



21 January 2009

ASX / MEDIA RELEASE

## REGIONAL AEROMAGNETIC SURVEY AND HISTORIC DRILL RESULTS IDENTIFY SIGNIFICANT NEW EXPLORATION TARGETS

### *Significant Historic Drill Intersections Reported on the Mt Nabeba Prospect, Republic of Congo*

Sundance Resources Limited (ASX: **SDL** – "the Company") is pleased to report encouraging results from the high-resolution airborne geophysical survey recently completed over its consolidated iron ore exploration portfolio in Cameroon, West Africa and the neighbouring Republic of Congo. These results are supported by historical drilling data recently obtained by the Company which indicates potential DSO quality mineralisation on the Mt Nabeba Prospect in the Republic of Congo.

The airborne geophysical survey was conducted by New Resolution Geophysics of South Africa over selected areas of Exploration Permits 2007-362 and 2007-363 in the Republic of Congo, held by the Company's Congo operating subsidiary, Congo Iron SA, and Exploration Permit 143 in Cameroon, held by the Company's Cameroon operating subsidiary, Cam Iron SA (refer Figure 1).

The survey was undertaken to delineate the magnetic response over significant topographic features within the permit areas which were considered to have potential to host iron ore mineralisation.

Initial processing of the survey data has confirmed extensions to the areas of high magnetic response immediately to the south of the Company's Mbalam Iron Ore Project in Cameroon into the adjacent Congo tenements – refer Figure 2 (this includes the results of the previous geophysical survey over EP92 in 2006). Preliminary field mapping of these areas indicate the presence of supergene iron mineralisation.

The survey data has also confirmed the presence of a significant magnetic response over the Mt Nabeba Prospect, previously identified in exploration undertaken by Bureau de Recherches Géologiques et Minières (BRGM) in 1986. A 15km linear magnetic anomaly has also been delineated in the Mt Letioukbalala locality, to the south of Mt Nabeba. Both areas have been identified as priority exploration targets – refer Figure 2.

The BRGM assessment of the Mt Nabeba Prospect identified the presence of high grade iron mineralisation with iron rich weathered material overlying supergene iron mineralisation. BRGM mapping of the potential surface extent of supergene mineralisation is reproduced in Figure 3. This shows potential outcrop over two areas of the prospect with a strike length of around 2 - 3 km.

BRGM also completed four diamond holes drilled to depths ranging from approximately 54m to 100m. The table below summarises the BRGM assay results from significant drill hole intersections within the supergene zone of the iron mineralisation on the Mt Nabeba Prospect:

Hole	From	To	Interval	Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P%	LOI%
SN01	60.10	85.00	<b>24.90</b>	<b>65.16</b>	1.13	3.42	0.060	1.62
SN02	9.90	45.20	<b>35.30</b>	<b>62.19</b>	1.98	1.95	0.099	6.69
SN03	14.26	99.62	<b>85.36</b>	<b>63.28</b>	1.25	3.77	0.089	3.71
SN04	16.20	75.40	<b>59.20</b>	<b>63.31</b>	1.15	3.30	0.105	4.36

The Company has assigned an Exploration Target of 25 to 100 million tonnes of DSO quality mineralisation with a grade range of 60% to 65% Fe at the Mt Nabeba Prospect based on the results reported by BRGM.

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 and it is uncertain if further exploration will result in determination of a Mineral Resource.

Sundance's Managing Director, Don Lewis, said: "These recent results reinforce the scale of prospectivity of the Company's large landholding in the Republic of Cameroon and the Republic of Congo, highlighting the potential to expand our resource inventory with ongoing exploration."

"While this is early-stage exploration, high-resolution airborne surveys do provide a cost effective means for reconnaissance exploration over our large permit areas," Mr Lewis said.

"The geophysical survey has generated multiple targets with magnetic signatures similar in scale to the Mbarga Deposit at Mbalam, where we have reported JORC-Code compliant Inferred Resources totalling 2.45 billion tonnes of itabirite and DSO quality hematite over a drilled area of just 10km<sup>2</sup>," he continued.

"The historical work undertaken by BRGM at the Mt Nabeba Prospect in the Republic of Congo is particularly encouraging as it introduces another significant exploration target for DSO quality mineralisation. Sundance, through its subsidiary Congo Iron SA, is planning a reconnaissance mapping and surface sampling program in the Mt Nabeba and Mt Letioukuala areas during the first quarter of 2009."

"While our focus remains on progressing the Mbalam Project towards production as rapidly as possible, we will continue to add value to the project at a broader level through strategic regional exploration. Our large landholding contains a number of significant targets within an emerging world-scale iron ore province."

#### **Completion of First Stage of Congo Iron SA Transaction**

The completion of the airborne geophysical survey satisfies the first stage of the agreement announced on 10 October 2008, whereby Sundance increased its interest in Congo Iron SA to an 85% shareholding through the acquisition of interests held by Cam Iron SA and the representative of Congo Mining Investments SA ("Cominvest"). Congo Iron SA holds a 100% interest in the Congo Exploration Permits. In accordance with the terms of that agreement, the Company will now issue 5 million Sundance ordinary shares to Cominvest.

