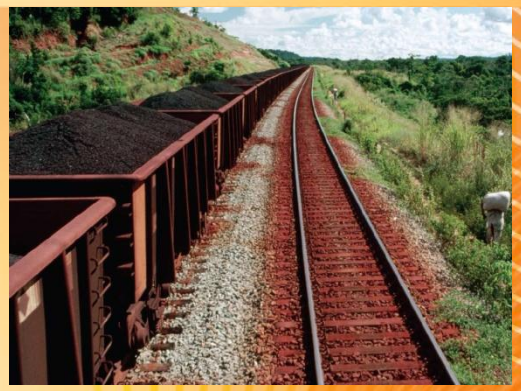
SUNDANCE RESOURCES



# Developing a global iron ore business

Investor Presentation

February 2009

# SDL - An Emerging Iron Ore Company

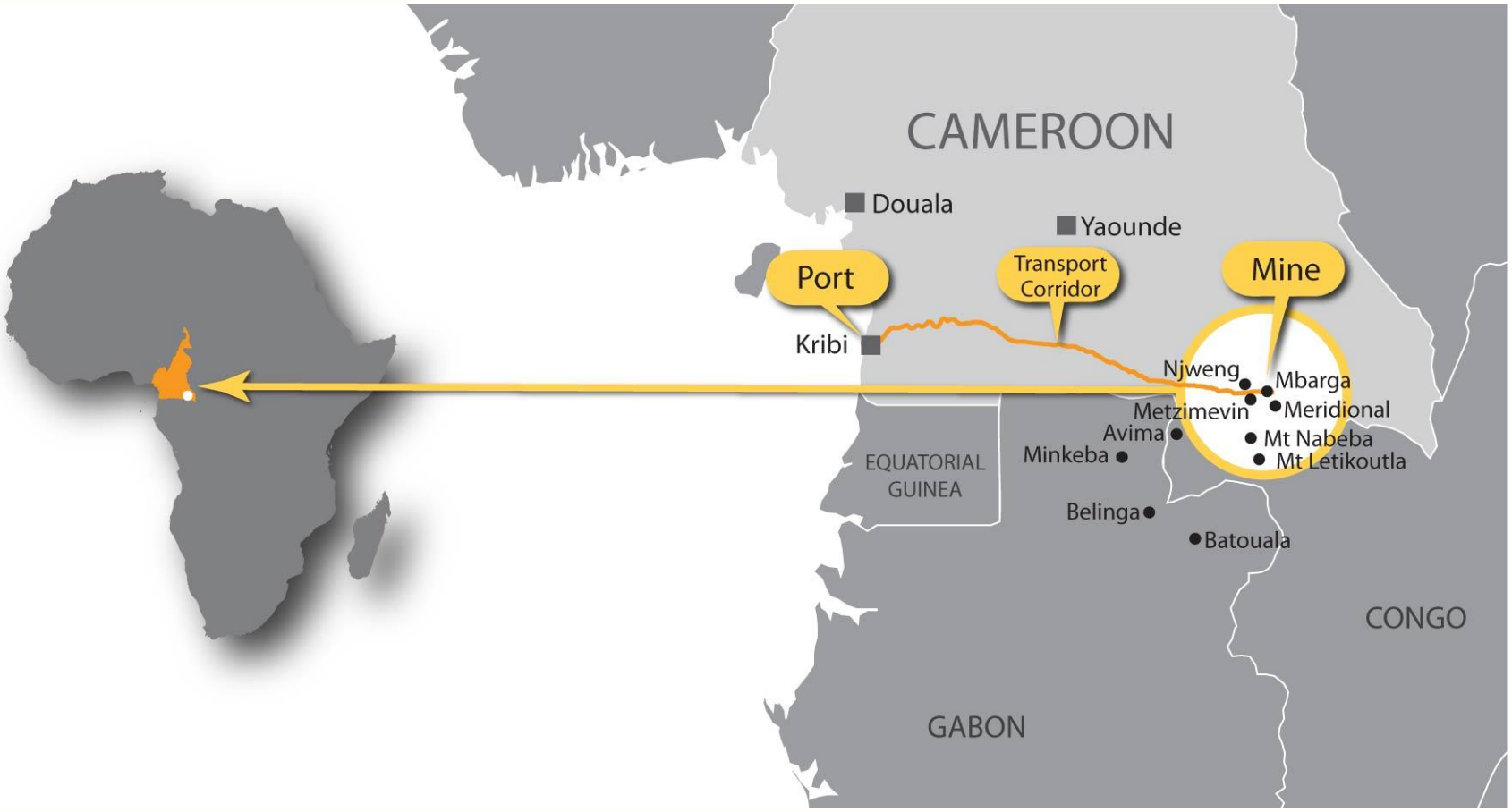
- *One of the largest iron ore deposits in the world not controlled by a major company*

- 2.45 billion tonne Inferred Resource at Mbarga Deposit
- Significant Exploration Upside with New DSO and Itabirite Prospects Identified
- Transport and Port Scope Defined
- Strong Project Returns
- Project of National Interest to Cameroon

DIAMOND DRILLING AT MBARGA LOOKING WEST TO METZIMEVIN

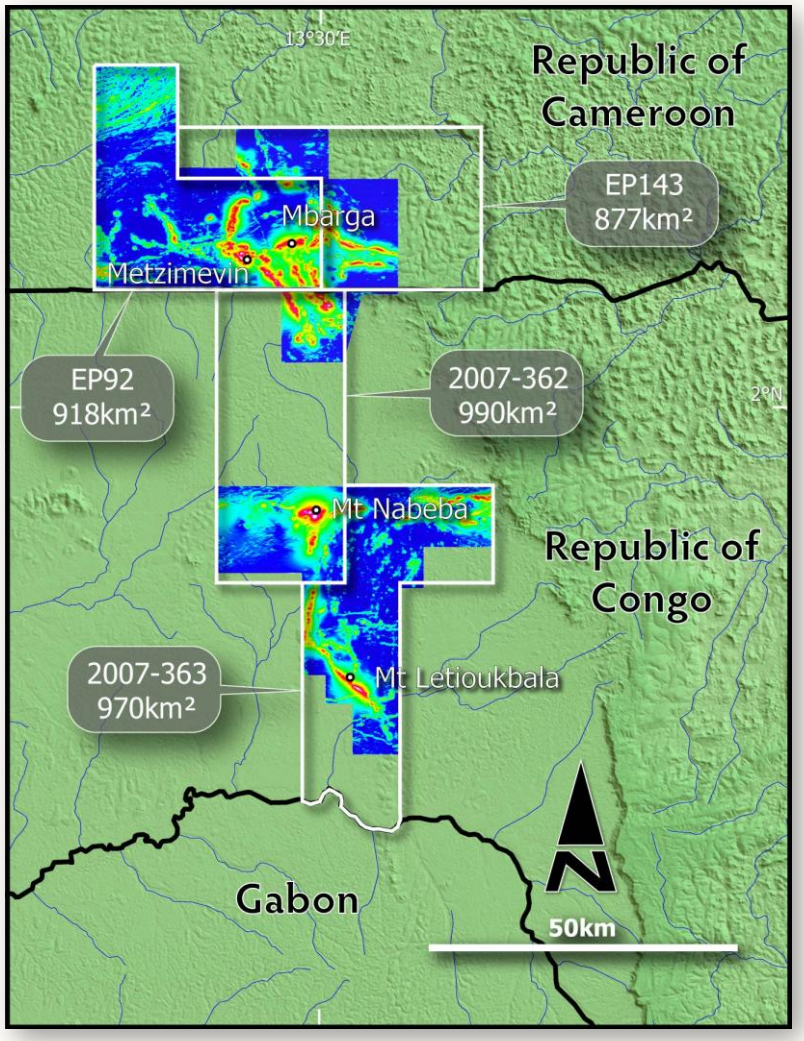
- *Target - long term, independent producer of 35 - 50 Mtpa of high quality iron ore*

