



ASX Announcement | Media Release
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MARKET UPDATE ON CONGO DISPUTE

Sundance Resources Limited ("**Sundance**" or "**the Company**") (ASX Code: **SDL**) advised on 16 December 2020 it had become aware that the Republic of Congo ("**Congo**") had issued a decree on 30 November 2020, which purported to withdraw the mining permit from Sundance's subsidiary Congo Iron ("**Congo Iron**").

This decree has now been confirmed as it has been published in the Official Journal of the Republic of Congo. The decree confirms the removal of the Nabeba mining permit from Congo Iron. A second decree, also in the Official Journal, has announced the issuance of a mining permit for Nabeba to Sangha Mining Development Sasu ("**Sangha Mining**").

The Official Journal also contains decrees affecting the permits and licences of iron ore projects held by other companies, including:

- Removal of the mining permit for the Avima iron ore project; and
- Issuance of mining permits for Avima and the Badondo exploration license to Sangha Mining.

Sundance does not know who or what Sangha Mining is or who Sangha Mining's beneficial owners are.

Sundance is also not aware of any previous mining activity in Congo by this group. A full investigation into the actions of Congo and Sangha Mining will be completed before the commencement of the arbitration process, which Sundance has initiated via the issuance of a Notice of Dispute and a Notice of Expropriation to Congo on 15 December 2020.

As a consequence of the expropriation by Congo, the only outcome that is open to Sundance is to pursue a claim for compensation. In the Notice of Expropriation that the Company issued to Congo, Sundance has claimed damages to the value of \$US8.76 billion based on the iron ore price of \$US154 a tonne on the day the notice was lodged.

Sundance Resources Chief Executive Officer Giulio Casello said:

"This expropriation of iron ore mining permits and exploration licenses by the Republic of Congo is breathtaking in its size and audacity and in contempt of Congo's mining laws and the Government's oft-stated claims that it upholds its own laws.

"The Nabeba deposit is the most advanced in the region because of the work done by Sundance over many years. When combined with the other two projects whose licenses have been expropriated, we are talking about approximately one billion tonnes of high-grade, direct-shipping iron ore within a 100km radius that have been illegally seized by the Congo Government.

"Sundance will take all steps required to pursue the legal rights of the Company and its subsidiaries and protect the interests of Sundance shareholders. We do not see how our dispute with the Congo Government, as a result of its actions, can be resolved in the 54 remaining days of the negotiation period, absent an agreement by the Congo Government to pay substantial damages.

“We are confident that when international arbitration proceedings are launched we will obtain a significant offer of litigation funding because of Sundance’s compelling legal case, which is based on international law and the terms of the Nabeba Convention that was passed into Congolese law by act of the National Assembly of Congo in 2016.

“We also have full confidence in our legal representation from Magic Circle firm Clifford Chance, which has vast experience in and a successful track record of working on mining-related disputes with foreign governments.”

Clifford Chance Partner Sam Luttrell, who specialises in international arbitration, said:

“This is a case of direct and deliberate expropriation. International arbitration will ensure that justice is done in this matter. We will stand with Sundance and all its shareholders throughout the legal process to come.”

Further information on the Mbalam-Nabeba Iron Ore Project, including historical reporting and releases, can be found at the Company’s website <https://www.sundanceresources.com.au>.

This announcement is authorised for release to the market by the CEO of Sundance Resources Limited with the authority from the Board of Directors.

Further information:

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