



## ASX Announcement / Media Release

1 September 2011

### **INCREASE IN HIGH-GRADE HEMATITE RESOURCES TO OVER 500 MILLION TONNES AT +60% Fe TOGETHER WITH 2.38BT OF ITABIRITE AT 38% Fe UNDERPINS WORLD-CLASS SCALE AND QUALITY OF MBALAM PROJECT**

#### **HIGHLIGHTS**

- Mbalam a truly world-class iron ore project with High Grade Hematite Resources now totalling 521.7 Mt grading 60.7% Fe which was compiled in accordance with the JORC Code.
- 488.5 Mt is in the Indicated category, which represents 94% of the total resource.
- Project has additional further resources of 2.3 Bt of Itabirite Hematite at 38% Fe.
- Resource estimate now incorporates assay results from over 960 drill holes totalling more than 140,000m of drilling.
- New Resource figures fed into Definitive Feasibility Study (DFS) enhancement studies as basis for a Reserves upgrade.
- Significant potential to grow project further with numerous drilling targets identified.
- Sundance set to enjoy first-mover advantage in unlocking a new iron ore province.

Sundance Resources Limited (**'Sundance'** or **'the Company'**) (ASX: SDL) advises that the potential of its Mbalam Iron Ore Project (**'the Project'**) located in central West Africa has been further enhanced by a significant upgrade in its High Grade Hematite Resources to now total 521.7 million tonnes (Mt) at 60.7% Fe.

This updated Mineral Resource, over 90% of which is in the Indicated category, further underpins the strength of the development of Stage One of the Project during which 35 million dry tonnes per year (Mdtpa) of Direct Shipping Ore (DSO) is to be produced for at least 10 years.

The resource upgrade to over half a billion tonnes of High Grade Hematite reinforces not only the world-class scale and quality of the resources Sundance has successfully discovered over the past four years, but also the extent to which the Mbalam Project is ideally positioned to be the key driver in developing a globally-significant new iron ore province.

The Project has a long mine life of at least 25 years including Stage Two. Under Stage Two, the Company's extensive Itabirite Hematite resource at Mbarga, which currently stands at 2.3 billion tonnes (Bt) at 38% Fe, will be mined for a further 15 years.

Sundance CEO and Managing Director Giulio Casello said the expanded High-Grade Hematite Resources would further boost the already robust economics of the Mbalam Project.



*“This outstanding result emphasises Mbalam/Nabeba’s status as a major project by world standards,” Mr Casello said. “The high grade hematite resource which would be mined as Direct Shipping Ore at an operating cost of only \$21.20 per tonne underpins the highly profitable Stage One development. The project has a 27 per cent internal rate of return on an un-g geared basis over the life of the mine.*

*“When combined with the additional 2.3Bt Itabirite resource at Mbarga, and the many targets we have still to drill, it is clear that this is a very robust and viable project that is poised to play a significant role in the global iron ore market for decades to come.”*

The recent resource-definition and development drilling has focussed on only the two principal Deposits at Mbarga (Republic of Cameroon) and Nabeba (Republic of Congo). The potential to grow the Company’s resources even further remains significant, with numerous exploration targets already identified for drilling.

Table 1 is the Global Summary of all High Grade Hematite Mineral Resources for the Project, which is inclusive of all High Grade resources from the four drilled Deposits of the Mbalam Project: Mbarga, Mbarga South, Metzimevin and Nabeba.

**High Grade Hematite Mineral Resources**

<b>Table 1 GLOBAL HIGH GRADE RESOURCE</b>	<b>Tonnes (Mt)</b>	<b>Fe (%)</b>	<b>SiO<sub>2</sub> (%)</b>	<b>Al<sub>2</sub>O<sub>3</sub> (%)</b>	<b>P (%)</b>	<b>LOI (%)</b>
Indicated	488.5	60.9	6.5	3.0	0.092	2.8
Inferred	33.3	57.9	13.4	3.3	0.089	1.8
<b>Total High Grade Resource</b>	<b>521.7</b>	<b>60.7</b>	<b>6.9</b>	<b>3.0</b>	<b>0.092</b>	<b>2.7</b>

Sundance drilled its first exploration hole for the Mbalam Project in June 2007. This current resource estimate update now incorporates assay results from over 960 drill holes totalling more than 140,000 metres of drilling.