# A Significant Iron Ore Province




- *Scale of production supports infrastructure development and integration*

# Landholding Controlled by Sundance




EP92 – Cameroon (CamIron SA)

- 918 km²
- 80,784 m drilling completed

EP143 – Cameroon (CamIron SA)

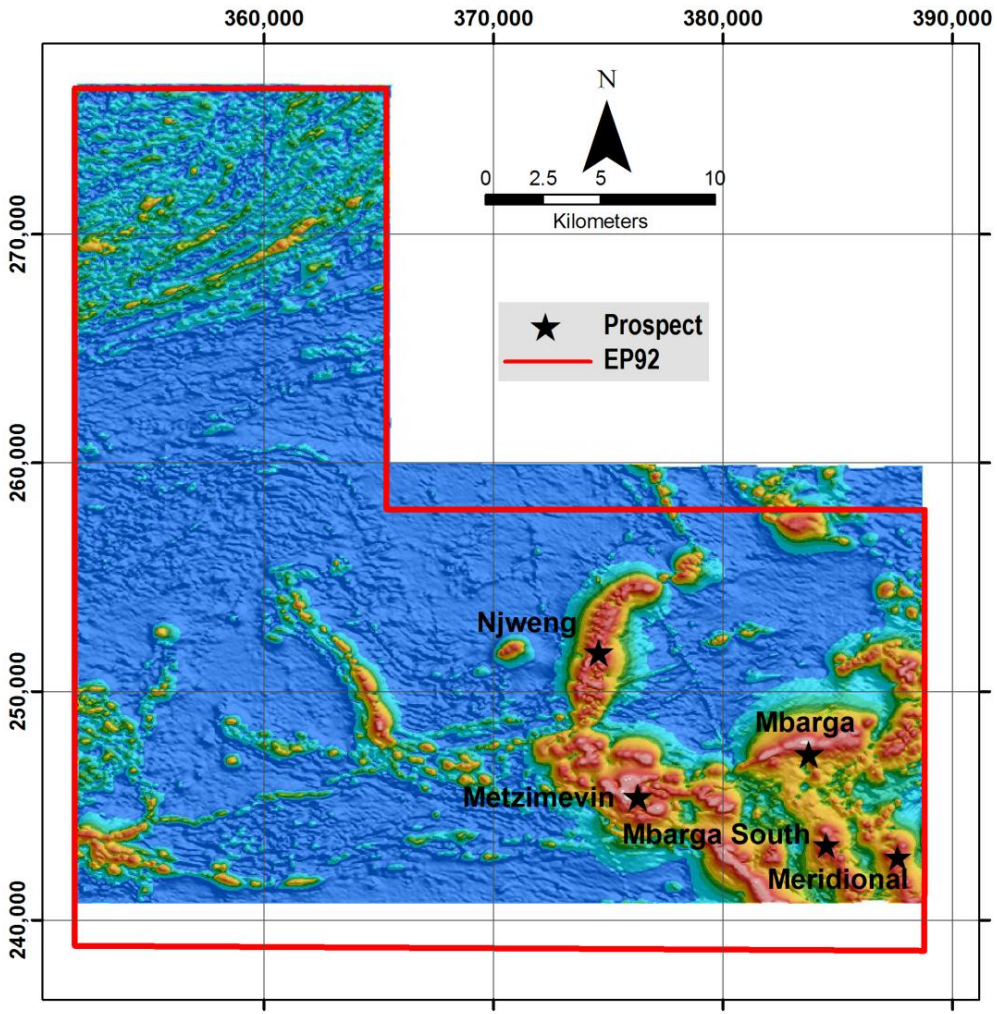
- 877 km²
- Aeromagnetic survey completed

EP362 and EP363 - Congo (CongoIron SA)

- 1960 km²
- Aeromagnetic survey completed
- Significant new prospects identified

➢ *Total landholding of 3755km² in prospective iron ore province*

# Inferred Resource Inventory – EP 92




- 2,255 Mt Itabirite Hematite
  - *39% Fe,*
  - *0.5% $Al_2O_3$, 0.04%P*
- 220 Mt DSO Hematite
  - *60% Fe,*
  - *8.9% $SiO_2$, 2.6% $Al_2O_3$, 0.09%P*

- *An advanced project with a world scale resource base*

# World Major Itabirite Projects

- Mbarga is similar scale to world major Itabirite projects in Minas Gerais area of Brazil
- Recent transactions in Brazil valued at ~US$1 / tonne in-ground for ~38% Itabirite
- Early stage DSO offers significant upside value to Mbalam Project

| Project | Owner | Resource | Ave Grade | Production |
|---|---|---|---|---|
| Minas-Rio | MMX | 1,153 Mt<br>2,331 Mt | 39% Fe<br>30% Fe | 26.5 Mtpa* |
| **Mbalam** | **SDL / CamIron** | **2,255 Mt**<br>**220 Mt** | **39% Fe**<br>**60% Fe** | **35.0 – 50.0 Mtpa*** |
| Samarco | VALE / BHP Billiton | 2,998 Mt | 45% Fe | 20.9 Mtpa |
| South-Eastern System | VALE | 3,872 Mt | 52% Fe | 100 Mtpa |

