



ASX Announcement | Media Release
30 April 2018

QUARTERLY ACTIVITIES REPORT PERIOD ENDED 31 MARCH 2018

Summary:

- **MOU signed between Sundance and Tidfore**
- **Cameroon Government extends Convention to 14 September 2018**
- **\$1.067 million on hand at 31 March 2018**

Sundance Resources Limited (ASX: SDL) ("**Sundance**" or "**Company**") provides the following information about activities for the quarter ended 31 March 2018:

MOU SIGNED BETWEEN SUNDANCE, CAM IRON AND TIDFORE

On 22 January 2018 Sundance announced that it had signed a binding Memorandum of Understanding ("**MOU**") with Tidfore Heavy Equipment Group Co. Ltd ("**Tidfore**") and Cam Iron S.A. ("**Cam Iron**" a subsidiary of Sundance which has a mining permit application over the previous EP92 in Cameroon ("**Parties**"). The purpose of the MOU was to provide a framework for cooperation between the Parties and their joint venture partners in order to establish the required consortium of expertise to fund or assist in sourcing the funding to construct the infrastructure and to bring the Mbalam-Nabeba Iron Ore Project ("**Project**") into operation.

Tidfore is an innovation-oriented integrated engineering enterprise group, whose business scope mainly covers equipment manufacturing, general contracting and supporting services. The Company is a leading supplier of material handling equipment, port equipment and offshore engineering equipment, and offers a comprehensive service delivering everything from design, research, development, fabrication, sales, installation, commissioning and after-markets to financial leasing.

As one of the leading private groups in the Chinese heavy industry, Tidfore has made successful contributions to several infrastructure projects including a port expansion project in Sierra Leone, deep sea port and super-highway project in Nigeria, and a steel and cement plant project in Liberia. Tidfore enjoys a good reputation in the African Market.

Tidfore has signed a Joint Venture Framework Agreement ("**JV**") with China Civil Engineering Construction Corporation ("**CCECC**").

CCECC is a subsidiary of the China Railway Construction Group ("**CRCC**") and has been listed among the world's top 100 international contractors for 17 consecutive years by the Engineering News Record "ENR". The business activities of CCECC have covered more than 50 countries and regions in Asia, Africa, America, Europe and Oceania. By undertaking numerous railways, bridges, buildings and municipal works in overseas markets and with its excellent performance and quality service, CCECC has won many national titles and honours.

The JV defines the principle rights and obligations of both parties. In particular, Tidfore has responsibility for the port construction and CCECC for the railway construction and assisting Cam Iron and Congo Iron S.A. ("**Congo Iron**" a Sundance subsidiary which holds the Nabeba permit in Congo) and financial institutions to negotiate project loans and project financing.

Under the MOU, Sundance will sell 51% of its ownership in Cam Iron to Tidfore for a value to be agreed or independently valued once:

- Cam Iron obtains title to the tenure over the area covered by the previous EP92 for a minimum of three years. Currently, Cam Iron has a mining permit application lodged over this area;
- the Government of China approves the provision of Sinosure insurance in order to enable Chinese funders to consider funding the Project; and
- formal agreements have been agreed and executed.

GOVERNMENT REVIEWING EXTENSION OF CONVENTION

On 19 March 2018 Sundance announced that the Government of Cameroon had granted a six month extension to the Mbalam Convention. The extension date was then clarified to be six months from the granting of the extension. On 20 March 2018 Sundance announced that the extension of the Convention is to 14 September 2018.

Sundance had announced on 31 July 2017 that it reached an agreement with the Government of Cameroon to extend the Mbalam Convention by six months to 26 January 2018, and then a potential further six months could be granted if Sundance could demonstrate progress toward funding the Project either by itself or with a credible partner.

Following meetings in January and March 2018 between representatives of the Government of Cameroon, Sundance and Tidfore, the Government of Cameroon agreed to Sundance's request for an extension to the Convention.

During this 6 month extension Sundance needs to demonstrate to the Government that a credible partner who is interested in the development of the Project has taken equity. If that occurs, the Government has advised that it will take all useful measures to assist Sundance in carrying out this Project

BOARD UPDATE

On 20 February 2018 Sundance was notified that Mr Alan Rule was resigning from his position as non executive Director of Sundance due to other work commitments.

On 9 April 2018 Sundance announced that Mr Brett Fraser has joined the Board as a non executive Director effective from 10 April 2018. Brett has worked in the finance and securities industry for over 30 years and has extensive experience in corporate, commercial and business transactions in public and private markets.