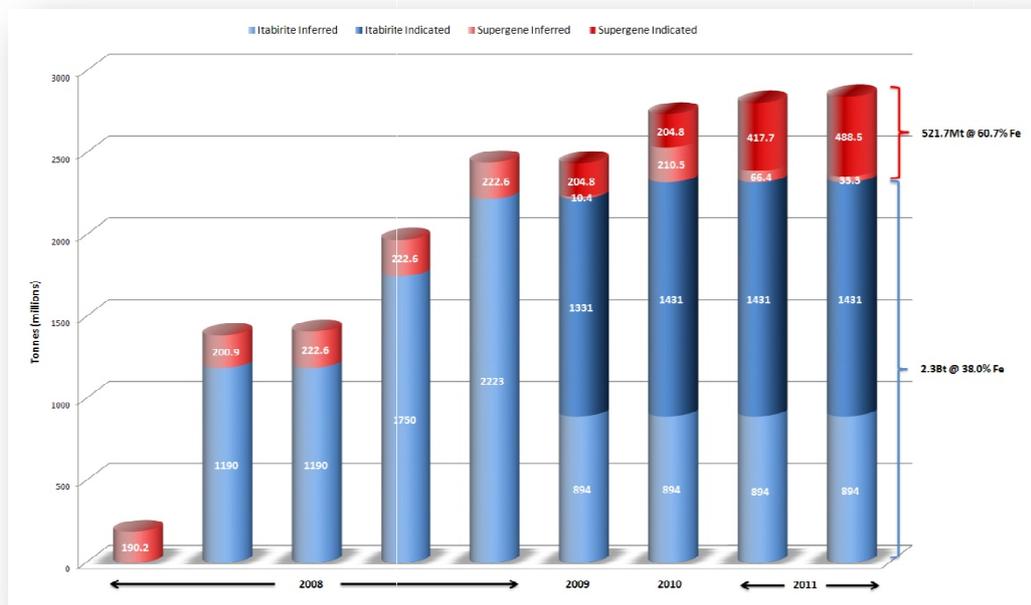
The Indicated-category of High Grade Mineral Resources represents 94% of the total, which further reinforces the assurance in drilling information and subsequent mineralogical and metallurgical studies. The new Resource figures as reported in this announcement were delivered to the mining consultants who have commenced work on updating the Ore Reserve estimate.

Figure 1 below illustrates the success of Sundance’s exploration efforts over time. Mineral Resources have been added consistently over the last four years of exploration activity with the successful pattern planned to continue.

The red portion represents the near-surface High Grade, DSO-quality resources (521.7Mt @ 60.7%Fe) and blue, the underlying Itabirite (2.3Bt) which at 38.0% Fe, is elevated in Fe grade for this style of mineralisation.



**FIGURE 1 – PROJECT INCREASE IN HEMATITE RESOURCES OVER TIME**



Tables 2 to 5 provide the deposit-scale breakdown distribution of the Mineral Resources:

- Nabeba and Mbarga together make up more than 90% of the Global High Grade resource, with Mbarga South and Metzimevin contributing the remaining minor portions.
- As recent drilling has focused on Mbarga and Nabeba only, there are no changes to resources at Mbarga South and Metzimevin since last released to the ASX in March 2011.
- Due largely to additional drilling and resultant confidence of interpretation, all of the Nabeba High Grade resource is now classified as Indicated.
- Additional drilling at the eastern end of the Mbarga Deposit has likewise enabled a re-categorisation from Inferred to Indicated for most of the Mineral Resource.

**Mineral Resource Classification by Individual Deposit**

Table 2 RESOURCES MBARGA	Tonnes (Mt)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	LOI (%)
Indicated	154.4	60.0	9.9	2.3	0.083	1.57
Inferred	12.2	54.7	18.1	1.8	0.104	0.90
<b>Total Mbarga</b>	<b>166.6</b>	<b>59.6</b>	<b>10.5</b>	<b>2.3</b>	<b>0.084</b>	<b>1.52</b>

Table 3 RESOURCES MBARGA SOUTH	Tonnes (Mt)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	LOI (%)
Indicated	20.7	57.5	10.4	3.6	0.068	3.2
Inferred	0	0	0	0	0	0
<b>Total Mbarga South</b>	<b>20.7</b>	<b>57.5</b>	<b>10.4</b>	<b>3.6</b>	<b>0.068</b>	<b>3.2</b>



