVE and Boies Schiller Flexner LLP, two international law firms that specialise in international arbitration, represented the Claimants in the ICSID arbitration process. A litigation funding facility for US\$4.65m is in place with Litigation Capital Management Limited ("**LCM**"), a firm listed on the Alternative Investment Market ("**AIM**") of the London Stock Exchange. This funding facility covers all legal costs associated with arbitration and is repayable on the successful enforcement of the Award against Tanzania. The current total repayment amount to LCM under the funding facility is approximately US\$1.5m. This amount will continue to increase until the facility has been repaid and closed.

ACICA Arbitration – Loricatus Resource Investments

The Company refers to its previous announcement on 16 March 2023 regarding the dispute between the shareholders of NNHL, being NUKL (in which Indiana is currently an 83.7% shareholder) and Loricatus Resource Investments, in relation to a funding call made to NNHL's shareholders in October 2022 under the Project Acquisition Agreement ("**PAA**"). Please refer to the Company's announcements on 16 March 2023 and 23 June 2023 for further details regarding the shareholder dispute, which was referred to arbitration administered by the Australian Centre for International Commercial Arbitration ("**ACICA**") in accordance with the PAA.

This dispute has now been provisionally listed for an evidentiary hearing from 4-8 December 2023 and the Company will continue to update shareholders as appropriate as the matters progress.

ENDS

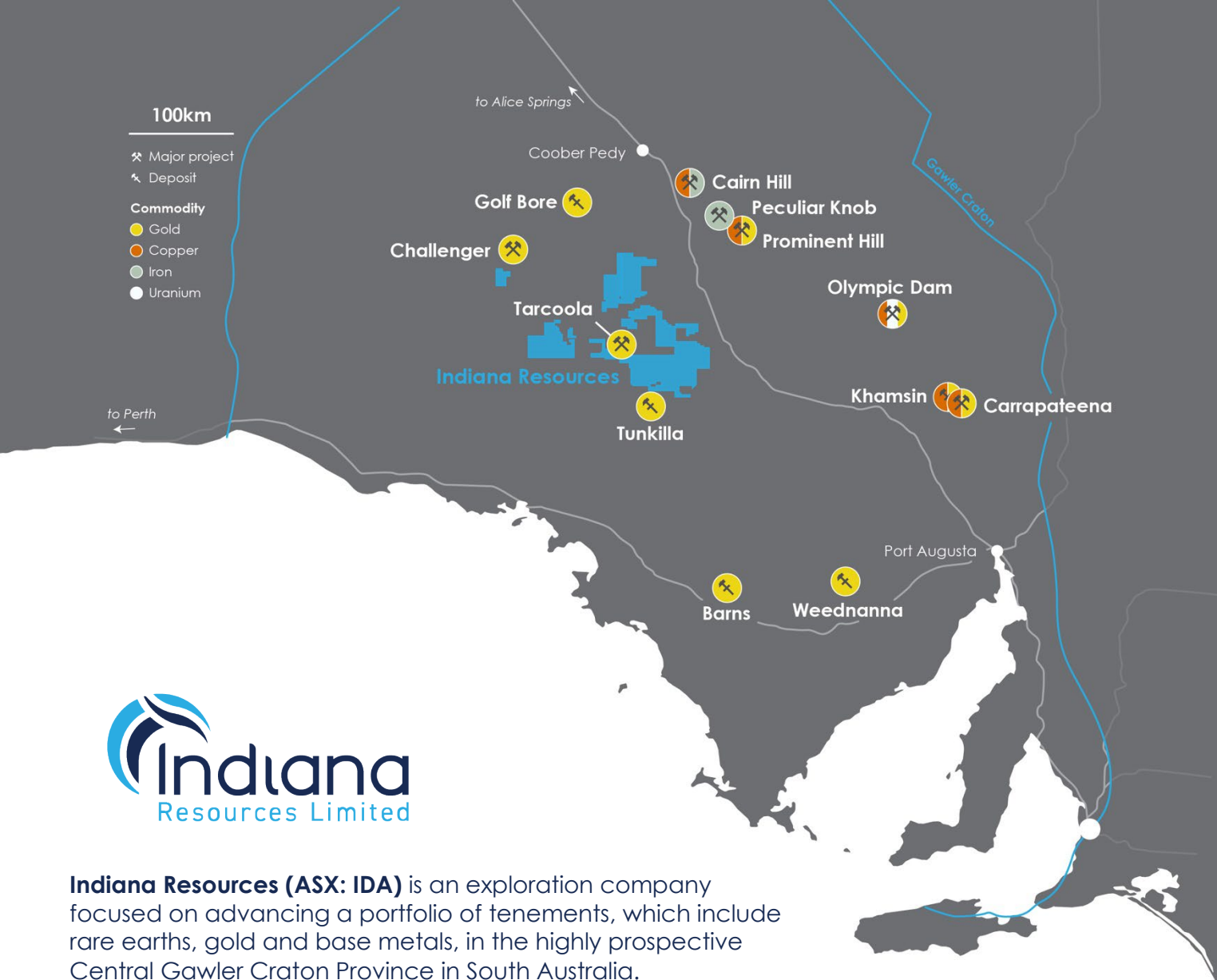
This announcement is authorised for release by the Chair of Indiana Resources Limited with the authority from the Board of Directors.

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Indiana Resources (ASX: IDA) is an exploration company focused on advancing a portfolio of tenements, which include rare earths, gold and base metals, in the highly prospective Central Gawler Craton Province in South Australia.

Indiana's ground position in the Gawler Craton covers 5,713km², with the Company's tenements strategically located between the historic gold mining centres of Tunkilla (965,000 ounce gold resource) and Tarcoola (15,800 ounce gold resource).

With a historical focus on gold, Indiana is progressing plans for a targeted Rare Earth Elements (REE) drilling programme. The Company benefits by its strategic positioning in a tightly held region, known for gold but with exciting REE opportunities.

The Company has a highly experienced management team, led by Executive Chair Bronwyn Barnes. Indiana has a tightly held register with benefits from strong support from major shareholders who are aligned with the Company's growth story.