



# QUARTERLY ACTIVITIES REPORT

Quarter ended 31 March 2024

Indiana Resources Limited (ASX: IDA) ("Indiana" or the "Company") is pleased to present its activities report for the quarter ended 31 March 2024.

# **HIGHLIGHTS**

#### **Arbitration Award**

- Interest accruing at <u>US\$1M (~A\$1.5M) per month</u> on ICSID Award of ~<u>US\$123M (~A\$190M)</u>
- ICSID tribunal strikes out two out of three grounds relied upon by Tanzania in its annulment application
- Majority of annulment request ruled as manifestly without legal merit and cannot be raised in further submissions
- Final ICSID annulment hearing confirmed for 26 July 2024

### **Exploration**

- Beneficiation test work from rare-earth drilling samples produces 4.2% TREO and 1.8% MREO flotation concentrate
- Flotation recovery of 89% TREO and 91% MREO
- Test work validates the REE potential of Minos prospect following previous outstanding high-grade REE clay-hosted intersections of up to 4.67% TREO and 2.23% MREO
- Current REE target area of 6.0 km × 4.5 km remains open in all directions, with up to 40m thick TREO enrichment layer in weathering profile
- On-ground exploration recommenced with mapping and sampling activities at REE, gold and base metal targets in Central Gawler Craton
- Follow-up hydrometallurgical (acid leaching) test work commenced

# **TANZANIA**

#### **ICSID** Arbitration

During the quarter, the Company continued its preparations for the annulment proceedings in the International Centre for Settlement of Investment Disputes ("ICSID"), part of the World Bank Group.

The amount payable by the Government of Tanzania currently stands at approximately USD\$123 million (AUD\$190 million), being the amount of the Award plus interest together with legal costs of USD\$4.11 million (refer ASX release 13 March 2024). Interest continues to accrue on the Award at a rate of 2% above the current USD prime rate of 8.5%, being approximately USD\$1 million (AUD\$1.5 million) per month.

Subsequent to the end of the quarter (26 April 2024) the Claimants lodged their response to Tanzania's memorial with ICSID. The Claimants' response was accepted and the timeline for annulment remains on track, with the final hearing for Tanzania's annulment request to be held via Zoom on 26 July 2024.



618,344,195 Shares on Issue A\$0.082 Share Price 51M

Market Cap

Robert (Bob) Adam Non-Executive Director

**BOARD & MANAGEMENT** 

Maja McGuire Non-Executive Director

Kate Stoney CFO & Joint Company Secretary Josh Merriman

Josh Merriman
Joint Company Secretary

#### **CONTACT US**

+61 (8) 6241 1870 info@indianaresources.com.au www.indianaresources.com.au 9/22 Ware St Thebarton SA 5031



#### **Background to the Award**

On 14 July 2023, the ICSID arbitration tribunal ruled that the Government of Tanzania had unlawfully expropriated the Ntaka Hill Nickel Project ("the Project") and ordered Tanzania to pay compensation of at least US\$109.5M, plus legal costs (refer ASX release 18 July 2023). ICSID awards are enforceable in any one of the 158 countries that have ratified the ICSID Convention, and where sovereign states fail to pay, assets may be seized up to the full value of the Award.

The ICSID tribunal unanimously found that Tanzania breached the UK-Tanzania Bilateral Investment Treaty by expropriating the Project from the Claimants. Indiana is the majority shareholder in the Claimants, which comprise Ntaka Nickel Holdings Ltd ("NNHL"), Nachingwea UK Ltd ("NUKL") (both incorporated in the United Kingdom), and Nachingwea Nickel Ltd (incorporated in Tanzania).

The Claimants were represented in the arbitration proceedings by LALIVE and Boies Schiller Flexner LLP, two international law firms that specialise in international arbitration. A litigation funding facility for US\$4.65M is in place with Litigation Capital Management Ltd ("LCM"), with the funding facility covering all legal costs associated with arbitration and repayable on the successful enforcement of the Award. The total amount currently repayable to LCM under the facility is approximately US\$20M, which will continue to increase until the facility has been repaid and closed.