Table 4 RESOURCES METZIMEVIN	Tonnes (Mt)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	LOI (%)
Indicated						
Inferred	15.2	59.5	12.6	4.1	0.078	2.0
<b>Total Metzimevin</b>	<b>15.2</b>	<b>59.5</b>	<b>12.6</b>	<b>4.1</b>	<b>0.078</b>	<b>2.0</b>

Table 5 RESOURCES NABEBA	Tonnes (Mt)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	LOI (%)
Indicated	313.4	61.6	4.6	3.3	0.098	3.38
Inferred	5.8	60.6	5.4	4.3	0.086	3.05
<b>Total Nabeba</b>	<b>319.2</b>	<b>61.6</b>	<b>4.6</b>	<b>3.3</b>	<b>0.098</b>	<b>3.37</b>

FIGURE 2 – HIGH GRADE DSO HEMATITE SAMPLES



Additional detail regarding individual deposit characteristics and the different styles of iron mineralisation was provided in the Company's Resources Upgrade ASX announcement made on 17 March 2011. Please refer to that release for further technical information.

Modelling parameters have not changed significantly since last described and reported by Sundance to the ASX on 17 March 2011. However, exact parameters for each deposit have been tabulated for reference at the end of this release, including a summary of the drilling, sampling and surveying methods applied.

Sundance has also previously announced a World Class Itabirite Hematite Resource at Mbarga, which has been compiled in accordance with the JORC Code and remains unchanged from the estimation as announced in May 2009 (Table 6 below).

Table 6 GLOBAL ITABIRITE HEMATITE RESOURCE	Tonnes (Mt)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	LOI (%)
Indicated	1,431	38.0	44.5	0.44	0.04	0.32
Inferred	894	38.0	44.1	0.54	0.05	0.43
<b>Total Itabirite Hematite Resource</b>	<b>2,325</b>	<b>38.0</b>	<b>44.4</b>	<b>0.48</b>	<b>0.04</b>	<b>0.36</b>



By comparison with other Iron Ore Projects in the region, this Itabirite Mineral Resource stands as one of the highest quality deposit of its type in this part of Africa, and is unique in the fact that it is overlain directly by a large, high quality, DSO resource as described elsewhere in this release.

FIGURE 3 – ITABIRITE SAMPLES



Figure 4 illustrates the geographical location of each deposit within the ‘Mbalam Iron Ore Project’;

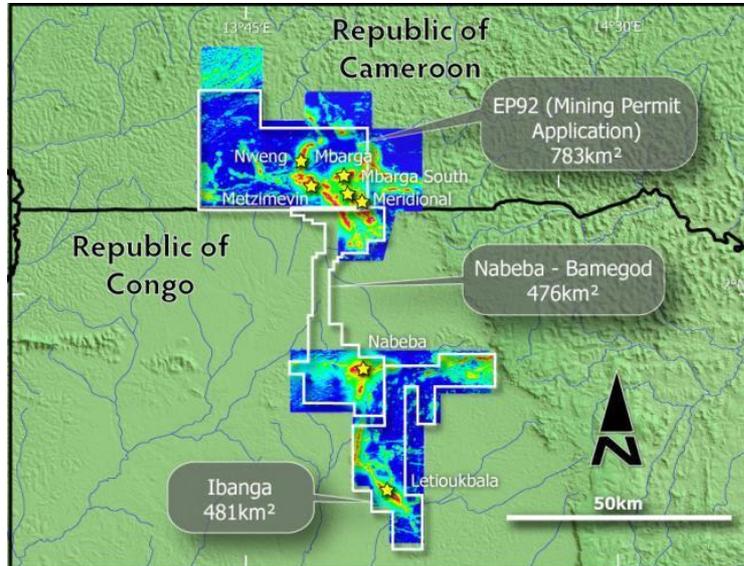
Cameroon deposits currently include ‘**South Mbarga**’ which is a satellite deposit three kilometres south of the main deposit and Camp base at ‘**Mbarga**’. The ‘**Metzimevin**’ Deposit is situated 6km west of Mbarga. ‘**Nabeba**’ is a further 40km south and is situated in the Republic of Congo.

Sundance’s tenure holding are continuous across the Country border and operations are largely run as one project, with due consideration and compliance with respective Government regulations and laws. Both Cameroon and The Republic of Congo are members of “CEMAC” (Economic and Monetary Community of Central Africa), which has the objective of promoting sub-regional integration of banking and customs practices.

The Mbalam Iron Ore Project, by literally straddling the border, is a model example of a world class Project that will bring benefit to both countries and the Central African region in general.



