

ASX Announcement
13 April 2012

SUNDANCE STRENGTHENS ITS FIRST MOVER ADVANTAGE IN THE WORLD CLASS IRON ORE REGION IN CENTRAL WEST AFRICA

HIGHLIGHTS OF THE QUARTER

- Sundance and Hanlong agree to an extension to meet certain conditions precedent of the Scheme Implementation Agreement.
- Cameroon Ministerial Steering Committee established for all key approvals and strategic issues relating to the Mbalam Project with tasks including completing the terms of the Mbalam Convention.
- Memoranda of Understanding with Core Mining and Equatorial Resources underpin regional strategy for the Mbalam Project to unlock a new world class iron ore province.
- Deep Itabirite Resource Definition drilling at the Nabeba Deposit identifies long consistent intersections of enriched Itabirite ranging from 29% to 45% Fe.
- Extensive mapping and sampling of prospects for generation of an additional 90-150 Mt Direct Shipping Ore (DSO) Exploration Targets on Sundance exploration tenements.¹

Sundance Resources Limited ('Sundance' or 'the Company') (ASX: SDL) provides its Activities Report for the Quarter ending 31 March 2012.

HANLONG SCHEME IMPLEMENTATION AGREEMENT EXTENSION

During the reporting period, an agreement was reached between Sundance and Hanlong (Africa) Mining Investment Limited ('Hanlong') for an extension to certain Conditions Precedent of the Scheme Implementation Agreement ("SIA") as announced on 4 October 2011 that were due to be satisfied on or before 29 February 2012.

This extension brings the revised target date to 27 April 2012 for the key terms of the Mbalam Convention and Congo Mining Permit to be agreed and for satisfaction of the other Conditions Precedent which Sundance was otherwise required to fulfill. Hanlong will have three weeks from the date that the key terms of the Mbalam Convention and Congo Mining Permit have been agreed to conclude a credit approved term sheet with the China Development Bank. Senior company executives and board members, including the Chairman of Sundance, together with representatives of Hanlong will be attending meetings in the Republic of Cameroon and the Republic of Congo in the weeks prior to 27 April 2012. An update to the market will be provided subsequent to that date.

¹ It must be noted that this range is an Exploration Target only, and not to be misconstrued as an estimate of Mineral Resources. The potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the determination of a mineral resource.

MBALAM CONVENTION / CONGO MINING PERMIT

In February 2012, the Cameroon Government established a top-level Ministerial Steering Committee to coordinate and oversee the planning of the mine and infrastructure. The Cameroon Government advised Sundance that the Ministerial Committee will be responsible for all the key approvals and strategic issues relating to the Mbalam Project, with tasks including completing the terms of the Mbalam Convention. The close involvement of key senior government ministers is expected to assist in a swift and efficient approvals process in an effort to achieve the revised target date of 27 April 2012.

The Cameroon Government have appointed SRK as their technical advisors and Sundance's project and geology team met with them during the Quarter to provide an overview of the findings of Sundance's Definitive Feasibility Study (DFS) for the Project, as well as visiting the proposed mine site.

In March 2012, company executives including the Chairman and the CEO/Managing Director of Sundance returned to Cameroon to hold follow up discussions with the Government Ministerial Steering Committee. Sundance is encouraged with the progress being made to reach agreement on the key terms of the Mbalam Convention.

In the Republic of Congo, during the Quarter the Environmental Social Assessment (ESA) Plan was submitted by Sundance's subsidiary Congo Iron. A review session has been undertaken and the Congo Department of Environment's comments are currently being addressed. The Company continues to be engaged with the Government for the permit process with a view that the Congo Mining Permit can be issued by 27 April 2012.

REGIONAL INFRASTRUCTURE SHARING

During the reporting period, Sundance signed two Memoranda of Understanding (MoU), with fellow ASX-listed company Equatorial Resources ('Equatorial') and privately-owned Core Mining ('Core'). Both have iron ore projects in the Republic of Congo. The MoUs provide a framework for discussions under which the companies can independently examine how each may utilise Sundance's proposed rail and port infrastructure associated with the Mbalam/Nabeba development. The MoUs also cover other opportunities for regional co-operation between the companies.

EXPLORATION AND RESOURCE DEFINITION

Highlights of Exploration activity for the Quarter include the following:

- Deep Itabirite Resource Definition drilling at the Nabeba Deposit with long intersections of enriched Itabirite;
- Extensive mapping and sampling of Prospects and generation of an **additional 90-150Mt DSO Exploration Targets.**²
- Presentation of Exploration and Resources to Cameroon Government Steering Committee and their appointed technical advisors (SRK) and associated Site visits.

