

US\$90 Million Settlement with Tanzania

Highlights

- Tanzania has agreed to pay a total US\$90 million in settlement of the ICSID dispute
- Settlement sum payable by Tanzania in three instalments:
 - US\$35 million – received from Tanzania
 - US\$25 million – on or before 25 October 2024
 - US\$30 million – on or before 30 March 2025
- Settlement sum represents 82.5% of the original amount of the ICSID Award of US\$109 million
- Litigation funding and legal costs to be repaid from first instalment, with funds retained for annulment and/or arbitral proceedings and enforcement if further instalments are not paid by Tanzania
- Distribution between the Claimants is currently being negotiated with a further announcement to be made in due course
- Following completion Indiana anticipates distributions to shareholders as follows:
 - First distribution proposed for December 2024
 - Second distribution in Q2 2025
- Indiana to immediately advance exploration activities at its Central Gawler Craton Project, South Australia

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 at the International Centre for Settlement of Investment Disputes ("**ICSID**"), a division of the World Bank. Indiana is the majority shareholder in Ntaka Nickel Holdings Ltd ("**NNHL**"), Nachingwea UK Ltd ("**NUKL**") (both incorporated in the United Kingdom), and Nachingwea Nickel Ltd ("**NNL**", incorporated in Tanzania); together known as the "**Claimants**", and the manager of the joint venture and responsible for activities relating to the arbitration against Tanzania.

Indiana is pleased to report that Tanzania has agreed to pay a total sum of US\$90 million in settlement of the dispute with the Claimants. This payment, when completed, will obviate the need for costly and time-consuming enforcement efforts and finally draw a line under a nearly seven-year long dispute.

CAPITAL STRUCTURE

634,371,276
Shares on Issue

A\$0.085
Share Price

54M
Market Cap

BOARD & MANAGEMENT

Bronwyn Barnes
Executive Chair

Robert (Bob) Adam
Non-Executive Director

Maja McGuire
Non-Executive Director

Kate Stoney
CFO & Joint Company Secretary

Josh Merriman
Joint Company Secretary

CONTACT US

+61 (8) 6241 1870
info@indianaresources.com.au
www.indianaresources.com.au
Level 2, 50 Kings Park Rd
West Perth WA 6005



The Claimants have accepted the offer from Tanzania in accordance with the litigation funding agreement that is in place with LCM Funding UK Limited, which requires the Claimants to comply with the advice of their legal representatives, Boies Schiller Flexner UK LLP, in relation to the ICSID arbitration proceedings and any settlement offers.

The settlement sum is payable by Tanzania in three instalments as per the following payment schedule:

- US\$35 million – received from Tanzania
- US\$25 million – to be paid on or before 25 October 2024
- US\$30 million – to be paid on or before 30 March 2025

Of the first instalment of US\$35 million, approximately US\$23 million will be applied in repayment of the litigation funder and legal, taxation and administration expenses (as outlined below).

Executive Chairman, Bronwyn Barnes commented:

"I am very pleased to have concluded this settlement on behalf of the Claimants with representatives from the Government of Tanzania. Following the cancellation of our licence for the Ntaka Hill Nickel Project in January 2018, we have pressed our claim for compensation for the loss of our investment in Tanzania. The settlement amount that Tanzania has agreed to pay the Claimants represents over 82% of the original amount of the Award handed down by ICISID in July 2023 and, when completed, saves the Company considerable time and further costs in pursuing annulment and/or arbitration proceedings and enforcement activities."

"This settlement clearly demonstrates Tanzania's commitment to work with international mining investors to resolve the historical dispute between the parties. I am confident that Tanzania will fully abide by the terms of the settlement and that the remaining instalment payments will be made by Tanzania in compliance with the agreed terms. If for any reason Tanzania defaults on the agreed subsequent instalment payments, then we can recommence the annulment process at ICISID. This includes our right to pursue enforcement activities, which would involve the seizure of Tanzania's assets in any jurisdiction that is a member of the World Bank."

ICISID Annulment Hearing

The final ICISID annulment hearing took place in Washington DC on 26 July 2024.

In line with the agreed terms of settlement, the parties will now request that the ICISID ad hoc Committee suspend the annulment proceedings pending completion of the settlement process, which includes payment of the second and third instalments by Tanzania.

If Tanzania defaults on payment of the second or third instalments, the Claimants can request the Committee to resume the annulment proceedings and deliver its award on annulment, or refer the matter to arbitration under the London Court of International Arbitration Rules if the parties cannot reach an amicable settlement.

If the suspension is lifted and Tanzania's annulment application is dismissed, then the Claimants expect that Tanzania will abide by their written undertaking to ICISID to pay the outstanding amount of the full Award plus interest to the Claimants within 45 days.

Distribution of funds

From the first instalment received, all amounts due to the litigation funder (LCM Funding UK Limited) and outstanding amounts due to the Claimants' legal representatives (Boies Schiller Flexner UK LLP and LALIVE LLP), which amount to approximately US\$23m, will be paid.

Funds will be retained by the Claimants to meet legal, taxation and administration expenses, including the costs of annulment and/or arbitral proceedings and enforcement if the second or third instalments are not paid by Tanzania.

An initial amount equivalent to AU\$10m has been repaid to Indiana in reduction of an intercompany loan. These funds will be used to fund ongoing exploration activities at Indiana's South Australian assets and to meet ongoing corporate and administrative expenses.

The distribution of funds between the Claimants is currently being negotiated between the Claimants and their shareholders. A further announcement will be made in due course when the final distribution between the Claimants has been resolved.

Once the final amount available for distribution has been confirmed, Indiana will also make a further announcement as to the amount of funds that will be returned to shareholders. The Board is currently reviewing distribution mechanisms in conjunction with its advisers. Once the second instalment amount is received from Tanzania in October 2024 the Company will be in a position to confirm the amount to be returned to shareholders. The Company plans to make a return of funds in December 2024 from the second instalment received, and it is anticipated that a final return of funds will be made in Q2, 2025 from the final instalment payment.

The Board would like to sincerely thank the Company's shareholders, employees and legal advisers for their continued support and dedication over nearly seven years to secure compensation for the loss of the Company's investment in the Ntaka Hill Nickel Project. This unwavering support and commitment enabled the Board to remain focused on securing this final outcome for the benefit of shareholders. The Board looks forward to returning its focus to exploration activities at its South Australian projects and determining appropriate mechanisms to return funds to shareholders.

ENDS

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

For further information, please contact:

Bronwyn Barnes
Executive Chair
T: +61 (0) 417 093 256