**FIGURE 4 – SUNDANCE EXPLORATION PERMITS AND LOCATION OF KEY DEPOSITS**



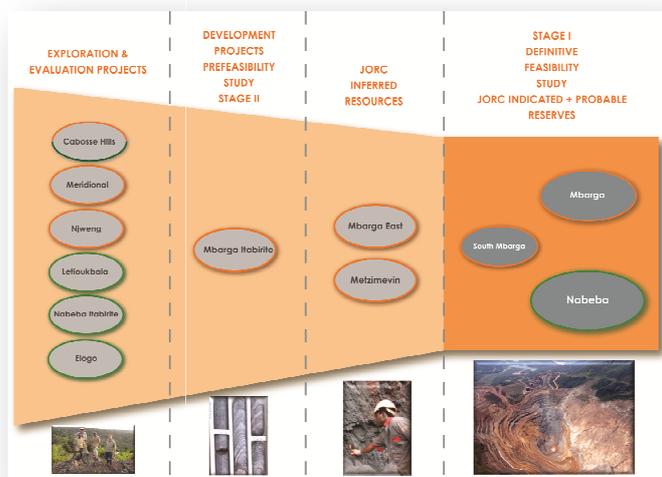
Also evident on Figure 4 are several of the identified prospects on Sundance tenements including **‘Meridional’, ‘Njweng’ and ‘Letioukba’**. The Site Exploration Geologists are working at further prioritisation of High Grade mineralisation targets on the largely unexplored ground, including these Prospects.

Some drilling will continue on Nabeba and Mbarga Deposits in particular, to gather further definition of metallurgical, geotechnical and hydrogeological parameters. Sundance currently owns and operates four drill rigs for their exploration and development purposes.

While High Grade resources continue to be added through continued drilling at the main deposits of Mbarga and Nabeba, other prospects are being assessed by field mapping/sampling and overviews interpreting regional controls on mineralisation.

A pipeline of projects scheduled for drill testing during 2011/2012 is illustrated in Figure 5.

**FIGURE 5 – SUNDANCE EXPLORATION DEVELOPMENT PIPELINE**





Sundance and its subsidiary companies Cam Iron SA and Congo Iron SA employ almost 300 people in total between the two countries. The Company's Exploration Team currently includes five Cameroon and three Congolese nationals who are university-graduate geological professionals.

Their professional development as a result of their work experience on the Mbalam Project have seen them progress in their area of expertise while also now helping to coordinate regular work experience opportunities for other under-graduates from the local Universities.

The development of the Mbalam Project will deliver significant economic, environmental and social benefits to both countries. The construction of the mine and transport infrastructure is expected to create thousands of direct and indirect jobs. There will be immense training opportunities, enabling local people to learn cutting-edge skills which can in turn be used to generate further wealth-creating opportunities for generations to come.

Several of the Company's full time geologists are shown in Figure 6 preparing for a regional mapping expedition.

**FIGURE 6 – PART OF THE SUNDANCE SITE GEOLOGY TEAM**



**ENDS**

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The following tables detail all parameters and relevant modeling information relating to the estimation of upgraded High Grade Hematite Resources which have been compiled in accordance with the JORC Code, at the Mbarga, Mbarga South and Nabeba Deposits.