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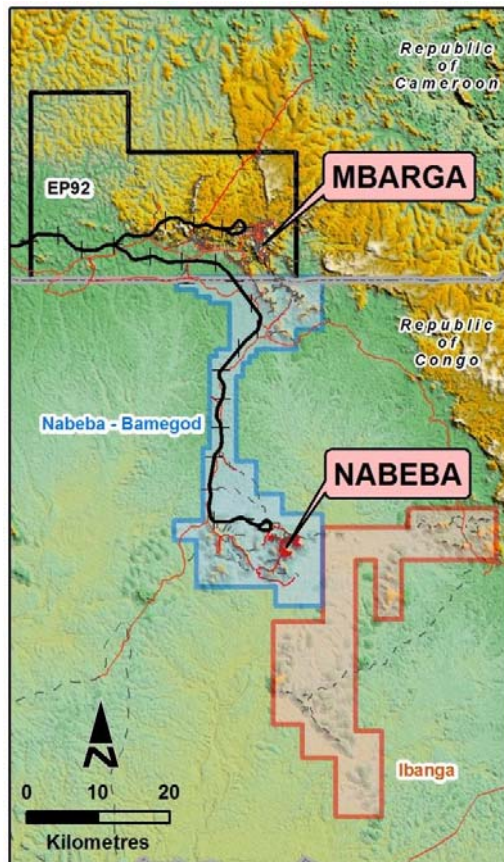


Figure 1 – Mbala Iron Ore Project Permits

As part of the Project Enhancement Study, work continues on re-evaluation of the Mbarga and Nabeba Deposits with a view to increasing resources and reserves based on the additional information gained from drilling and ongoing test work in 2011. Re-interpretation of the Nabeba Deposit with the benefit of recent Itabirite drilling, for example, has revealed a definitive mineralised Transition Zone beneath the Sub-Grade Domain that has potential to add significant tonnage to Stage 1 of the Project.

Results of Mbarga and Nabeba re-evaluations, and maiden Resource estimation statements for the Nabeba Northwest and Nabeba South satellite Prospects are still in progress and expected to be announced in the next Quarter.

Resource definition drilling at the Nabeba Northwest and Nabeba South Deposits was completed in late 2011 (Figure 2, next page). At Nabeba Northwest, a total of 48 holes were drilled (including 3 diamond holes) for a total of 3,694m. Drilling was completed over 12 north-south oriented sections with nominal drill spacing of 100m x 100m. Only 11 RC holes have been drilled to date at Nabeba South for a total of 1,050m, also on an initial 100m x 100m pattern.

Additional drilling is required to improve confidence in the initial interpretation, but even with limited drilling, the discovery of significant supergene mineralisation in adjacent topographic ridges supports the re-evaluation of other DSO Targets as outlined in the subsequent sections of this report.