The next stage of the agreement provides for the issue of 14 million ordinary Sundance shares to Cominvest on (and subject to) the definition of 200 million tonnes of hematite reserves (as defined by the JORC Code) grading +60% Fe.

**ENDS**

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## About Sundance Resources Limited

*Sundance Resources Ltd is an Australian exploration company focused on mining interests in the Republic of Cameroon and the Republic of Congo, on the central west coast of Africa. Sundance has commenced feasibility study on the Mbalam Iron Ore Project as the basis for developing a global iron ore business.*

*Central West Africa is considered to have the potential to develop into a significant new iron province, underpinned by the Mbalam Iron Ore Project and the nearby Belinga Project in Gabon, under development by the China National Machinery and Equipment Import and Export Corporation.*

*WA-based Sundance has been listed on the Australian Stock Exchange since 1993 and is also traded on over-the-counter markets in Frankfurt, Berlin, Hamburg, Stuttgart and Munich.*

## Competent Persons Statement

*The information in this release that relates to Exploration Results is based on information compiled by Mr Peter Kitto, a Fellow of the Australasian Institute of Mining and Metallurgy.*

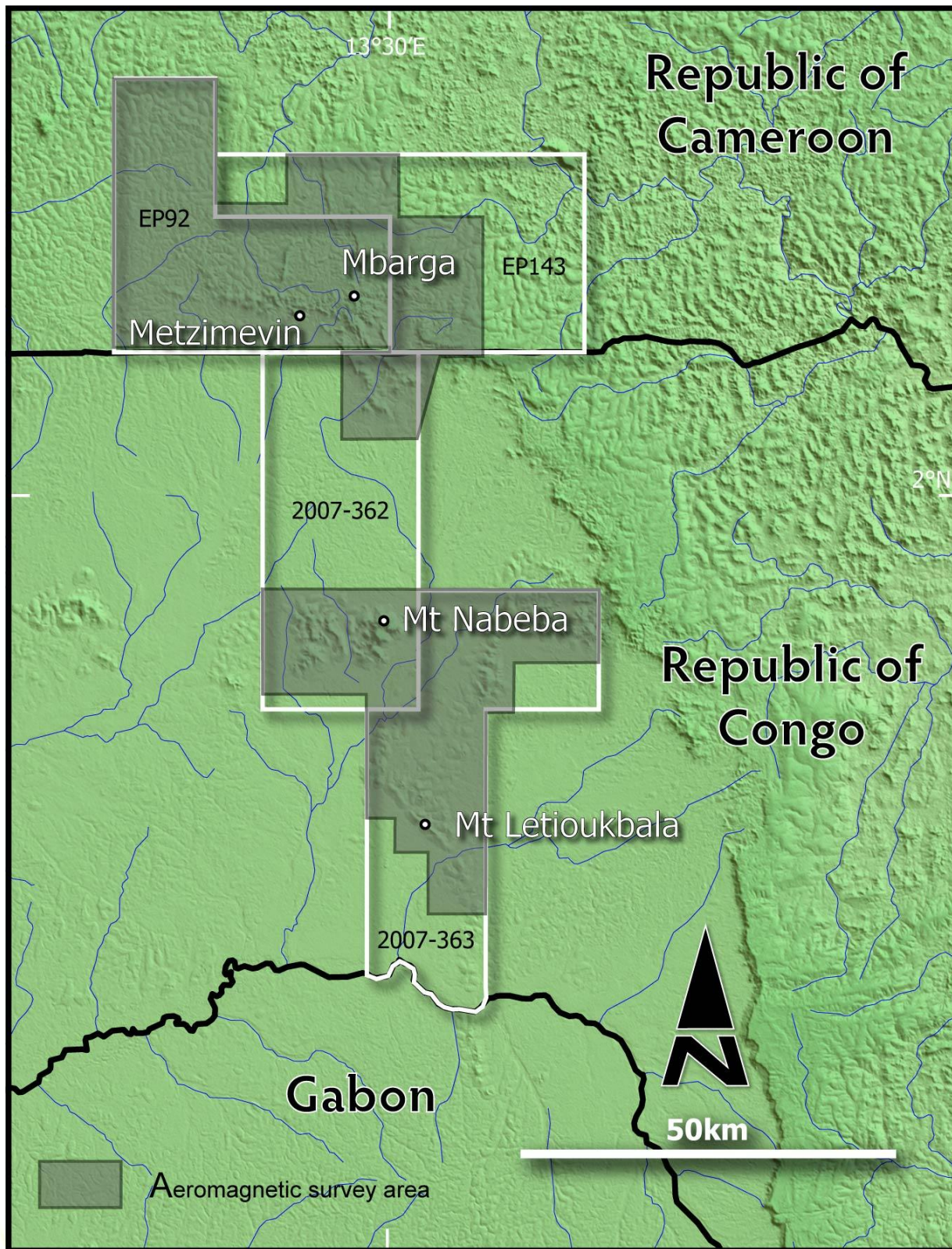
*Mr Kitto is a consultant to the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration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

