

19th March 2020

Finalisation of Proceedings - Termite Resources NL

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- **Proceedings against former Directors of Termite Resources NL have been resolved**
 - **No claims lie against Indiana, Termite or former Directors and Officers**
 - **Resolution brings to a conclusion all legal proceedings with regards to Termite**
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Indiana Resources Limited (ASX: IDA) ('Indiana' or the 'Company') is pleased to confirm that proceedings against former directors of Termite Resources NL ("Termite") have been resolved. As a result, the liquidators of Termite have confirmed that no claims lie against the Company and there is no further exposure for Termite, the former directors of Termite or Indiana.

This brings to a conclusion an extended legal process against the former directors and officers of Termite and removes any potential claim against Indiana. An overview of the proceedings is contained below. Further background information can be found in the Company's 2019 Annual Report and other previously released information to the market.

Background

In September 2015, a letter of demand was received from the liquidators of Termite which provided notice of a potential claim against former directors and officers of Termite including the Company itself. Termite was wholly owned by an incorporated joint venture entity, itself a 51% owned subsidiary of Indiana. Termite undertook the operation of the Cairn Hill iron ore mine in South Australia. As a result of the sudden and steep downturn in iron ore prices in the second quarter of 2014, Indiana announced on 19 June 2014 that the directors of Termite had appointed voluntary administrators to Termite. Subsequently, on 15 September 2014, creditors of Termite voted to place that company into liquidation.

In January 2016, the Company entered into a Standstill Deed with the liquidators, under which Termite, at the request of the Company and the former directors and officers, agreed not to constitute proceedings against Indiana without notice.

In April 2016, the liquidators commenced formal proceedings against six persons, who were former directors of Termite and four of which were also at relevant times directors of Indiana. As at June 2016, all four former directors had ceased to hold director or officer roles in the Company. These proceedings have now been resolved [by way of settlement between the parties with the original judgment being set aside] with no residual liability for Termite, the former directors and officers and Indiana.

Termite's insurer has reimbursed the respective directors and officers for all legal costs incurred during the process and no direct costs were incurred by Indiana during the formal proceedings.

Company Comment

Indiana's Executive Chairman Bronwyn Barnes said: *"The resolution of these proceedings is good news for the Company, with potential for liability now fully removed. This closes the issue completely and allows the Company to focus on its West Mali Gold Projects and progressing legal activities with regards to the current dispute with the Government of Tanzania for the Ntaka Hill Nickel Project."*

Ends

This announcement is authorised for release to the market by the Board of Directors. For further information, please contact:

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