Note: * Proposed production

➢ *Mbalam resource is comparable to leading Brazilian Itabirite assets*

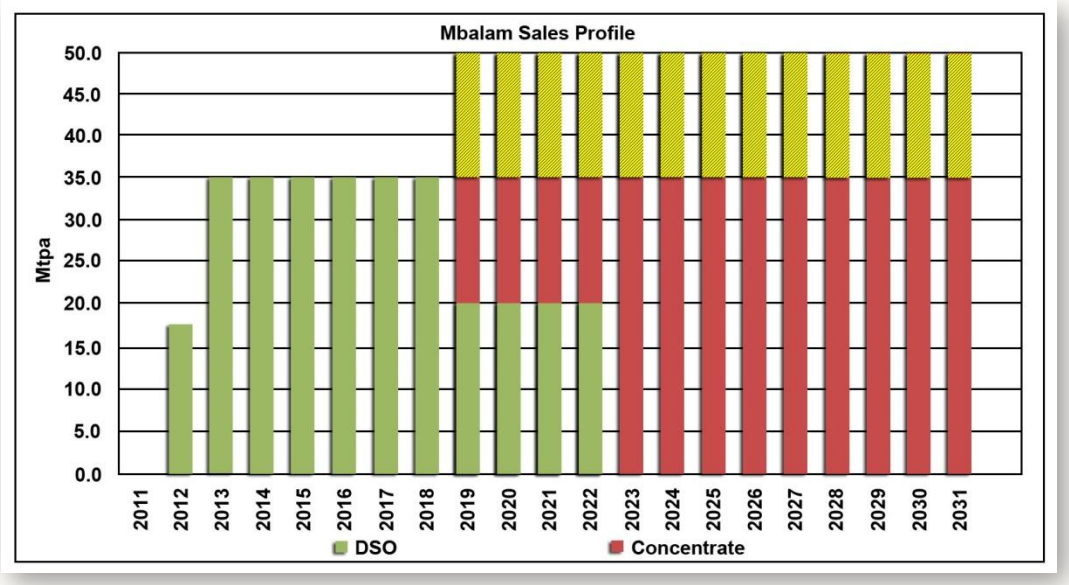
# High Quality Iron Ore Products

- Target DSO (ROM and Upgraded)
  - 60% Fe, 5.1% $SiO_2$, 2.6% $Al_2O_3$, 0.08% P
- Target Itabirite Concentrate ( Dual Product Stream)
  - DR Grade: 68% Fe, 1.8% $SiO_2$, 0.2% $Al_2O_3$, 0.03% P
  - BF Grade: 66% Fe, 4.1% SiO2, 0.3% Al203, 0.03% P
- Proven grind and float beneficiation process for concentrate production
- Optimisation to maximise Itabirite Fe recovery (targeting 45% weight recovery)
- Potential for value adding through DR pellet production in-country

# Proposed Production Profile

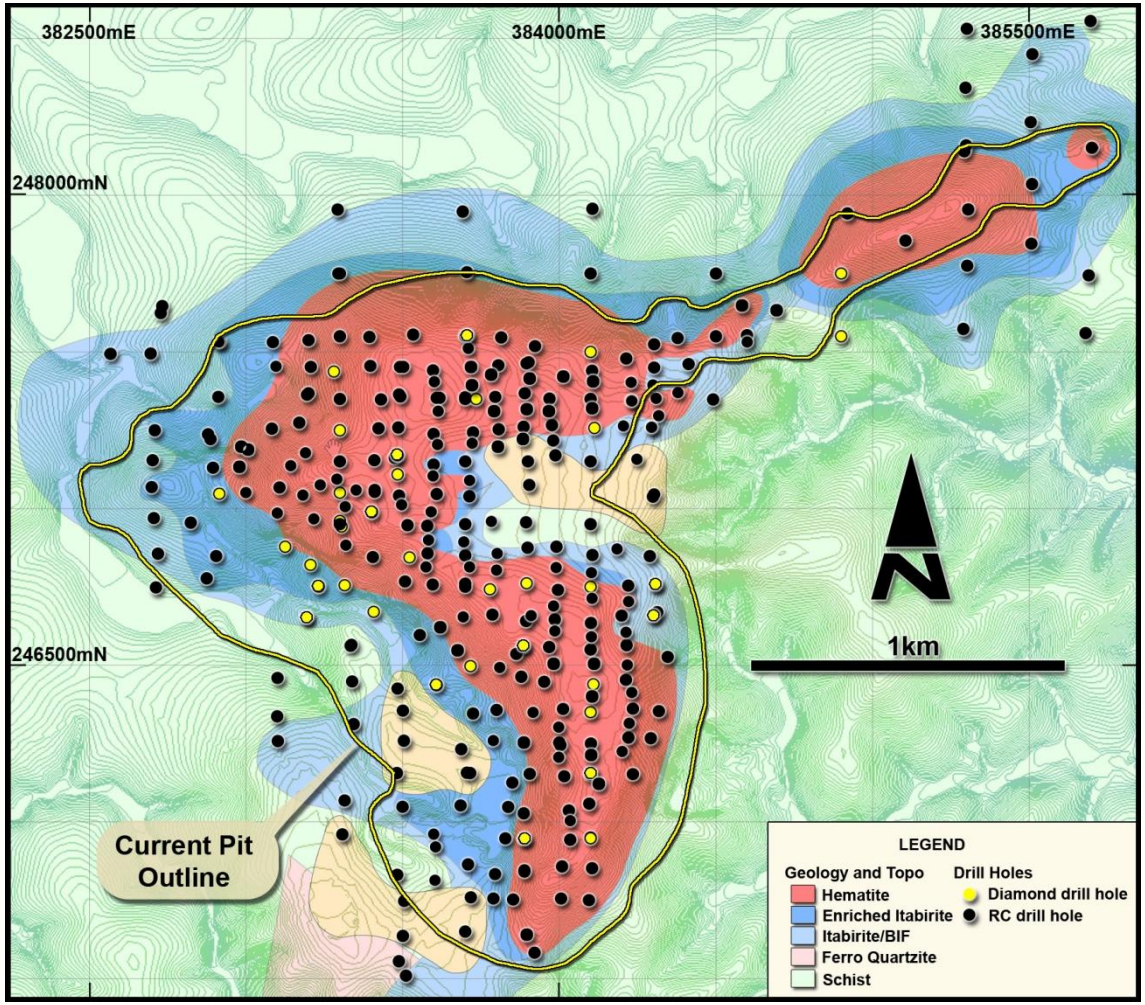
- Start-up DSO benefiting from lowest CAPEX and OPEX
- Staged ramp up of Itabirite beneficiation

| **Production** | |
|---|---|
| Throughout (ultimate) | 35-50 Mtpa |
| Mine life (minimum) | 20 years |
| **Key Assumptions** | |
| DSO Feed | 305 Mt |
| DSO Grade | +60% Fe |
| Itabirite Feed | 1,425 Mt |
| Concentrate Grade | +65% Fe |