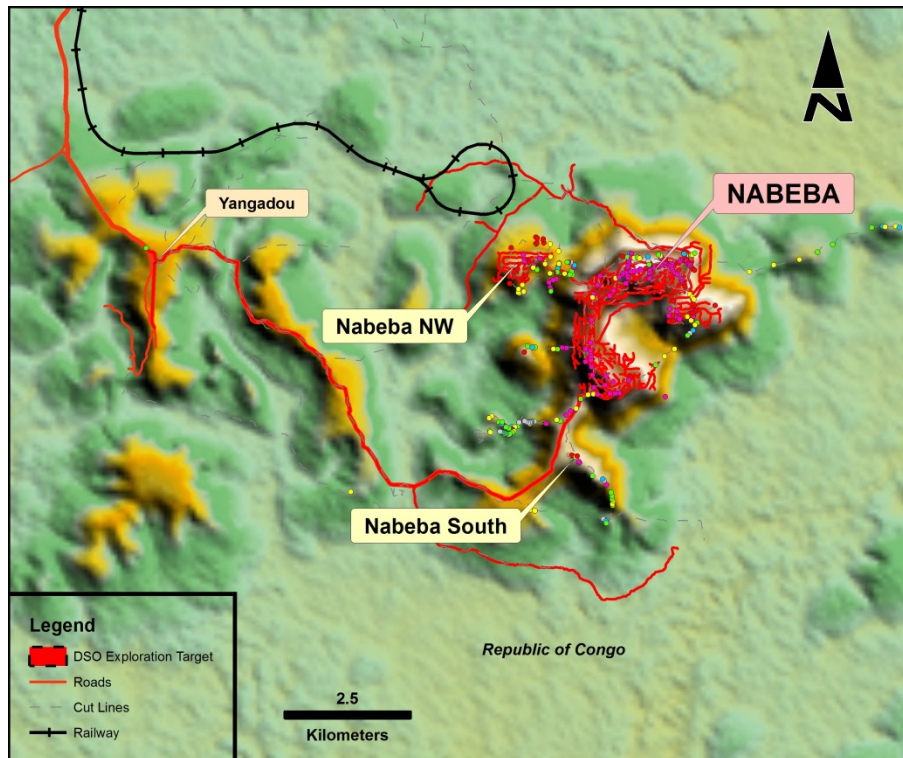


Figure 2 – Location of ‘Nabeba Northwest’ and ‘Nabeba South’ Deposits in relation to the ‘Nabeba Deposit’

NABEBA ITABIRITE DRILLING PROGRESS

There is no change at this stage to the existing Itabirite Resource inventory of **2.32Bt at 38.0% Fe**, located at the Mbarga Deposit in Cameroon (Table 1). Drilling at the Nabeba Deposit to evaluate the potential for additional Itabirite Resources is currently in progress to evaluate the previously stated Exploration Target of **1.5 -2.5 Bt at 30-40% Fe**.³

Table 1 - Current Itabirite Hematite Resource

GLOBAL ITABIRITE HEMATITE RESOURCE	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	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
Total Itabirite Hematite Resource	2,325	38.0	44.4	0.48	0.04	0.36

Diamond core drilling at Nabeba re-commenced in early February 2012 and to date a total of six drill hole extensions have been completed to initiate assessment of the Itabirite Exploration Target, directly beneath the High Grade Hematite Resource (Table 2, next page). Due to the focus on the deep resource target, drilling has been conducted as extensions to existing holes referred to as ‘diamond tails’.

³ It must be noted that this range is an Exploration Target only, and not to be misconstrued as an estimate of Mineral Resources. The potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the determination of a mineral resource.

The final target depth to meet the Exploration Target objective is approximately 400m. Drill hole extensions are commencing as HQ-sized core and stepping down to NQ-size when required. All drilling is being undertaken with triple tube methodology to maximise sample recovery and to ensure the best possible quality sample is attained.

Table 2 - 2012 Nabeba Itabirite Drillhole 'Tails'							
#	Hole ID	Northing	Easting	Initial Depth	Final Depth	Dip	Comment
1	NB0017D	203681	387258	167.5	219.5	Vertical	Drilled late 2011
2	NB0441D	203481	387786	116.9	379.1	-65°	
3	NB0239D	203720	388602	145.5	374.0	Vertical	
4	NB0403D	203852	387840	197.0	215.8	Vertical	Abandoned due to drilling problems
5	NB0027CD	203868	387802	120.0	184.8	Vertical	Abandoned due to drilling problems
6	NB0426D	203707	388196	162.0	400.4	Vertical	

Sundance currently has two of its drilling rigs working on the Nabeba Itabirite drilling programme with a third rig due to commence during the current Quarter. The design of the programme is to complete coverage of the northern ridge at Nabeba on an approximate drill spacing of 400m x 200m (Figure 3).

