



NS Miscellaneous

## **FUNDING CONFIRMATION NOTICE: US\$13.6 MILLION**

### **PANTHERA RESOURCES PLC**

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**Panthera Resources Plc**  
("Panthera" or the "Company")

### **Bhukia Project** **Arbitration Funding Confirmation Notice**

Gold exploration and development company Panthera Resources Plc (AIM: PAT), with assets in West Africa and India, is pleased to announce that LCM Funding SG Pty Ltd ("LCM Funding" or the "Funder") has successfully completed its due diligence and issued the Funding Confirmation Notice (the "FCN"). Following such issuance, an unconditional funding facility has been made available for the Company's subsidiary, Indo Gold Pty Ltd ("IGPL"), to support IGPL's claims against the Republic of India ("India") arising from the 1999 Agreement between the Government of Australia and the Government of the Republic of India ("GoI") on the Promotion and Protection of Investments (the "Treaty").

On 28 February 2023, the Company announced that IGPL had entered into a conditional arbitration funding agreement (the "AFA") for up to US\$10.5 million (the "Facility") in litigation financing with LCM Funding. The Facility has now been increased to US\$13.6 million, following the positive results of a comprehensive and robust due diligence process by LCM Funding.

#### **Highlights**

- Issue of Funding Confirmation Notice for increased unconditional funding Facility of US\$13.6 million.
- All monies advanced through the AFA are non-recourse and only repayable in the event of a successful recovery.
- Appointment of several industry leading advisors and experts in support of IGPL's claims against India.

#### **Commenting on the announcement, Mark Bolton, Managing Director of Panthera said:**

*"Following an extended due diligence process, we are pleased that LCM has reaffirmed its view that IGPL has a meritorious claim against the Republic of India. LCM's detailed examination, supported by advice from multiple legal, mining and valuation experts over many months reinforces the view that an actionable expropriation, amongst other Treaty breaches perpetrated by India, has occurred to an asset of substantial value to the Company.*

*In addition to working with Fasken, IGPL has used this period to select several leading investment treaty law and mining industry advisors and experts to assist in the arbitration. The increased Facility ensures that IGPL has the necessary resources to fully - and successfully - prosecute the merits of its claims under the Treaty.*

*We again thank Fasken for their ongoing support of the Company's financing and the advancement of IGPL's Treaty claims."*

**In addition, Mike Higgins, Panthera's Chairman says:**

*"I would like to thank Mark Bolton for his dedicated pursuit and achievement of what we hope and expect will be, eventually, a very positive outcome for the Company. Over the many years since I co-founded the group in 2005, there have been many attempts to settle matters with governments in India over obstacles to Bhukia permitting. None were successful.*

*Obviously, our objective all along was to have put the major gold discovery at Bhukia into production many years ago. Nevertheless, with no other choice, we take this arbitration approach cautiously and yet steadfast in our belief in our rights and confident of the final, successful, outcome.*

*I also would like to thank all involved in getting us to this point, especially the Panthera board and the Fasken team."*

**AFA with LCM**

LCM Funding is a subsidiary of Litigation Capital Management Limited ("LCM"), a firm quoted on the AIM Market of the London Stock Exchange. LCM is a leading global disputes funder with significant expertise in international arbitration and cross-border disputes, including bilateral investment treaty claims over mineral resource assets.

Upon issuance of the FCN, LCM Funding will provide up to US\$13.6 million in non-recourse financing to IGPL for use in prosecuting its Treaty claims against India. If no award and/or recovery are achieved, then LCM Funding is not entitled to any repayment of the Facility.

In the event that there is an award and/or recovery, LCM Funding shall be entitled, in the first instance, to the amounts it has deployed from the Facility, as well as the greater of:

- a) approximately US\$1.36 million being 10% of the Funding Limit (which is the amount of the Facility);
- b) a Funder's commission (the "Commission") of between 5% and 15% of the damages recovered, based upon the number of years that have passed from the date of the Funding Confirmation Notice; or
- c) a multiple (the "Multiple") of between 2 and 4.25 times the total of the Facility, based upon the number of years that have passed from the date of the Funding Confirmation Notice.

