

Final Submission – 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**", incorporated in 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 final submissions from both the Claimants and Tanzania were filed with the Arbitral Tribunal on 5 April 2023. The Company will now prepare cost schedules to be submitted to the Tribunal, in support of their request that Tanzania be ordered to reimburse the full costs of the arbitration.

Final Claim for Compensation – USD94.8m – USD121.7m

The Claimants' final submission contained further information requested by the Arbitral Tribunal after the hearing regarding the Claimant's request for compensation for the expropriation of the Ntaka Hill Nickel Project ("**Project**"). The final claim for compensation ranged from **USD 94.8m to USD 121.7m**, including interest up to June 2023, depending on calculation inputs based on a final ruling on the date of expropriation, the interest rate to be used, and the determined valuation of the Project. Should it find in the Claimants' favour on jurisdiction and the merits of the case, the Tribunal will determine the final figure for any compensation to be awarded, and interest will continue to accrue on the final compensation amount.

Company Comment – Bronwyn Barnes, Executive Chairman

"The submission of final documents to ICSID is the last step in the arbitration process, subject to any further request from the Tribunal to the Parties. We now await a final decision from the Arbitral Tribunal and remain confident that we have presented a clear and compelling position to support our claim for compensation. The ICSID Convention has been ratified by 158 Member States, including Tanzania, meaning that 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. For this reason, there is a high degree of confidence that any award handed down by the Arbitral Tribunal will be enforceable against Tanzania."

CAPITAL STRUCTURE

502,704,819
Shares on Issue
A\$0.048
Share Price
24M
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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Background to Arbitration

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 between USD 94.8m to USD 121.7m for the loss of their investment in Tanzania (including interest up to June 2023, which will continue to accrue thereafter). 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.

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.

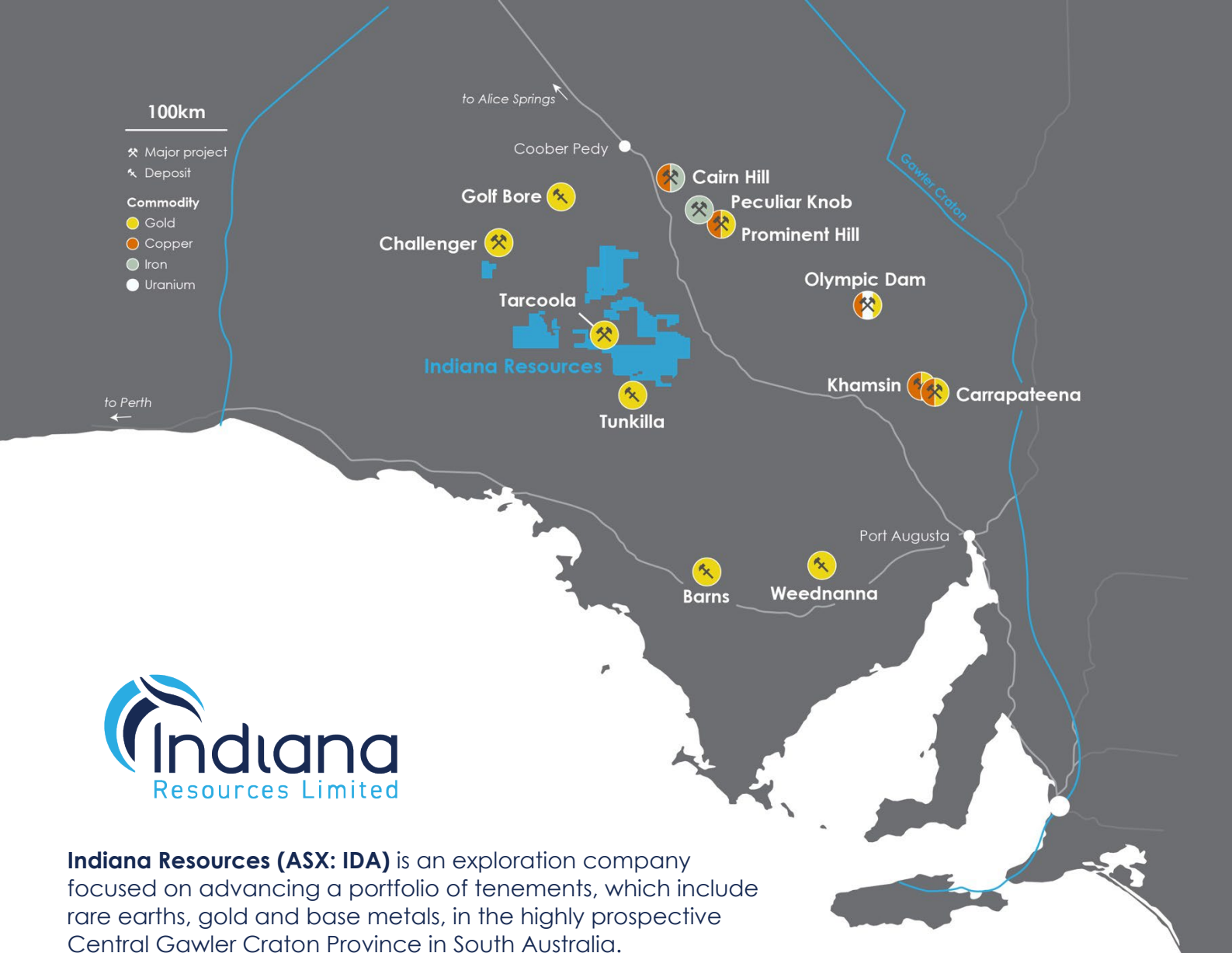
ENDS

This announcement is authorised for release by the Chair of Indiana Resources Limited with the authority from the Board of Directors. For further information, please contact:

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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.