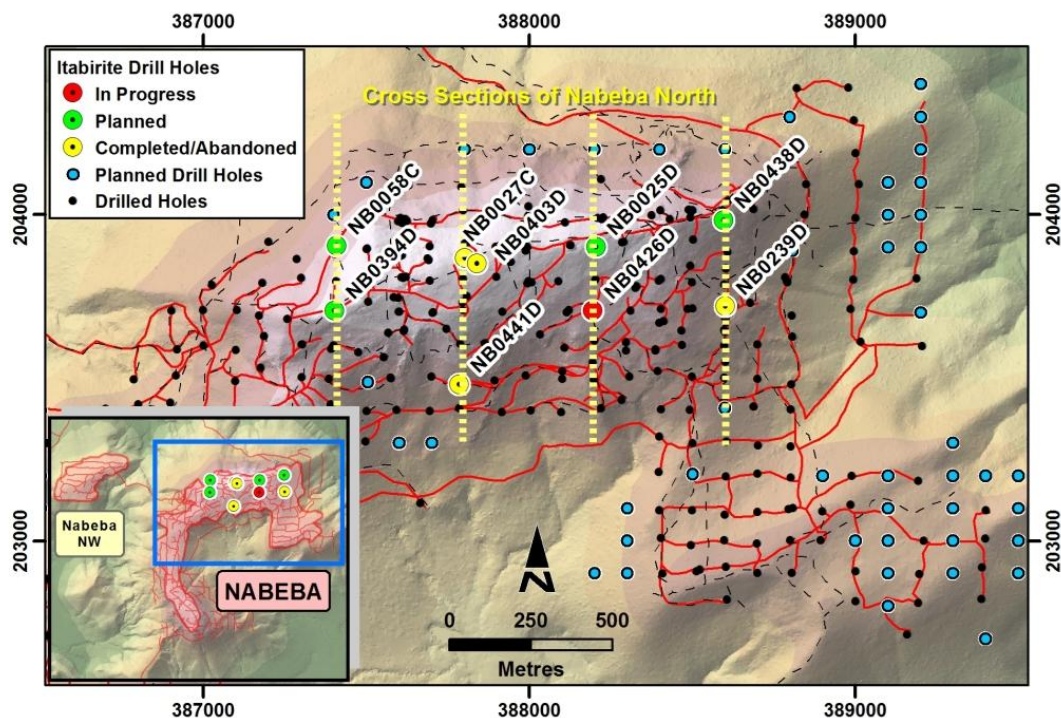
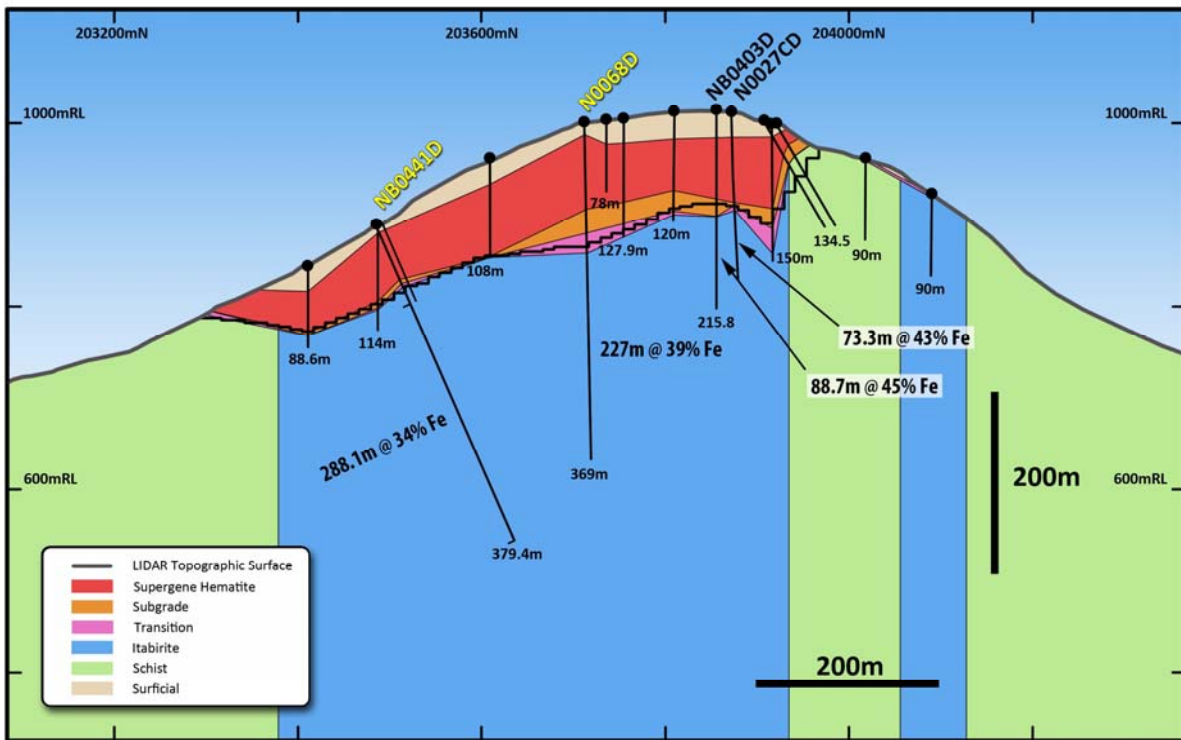