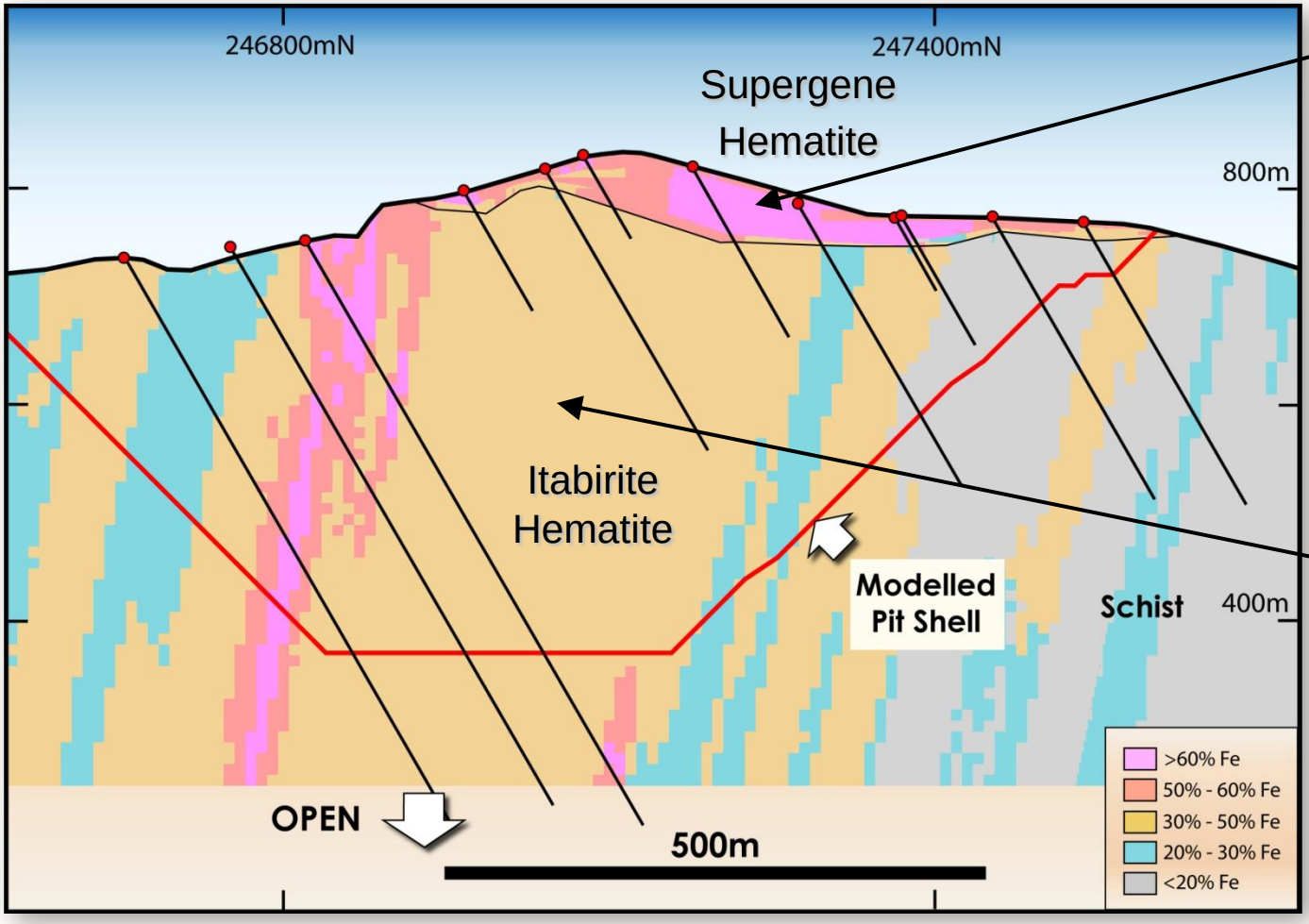

- *Production Target: Staged 35-50 Mtpa DSO / concentrate production*

# Mbarga Pit Outline




- *290 RC Holes , 35 Diamond Holes for 72,045m drilled at Mbarga Deposit*

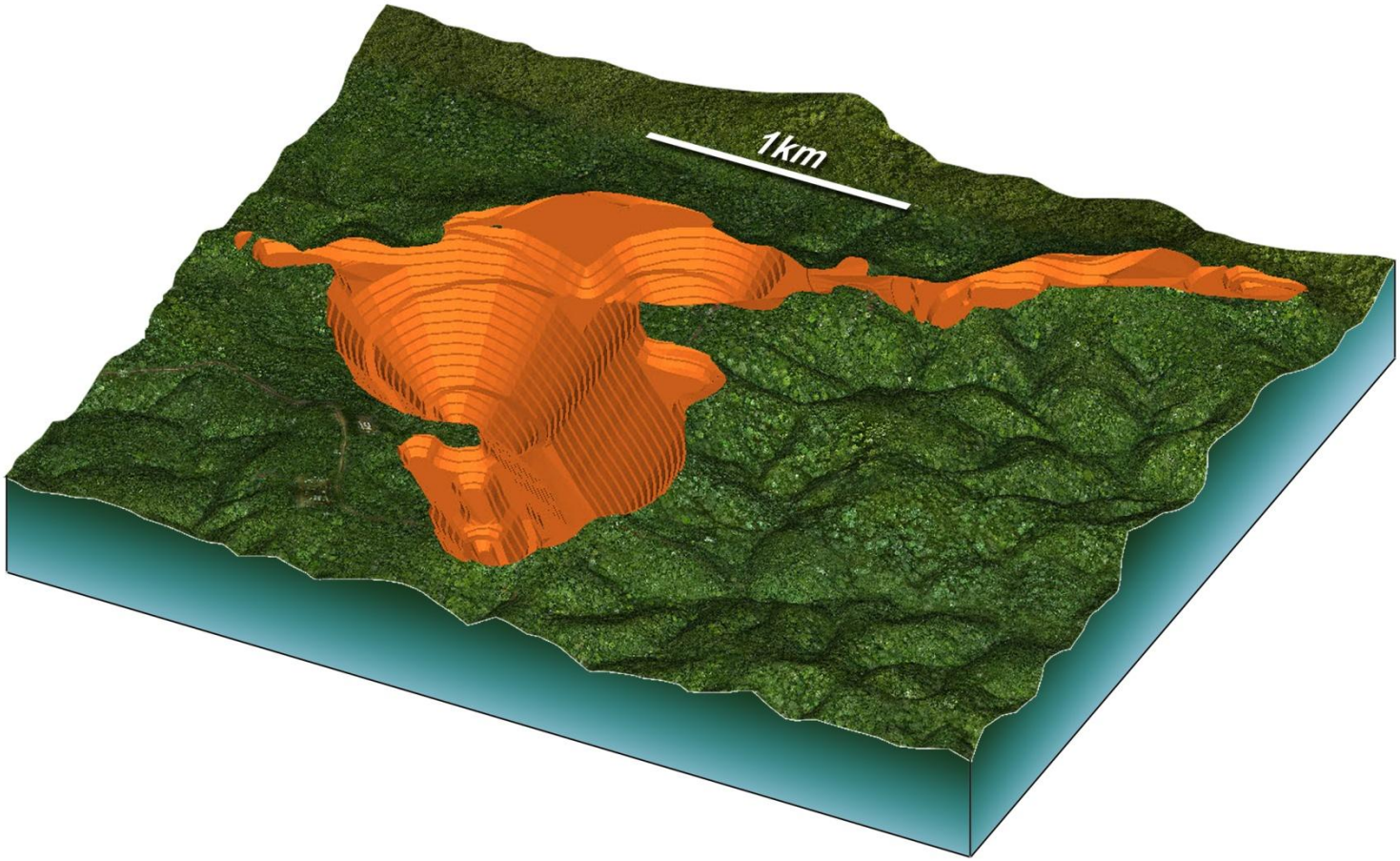
# Mbarga Cross Section




- *Mineralised to depths up to 600m with 0.3 : 1 stripping ratio*

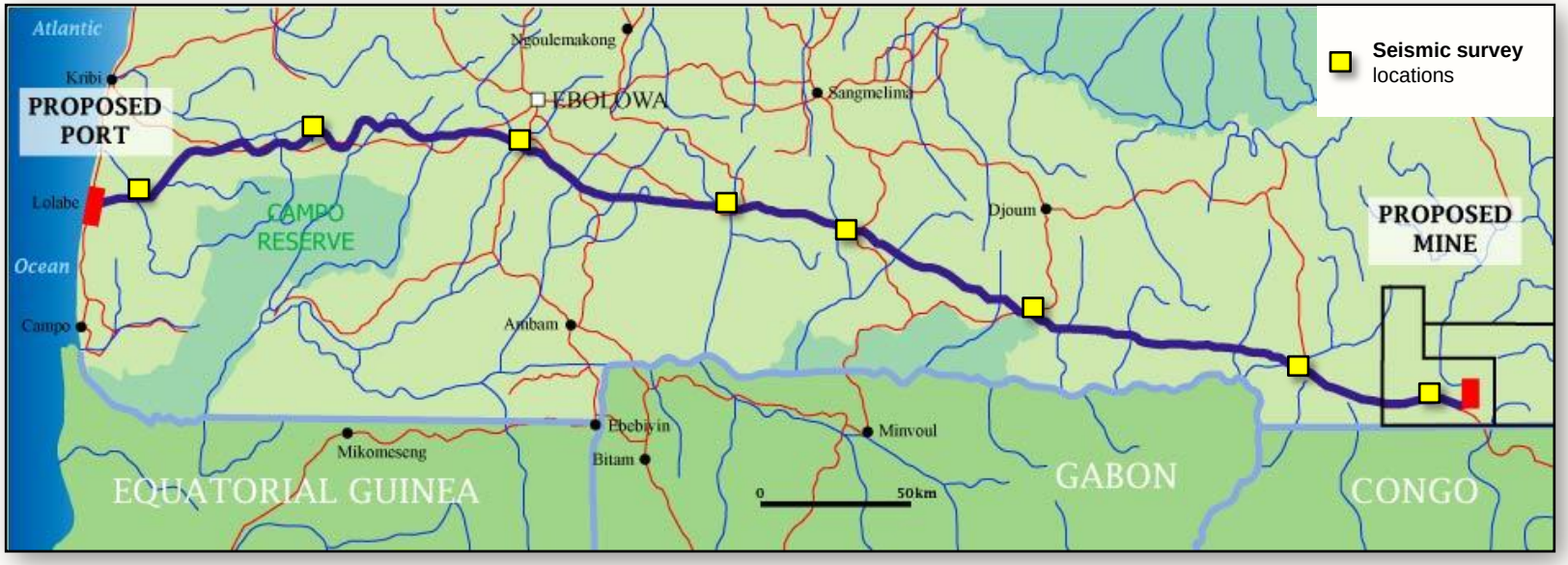
# Mbarga Mine Pit Shell

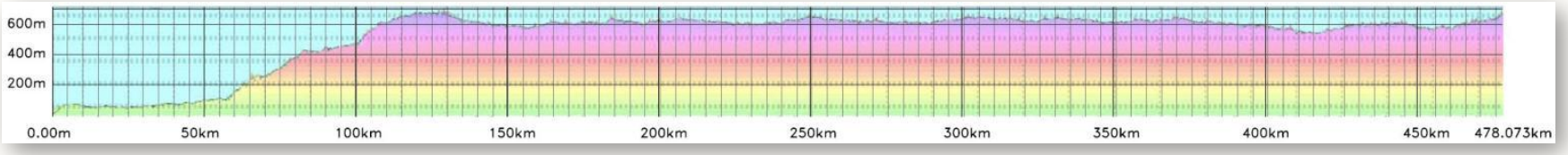
- A single, large mine pit at Mbarga




- *195 Mt DSO plus 1473 Mt Itabirite reporting to pit model*