<b>Sundance Resources Limited - Mbarga Deposit IDENTIFIED MINERAL RESOURCE – PARAMETERS</b>		
<b>Item</b>	<b>Details</b>	<b>Comments</b>
<b>Surveying</b>	Differential GPS and handheld GPS	Established survey control by licensed surveyor.
<b>Drilling Techniques</b>	417 Holes: RC (64,086.7m) and Diamond (15,599.83m)	5¼" face sampling RC; NQ/NQ2/HQ/HQ3/PQ/PQ3 diamond.
<b>Downhole Surveying</b>	North Seeking Gyroscope	Surtronic operated downhole gyro and geophysical tools on site.
<b>Geological Logging</b>	QC Logging Procedures	Field Marshal/acquire logging system.
<b>Geotechnical/Structural</b>	Diamond Core Orientated	Geotechnical/structure logging – Field Marshal/acquire logging system.
<b>Sampling</b>	RC Sub-Sample and Half Core	Multi-tiered splitter; diamond sawing.
<b>Assaying</b>	Niton XRF and XRF	Niton on site; commercial lab in Australia.
<b>Assay QA/QC</b>	Duplicates, Lab Standards	Site specific standards being developed; routine duplicates and lab standards monitored in acquire QA/QC reports.
<b>Data Spacing</b>	100m x50m; 2m Sampling	Drill hole spacing of 100m along strike and 50 to 100m across strike of mineralisation.
<b>Density</b>	Site Measurements and Lab Confirmation. Surtronic downhole Logging	Conventional weighed suspended in air and water; pycnometer; metallurgical test work confirmation of densities; Surtronic downhole logging; Supergene and High Phos 2.80g/cm <sup>3</sup> , Surficial 2.40g/cm <sup>3</sup> , Transitional 2.90g/cm <sup>3</sup> , Hypogene 3.2g/cm <sup>3</sup> , Itabirite 3.00-4.00 g/cm <sup>3</sup> (depending on Fe grade)
<b>Database Integrity</b>	acquire Drill Hole Database	Fully validated drill hole database; independently audited.
<b>Verification of Sampling and Assaying</b>	Five twinned RC/DD holes.	Further twin holes planned.
<b>Auditing</b>	Drilling, Assaying and Database	Independent technical auditors; monitored by internal auditor.
<b>Geological Interpretation</b>	Surface Mapping and Drill Holes	Surface mapping used for initial geological framework, modified by drill hole data.
<b>Geological Modelling</b>	3D Surfaces (DTM) and Wireframes	Geological domains based on initial geological mapping and interpretation.
<b>Block Size</b>	10m (X) by 10m (Y) by 2m (Z) in supergene; 10mx20mx5m in Itabirite	Sub-celled to honour DTM and wireframe shapes.
<b>Interpolation Method</b>	Ordinary Kriging on 2m composite sample results	
<b>Search Parameters</b>	Variable by Domain	Search radii and orientation variable, domain and spatially dependent.
<b>Variables Interpolated</b>	Above 700RL: Fe, SiO <sub>2</sub> , Al <sub>2</sub> O <sub>3</sub> , P, TiO <sub>2</sub> , MnO, CaO, S, MgO, K <sub>2</sub> O, Na <sub>2</sub> O, Zn and LOI (1000)	Below 700RL: Fe, SiO <sub>2</sub> , Al <sub>2</sub> O <sub>3</sub> , P and LOI
<b>Nominal Drill Hole Spacing</b>	100m (E) by 50m (N)	



<b>Sundance Resources Limited - Mbarga Deposit IDENTIFIED MINERAL RESOURCE – PARAMETERS</b>		
<b>Item</b>	<b>Details</b>	<b>Comments</b>
<b>Classification</b>	Supergene/High Grade Hematite – Fully constrained as material type using wireframe Itabirite – Number of samples > 10 or Number of Holes > 1; Within 'Main Itabirite Domain'; Above 500mRL and excludes Hypogene Mineralisation	Assessment criteria in addition to sampling, data and estimation criteria as above.
<b>Metallurgical Data</b>	Test work underway on core from geographically dispersed holes.	Results of average feed grade support resource grades. Flotation tests provide viable concentration grade.
<b>Mining Factors</b>	Pit optimisation and mining schedule complete.	Optimisation and scheduling currently being updated to accommodate the latest resource model.
<b>Cut-Off Parameters</b>	High Grade Hematite as defined by wireframe domain. Surficial: >50% Fe and <15% Al <sub>2</sub> O <sub>3</sub> ; Supergene: No cut-off; Transitional: >51% Fe; Phosphorus: >50% Fe and <0.3% P; Hypogene: >51% Fe.	High Grade Hematite – maintains 60% Fe head grade. Itabirite – above break-even cut-off grade. Supports average feed grade for metallurgical test work and average resource grade.