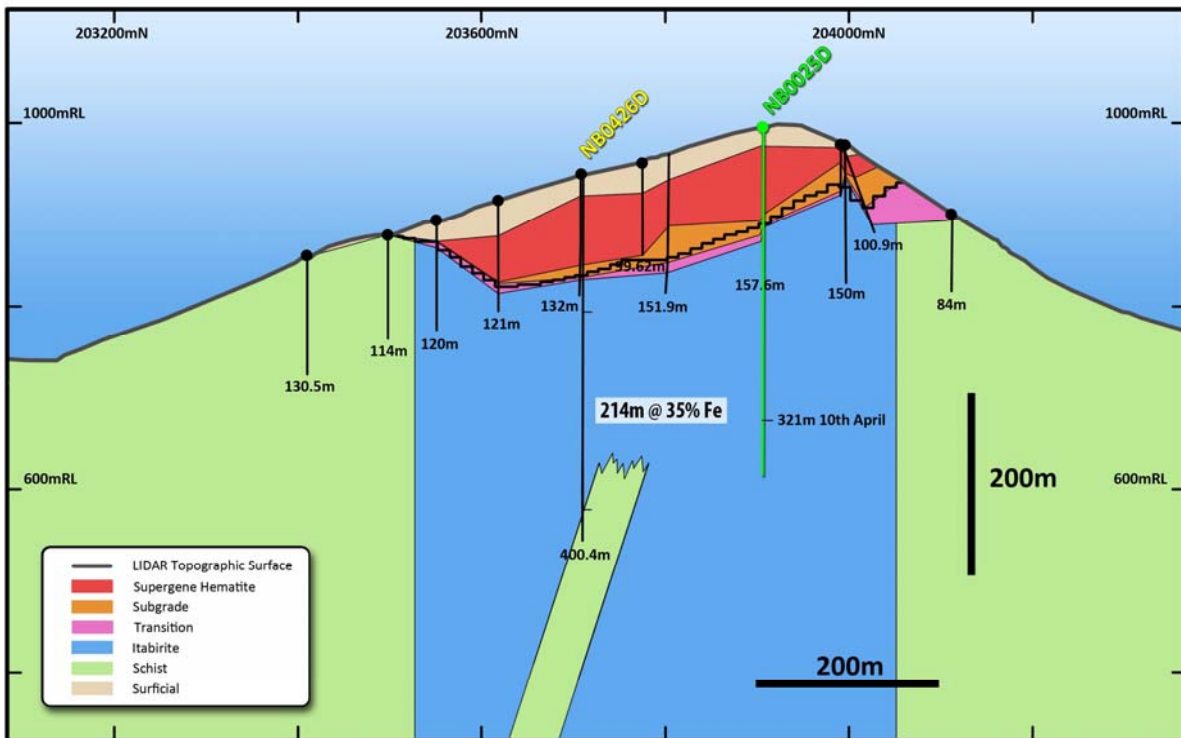
Figure 3 – Itabirite Drilling Plan at Nabeba

Figure 4, Figure 5 and Figure 6 (Pages 6-7) illustrate progress and preliminary Fe results on three cross sections at Nabeba North (387800E; 388200E; and 388600E). Initial results are revealing long, consistent intersections of enriched Itabirite at 29% - 45% Fe.