### **Annulment and Stay of Enforcement**

The Government of Tanzania lodged an application for annulment of the Award in July 2023 (refer ASX release 28 July 2023), with an ICSID ad hoc Committee convened to hear the annulment application. Boies Schiller Flexner LLP is representing the Claimants in the annulment and enforcement phase, led by Mr Timothy Foden who worked with the Claimants during the arbitration process.

In February 2024, the Company advised that Tanzania had delivered its ruling on the Claimants' preliminary objections to Tanzania's application for annulment of the Award pursuant to ICSID Arbitration Rule 41(5) (refer ASX release 7 February 2024). The *ad hoc* Committee struck out two of the three grounds Tanzania relied upon in its application to annul the Award, with the ruling deeming them as manifestly without legal merit.

The Committee's decision is not open to challenge and Tanzania is prohibited from raising those grounds in further submissions. The sole remaining ground relied upon by Tanzania in its application is that the ICSID Tribunal seriously departed from fundamental rules of procedure. The final hearing date for the remaining ground of Tanzania's application will be 26 July 2024, with the hearing to be held via Zoom.

Tanzania has provided an undertaking to the Committee that it will (a) recognise the Award as final and binding, and abide by and comply with the terms of the Award, (b) pay the full amount of the Award, plus interest, within 45 days of the final decision on annulment, and (c) not subject the payment of the Award to any enforcement proceedings in domestic courts in any jurisdiction, including Tanzania (refer ASX release 27 December 2023).

### **EXPLORATION**

#### South Australia – Gawler Craton Rare Earth & Gold Project

During the quarter, the Company continued to progress plans for follow-up field exploration programmes at its 100% owned Central Gawler Craton Project in South Australia, building on its site visits conducted during the previous quarter.

In March 2024, the Company announced the results of an initial metallurgical test work programme focused on beneficiation of selected clay-hosted REE aircore (AC) drilling samples from the Minos prospect (refer ASX release 19 March 2024). The comprehensive metallurgical program included several key steps: composing, wet screening, wet high gauss magnetic separation (WHGMS), and sighter flotation. The programme was designed to determine the potential for practical "off the shelf" beneficiation of the clay hosted REE mineralisation prior to assessment of hydrometallurgical extraction (e.g. acid leaching).





The primary objective of this programme was to assess the feasibility of practical "off-the-shelf" beneficiation for the clay-hosted REE mineralisation before considering hydrometallurgical extraction methods (such as acid leaching). The test work yielded a high-grade flotation concentrate with a composition of 4.2% total rare earth oxides (TREO) and 1.8% mixed rare earth oxides (MREO). The recovery rates were impressive, reaching 89% and 91% for TREO and MREO, respectively. These results were obtained from the minus 0.15mm fraction of a composite AC sample containing clay-hosted REE mineralization.

Further flotation met test work and hydrometallurgical test work is underway in the current quarter. With further infill AC drilling required to evaluate the distribution of the TREO and MREO enrichment zones and to identify the extent of the high-grade mineralisation contained within each zone.

# **CORPORATE**

#### **Board and Management Changes**

During the quarter, the Company advised the appointment of Mr John Fitzgerald as the Company's Commercial Manager. Mr Fitzgerald is a highly experienced commercial manager having previously held the roles of finance and commercial manager at Saracen Mineral Holdings Ltd and chief financial officer at a privately owned resource investment company.

Mr David Ward resigned as a Non-Executive Director of the Company on 20 March 2024. As a result of Mr Ward's resignation, the Company cancelled the Extraordinary General Meeting of the Company which had been called for 22 March 2024 (refer ASX release 21 March 2024). The meeting had been called pursuant to a notice delivered to the Company by shareholders on 12 February 2024, which required the Company to call a general meeting to consider Mr Ward's removal as a director under \$249D of the Corporations Act 2001.

