



28 February 2022

Sundance Resources Limited 2021 Annual General Meeting Chairman's Address

Welcome to the 2021 Sundance Annual General Meeting.

Sundance has reported regularly in 2021 on its website and I refer you there for a full account of events. I will attempt to summarize from these reports, as follows.

You may recall that 2020 was an extraordinary year for the Company with the effects of Covid-19 and the failure of the AustSino transaction. The 2021 year was to be even more remarkable for the Company and marked a divergence from our primary business of iron ore development commenced in 2006 to a pure litigation Company currently suing two foreign governments and considering legal action against AustSino for breach of confidentiality, among other things.

We terminated the AustSino Agreement just before our last AGM on 12 November 2020 after two years of frustrating non-performance by them. In that period AustSino could not provide the \$29 million to pay out our Noteholders who were owed \$132 million and provide \$4 million of working capital to Sundance to take a 50% interest in Sundance and work together with Sundance to develop the Mbalam Nabeba Iron Ore Project. The failure by AustSino to complete the deal has never been adequately explained to the Sundance Directors but subsequent events have given the Directors reason to suspect that AustSino's failure was part of a deliberate strategy.

It was our plan after the termination to proceed with the development of the Mbalam Nabeba Iron Ore Project in the Republics of Cameroon and Congo with different partners and the strong conditions of the iron ore market at the time gave us confidence in this regard. We would also at the time continue with the legally binding agreement that existed with our Noteholders to convert our \$132M of debt to equity plus a production royalty.

Unfortunately, this was not to be and on 30 November 2020 the Government of Congo illegally expropriated our Exploitation License along with the iron ore assets of two other foreign companies. The expropriation was contrary to the Mining Convention signed with Sundance and ratified under Congolese Law in 2014. It was carried out in circumstances of gross discrimination, with a flagrant disregard for due process and without any compensation at all.

Furthermore, on the same day the Republic of Congo awarded our Exploitation License to Sangha Mining, a company 100% owned by a Hong Kong company Bestway Finance Ltd which has other nominee shareholders all of whom have no identified financial or technical capabilities in iron ore or in Congo.

In further remarkable events the Government of Congo issued a convention to Sangha in March 2020 in an extraordinarily short period of time.

With the illegal expropriation of our Exploitation License this led to an impossible situation for Sundance under the "On-Going Requirements" of the Australian Stock Exchange which require an ongoing business model and it also impacted our Noteholders who had agreed to a debt to equity conversion. There were no other options than for the Directors to apply to delist Sundance from the ASX which was completed on 21 December 2020 after which the Company became an unlisted disclosing entity under the obligations of the Corporations Act.

Sundance had immediately issued Notices of Dispute and Expropriation against the Government of Congo and a Notice of Dispute against Cameroon on 16 December 2020. In the Notice of Expropriation, Sundance sought US\$8.76 billion in compensation for expropriation of its assets. Following a period of attempted dispute negotiations with the Republic of Congo we referred the matter to arbitration at the International Chamber of Commerce ("ICC"). The Company is seeking damages for the illegal expropriation of its assets in Congo and damages for various other breaches of the Mining Convention. The arbitration is taking place in London before a panel of three distinguished arbitrators.

In the arbitration against Congo and the other legal proceedings I will mention, Sundance is represented by a team of specialist lawyers from Magic Circle law firm Clifford Chance.

Understanding that the actions proposed were in the best interests of shareholders and that arbitration can be a costly and lengthy process, in May 2021 Sundance signed a binding Capital Provision Agreement with Burford Asia Investments Pte Ltd ("Burford") to provide non-resource funding to cover legal fees and other costs of arbitration against the Republic of Congo and if required, the Republic of Cameroon. Burford is the subsidiary of Burford Capital Limited, the world's leading global finance and asset management business focused on Law.

In early June 2021 Sundance and its subsidiary Cam Iron SA referred their dispute with the Republic of Cameroon to arbitration at the ICC in Paris. This arbitration is 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 2010. 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 formalize and give full effect to the Mbalam exploitation permit.

Since commencing arbitration against the Republic of Cameroon, Sundance has participated in discussions with the Government seeking an amicable resolution of legal actions and, as a result of progress made in these discussions, we have put the arbitration in Paris on hold.

In July 2021 Sundance completed a re-structure of its management and Board. Sundance's primary focus had now become legal proceedings against the Republics of Congo and Cameroon and as such did not require the role of Chief Executive Officer. Mr Giulio Casello was made redundant from this position and entered into a consultancy agreement which allows the Company to benefit from Mr Casello's experience and knowledge in its legal proceedings. Mr Casello remains on the Board as a Non- Executive Director. Later in the year Mr Brett Fraser assumed the position of Company Secretary.

We would like to thank Mr Casello for his tireless work for Sundance since he joined in late 2010.

Another important step for Sundance was to resolve its debt position with the Noteholders for \$132M. On 11 August 2021 Sundance announced that it had reached agreement with its Noteholders to restructure the Company's existing debt and security arrangements. The Noteholders have agreed to indefinitely forebear on their Convertible Notes for the duration of the proceedings in exchange for an agreed proportion of any damages recovered from the legal actions. After payments have been made to Burford and the Noteholders, Sundance will be able to use the balance of any damages recovered in the arbitration proceedings in its absolute discretion and in the interest of all shareholders.

This ensures alignment of our key stakeholders and shareholders towards a satisfactory resolution of the events that have occurred.

Finally, on 27 June 2021 Sundance announced it had commenced Pre-Action Discovery from AustSino Resources Group ("AustSino") and its Chairman, Mr Chun Ming Ding ("Mr Ding"). Sundance has serious concerns about AustSino and Mr Ding's conduct leading up and following the unlawful expropriation of Sundance's iron ore assets in Congo in late 2020. AustSino also announced on 27 June 2021 that it had entered into an MOU with Bestway Finance Ltd and the Government of Cameroon to build the Mbalam infrastructure which raised Sundance's concerns about improper use of its confidential information.

So where is Sundance in February 2022?

- the Company became an unlisted disclosing entity under the obligations of the Corporations Act following delisting from the ASX;
- the Company's dispute with the Republic of Congo has been referred to ICC arbitration in London and this arbitration is ongoing;

- the Company's dispute with the Republic of Cameroon has been referred to ICC arbitration in Paris and this arbitration is on hold as we continue talks to seek an amicable settlement to the dispute;
- a binding Capital Provision Agreement has been signed with Burford to provide non-recourse funding to cover legal fees and other costs of arbitration against the Republic of Congo and if required, the Republic of Cameroon. The Company is grateful for Burford's ongoing support;
- an agreement with the Noteholders has been reached to restructure the Company's existing debt and security for the duration of the legal proceedings in exchange for an agreed proportion of any damages recovered from the legal actions;
- The Company's Pre-Action Discovery proceedings against AustSino and its Chairman, Mr Ding, are ongoing in the Supreme Court of Western Australia.

Sundance continues to fight on for its shareholders following the unlawful expropriation of our Congo iron ore assets. The Directors are committed to obtaining maximum return for shareholders through the various legal procedures I have outlined in this presentation, and I am grateful to shareholders for their patience in this process.

DAVID PORTER
Chairman
Sundance Resources Limited

For further information, please visit www.sundanceresources.com.au