NABEBA - Section 387800mE

Figure 4 – Nabeba Cross Section 387800E – Holes NB0441D and NB0068D



NABEBA - Section 388200mE

Figure 5 - Nabeba Cross Section 388200E – Hole NB0426D and Planned hole NB0035D

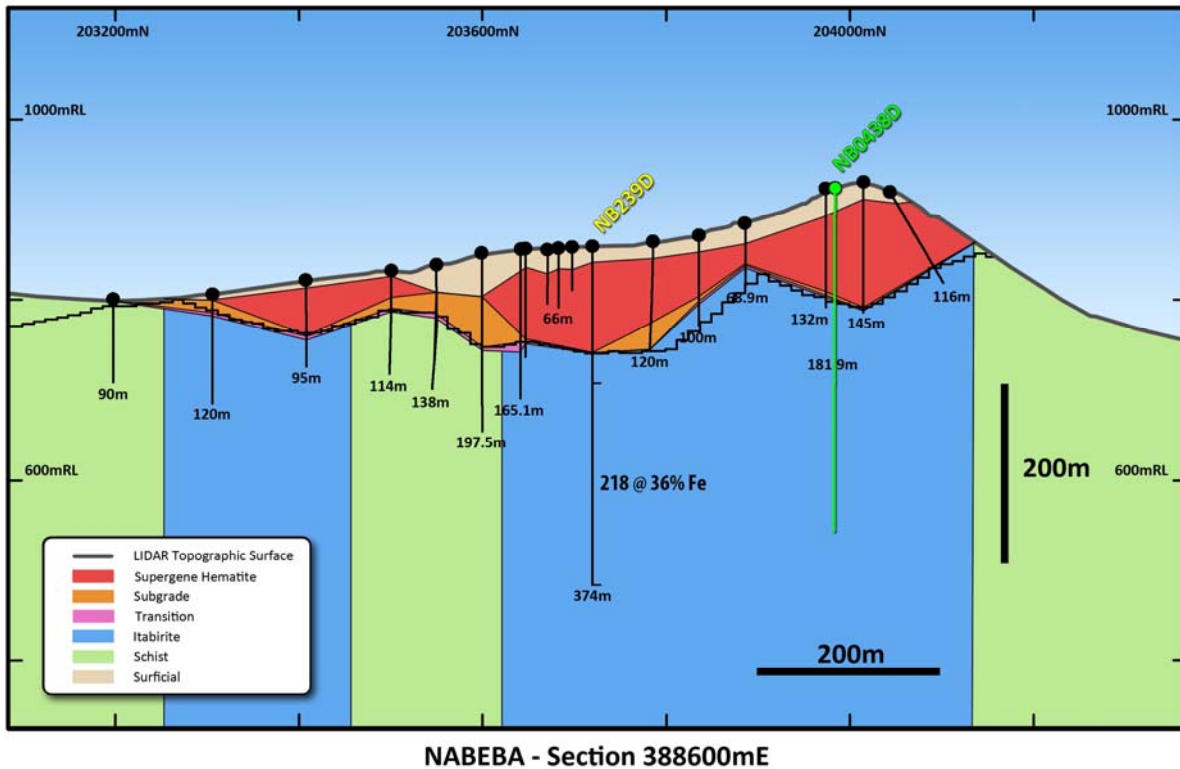


Figure 6 - Nabeba Cross Section 388600E – Hole NB0239D and Planned hole NB0438D

Table 3 below summarises significant results from Nabeba Itabirite drilling. Long and consistent enriched-Itabirite mineralisation has been intersected in seven holes and remains open at depth. At the time of publishing this report, samples from holes NB0017D, NB0068D and NB0441D have been fully analysed by XRF at Ultratrace Laboratories Western Australia. As referenced below, the remaining four holes are yet to be fully analysed and results tabled are from a hand-held Niton XRF analyser.

Table 3 – Significant Nabeba Itabirite Intersections			
Hole ID	Results		
NB0017D	46.4m @ 29% Fe from 167.5m	Ended in schist	
NB0441D	288.1m @ 34% Fe from 91.3m	Ended in Itabirite	Hole angled at -65°
NB0239D*	218m @ 36% Fe from 156m	Ended in Itabirite	
NB0403D*	88.7m @45% Fe from 127.1m	Abandoned due to drilling problems	
NB0027CD*	73.3m @ 43% Fe from 110m	Abandoned due to drilling problems	
NB0426D*	214m @ 35% Fe from 151m	Ended in Schist	
NB0068D	227m @ 39% Fe	Ended in Itabirite	Historical deep hole, Drilled August 2010

* Results are preliminary from a hand-held Niton XRF analyser.

Figure 7 is a typical example of the enriched Itabirite from the current Nabeba drill programme. This core tray is from a depth of approximately 260m from surface and averages 39% Fe based on initial hand held Niton XRF results.

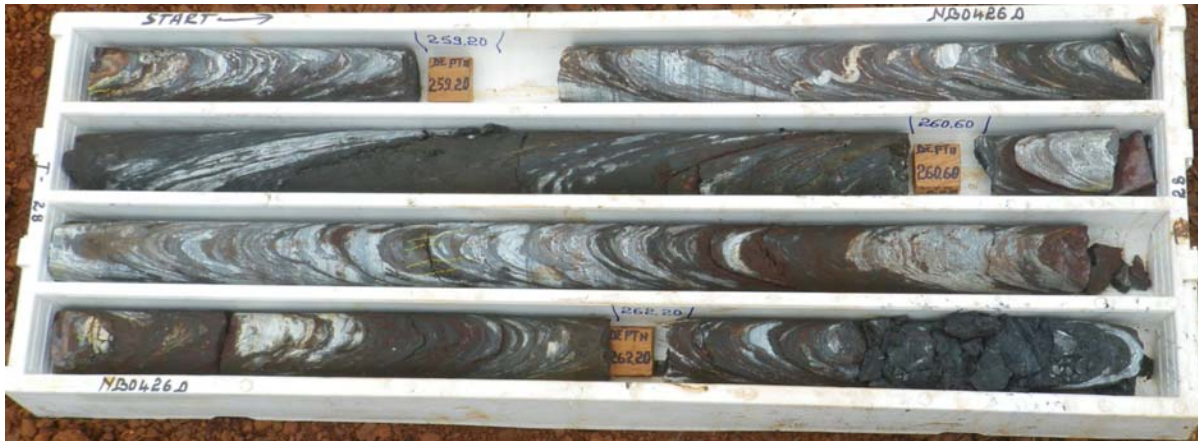


Figure 7 - Nabeba Drill Core – Hole NB0426D

Drilling progress is anticipated to accelerate with the addition of a third rig in the next Quarter and will continue throughout the upcoming wet season.