#### **Appendix 5B**

Attached to this report is the Appendix 5B which contains the Company's cash flows for the quarter. The Company had cash at bank of approximately \$1.32 million at 31 March 2024. The significant outflows for the quarter included \$1.47 million on administrative and corporate costs (December: \$1.15 million), inclusive of payments relating to the ongoing ICSID proceedings against Tanzania, the ACICA arbitration proceedings concluded in the previous quarter, and the s249D notice received during the quarter. Payments on exploration and evaluation during the quarter totalled \$102,000 (December: \$213,000).

The amount of payments made to related parties and their associates during the quarter was approximately \$112,000, as disclosed under section 6.1 of the Appendix 5B. This amount including payments for directors' fees, salaries, superannuation, and consulting fees.

#### **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

For more information, please visit <u>www.indianaresources.com.au</u>





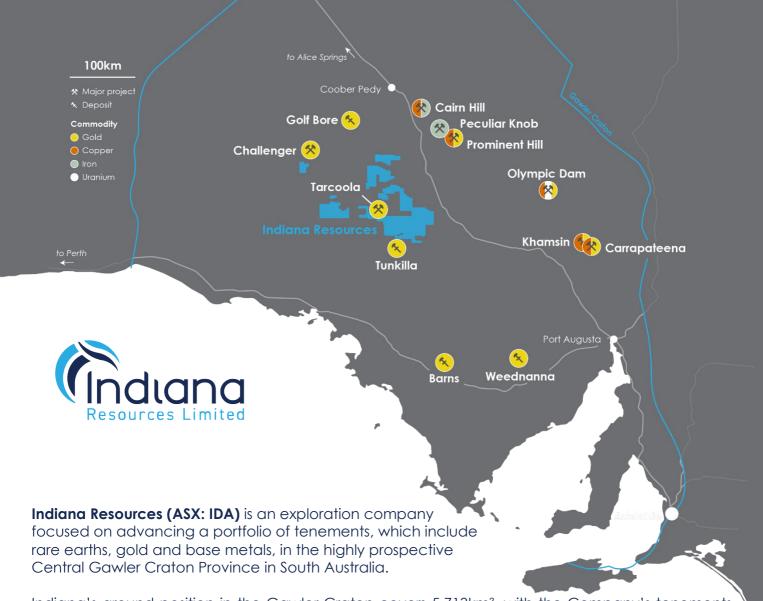
# Tenement interests at 31 March 2024

Tenement Number and name	Ownership	Project	Location
EL 5716 Gibber Plains	100%	Gawler Craton	South Australia
EL 5779 Hicks Well	100%	Gawler Craton	South Australia
EL 5786 Yerda	100%	Gawler Craton	South Australia
EL 5989 Hopeful Hill	100%	Gawler Craton	South Australia
EL 5991 Yerda	100%	Gawler Craton	South Australia
EL 5992 Tarcoola	100%	Gawler Craton	South Australia
EL 6184 Coondambo	100%	Gawler Craton	South Australia
EL 6185 Lake Labyrinth	100%	Gawler Craton	South Australia
EL 6186 Pinding	100%	Gawler Craton	South Australia
EL 6256 Wilgena Area	100%	Gawler Craton	South Australia
EL 6570 Wilgena	100%	Gawler Craton	South Australia
EL 6571 Pompeter Rocks	100%	Gawler Craton	South Australia
EL 6575 Big Tank	100%	Gawler Craton	South Australia
EL 6576 Lake Harris	100%	Gawler Craton	South Australia
EL 6586 Tarcoola West	100%	Gawler Craton	South Australia
EL 6587 Birthday	100%	Gawler Craton	South Australia
EL 6600 M† Eba	100%	Gawler Craton	South Australia
EL 6601 North Hicks	100%	Gawler Craton	South Australia
EL 6629 Mentor	100%	Gawler Craton	South Australia
EL 6667 Yerda Northwest	100%	Gawler Craton	South Australia
EL 6688 Harris	100%	Gawler Craton	South Australia
EL 6810	100%	Gawler Craton	South Australia
ML 5856 Earea Dam Goldfield	100%	Gawler Craton	South Australia
Claim Block 4242 <sup>i</sup>	50%	St Stephen	New Brunswick, Canada
Claim Block 5787 i	50%	St Stephen	New Brunswick, Canada

 $<sup>^{\</sup>rm i}$  Subject to 50/50 joint venture with Vision Lithium Inc.







