

5 September 2022

CAMEROON ISSUES MBALAM MINING PERMIT TO THIRD PARTY IN BREACH OF ICC INJUNCTION

- **The Republic of Cameroon failed in its appeal against the interim order by the Emergency Arbitrator at the International Chamber of Commerce, which restrained the Republic of Cameroon from granting exploitation rights over the Mbalam iron ore deposit to any party except Sundance's subsidiary, Cam Iron.**
- **Subsequently and against its own laws, international legal norms and the Emergency Arbitrator's order, the President of the Republic of Cameroon has issued an exploitation permit over Mbalam to a company called Cameroon Mining Company SARL.**
- **Sundance had hoped to achieve a settlement of its dispute with Cameroon but will now pursue the arbitration against Cameroon with increased vigour.**

Sundance Resources Ltd ("**Sundance**" or "**Company**") advises that, on 17 August 2022, the Republic of Cameroon ("**Cameroon**") issued a decree ("**Mbalam Decree**") purporting to issue an exploitation permit over the Mbalam iron ore tenement to an entity named "*Cameroon Mining Company SARL*" ("**Cameroon Mining**"). While the Mbalam Decree has not yet been published on the Presidency of the Republic of Cameroon's website, Sundance has received confirmation from its legal representatives in Cameroon that the Mbalam Decree, which is numbered 2022/395, is authentic. The Mbalam Decree appears to bear the signature of the President of Cameroon, Mr Paul Biya.

As previously announced on 5 April 2022, an Emergency Arbitrator at the International Chamber of Commerce ("**ICC**") issued the following interim order on 1 April 2022 ("**ICC Interim Order**"):

*"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."* (emphasis added)

On 16 June 2022, Cameroon filed a request to annul the Emergency Arbitrator's ICC Interim Order of 1 April 2022 ("**Request**"). This Request was heard by the Emergency Arbitrator on 5 July 2022. As previously announced on 21 July 2022, the Emergency Arbitrator issued his decision on 20 July 2022, 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 open breach of the ICC Interim Order and the Emergency Arbitrator's decision of 20 July, Cameroon has purported to issue the Mbalam Decree to a third-party, Cameroon Mining. The Mbalam Decree also states that a mining convention has been signed on 31 March 2022 between the State and Cameroon Mining ("**Cameroon Mining Convention**"). No evidence has been found

regarding this convention nor has any evidence been found of any previous work by Cameroon Mining such as exploration, feasibility studies and environmental work – which is the scope of work required by the Cameroon Mining code before an exploitation permit can be issued to an applicant.

Since becoming aware of the Mbalam Decree, Sundance has instructed its advisors to conduct investigations into the ownership structure of Cameroon Mining. The results of these investigations are displayed in a company structure chart **annexed** to this announcement. These searches have uncovered that Cameroon Mining was only incorporated on 16 March 2022, just over two weeks before the purported Cameroon Mining Convention was signed. The sole shareholder of Cameroon Mining is Cameroon Metals SARL, a Cameroonian company incorporated on 30 July 2021. Cameroon Metals SARL's sole shareholder was Qiandga Mining SARL, a Cameroonian company incorporated on 12 February 2021. As noted above, the Mbalam Decree was issued on 17 August 2022. Two days after the Mbalam Decree was issued to Cameroon Mining (i.e. on 19 August 2022), Qiandga Mining SARL transferred its shares in Cameroon Metals SARL to a Singaporean company called Feizhou Gangtie Pte Ltd (incorporated on 18 May 2022) ("**Feizhou Gangtie**"). The sole shareholder of Feizhou Gangtie is Coconut Logic Holdings Pte Ltd (another Singaporean company). Cameroon Mining and Sangha Mining Development SASU ("**Sangha Mining**") (incorporated in the Republic of Congo) are both ultimately owned by Coconut Logic Holdings Pte. Ltd. Further information is provided in the company structure chart **annexed** to this announcement.

As previously announced on 21 December 2020 and 25 March 2021, Sangha Mining is the company that was granted a mining permit for the Nabeba iron ore deposit in the Republic of Congo ("**Congo**") after it was expropriated from Sundance's subsidiary, Congo Iron. Sangha Mining was also granted mining permits for two other projects in Congo, Badondo and Avima, whose owners are prosecuting international claims against Congo.

It is therefore clear that the same corporate group that somehow acquired the rights to Sundance's Nabeba tenement in Congo has now somehow acquired the rights to Sundance's Mbalam tenement in Cameroon. This group includes Bestway Finance Ltd, which (as previously announced) has executed contracts with Cameroon for the construction of port and rail infrastructure necessary to export iron ore from the Nabeba tenement in Congo. This means that this group has now somehow acquired control of the entire integrated Mbalam-Nabeba Project ("**Mbalam-Nabeba**") that has been Sundance's sole focus since 2007.

For close to twenty years, Sundance had been working on developing Mbalam-Nabeba 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's pre-development investment of approximately A\$400 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.

Commenting on the surprise move by Cameroon to issue the Mbalam Decree, Sundance's Non-Executive Director Mr Giulio Casello said:



“Sundance is stunned that Cameroon has ignored the interim order of the Emergency Arbitrator at the International Chamber of Commerce, ignored international law and even ignored its own mining code to issue an exploitation permit to this newly formed company, Cameroon Mining Company SARL.

“Although we have now established that Cameroon Mining Company SARL is part of the same group of companies as Sangha Mining, the Congolese entity that somehow obtained our Nabeba project after it was expropriated by Congo, it is still far from clear who is ultimately behind this group and how they are obtaining these valuable mining rights despite not meeting even the most basic requirements of the mining laws of Congo and Cameroon.