Figure 8 – Sundance Diamond Core Rig operating at Nabeba

DIRECT SHIPPING ORE (DSO) EXPLORATION TARGETS

Surface geological mapping and sampling excursions continue in both Cameroon and the Republic of Congo despite difficult conditions. Evaluation of results from these programmes has enabled a complete re-assessment of potential DSO Targets within current tenure and in particular, in between the principle proposed

mining centres of Mbarga and Nabeba. In summary an additional **90 - 150 Mt** of DSO⁴ potential has been outlined at six Deposits/Prospects as illustrated in Figure 9 and Table 4 below.

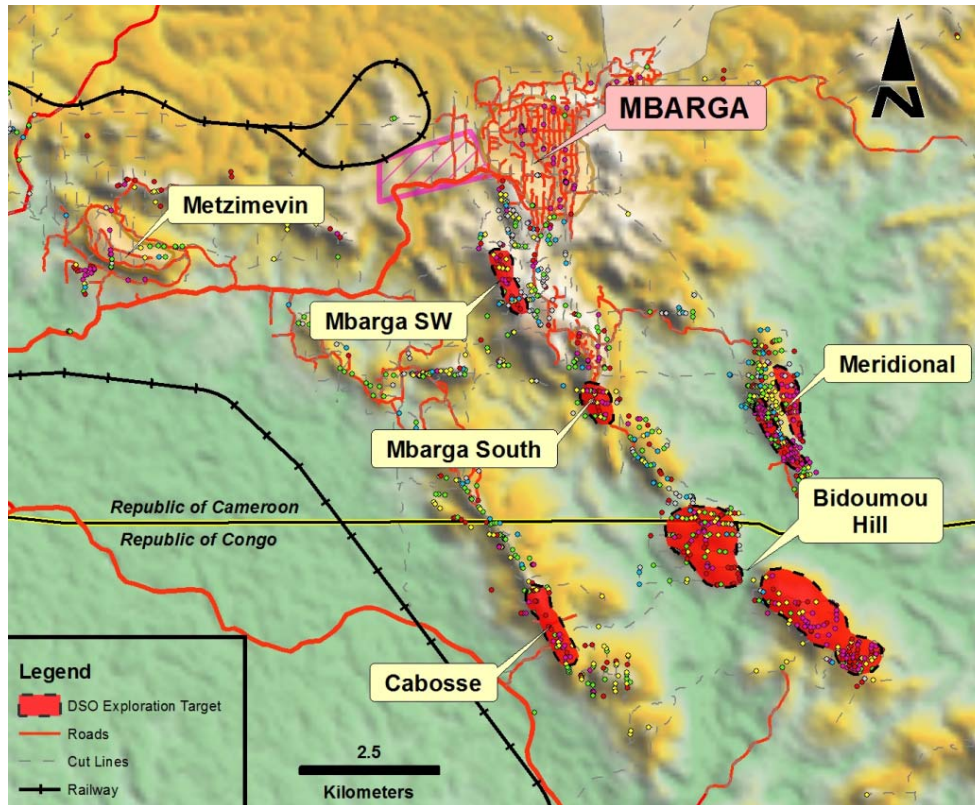


Figure 9 – Location of DSO Exploration Targets

Potential Exploration Target tonnage ranges have been estimated based on geographical aerial extends as mapped on the ground, combined with an assumed thickness of 25m and density of 2.8.

Table 4 – Tabulation of DSO Exploration Target Size			
Location	Target Range Mt	Comments	
Metzimevin Deposit	5-10	Extensions	
Mbarga South Deposit	10-20	Extensions	
Meridional Prospect	5-10	Extensions	
Mbarga Southwest Prospect	5-10	New discovery	
Cabosse South Prospect	15-25	In Congo	
Bidoumou Hills Prospect	50-75	In Congo	
Total	90-150 Mt		

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PROJECT DEVELOPMENT

During the Quarter, Sundance completed initial investigations for the preliminary works at the Lolabe port site. These works include clearing of access tracks to all major infrastructure locations in the port and railway marshalling yard area, including access to the first major river crossing on the railway alignment, and also some initial geotechnical investigations to identify potential sources of sand and rock aggregate required for construction works in this area. Once construction begins following the confirmation of project funding and awarding of mining permits, the first works to be conducted will involve the development of access roads, lay down areas, a landing ramp and supporting infrastructure. The completion of these works will allow subsequent contractors such as the accommodation village supplier and rail contractor to mobilise to site to commence works.

