

## Letter of Demand for US\$113.6m Issued to Tanzania

### Highlights

- Lawyers representing the Claimants have sent a letter of demand to the Tanzanian Solicitor General for payment of US\$113,603,591.83 by 17 August 2023
- The letter of demand follows the recent Award by the International Centre for the Settlement of Investment Disputes, part of the World Bank, 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
- Indiana is a 62.4% shareholder of the combined holdings of the Claimants and represents the Claimants
- This holding percentage may increase as a result of the current ACICA arbitration proceedings between shareholders of one of the Claimants

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 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\$4,113,581.07** in respect of the Tribunal and ICSID's costs and the Claimants' own 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 **17 August 2023**.

### Company Comment – Bronwyn Barnes, Executive Chairman

"With arbitration proceedings closed, and a unanimous decision from the ICSID Arbitral Tribunal that compensation was due to the Claimants for the unlawful expropriation of the Ntaka Hill Nickel project, we are now moving to demand payment by Tanzania of the amounts owed to the Claimants as outlined in the Award. We look forward to Tanzania honouring its obligations under the BIT in line with its standing in the international community."

#### CAPITAL STRUCTURE

**535,676,061**  
Shares on Issue  
**A\$0.072**  
Share Price  
**39M**  
Market Cap

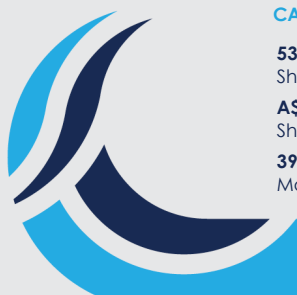
#### BOARD & MANAGEMENT

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

**Kate Stoney**  
CFO & Company Secretary

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"Many shareholders, investors and media outlets have contacted the Company requesting further information on the Award, the background to the Dispute with Tanzania and questions around how the claimants may enforce the Award. Details of a shareholder webinar will be released shortly, where I will be able to provide more detail around these matters."

### **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\$15m. 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**

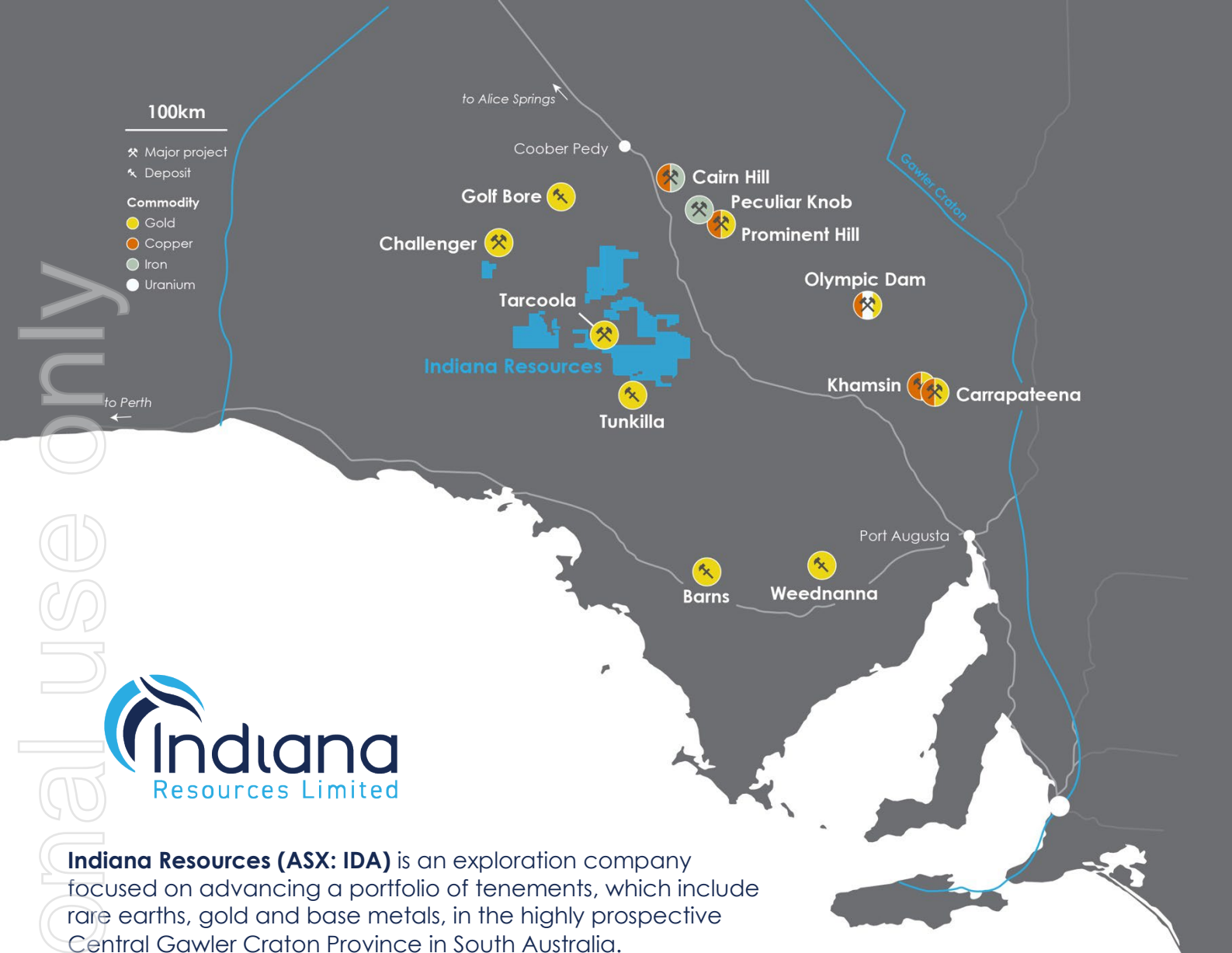
*This announcement is authorised for release by the Chair of Indiana Resources Limited with the authority from the Board of Directors.*

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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.