“Sundance had always believed that Cameroon would follow the rule of law and conduct itself in accordance with international norms.

“However, the issuance of the Mbalam Decree demonstrates that Cameroon and its President have decided to disregard all of this and in so doing have severely damaged Cameroon's reputation as a transparent and reliable host for foreign investment, not just from the mining sector but all industries. The message is clear that the Government of Cameroon treats the law as a matter of convenience. It saddens me to say this because I have spent a lot of time in Cameroon and I know there are many good, hard-working people in the Government of Cameroon who will be shocked by these developments and the negative fallout for their country.

“Apart from tarnishing its reputation as a safe place for foreign investment, by issuing the Mbalam Decree Cameroon has further weakened its position in the arbitration against Sundance, which we will now pursue with increased vigour.

“As we have previously announced, we had been hopeful of reaching an amicable and just settlement with Cameroon. It now seems that Cameroon is taking a different path, which means Sundance will follow through with the full legal process available to us. We are well resourced for that purpose. Sundance's lawyers have taken steps to inform the International Chamber of Commerce of Cameroon's breach of the Emergency Arbitrator's interim order. This type of breach has consequences in international arbitration, where rules are rules and contracts are enforced as written.

“We therefore call on Cameroon to rescind this decree and issue the exploitation permit to Cam Iron.”

Sundance will continue to regularly update shareholders on the arbitration against Cameroon.

ENDS

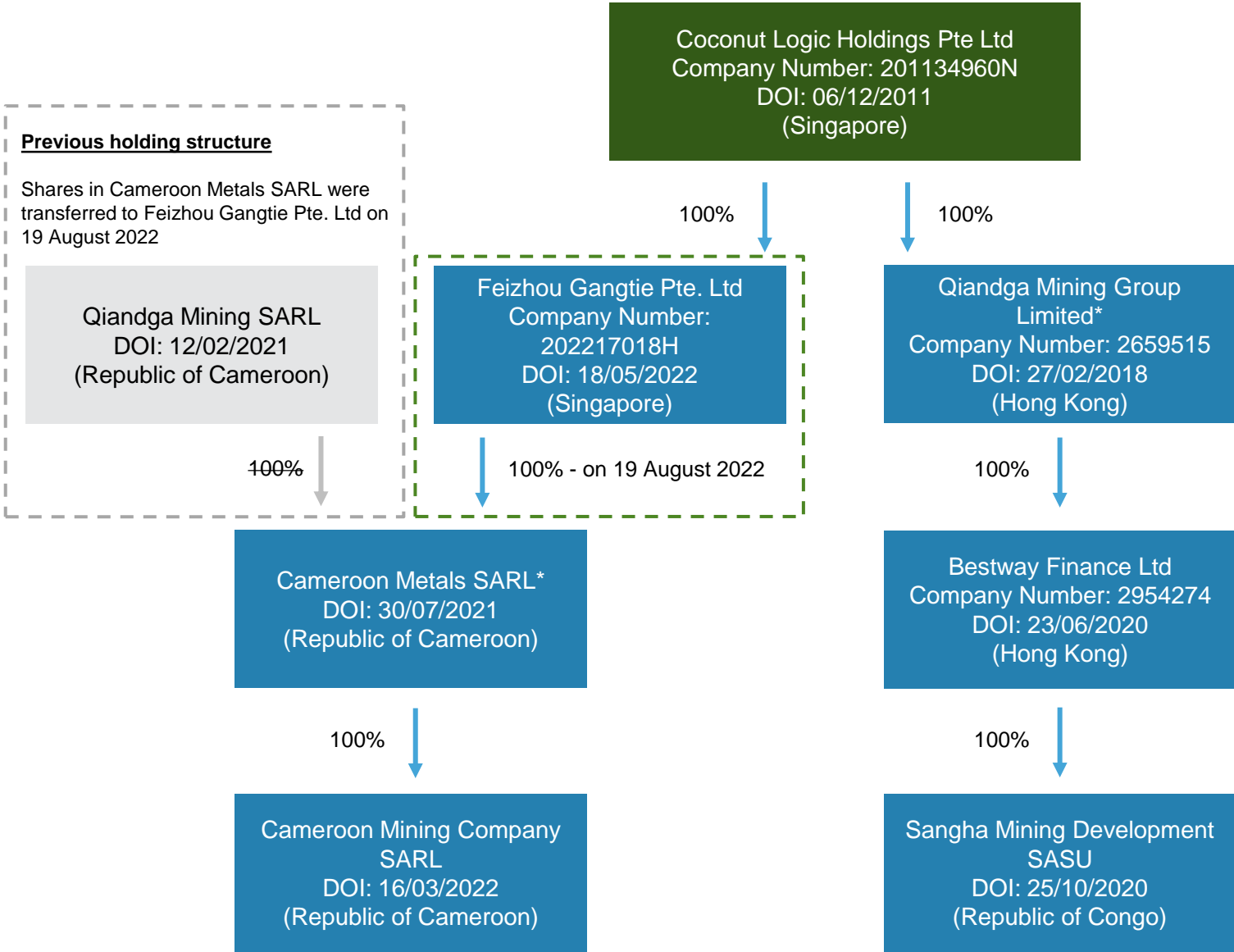
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Annexure 1 Company Structure Chart



* indicates company incorporated with a different name
DOI = date of incorporation