<b>Sundance Resources Limited - Mbarga South Deposit IDENTIFIED MINERAL RESOURCE – PARAMETERS</b>		
<b>Item</b>	<b>Details</b>	<b>Comments</b>
<b>Surveying</b>	Differential GPS, LIDAR	Established survey control by licensed surveyor.
<b>Drilling Techniques</b>	44 Holes: RC (4,904m) and Diamond (823m)	5¼" face sampling RC; HQ/HQ3/PQ/PQ3 diamond.
<b>Downhole Surveying</b>	Density, Gamma, Vector, Caliper, Resistivity and Magnetic Susceptibility	Surtronic downhole data on 15 holes.
<b>Geological Logging</b>	QC Logging Procedures	Field Marshal/acquire logging system.
<b>Geotechnical/Structural</b>	No Diamond Core Orientated; Recovery and RQD data on 11 holes and minor point data on 7 holes	Data incorporated into Field Marshal/acquire logging system.
<b>Sampling</b>	RC Sub-Sample and Half Core	Multi-tiered splitter; diamond sawing.
<b>Assaying</b>	Niton XRF and XRF	Niton on site; commercial lab in Australia.
<b>Assay QA/QC</b>	Duplicates, Lab Standards	Site specific standards being developed; routine duplicates and lab standards monitored in acquire QA/QC reports.
<b>Data Spacing</b>	Approximately 50m x 100m; 2m Sampling	Nominal initial drill hole spacing; infilling proposed.
<b>Density</b>	Site Measurements	Conventional weighed suspended in air and water; Surtronic downhole density; metallurgical test work confirmation of densities; Supergene 2.80g/cm <sup>3</sup> , Surficial 2.40g/cm <sup>3</sup> and Transition 2.90g/cm <sup>3</sup> .
<b>Database Integrity</b>	acquire Drill Hole Database	Fully validated drill hole database; independently audited.
<b>Verification of Sampling and Assaying</b>	No twinned RC/DD hole.	Twinned holes are planned.
<b>Auditing</b>	Drilling, Assaying and Database	Independent technical auditors; monitored by internal auditor.



<b>Sundance Resources Limited - Mbarga South Deposit IDENTIFIED MINERAL RESOURCE – PARAMETERS</b>		
<b>Item</b>	<b>Details</b>	<b>Comments</b>
<b>Geological Interpretation</b>	Surface Mapping and Drill Holes	Surface mapping used for initial geological framework, modified by drill hole data.
<b>Geological Modelling</b>	3D Surfaces (DTM) and Wireframes	Geological domains based on interpretation.
<b>Block Size</b>	25m (X) by 25m (Y) by 5m (Z)	Sub-celled to honour DTM and wireframe shapes.
<b>Interpolation Method</b>	Ordinary Kriging on 2m composite sample results	
<b>Search Parameters</b>	Variable by Domain	Search radii and orientation variable, domain and spatially dependent.
<b>Variables Interpolated</b>	Fe, SiO <sub>2</sub> , Al <sub>2</sub> O <sub>3</sub> , P, TiO <sub>2</sub> , MnO, CaO, S, MgO, K <sub>2</sub> O, Na <sub>2</sub> O, Zn and LOI (1000) %	
<b>Nominal Drill Hole Spacing</b>	50m (N) by 100m (E) on main ridge	Hole spacing variable with wide-spaced drilling (approx 200m x 200m) to east and west.
<b>Classification</b>	Supergene/High Grade Hematite – Fully constrained as material type using wireframe	Assessment criteria in addition to sampling, data and estimation criteria as above.
<b>Metallurgical Data</b>	Test work underway on core from geographically dispersed holes.	Results of average feed grade support resource grades. Flotation tests provide viable concentration grade.
<b>Mining Factors</b>	Pit optimisation and mining schedule complete.	Optimisation and scheduling currently being updated to accommodate the latest resource model.
<b>Cut-Off Parameters</b>	High Grade Hematite – as defined by wireframe domain.	High Grade Hematite – maintains 60% Fe head grade.

<b>Sundance Resources Limited - Nabeba Deposit IDENTIFIED MINERAL RESOURCE – PARAMETERS</b>		
<b>Item</b>	<b>Details</b>	<b>Comments</b>
<b>Surveying</b>	Differential GPS, Ground Survey, LIDAR, handheld GPS	Established survey control by licensed surveyor.
<b>Drilling Techniques</b>	473 Holes: RC (40,369.9m) and Diamond (11,678.75m)	5¼" face sampling RC; NQ/HQ/PQ/HQ3/PQ3 diamond.
<b>Downhole Surveying</b>	Surtron: Gamma, Caliper, Density, Magnetic Susceptibility and Resistivity. North Seeking Gyroscope for geotechnical holes only.	141 drill holes were surveyed by Surtron
<b>Geological Logging</b>	QC Logging Procedures	Field Marshall/acQuire logging system.
<b>Geotechnical/Structural</b>	Diamond Core Orientated for Geotechnical Holes only	Geotechnical/structure logging incorporated into Field Marshall/acQuire logging system.
<b>Sampling</b>	RC Sub-Sample and Half Core	Multi-tiered splitter; diamond sawing.
<b>Assaying</b>	Niton XRF and XRF	Niton on site; commercial lab in Australia.
<b>Assay QA/QC</b>	Duplicates, Lab Standards	Routine duplicates and lab standards monitored in acQuire QA/QC reports. Site specific standards not yet developed.
<b>Data Spacing</b>	100m x 100m; 2m Sampling	Nominal initial drill hole spacing; Infill drilling has commenced and further infill drilling is proposed.