CORPORATE

Total cash outflow from operating activities for the period was \$567,000 due to higher than normal legal and travel costs during the Quarter.

Sundance ended the March 2018 Quarter with \$1,067,000 in cash and deposits.

The expenditure for the coming Quarter is estimated to be \$654,000 driven by one off costs associated mainly with payment of insurance premiums.

EXPENDITURE

The Pro-forma Appendix 5B - Statement of Consolidated Cash Flows is provided in a separate report.

ASX ANNOUNCEMENTS

The Quarterly Report should be read in conjunction with all announcements made by the Company to ASX, including the financial statements for the year ended 30 June 2017 and Half Yearly report to December 2017 which contain further details about Material Business Risks. These announcements can be found on the following link:

<http://www.sundanceresources.com.au/irm/content/asx-announcements.aspx>

SCHEDULE OF TENEMENTS

The Company, through its subsidiary companies, held the following exploration/mineral research permits and mining tenements at 31 March 2018:

Country	Area	Permit	Holder
Republic of Cameroon	Mbalam	Exploration Permit No. 92 has now expired. Mining Permit application and Mbalam Convention in place.	Cam Iron SA ^(i,iii,v)
Republic of Congo	Nabebea-Bamegod	Decree No.2013-45	Congo Iron SA ^(ii,iv,v)
Republic of Congo	Ibanga	Decree No. 2013-405	Congo Iron SA ^(ii,iv,v,vi)

- (i) Cam Iron holds 100% interest; Cam Iron is a 90%-owned subsidiary of Sundance.
(ii) Congo Iron holds 100% interest; Congo Iron is an 85%-owned subsidiary of Sundance.
(iii) Under the key terms of the Mbalam Convention the Government of Cameroon has a right to a 10% free carry interest in the project companies pursuant to the Cameroon Mining Code and an additional 5% interest where the equity requirements can be loaned to the State and then repaid with interest out of dividends.
(iv) The Government of Congo has a right to a 10% interest in Congo Iron pursuant to the Congo Mining Code
(v) Should both Governments exercise their rights for an interest in Cam Iron and Congo Iron then Sundance's interest would reduce to 76.5%
(vi) This permit expired in August 2015. Congo Iron made application for a replacement permit covering only part of the Ibanga permit area containing the most prospective area in August 2015.

ENDS

GIULIO CASELLO

Chief Executive Officer and Managing Director

Sundance Resources Limited

Tel: +61 8 9220 2300

Media:

Peter Klingler

Cannings Purple

Mob: +61 411 251 540

E: pklinger@canningspurple.com.au

About Sundance Resources

Sundance Resources is seeking to develop its flagship Mbalam-Nabebea Iron Ore Project, which straddles the border of Cameroon and the Republic of Congo in Central Africa. Stage One will be the production of a Direct Shipping Ore ("DSO")-quality sinter fines product averaging >62.0% Fe at a rate of 40Mtpa for approximately 14 years based on blending material sourced from the deposits in the neighbouring countries of Cameroon and Congo. Stage Two, which is currently at a Pre-Feasibility Stage, would then extend the life of the operation by further 15-plus years producing high-grade Itabirite hematite concentrate. In April 2011, Sundance completed the Definitive Feasibility Study for Stage One and Pre-Feasibility Study for Stage Two of the Mbalam-Nabebea Iron Ore Project. The Project will utilise the rail and port infrastructure to be financed, built and owned by the Government of Cameroon, a 540km rail line

dedicated to the transport of iron ore through Cameroon and a dedicated mineral export terminal designed for taking bulk iron ore carriers of up to 300,000 tonnes.

Forward Looking Statements

Certain statements made during or in connection with this communication, including without limitation, those concerning the economic outlook for the iron ore mining industry, financing a large capital project, expectations regarding iron ore prices, production, cash costs and to the operating results, growth prospects and the outlook of Sundance's operations including the likely financing and commencement of commercial operations of the Mbalam-Nabeba Iron Ore Project and its liquidity and capital sources and expenditure, contain or comprise certain forward-looking statements regarding Sundance's operations, economic performance and financial condition.

Although Sundance 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, deterioration in the iron ore market, deterioration in debt and equity markets that lead to the Project not being able to be financed, success of business and operating initiatives, changes in the regulatory environment and other government action, fluctuations in iron ore prices and exchange rates, business and operational risk management, changes in equipment life, capability or access to infrastructure, emergence of previously underestimated technical challenges, environmental or social factors which may affect a license to operate.