

6 February 2023

Completion of Hearing – ICSID Arbitration

Indiana Resources Limited (**ASX: IDA**) (**'Indiana'** or the **'Company'**) provides the following update on the dispute with the United Republic of Tanzania (**"Tanzania"**) which is the subject of arbitration through the International Centre for Settlement of Investments 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"**, Tanzania; together known as the **"Claimants"**), Indiana is the manager of the Joint Venture and responsible for activities relating to the dispute.

The Company confirms that the evidentiary hearing for arbitration was completed on Thursday 2nd February 2023 at the Washington headquarters of ICSID, an organisation of the World Bank Group. It has been agreed between the Claimants that post hearing submissions and cost submissions will be submitted by both parties by 5 April 2023, with cost schedules to be submitted thereafter.

Company Comment: Bronwyn Barnes, Executive Chairman

"I would like to thank ICSID Tribunal members for their time and consideration during the evidentiary hearing this week. The Claimants team was well prepared, and with support of legal counsel led by Tim Foden and Dr Marc Veit, we presented a clear position to support our claim for compensation. I would also like to thank our Shareholders for their patience and continuing support over many years to get to this point."

Background to Arbitration

The ICSID Convention has been ratified by 158 States, including Tanzania. An 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. Partly because of this, States often comply voluntarily with the payment terms of such awards.

LALIVE and Boies Schiller Flexner LLP, two international law firms that specialise in international arbitration, are representing the Claimants in the arbitration process, with the Claimants seeking compensation of US\$98.83m for the loss of their investment in Tanzania (including interest up to July 2022, which continues to accrue). In addition, the Claimants seek reimbursement of their arbitration costs and fees by Tanzania.

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 only repayable in the event of a successful award that is recovered from the United Republic of Tanzania.

Background to Claim

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.



CAPITAL STRUCTURE

501,004,819
Shares on Issue
A0.59
Share Price
29.55M
Market Cap

BOARD & MANAGEMENT

Bronwyn Barnes
Executive Chair

Robert Adam
Non-executive Director

David Ward
Non-Executive Director

Richard Maish
CEO

Kate Stoney
CFO & Company Secretary

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On 10 January 2018, Tanzania published the Mining (Mineral Rights) Regulations 2018, which cancelled all Retention Licences issued prior to 10 January 2018 at which point they ceased to have any legal effect. The rights over all areas under Retention Licences, including the Retention Licence held for the Project, were immediately transferred 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. The invitation provided that the successful bidder should 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.

On 20 December 2019, the Mining Commission of Tanzania announced a revised public invitation to tender, which removed the condition that the successful bidder compensate the previous retention licence holder for its exploration costs incurred.

Through the measures described above, Tanzania has removed the ownership of the Project from the Claimants, and in doing so has breached its obligations to the Claimants under the UK-Tanzania BIT and international law. These include, but are not limited to:

- a) Tanzania's obligation not to nationalise or expropriate the Claimants' investments or subject them to measures having effect equivalent to nationalisation or expropriation without prompt, adequate and effective compensation under Article 5(1) of the BIT; and
- b) Tanzania's obligation to accord fair and equitable treatment and full protection and security to the Claimants' investment and not to impair by unreasonable or discriminatory measures the maintenance, use, enjoyment or disposal of the Claimants' investment under Article 2(2) of the BIT.

ENDS

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

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