**Sundance Resources Limited - Nabeba Deposit  
IDENTIFIED MINERAL RESOURCE – PARAMETERS**

<b>Item</b>	<b>Details</b>	<b>Comments</b>
<b>Density</b>	Site Measurements	Conventional weighed suspended in air and water; Surtron downhole density; metallurgical test work confirmation of densities; Supergene 2.65g/cm <sup>3</sup> , Surficial 2.50g/cm <sup>3</sup> and Sub-Grade 2.50g/cm <sup>3</sup> .
<b>Database Integrity</b>	acquire Drill Hole Database	Fully validated drill hole database; independently audited.
<b>Verification of Sampling and Assaying</b>	Nine (9) twinned RC/DD hole.	Further twinned holes planned.
<b>Auditing</b>	Drilling, Assaying and Database	Independent technical auditors; monitored by internal auditor.
<b>Geological Interpretation</b>	Surface Mapping and Drill Holes	Surface mapping used for initial geological framework, modified by drill hole data.
<b>Geological Modelling</b>	3D Surfaces (DTM) and Wireframes	Geological domains based on interpretation.
<b>Block Size</b>	25m (X) by 25m (Y) by 5m (Z)	Sub-celled to honour DTM and wireframe shapes.
<b>Interpolation Method</b>	Ordinary Kriging on 2m composite sample results	
<b>Search Parameters</b>	Variable by Domain	Search radii and orientation variable, domain and spatially dependent.
<b>Variables Interpolated</b>	Fe, SiO <sub>2</sub> , Al <sub>2</sub> O <sub>3</sub> , P, TiO <sub>2</sub> , MnO, CaO, S, MgO, K <sub>2</sub> O, Na <sub>2</sub> O, Zn and LOI (1000) % and normative mineralogy were all interpolated	
<b>Nominal Drill Hole Spacing</b>	100m (N) by 100m (E)	Some closer-spaced drilling on north-south lines on the northern ridge
<b>Classification</b>	Supergene/High Grade Hematite – Fully constrained as material type using wireframe	Assessment criteria in addition to sampling, data and estimation criteria as above.
<b>Metallurgical Data</b>	Test work underway on core from geographically dispersed holes.	Results of average feed grade support resource grades. Flotation tests provide viable concentration grade.
<b>Mining Factors</b>	Pit optimisation and mining schedule complete. Optimisation and scheduling currently being updated to accommodate the latest resource model.	
<b>Cut-Over Parameters</b>	High Grade Hematite – as defined by wireframe domain Surficial: <6% Al <sub>2</sub> O <sub>3</sub> , 0.25% P Sub-Grade: <8% Al <sub>2</sub> O <sub>3</sub> , 10% SiO <sub>2</sub>	



### **Competent Persons Statement**

The information in this release that relates to Exploration Results and Mineral Resources 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.

### **Resources reported on Exploration Permit 92, Cameroon (Mbarqa, Mbarqa South and Metzimevin Deposits)**

The estimated quantity and grade of High Grade Hematite quality Supergene mineralisation and underlying Itabirite-style mineralisation has been restricted to the area currently covered by drilling on a 100m x 50m pattern for the Indicated Resource at Mbarqa Deposit and a spacing varying from 200m x 100m to 50m x 50m for the Indicated Resource at the Mbarqa South Deposit. A 200m x 100m drill pattern applies for the Inferred Resource at the Mbarqa and Metzimevin Deposits. This is represented by an area approximately 3km (east-west) x 3km (north-south) on the Mbarqa Deposit; by an area approximately 1.5km (east-west) and 1.0km (north-south) on the Mbarqa South Deposit and 1.2km (east-west) x 0.3km (north-south) on the Metzimevin Deposit. Grade has been estimated by Ordinary Kriging on composited sample results. Cut-off grades for High Grade Hematite for the Mbarqa Deposit are broken down as follows: Surficial: >50% Fe and <15% Al<sub>2</sub>O<sub>3</sub>; Supergene: No cut-off; Transitional: >51% Fe; Phosphorus: >50% Fe and <0.3% P; Hypogene: >51% Fe.