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 Tunkillia (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.



# Appendix 5B

# Mining exploration entity or oil and gas exploration entity quarterly cash flow report

## Name of entity

Indiana Resources Limited	
ABN	Quarter ended ("current quarter")
67 009 129 560	31 March 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(102)	(454)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(72)	(194)
	(e) administration and corporate costs <sup>1</sup>	(1,300)	(3,139)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	17
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	165
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(1,469)	(3,605)
arbitrat	sive of expenditure relating to the Company's ICSID ion proceedings against the Government of Tanzania and arbitration proceedings against Loricatus Resource nents.		

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(5)	(15)
	(d) exploration & evaluation	-	-
	(e) investments	-	-

ASX Listing Rules Appendix 5B (17/07/20) + See chapter 19 of the ASX Listing Rules for defined terms.

Con	solidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material) <sup>1</sup>	-	33
2.6	Net cash from / (used in) investing activities	(5)	18
Compa	cription monies received from JV partner for shares in the any's subsidiary Ntaka Nickel Holdings Ltd (refer ASX neement 6 December 2023).		

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	3,828
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	55	145
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(260)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	55	3,713

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,714	1,177
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,469)	(3,605)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5)	18
4.4	Net cash from / (used in) financing activities (item 3.10 above)	55	3,713
4.5	Effect of movement in exchange rates on cash held	30	22
4.6	Cash and cash equivalents at end of period	1,325	1,325

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,310	2,699
5.2	Call deposits	15	15
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,325	2,714

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	112
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Payments to Directors during the quarter relate to director's fees and salaries, consulting fees, and superannuation.

7.	Financing facilities  Note: the term "facility' includes all forms of financing arrangements available to the entity.  Add notes as necessary for an understanding of the sources of finance available to the entity.	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at qu	arter end	-
7.6	Include in the box below a description of eac rate, maturity date and whether it is secured facilities have been entered into or are propo include a note providing details of those facil	or unsecured. If any addissed to be entered into af	tional financing

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,469)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,469)
8.4	Cash and cash equivalents at quarter end (item 4.6)	1,325
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	1,325
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.9

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

- 8.8 If item 8.7 is less than 2 guarters, please provide answers to the following guestions:
  - 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

No. Operating cash flows in the March quarter were higher than usual due to the payment of legal fees in relation to the Company's ongoing ICSID arbitration proceedings, the 249D Notice received during the quarter, and final invoices from the ACICA arbitration proceedings which were settled during the previous quarter (refer ASX announcement 6 December 2023).

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

As detailed in the quarterly activities report accompanying this Appendix 5B, the Company has received an Award of approximately USD\$120 million (AUD\$180 million) from the International Centre for Settlement of Investment Disputes ("ICSID") in respect of the arbitration proceedings against the Government of Tanzania. The Company's future capital requirements will be shaped by the progression of Tanzania's application for annulment of the Award. Should additional capital be required prior to the receipt of funds from the Award, the Company is confident that it will be able to raise funds as required on favourable terms as demonstrated by its history of successful capital raisings.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes, on the basis that operating cash flows are expected to be lower in future quarters and the Company is confident that it can satisfy its capital requirements as outlined in its response to question 8.8.2 above.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

### **Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2024

Authorised by: By the board

(Name of body or officer authorising release – see note 4)

#### **Notes**

- 1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
- 3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
- 4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- 5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.