

5 April 2022

POSITIVE PROGRESS IN LEGAL PROCEEDINGS AGAINST CAMEROON AND AUSTSINO

- **An Emergency Arbitrator at the International Chamber of Commerce has issued an interim order restraining the Republic of Cameroon from granting exploitation rights over the Mbalam iron ore deposit to any party except Sundance's subsidiary, Cam Iron**
- **The Supreme Court of Western Australia has granted Sundance's application for 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 Cameroon ("**Cameroon**") and the Company's application to the Supreme Court of Western Australia ("**Supreme Court**") for pre-action discovery 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 the Republic of the Congo ("**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 \$400 million made Mbalam-Nabeba the most advanced iron ore project in Cameroon and Congo and the enabler for the development of other iron ore deposits in the two countries.

This update does not address the Company's international arbitration proceedings against Congo, which are ongoing and in respect of which there are no significant developments to report.

International Arbitration Against Cameroon

As previously announced, Sundance and its subsidiary, Cam Iron SA ("**Cam Iron**"), commenced arbitration against Cameroon at the International Chamber of Commerce ("**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, shortly after commencing these ICC proceedings, Sundance and Cam Iron entered settlement discussions with the Government of Cameroon. As a result of positive progress made in these negotiations, Sundance and Cam Iron agreed to place the arbitration in *de facto* suspension while negotiations with Cameroon continued.



However, in late February 2022 certain developments occurred in Cameroon that gave rise to grave concerns on Sundance's part regarding the Cameroon Government's intentions with respect to the Mbalam Exploitation Permit. In light of these developments, Sundance wrote to the Cameroon Government requesting clarification of its intentions with respect to the Mbalam Exploitation Permit. Having received no response from the Cameroon Government, Sundance and Cam Iron instructed their lawyers, Clifford Chance, to apply for urgent interim measures from an Emergency Arbitrator at the ICC to restrain Cameroon from taking any action that may disturb Sundance and Cam Iron's rights with respect to the Mbalam Exploitation Permit, including by granting exploitation rights to any party other than Cam Iron.

The following interim order was issued by the Emergency Arbitrator dated 1 April 2022:

"The Republic of Cameroon shall refrain from taking any measures, directly or indirectly, that disturb the Applicant's/Claimants' 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."

In parallel with the initiation of this Emergency Arbitrator procedure, Sundance and Cam Iron resumed the ICC arbitration against Cameroon. The next step in that procedure is for Cameroon to appoint an arbitrator and file its Response to Sundance and Cam Iron's Request for Arbitration.

Commenting on the Emergency Arbitrator's order, Sundance's Non-Executive Director Mr Giulio Casello said:

"Since we commenced the dispute resolution process against Cameroon in December 2020, we have always hoped for a negotiated outcome rather than an outcome through arbitration. We were pleased with the progress that we were making in settlement discussions with the Cameroon Government, and it was unfortunate that, due to a series of recent events, we were left with no choice but to seek emergency measures to preserve our rights to Mbalam while the dispute resolution process is ongoing. We are pleased that the Emergency Arbitrator agreed with us and made the order we requested, restraining the Cameroon Government from granting exploitation rights to Mbalam or to any other party as we alone are entitled to those rights under the law. We remain committed to Mbalam and, though we have resumed the ICC arbitration process, will continue to be open to achieving an amicable resolution of the dispute through dialogue with Cameroon."

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 previously announced on 11 October 2021, Sundance applied to the Supreme Court for pre-action discovery against AustSino and Mr Ding. As explained at the time, the Company took this step because Sundance's Board of Directors had (and continues to have) serious concerns regarding the conduct of AustSino and Mr Ding in the period leading up to and following the unlawful expropriation of Sundance's iron ore assets by Congo in late 2020. Sundance notes that the recent events in Cameroon noted above have only served to heighten these concerns.



On Thursday, 31 March 2022, the Supreme Court ruled in favour of Sundance receiving pre-action discovery from AustSino and Mr Ding of, in substance, the categories of documents requested by Sundance. As part of this ruling, the Supreme Court agreed with Sundance that the Company had presented evidence that established that 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.

A copy of the Supreme Court's decision is available at the link below:

<https://ecourts.justice.wa.gov.au/eCourtsPortal/Decisions/ViewDecision?returnUrl=%2feCourtsPortal%2fDecisions%2fFilter%2fSC%2fRecentDecisions&id=cb163dad-9cce-4dd6-9af4-3d62ee7e4d03>

Commenting on the Supreme Court's decision, Mr Casello said:

"We are pleased that the Supreme Court has ordered pre-action discovery against AustSino and Mr Ding because it will allow us to conduct a full assessment of our potential claims against them. My fellow directors and I have been alarmed by AustSino's conduct, not only because it looks like they are using our confidential information to take our Mbalam-Nabeba project for themselves, but also because they appear to be doing so in partnership with Bestway, the entity that is behind the company that was granted the exploitation rights to the Nabeba tenement on the same day that the Congo Government illegally stripped us of those rights."

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

ENDS

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