Metzimevin Inferred Resources have a >50% Fe cut-off and density of 2.80 applied.

A digital terrain surface (based on highly accurate topographic data), has been used to limit extrapolation of the mineralisation to the topography of the relevant deposits. A number of mineralisation and waste domains have been modelled as either a digital terrain surface or as wireframes and used to constrain the grade interpolation. The resource modelling has used 10m (X) by 10m (Y) by 2m (Z) in supergene and 10mx20mx5m in Itabirite blocks with sub-blocks to honour the constraining surfaces. Collar surveys used DGPS surveying.

Down-hole surveys were determined using either deviation or gyro survey data. Down-hole geophysical logging including density, gamma, resistivity and caliper logs has been used in the evaluation.

Densities have been assigned from a combination of down hole geophysical and physical measurements of diamond core carried out as part of metallurgical analysis. Densities of 2.40 t/m<sup>3</sup> have been assigned for the Surficial Zone, 2.80 t/m<sup>3</sup> for the Supergene, 2.80 t/m<sup>3</sup> for the Phos, 2.90 t/m<sup>3</sup> for the Transition and 3.20 t/m<sup>3</sup> for the Hypogene. The Itabirite mineralisation has a very strong correlation of density to Fe grade and therefore a Fe regression formula has been applied. The regression formula has been derived by analysis of data from geophysical downhole logging and assaying, with a range of densities adopted from 3 to 4t/m<sup>3</sup> depending on the iron grade.

Core and sample recovery has been recorded during logging. All drill hole data is stored in an acQuire database and imported data is fully validated. Assaying QA/QC was undertaken using field duplicates, laboratory replicates and internal standards with comprehensive reporting on laboratory precision and accuracy. Metallurgical test work programs have supported the assay grades and density values of the major mineral types.

### **Resources reported on Nabeba-Bamegod Permit, Congo (Nabeba Deposit)**

The estimated quantity and grade of near-surface, high grade mineralisation for the Nabeba Resource has been restricted to an area currently covered by drilling on predominately a 100m x 100m pattern (with some closer-spaced drilling on selected north-south lines on the northern ridge). Sundance has completed significant drilling at Nabeba of which 22.5% has been diamond core and 77.5% RC (Reverse Circulation) drilling with face-sampling hammers. The geological model is represented by an area approximately 2.5km (east-west) x 2.75km (north-south). Grade has been estimated by Ordinary Kriging on composited sample results. The mineralisation and grade interpolation of drill results has been constrained by a 3-D wireframe which encompasses all of the near-surface contiguous high grade material and as such, no cut-off grades for high grade have been required or applied. At the time of modelling, 76% of drill sample results were full XRF analyses from Ultratrace Laboratories (Perth, Western Australia) and the remaining 24% were Thermo Niton XRF (Fe only) results from the Sundance Site laboratory.



*Cut-off grades for the Nabeba deposit are broken down as follows: Surficial: <6% Al<sub>2</sub>O<sub>3</sub> and <0.25% P; Supergene: no cut-offs; Sub-Grade : <8% Al<sub>2</sub>O<sub>3</sub> and <10% SiO<sub>2</sub>.*

*A digital terrain surface (based on recent Lidar and ground surveys) has been used to limit extrapolation of the mineralisation to the topography of the Nabeba hill. The resource modelling has used 25m x 25m x 5m blocks with sub-blocks to honour the constraining surfaces. All collars have been surveyed by DGPS. A density of 2.65t/m<sup>3</sup> has been used for all of the Supergene High Grade Hematite, with a density of 2.50t/m<sup>3</sup> for the Sub-Grade and Surficial zones. All density values are based on results from an assessment of physical density measurements of current drill core and on down-hole density determination by Surtronic.*

*Core and sample recovery has been recorded during logging. All drill hole data is stored in an acquire database and imported data is fully validated. Assaying QA/QC was undertaken using field duplicates, laboratory replicates and standards with comprehensive reporting on laboratory precision and accuracy.*

*While the Company is optimistic that it will report additional resources in the future, any discussion in relation to the potential quantity and grade of exploration targets is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource for these exploration targets and it is uncertain if further exploration will result in determination of a Mineral Resource.*

#### **Forward-Looking Statement**

*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.*