*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 and it is uncertain if further exploration will result in determination of a Mineral Resource.*

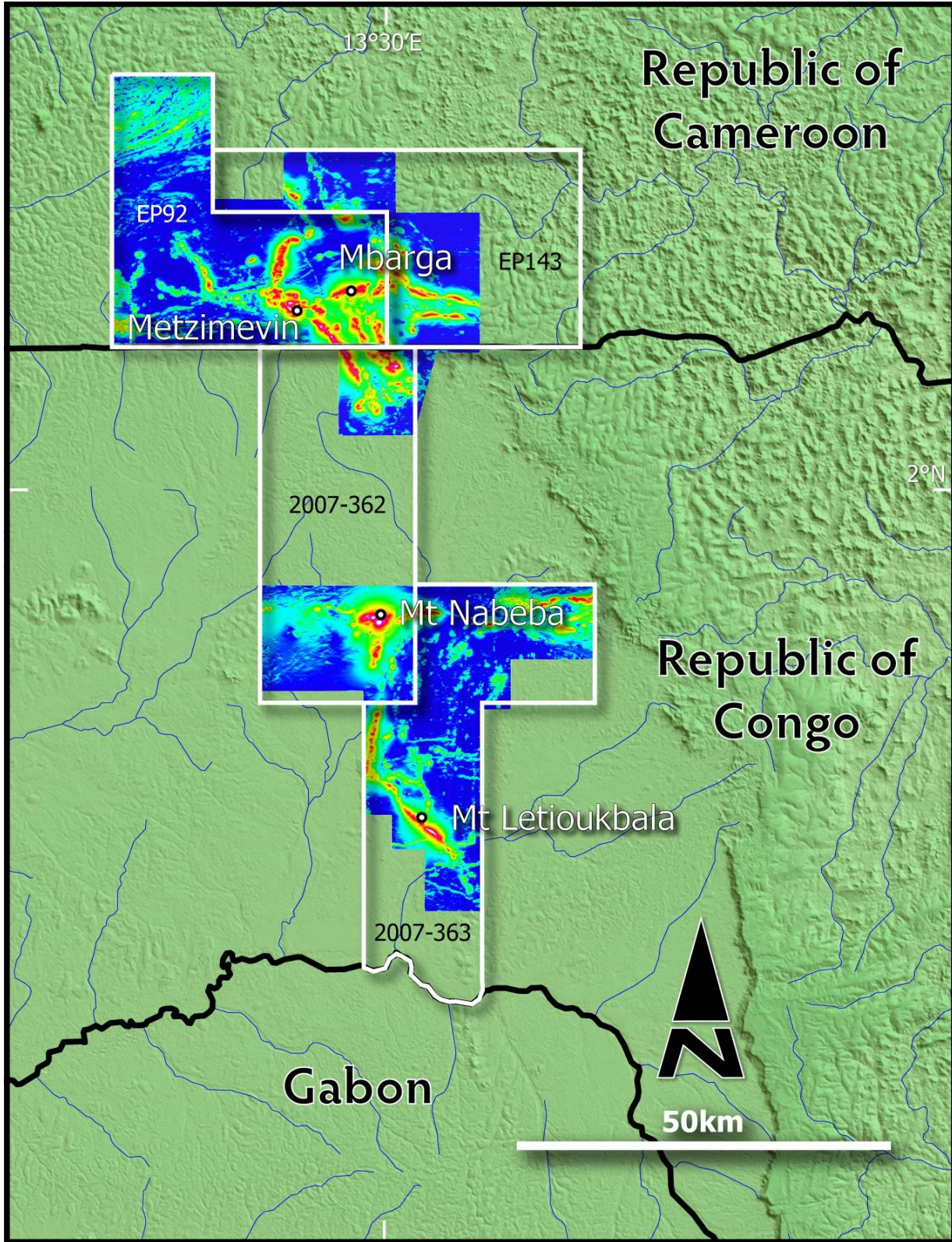
## Forward-Looking Statement

*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.*

**FIGURE 1 – EXPLORATION PERMITS CONTROLLED BY SUNDANCE IN THE REPUBLIC OF CAMEROON AND REPUBLIC OF CONGO SHOWING AREAS COVERED BY HIGH RESOLUTION AIRBORNE GEOPHYSICAL SURVEY IN 2008**



**FIGURE 2 –PROCESSED ANALYTICAL SIGNAL RESULTS FROM GEOPHYSICAL SURVEYS COMPLETED IN 2008 MERGED WITH 2006 SURVEY RESULTS OVER EP92**



**FIGURE 3 – MAPPING OF EXTENT OF SURFACE OUTCROP AND POTENTIAL SUPERGENE IRON MINERALISATION ON MT NABEBA (sourced from Bureau de Recherches Géologiques et Minières (BRGM) 1986)**

