



25 March 2021

## COMMENCEMENT OF INTERNATIONAL ARBITRATION AGAINST CONGO

Sundance Resources Limited (“**Sundance**” or the “**Company**”) wishes to announce today that, through its subsidiary Congo Iron SA (“**Congo Iron**”), it has referred its dispute with the Republic of Congo (“**Congo**”) to arbitration in London under the rules of the International Chamber of Commerce (“**ICC**”). The dispute arises out of Congo Government’s unlawful expropriation of Congo Iron’s mining permit in the Sangha region of Congo and related rights and interests (“**Nabeba**”).

As announced on 3 March 2021, Sundance, through Congo Iron, agreed to extend the period of negotiations with Congo by 30 days (that was until 18 March 2021) to allow discussions to progress with Congo. Having extended the negotiation period, there was no meaningful engagement with the Congo Government, and indeed during the extended negotiation period the Congo Government saw fit to deal with Nabeba in the manner described below.

On 13 March 2021, Congo announced through its Department of Finance that it had signed agreements with Sangha Mining Development SASU (“**Sangha Mining**”) to exploit the iron ore from three tenements in the Sangha region of Congo – Nabeba, which was expropriated from Congo Iron, and two other projects, Badondo and Avima – and export the ore through the Congo port of Pointe Noire. The announcement included a potential capital investment of \$US18.5 billion to generate an iron ore production rate of 100Mtpa (“**Sangha Mining Project**”). The announcement stated that commencement of exploitation was scheduled for Q4 2021, with exports of iron ore to begin in 2023. The Department of Finance disclosed that Chinese parties were involved in the signing ceremony with Sangha Mining though their identity and role were not disclosed.

Sundance makes the following observations regarding the Sangha Mining Project and Congo’s definition of the new iron ore project:

- The Mining Convention between Congo and Congo Iron, covering the Nabeba Iron Ore Project, still exists and has the force of law in Congo;
- The Sangha Mining Project will require a railway line of some 1400km, which is almost three times the length of the railway required for Sundance’s Mbalam-Nabeba Iron Ore Project, and which will be through uncharted regions in the Congo Basin (including significant nature reserves);
- There is no evidence of any engineering work to support the Sangha Mining Project’s proposed production rates, costs and iron ore reserves. The only company that has ever delivered reserve numbers and engineering work in Congo is Sundance (through Congo Iron), as part of the Company’s work to develop the world-class Mbalam-Nabeba Iron Ore Project;
- In Cameroon, where Sundance has a fully engineered rail route, the schedule for construction of the rail route is four years using Chinese contractors with world-class capabilities;
- The Sangha Mining Project timeline is impossible to meet, which supports Sundance’s belief that no engineering work has occurred; and
- Sangha Mining is an unknown company, recently registered in Congo and operating under a number of \$1 shell companies in Hong Kong and Anguilla, a low-transparency jurisdiction in the Caribbean.

For these reasons, Sundance believes the Sangha Mining Project as presented by the Congo Government on 13 March 2021 is not feasible. Sundance strongly believes that the only viable method of exploiting the iron ore in the Sangha region of Congo is through the well-defined, costed, feasible and previously environmentally permitted Mbalam-Nabeba Iron Ore Project.

Sundance Resources CEO Giulio Casello commented:

*"Sundance will continue to work with the Government of Cameroon to have our Mbalam-Nabeba Iron Ore Project ready to go when it becomes apparent to Congo and any financier that the Sangha Mining Project is an illegal farce.*

*"We remain highly confident in the strength of our legal case against Congo and will pursue it with all our vigour to achieve the best results for our shareholders and stakeholders.*

*"Sundance will further update shareholders as and when appropriate."*

**Further information:**

**GIULIO CASELLO**

CEO

Sundance Resources Limited

Tel: +61 8 9220 2300

Email: [info@sundanceresources.com.au](mailto:info@sundanceresources.com.au)

**Media:**

Peter Klinger

Cannings Purple

Mob: +61 411 251 540

Email: [pklinger@canningspurple.com.au](mailto:pklinger@canningspurple.com.au)