# Transport Infrastructure Corridor

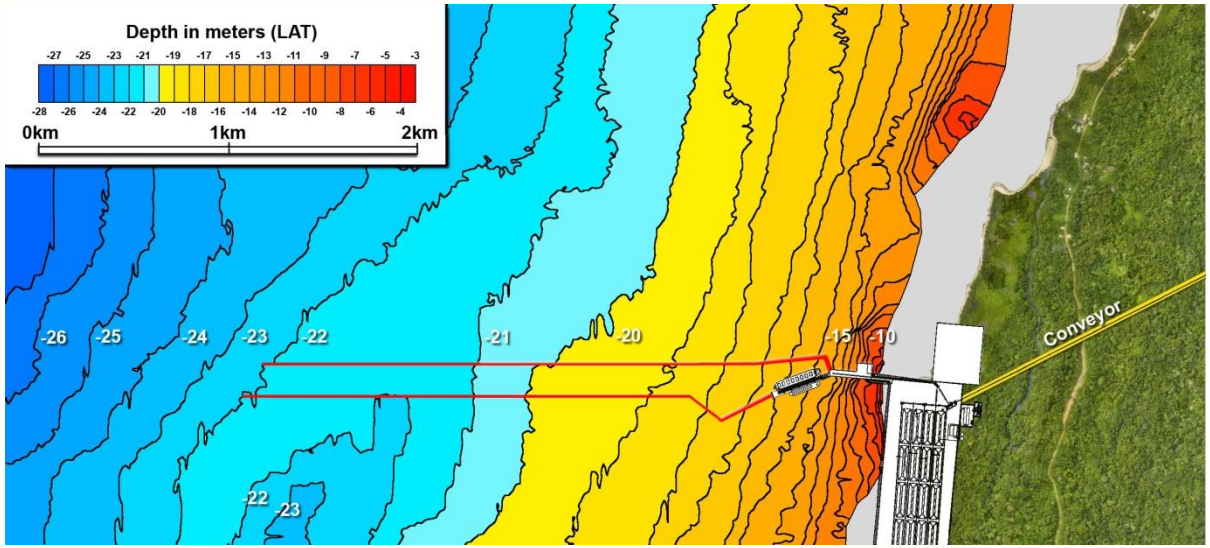


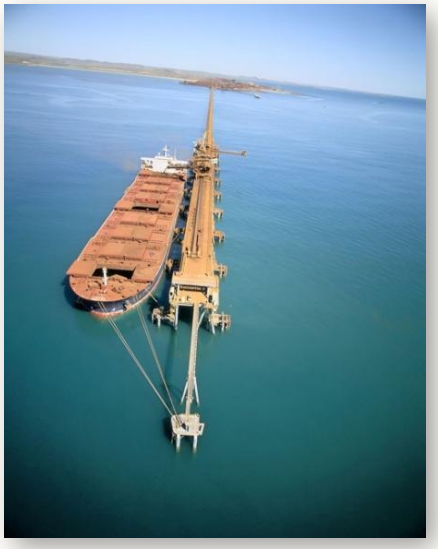




- Mid-northern route selected as best transport corridor: 485km
- Avoids all major conservation areas and population centres
- Rail or slurry pipeline

# Port Infrastructure

- Preferred port site selected – Lolabe
- Deep water (22m) near shore
- Open water berth – no breakwater
- 250,000 DWT bulk ore carriers

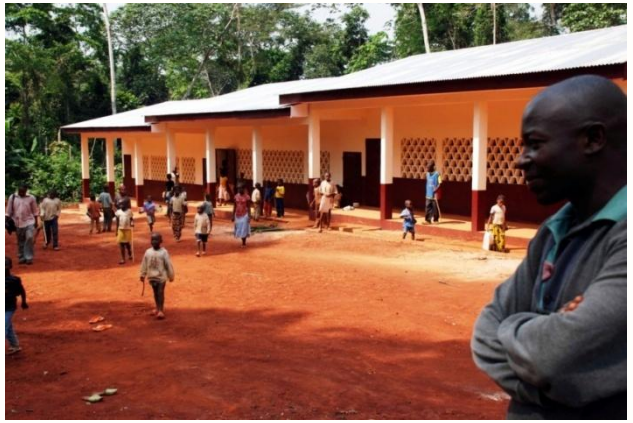


➢ *Port design optimised to reduce CAPEX*

