

News

LALIVE secures victory for junior mining companies in ICSID arbitration against Tanzania

International disputes firm LALIVE announces today that it has secured a major victory for its clients Nachingwea UK Limited, Ntaka Nickel Holdings Limited, both incorporated in the UK, and Nachingwea Nickel Limited, incorporated in Tanzania in arbitration proceedings under the auspices of the International Centre for Settlement of Investment Disputes (“ICSID”) relating to a pre-development stage mineral project. The claimants’ majority shareholder is ASX-listed Indiana Resources Limited.

The dispute concerned the Ntaka Hill Nickel Project, a pre-development stage nickel sulphide project in the southeast of Tanzania, held by the claimants under a retention licence. However, in January 2018 Tanzania enacted regulations that unilaterally cancelled the licence and reverted the rights to the Government.

LALIVE’s clients successfully argued that these measures amounted to an unlawful expropriation under the UK-Tanzania bilateral investment treaty, with the tribunal awarding the claimants US\$76.7 million in damages. After interest, this amounts to an award of over US\$109 million, nearly 100% of the amount claimed. The tribunal also ordered Tanzania to reimburse the claimants nearly 100% of their legal costs and expenses incurred pursuing the claim.

LALIVE partner [Dr Marc Veit](#), who specialises in international arbitration, led the cross-border team advising the claimants. He was supported by counsel [Augustin Barrier](#) in Geneva and associate [Robert Denison](#) in London. Timothy Foden of Boies Schiller Flexner LLP acted as co-counsel alongside the LALIVE team.

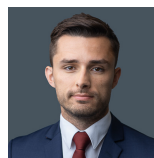
Marc Veit comments: “This award finally provides our clients with compensation for the expropriation of their mineral project. The tribunal’s decision should give further confidence to other companies involved in the extraction of natural resources, even at the exploration and development stage, in the protection provided by investment treaties. Resource nationalism has a price tag.”

The United Republic of Tanzania was represented by a team of attorneys from the Solicitor General’s Office. Litigation Capital Management (LCM) provided funding to the claimants in relation to the dispute.

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