In the event that the settlement or award includes the value or benefit of any property other than cash, pursuant to the terms of the AFA, IGPL are required to realise and convert a portion of its interest in the property, or secure external finance, to secure sufficient cash and then apply it in accordance with the above.

**IGPL's Treaty Claims**

The Bhukia Project comprises legal rights that the Company holds via its Australian subsidiary, IGPL, in respect of an area that was the subject of a rejected Prospecting Licence Application in Rajasthan, India. The Company made its initial investment in Bhukia (through IGPL) in January 2005. IGPL provided all of the funding and managed the joint venture exploration programmes. The work programmes were carried out in accordance with government rules and regulations and reported on time and in a professional manner.

IGPL's right to be granted a Prospecting Licence over Bhukia, through its joint venture holding, has been consistently frustrated over an extended period of time by the Government of Rajasthan ("Rajasthan"). The Prospecting Licence Application over Bhukia was rejected by Rajasthan again in August 2018 on various spurious and legally untenable grounds. An interim Stay Order was obtained from the Rajasthan High Court, which remains in place at this time.

In 2021, India passed a new act ("MMDR2021") to amend the Mines and Minerals (Development and Regulation) Act of 2015 ("MMDR2015"). Under Clause 13 of the MMDR2021, the preferential right to a prospecting licence and subsequently, a mining lease, lapsed and provisions were included in the Act to reimburse parties for expenditures incurred. Under the Treaty, IGPL is entitled to fair and equitable compensation, not merely reimbursement of expenditures.

IGPL's investment in Bhukia was expropriated by the actions of Rajasthan and India through multiple acts culminating in the enactment of MMDR2021, contrary to Article 7(1) of Treaty. India has also breached the obligation to accord fair and equitable treatment to IGPL and its investment under Article 3 of the Treaty.

The claim for compensation will involve, among others, an assessment of the market value of the Bhukia Project immediately before the expropriation. The Company believes that the market value of Bhukia is substantial with the project ranking among the top undeveloped gold projects in the world.

Notwithstanding the positive progress with LCM, there can be no certainty as to the outcome of IGPL's Treaty claims.

## **Bhukia Background**

The Company completed a total of 21 holes drilled by IGPL and reported a JORC compliant mineral resource estimate of 38.5 Mt @ 1.4 g/t Au for some 1.74 Moz gold using a cutoff of 0.5 g/t Au (2008). The resource was updated in 2017 to comply with JORC 2012. Subsequently, much more work has been done on the project to demonstrate, with confidence, a much larger and more important gold deposit. The Geological Survey of India, an agency of the GoI, published a report in 2014 after the completion of over 150 drill holes (Bulletin Series A (April 2014)), wherein it reported reserve/resource estimates that far exceed the prior figure published by the Company. The report demonstrated the project's merit as supporting a large, low-cost gold mining operation with low stripping ratios and copper and cobalt bi-product credits.

## **Contacts**

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## **Qualified Person**

The technical information contained in this disclosure has been read and approved by Ian S Cooper (BSc, ARSM, Fausi MM, FGS), who is a qualified geologist and acts as the Qualified Person under the AIM Rules - Note for Mining and Oil & Gas Companies. Mr Cooper is a geological consultant to Panthera Resources PLC.

## **UK Market Abuse Regulation (UK MAR) Disclosure**

The information contained within this announcement is deemed by the Company to constitute inside information for the purposes of Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310. Upon the publication of this announcement via a Regulatory Information Service ("RIS"), this inside information is now considered to be in the public domain.

## **Forward-looking Statements**

This news release contains forward-looking statements that are based on the Company's current expectations and estimates. Forward-looking statements are frequently characterised by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "suggest", "indicate" and other similar words or statements that certain events or conditions "may" or "will" occur. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause actual events or results to differ materially from estimated or anticipated events or results implied or expressed in such forward-looking statements. Such factors include, among others: the actual results of current exploration activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; possible variations in ore grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing; and fluctuations in metal prices. There may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Any forward-looking statement speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. Forward-looking statements are not guarantees of future performance and accordingly, undue reliance should not be put on such statements due to the inherent uncertainty therein.

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