# A Strategic Project for Cameroon

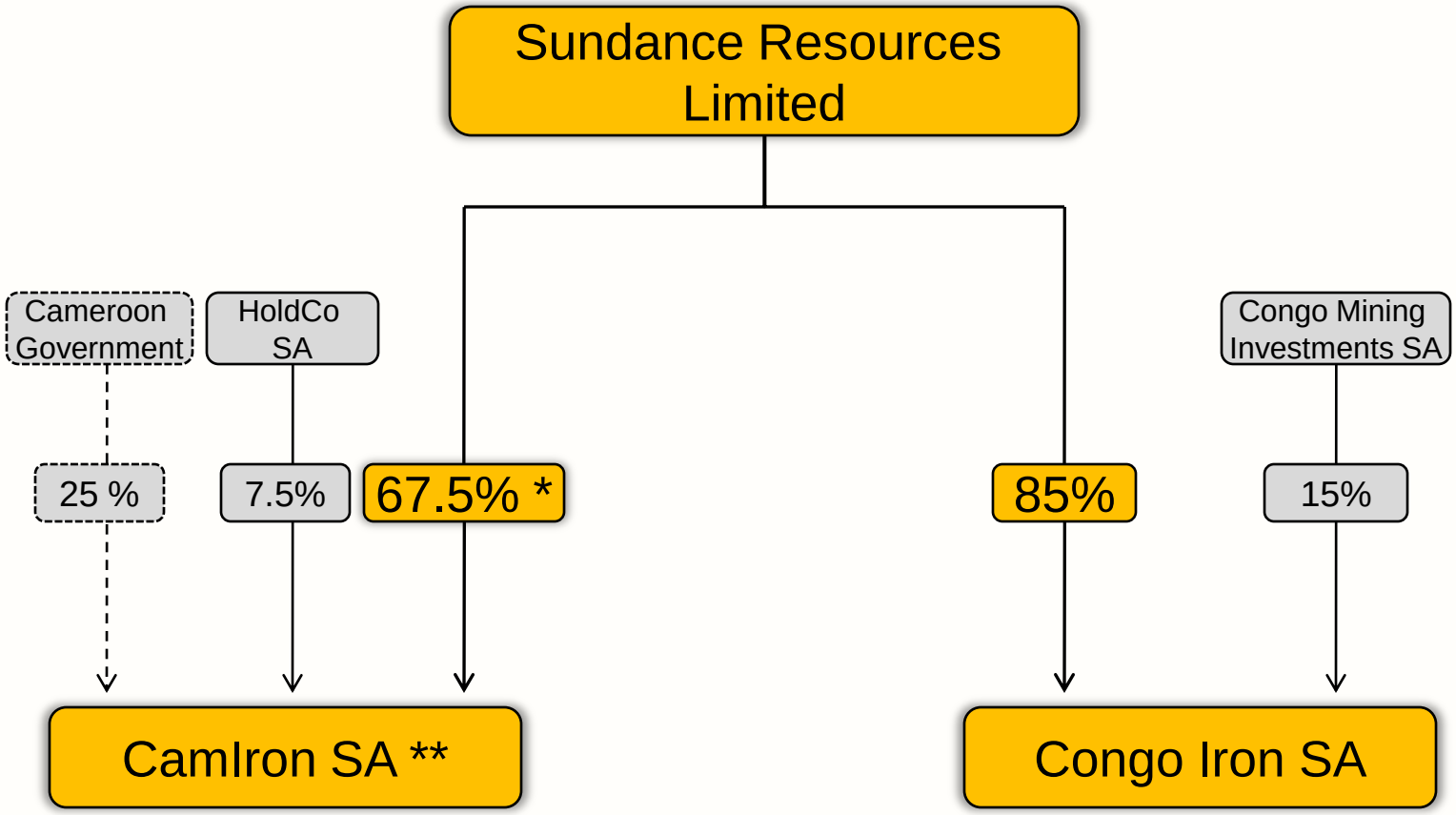
- Mbalam output ~8% of GDP
- Financial benefits to Cameroon
  - Royalties
  - Dividends
  - Corporate taxes
  - Employment during construction and operations
  - Purchase of Cameroonian goods and services
  - 0.5% NPAT to environmental and social fund
- Catalyst for future industrial growth in Cameroon
  - Increased workforce skills
  - Increased international profile
  - Increased infrastructure
- Environmental and Social Impact Assessment
  - Baseline surveys completed
  - NGO/community partnerships in place



