

EQUATORIAL FILES US\$1.1 BILLION STATEMENT OF CLAIM FOR COMPENSATION AGAINST REPUBLIC OF CONGO

Equatorial Resources Limited (**Equatorial** or **Company**) advises that it has filed a Memorial of Claim at the International Centre for Settlement of Investment Disputes (**ICSID**) in Washington, D.C. in the Company's ongoing international arbitration proceedings against the Republic of Congo (**Congo**).

As previously announced, Equatorial, through its Mauritian subsidiary, EEPL Holdings (**EEPL**), referred its investment dispute with Congo to arbitration at ICSID following unlawful measures taken by Congo against EEPL's investments in two iron ore projects: the Badondo Iron Ore Project (**Badondo**), located in the Sangha region of Congo, and the Mayoko-Moussoundji Iron Ore Project (**Mayoko-Moussondji**), located in the Niari region of Congo (together, the **Projects**).

The measures that Congo took against Badondo (which included expropriation) in December 2020 formed part of a wider campaign to dispossess foreign mining companies of their iron ore interests in Congo and grant them to a Chinese-linked company named Sangha Mining Development SASU. The measures that Congo took against Mayoko-Moussoundji came later, in June 2021, when Congo unlawfully revoked the exploitation permit held over that tenement by Congo Mining Limited (**CML**), a company owned by Equatorial until 2015 and in which EEPL continues to participate (including through royalty arrangements).

EEPL subsequently referred its investment dispute with Congo to arbitration at ICSID in accordance with Article 7 of the Agreement between the Government of the Republic of the Congo and the Government of the Republic of Mauritius for the Promotion and Reciprocal Protection of Investments (**Congo-Mauritius BIT**), under which EEPL's investments in Congo are protected by virtue of EEPL being a Mauritian company.

Congo's measures against the Projects violate multiple provisions of the Congo-Mauritius BIT, including (among others) the prohibition against unlawful expropriation and the fair and equitable treatment standard. EEPL is seeking compensation from Congo for these and other treaty violations.

On 15 March 2023, EEPL's Memorial of Claim was filed at the ICSID. The Memorial of Claim included:

- Factual background to the Projects and the dispute;
- A detailed statement of the legal basis for each claim brought against Congo;
- A number of witness statements; and
- Reports from several independent experts covering the technical aspects and value of the Projects and demonstrating damages ranging from US\$394 million to US\$1,134 million, depending on the valuation methodology adopted (and not including interest and costs, which are also claimed from Congo).

Congo has until August 2023 to respond to the Memorial of Claim (or until November 2023, if the ICSID tribunal orders that issues of jurisdiction be heard and determined before issues of liability and damages).

Equatorial is evaluating the merits of a litigation funding agreement which would provide the Company with non-recourse funding to cover the legal fees and other costs of the arbitration against Congo.

Equatorial will provide a further update on the arbitration against Congo in due course.

This announcement has been authorised for release by the Company's Managing Director & CEO Mr John Welborn.

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