

21 July 2022

UPDATE ON LEGAL PROCEEDINGS AGAINST CONGO, CAMEROON AND AUSTSINO

Summary:

- **Memorial of Claim has been filed at the International Chamber of Commerce (“ICC”) in respect to the proceeding against the Republic of Congo.**
- **The Republic of Cameroon has failed in its appeal against the interim order by the Emergency Arbitrator at the ICC. The interim order, which restrains the Republic of Cameroon from granting exploitation rights over the Mbalam iron ore deposit to any party except Sundance's subsidiary, Cam Iron, remains in force.**
- **AustSino has withdrawn its appeal against the orders issued by the Supreme Court of Western Australia that grant pre-action discovery against AustSino and its Executive Chairman, Mr Chun Ming Ding.**

Sundance Resources Ltd (“**Sundance**” or “**Company**”) is pleased to provide the following update regarding positive developments in the Company's international arbitration proceedings against the Republic of Congo (“**Congo**”), Republic of Cameroon (“**Cameroon**”) and the Company's ongoing pre-action discovery proceedings in the Supreme Court of Western Australia (“**Supreme Court**”) against AustSino Resources Group Ltd (“**AustSino**”) and its Executive Chairman, Mr Chun Ming Ding (“**Mr Ding**”).

As previously announced, these proceedings concern the Company's Mbalam-Nabeba Iron Ore Project (“**Mbalam-Nabeba**” or “**Project**”) which, for more than a decade up until the illegal expropriation of its Nabeba permit in Congo in late 2020, Sundance was working on developing into a globally significant, high-grade iron ore project producing direct-shipping ores grading >62.0% Fe at a rate of 40Mtpa for at least 29 years. Mbalam-Nabeba was structured as a two-stage development to generate significant economic benefits for the people of Cameroon and Congo and substantial, sustained value for Sundance shareholders. Sundance completed a Definitive Feasibility Study for Stage 1 and a Pre-Feasibility Study for Stage 2 on a 580km railway linking the mines at Mbalam in Cameroon and Nabeba in Congo to a dedicated export terminal in the deep-water Port of Kribi, Cameroon. Sundance's pre-development investment of approximately \$A400 million made Mbalam-Nabeba the most advanced iron ore project in Cameroon and Congo and positioned it as the enabler for the development of other iron ore deposits in the two countries.

International arbitration against Congo

As previously announced, following the 30 November 2020 unlawful expropriation by Congo of the exploitation permit for the Nabeba iron ore tenement held by Sundance's subsidiary Congo Iron SA (“**Congo Iron**”), Congo Iron commenced arbitration against Congo at the ICC under the Nabeba Convention on 25 March 2021, seeking damages for breach of various provisions of the Nabeba Convention including the guarantee against expropriation.

Subsequently, on 28 June 2021, Sundance (in its capacity as a beneficiary of certain guarantees under the Nabeba Convention) also commenced arbitration against Congo. Sundance brought this claim following the announcement by Congo that it had granted a mining convention to Sangha

Mining Development SASU ("**Sangha**") in relation to the Nabeba tenement. The Sundance and Congo Iron claims against Congo have now been consolidated into a single arbitration.

On 27 May 2022, a Memorial of Claim ("**Memorial**") was filed at the ICC. The Memorial included:

- Factual background to the Project and the dispute;
- A detailed statement of the legal basis for each claim brought against Congo;
- A number of witness statements; and
- Reports from several independent experts covering the value of the Mbalam Nabeba Iron Ore Project and demonstrating damages ranging from \$US1.5B to \$US5.7B, depending on the iron ore price used.

Congo has until November 2022 to respond to the Memorial.

The first hearing, which follows other procedural requirements, is not expected until Q1 2024.

Sundance will provide a further update on the arbitration against Congo in due course.

International arbitration against Cameroon

As previously announced, Sundance and its subsidiary, Cam Iron SA ("**Cam Iron**"), commenced arbitration against Cameroon at the ICC under the 2015 Transition Agreement between Sundance, Cam Iron and Cameroon (among other parties). This arbitration is seated in Paris and primarily concerned with Cameroon's failure to implement the exploitation permit that was deemed to have been awarded to Cam Iron in respect of the Mbalam tenement in early 2010 ("**Mbalam Exploitation Permit**"). Sundance and Cam Iron seek various remedies in these proceedings, including an order of specific performance to compel Cameroon to issue a presidential decree to formalise and give full effect to the Mbalam Exploitation Permit.

As previously announced on 5 April 2022, the following interim order was issued by an Emergency Arbitrator at the ICC on 1 April 2022:

"The Republic of Cameroon shall refrain from taking any measures, directly or indirectly, that disturb the Applicant's/Claimant's rights in respect of the Mbalam Exploitation Permit (and shall cause its relevant agencies and instrumentalities to similarly refrain), including (without limitation) by refraining from issuing an exploitation permit with respect to the Mbalam iron ore deposit or issuing any instrument or document having similar effect, to Sonamines or any other party except Cam Iron, until such time as this Order ceases to be binding in accordance with the provisions of Article 29(3) of the [ICC] Rules and Article 6(6) of Appendix V."

On 16 June 2022, Cameroon filed a request to annul the Emergency Arbitrator's interim order of 1 April 2022 ("**Request**"). This Request was heard by the Emergency Arbitrator on 5 July 2022 in front of legal representatives of Sundance/Cam Iron and Cameroon. On 20 July 2022, the Emergency Arbitrator issued his decision, in which he declared that:



“... insofar as the Cameroon Request is admissible, it is without merit and accordingly [the Emergency Arbitrator] denies the Request in its entirety”

In parallel with this interim order prohibiting Cameroon from dealing with the Mbalam Exploitation Permit, the ICC arbitration against Cameroon is continuing. The constitution of the arbitral tribunal, which will hear the arbitration, is currently being negotiated (two out of three arbitrators have been nominated).

Sundance will provide a further update on the arbitration against Cameroon in due course.

Western Australian Supreme Court proceedings against AustSino and Mr Ding

As announced on 5 April 2022, on Thursday, 31 March 2022, the Supreme Court ruled in favour of Sundance and on 22 April 2022 and on 13 June 2022 made orders for pre-action discovery from AustSino and Mr Ding of, in substance, the categories of documents requested by Sundance (“**Pre-Action Discovery orders**”). As part of this ruling, the Supreme Court agreed with Sundance that the Company had presented evidence that established it may have various causes of action against AustSino and Mr Ding, including misuse of confidential information and breach of fiduciary obligations by the diversion of a commercial opportunity.

AustSino appealed this decision on 6 May 2022 but discontinued its appeal on 26 May 2022 before a hearing was due to be held. Therefore, the Pre-Action Discovery orders remain in force. There have been several delays in obtaining documents from AustSino and Mr Ding but at the date of this announcement non-confidential documents from AustSino have been received. A confidentiality regime is being negotiated with AustSino and Mr Ding covering the confidential documents yet to be supplied and discussions are ongoing about documents and communications on Mr Ding's mobile telephone. If this is not resolved then a further hearing has been scheduled in the Supreme Court for 1 August 2022.

Sundance will provide a further update on the Supreme Court proceedings in due course.

ENDS

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