# Agreements with Cameroon Government

- Framework Agreement signed with Government in December 2008
- Government agreed to acquire a 25% interest in Cam Iron SA
- Purchase price equivalent to 50% of the costs incurred up to time of purchase
- Government committed to fiscal / tax incentives to ensure project is internationally competitive
- Tax concessions and incentives already agreed by Government include:
  - During the Construction Phase: total exoneration of:
    - business licence taxes;
    - company tax;
    - registration, stamp duties and transfer taxes;
    - VAT;
    - customs and excise duties on imports of capital equipment, spares, materials, supplies and fuel;
    - Special Tax on Revenue;
    - taxes, charges and other State imposts on imported fuel, reagents and lubricants.
  - During the Mining Phase:
    - the right to carry forward losses for 5 years;
    - VAT at zero rate for exports and VAT exoneration for sales on the local market; and
    - right to repatriate and re-export dividends, capital and equipment withholding tax free.
- Cam Iron selected as preferred developer of Iron Ore Terminal within Kribi Multi-user Port.

# SDL Corporate Structure




** Sundance interest held through Sundance Resources Ltd and three wholly owned subsidiaries*
*** CamIron SA structure shown <u>after</u> acquisition of 25% interest by Cameroon Government*

# Proximity to Strategic Customers

- Mbalam is centrally located to key markets in Europe, Middle-East and Asia


*Distances in nautical miles

➢ *Discussions advancing with potential offtake, construction and financing partners*

# Target Markets and Pricing

| Product | Product % Fe | Market | % of Production |
|---|---|---|---|
| **DSO Lump** | **60 %** | Europe | 100% |
| **DSO Fines** | **60 %** | Europe | 40 % |
| | **60 %** | Asia | 60 % |
| **Itabirite Concentrate** | **65 %** | Europe / Middle East | 30 % |
| | **65 %** | Asia | 70 % |

- *Assumed average FOB prices of US$64/tonne for DSO and US$60/tonne for concentrate*
  - *Based on 25% decrease on 2008 contract prices*
- *FOB Prices adjusted for product % Fe and freight differential from Cameroon*

# DSO CAPEX and OPEX Estimates

- CAPEX comparable with similar scale DSO projects: ~US$100 / tonne annual capacity
- World competitive OPEX: ~US$20 / tonne DSO product
- Potential low cost energy supply for beneficiation and pellet production

## CAPEX

| | |
|---|---|
| Mine & Plant | US$375m |
| Rail | US$1,423m |
| Port | US$529m |
| Indirects | US$442m |
| Contingency | US$508m |
| **TOTAL ESTIMATED CAPEX (Jan 08)**** | **US$3,277m** |

## OPEX

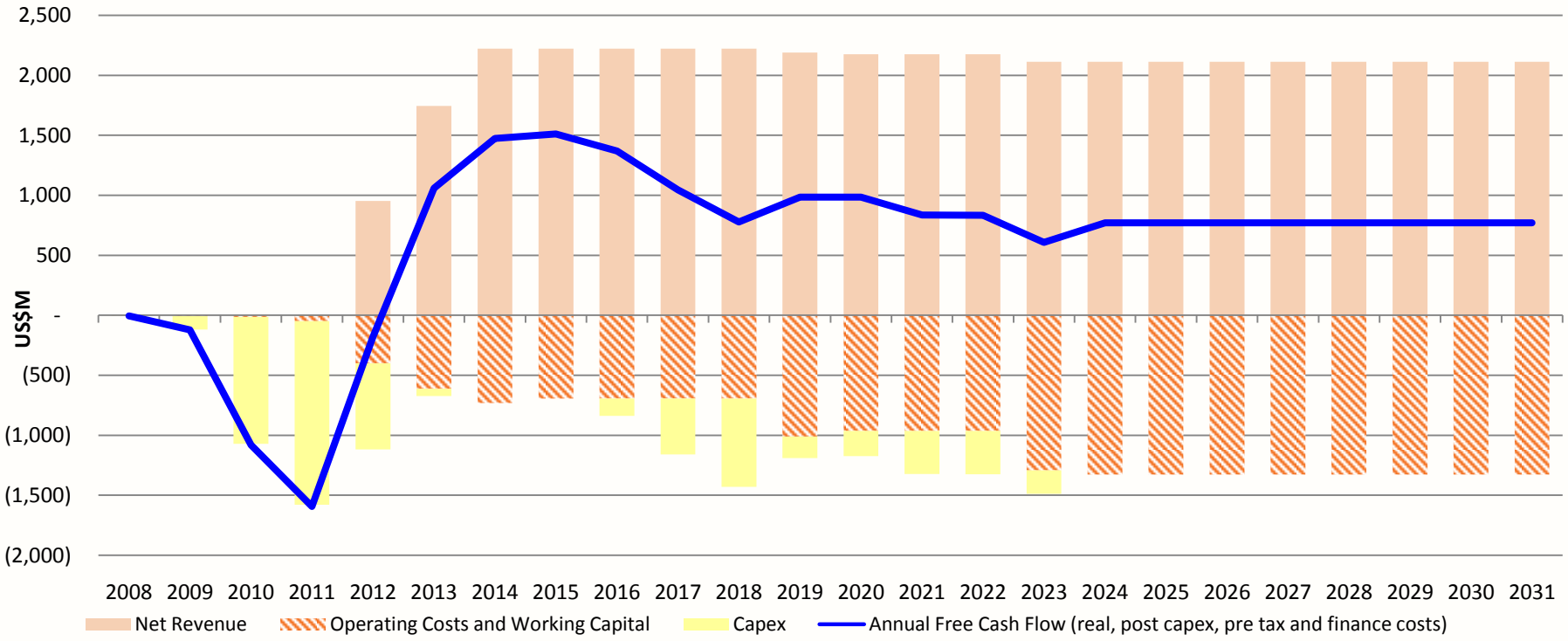
| | |
|---|---|
| Average DSO FOB Price | US$63.83/t |
| Estimated Production Cost (Jan 08)* | US$19.65/t |
| **ESTIMATED OPERATING MARGIN**** | **US$44.18/t** |

**Includes all cash operating costs, royalty and contingency*
***Itabirite beneficiation CAPEX & OPEX not included*

- *Potential for capital cost reductions: slurry pipeline; market conditions; contingency*
- *Increasing production to 50Mtpa will reduce payback period*

