

## Tanzania Lodges Request for Annulment of Award

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### Highlights

- **Tanzania has lodged a Request with International Centre for Settlement of Investment Disputes (“ICSID”) to annul the recent Award where Tanzania was 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**
- **The Request for Annulment has been reviewed by lawyers representing the Claimants and does not appear to meet the requirements for annulment**
- **Indiana is a 62.4% shareholder of the combined holdings of the Claimants and represents the Claimants**

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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.

Tanzania has now lodged a Request for Annulment with the ICSID, seeking to have the Award set aside. The grounds that justify the annulment are articulated in ICSID Convention Article 52(1), specifically:

- a. that the Tribunal was not properly constituted;
- b. that the Tribunal has manifestly exceeded its powers;
- c. that there was corruption on the part of a member of the Tribunal;
- d. that there has been a serious departure from a fundamental rule of procedure; or
- e. that the award has failed to state the reasons on which it is based.

An initial review of documents lodged by Tanzania, in the view of the Claimants' legal representatives, does not show that Tanzania will be able to meet the requirements to justify the annulment. ICSID will now constitute an ad hoc Committee to hear the request for annulment. The decision of this Committee will be final.

The ICSID Secretary General will stay the enforcement of the Award provisionally, meaning the Claimants will be temporarily prevented from seeking to enforce it. The Committee will decide whether to continue or lift the stay of enforcement once it is constituted.



#### CAPITAL STRUCTURE

**535,676,061**  
Shares on Issue

**A\$0.069**  
Share Price

**37M**  
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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## Company Comment – Bronwyn Barnes, Executive Chairman

*"It is pleasing that Tanzania has moved swiftly to lodge their request to annul the Award instead of waiting the full 120 days which was available. Indiana remains extremely confident of its position and an initial review by our legal representation suggests Tanzania will not be able to meet the requirements for the annulment. ICSID will now constitute the Panel to hear the annulment proceedings and our legal representatives will now move to respond to this latest development. We look forward to reporting further updates to our shareholders."*

## 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.

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

The Award ordered Tanzania to pay the Claimants 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 ordered that Tanzania pay the Claimants US\$3,859,161 in respect of the Claimants' legal costs and expenses. On 18 July 2023, the Claimants' legal representatives sent correspondence to the Tanzanian Solicitor General, Dr Boniphace Luhende, demanding payment of US\$113,603,591.83 by 14 August 2023.

## **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\$15m. This amount will continue to increase until the facility has been repaid and closed.

## **ENDS**

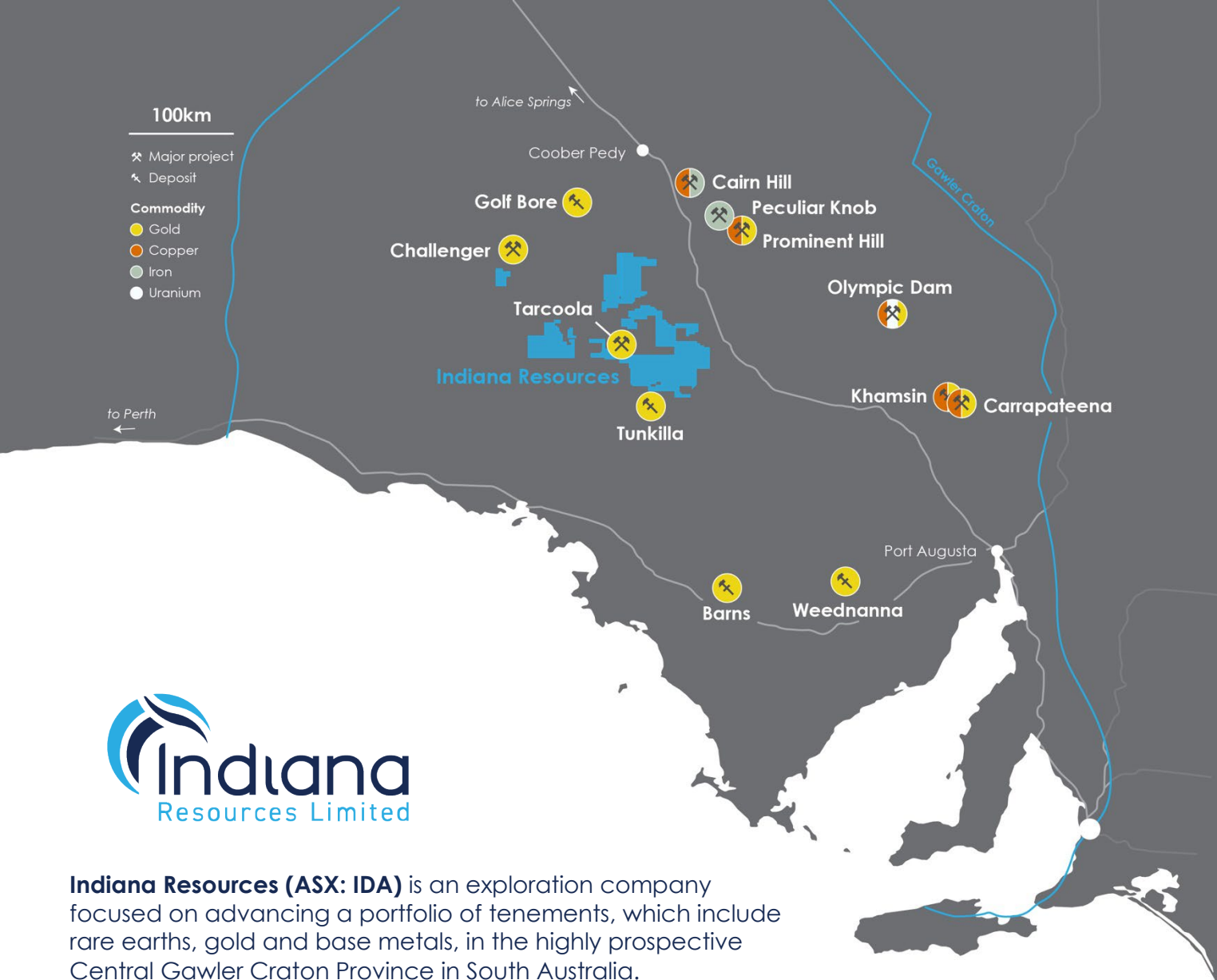
*This announcement is authorised for release by the Chair of Indiana Resources Limited with the authority from the Board of Directors.*

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For more information, please visit [www.indianaresources.com.au](http://www.indianaresources.com.au)



**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 5,713km<sup>2</sup>, 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.