# Project Returns @ 35 Mtpa

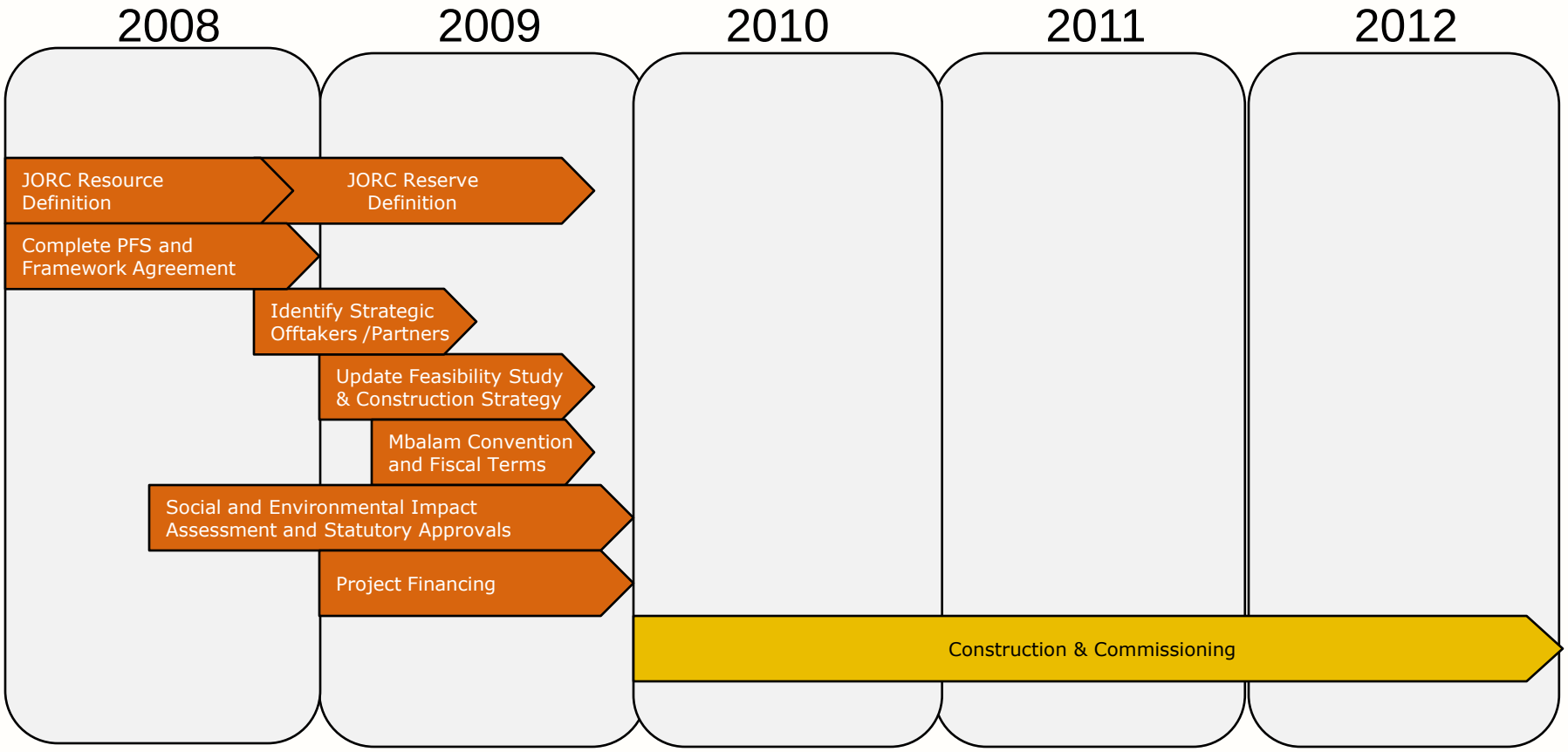
- ~ US$900 million pa average cash flow over 20 years (real, pre tax and finance costs)*




- *FOB pricing based on 2008 contract pricing less 25%, DSO Capex and Opex based on PFS results plus estimates for future Itabirite production costs (no assurance can be given that these assumptions are correct)*

- Project NPV (10% discount rate; real; ungeared; after tax): US$1.75 Billion
- Project IRR (real; ungeared; after tax): 19.6%

# Development Timeline




- *Development timeline based on operations ramp-up in 2013*
- *A long term, large scale independent producer*

# Disclaimer

***Disclaimer**

*Certain statements made during or in connection with this communication, including without limitation, those concerning the economic outlook for the iron ore mining industry, expectations regarding iron ore prices, production, cash costs and other operating results, growth prospects and the outlook of SDL's operations including the likely commencement of commercial operations of the Mbalam Project and its liquidity and capital resources and expenditure, contain or comprise certain forward-looking statements regarding SDL's exploration operations, economic performance and financial condition. Although SDL believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in iron ore prices and exchange rates and business and operational risk management. For a discussion of such factors, refer to SDL's most recent annual report and half-year report. SDL undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.*

**Competent Persons Statement**

*The information in this release that relates to Exploration Results is based on information compiled by Mr Robin Longley, a Member of the Australian Institute of Geoscientists, and Mr Lynn Widenbar, a member of the Australasian Institute of Mining and Metallurgy.*

*Mr Longley is a consultant to the Company and has sufficient experience which is relevant to the style of mineralisation and type of Deposit and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Longley consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*Mr Widenbar is a consultant to the Company and has sufficient experience which is relevant to the style of mineralisation and type of Deposit and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Widenbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*The estimated quantity and grade of DSO quality supergene mineralisation and underlying itabirite-style mineralisation has been restricted to the area currently covered by drilling on a 200m x 100m pattern at Mbarga, with partial infill to 100m x 100m. This is represented by an area approximately 3km (east-west) x 3km (north-south) on the Mbarga Deposit and by an area approximately 1.5km (east-west) x 1.0km (north-south) on the Mbarga South Deposit. Grade interpolation has been extrapolated using Ordinary Kriging on composited sample results and a nominal 50% Fe cutoff value for DSO and Inverse Distance Squared methodology and 34% cutoff values for itabirite. A digital terrain surface (based on highly accurate topographic data), has been used to limit extrapolation of the mineralisation to the topographic hill at Mbarga. An internal waste zone (schist) cross-cutting the supergene and itabirite zones and surficial cover has been modeled and removed from the quantity estimated as DSO quality and itabirite mineralisation. Densities of 4.0t/m3 and 3.35t/m3 have been applied for evaluation of the DSO and itabirite mineralisation respectively..*

*While the Company is optimistic that it will report additional resources in the future, any discussion in relation to Exploration Targets, over and above the stated Inferred Resources of is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource over and above the Inferred Resource and it is uncertain if further exploration will result in determination of a Mineral Resource.*

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