Since September 2010, the Company has been engaged with China Rail (CRCC) regarding the scope, cost and duration of delivery for the Mbalam Project railway. Sundance has entered into final negotiations with CRCC for the construction of a minimum 32 tonne axle load heavy haul railway. Sundance have commissioned a basic design for the railway which is scheduled to be completed in the next Quarter and then will be provided to CRCC for further detailed development.

Sundance has also progressed with China Harbour (CHEC) for delivery of the deep water iron ore port terminal. Currently CHEC's tender submission is under review prior to undertaking final negotiations with CHEC to confirm a contractual arrangement for the construction of the Lolabe port.

The core Sundance Project Team continues the critical path activities required to develop the Project. Detailed design requirements for rail and port will be confirmed on finalisation of Convention terms and total planned uptake. Activities under the Project Management Contract have therefore been put on hold until these matters are resolved.

HEALTH, SAFETY, ENVIRONMENT, COMMUNITY AND SECURITY (HSECS)

	Total Hours Performed	Total Lost Time Incidents	Total High Potential Incidents (no lost time)	Total Lost Work Days
Perth, Cameroon, Congo	187,906	0	2	0
Lost Time Injury Frequency Rate (LTIFR) Q4 2011				0
Previous annual LTIFR				4.17
Rolling annual LTIFR				2.43

A total of 187,906 employee and contractor hours were performed with no Lost Time Incidents during the reporting period.

There were two significant incidents involving the uncontrolled movement of a Drill and a LV leaving the road. Both incidents resulted in no injuries or equipment damage.

During the Quarter, the Company's HSECS efforts concentrated on establishing safe systems of work and maintaining support to the community development and investment programs that have been initiated in Cameroon and the Republic of Congo.

Cameroon

Efforts have concentrated on maintaining the support to the existing Conservation and Community Programs. These include the partnership with the MEFOU Sanctuary, for the rescue and release of monkeys and apes, education and awareness of issues such as conservation, bush meat health risks and regulations.

The development of bee-keeping and honey production skills in the villages is another ongoing program which progressed to a new phase where villagers are trained in the caring for the now colonised and bustling hives.

A new partnership program has been established with Kud'a Tube for the conservation of marine turtles near the proposed Lolabe Port area. Kud'a Tube is a Non-Government Organisation (NGO) formed by local villagers, who are mostly fishermen, to patrol the beaches south of the proposed port area which is favored by marine turtles for their seasonal egg laying.



Kud'a Tube researchers and volunteers prepare to measure and tag an Olive Ridley Turtle

The villagers collect and protect newly laid eggs from poaching and gather data on turtle numbers, size, and laying frequency. The turtles are then tagged for monitoring. Kud'a Tube also actively promotes eco-tourism and turtle conservation awareness, providing accommodation and guided tours in the area.

Sundance's Cameroon subsidiary, Cam Iron SA, will provide funding support over a three year period with funds going towards beach anti-poaching patrols, building a temporary holding facility for captured turtles, to rehabilitate the baby turtle nursery and support the educational campaigns and international research efforts.

DUP - Rail Land Acquisition

In November 2011, Sundance announced that the Cameroon Government had declared the land identified for the proposed rail corridor for the Mbalam Project as land for Public Utility. Since then, the evaluation and assessment committees in each of the four divisional authorities has been established as part of the land acquisition process. Sundance and Cam Iron are currently finalising a project proposal to support these authorities in the three main project implementation phases including community socialisation, identification and marking off the rail corridor, and the assessment and evaluation of all land tenure. This work is expected to continue over the coming months.

Republic of Congo

Community-focused activities during the Quarter included various road improvements, the finalisation of the survey of institutional and organisational resources in the Souanké district in order to identify relevant participants in future programs (state, private sector and NGO), and assessment of six existing water-wells by an NGO specialising in water, who found them to be all out of order. This assessment will form the basis of a Congo Iron community project proposal to rehabilitate the wells, leading to better quality water and a reduction in waterborne diseases for the local residents of the area.

On Sunday, 4 March 2012, an explosion of a military munitions depot in the country's capital city of Brazzaville resulted in hundreds of fatalities and injured civilians, and approximately 15,000 people were left homeless. Congo Iron did not have any damage to its personnel or the company office, and therefore under the direction of the General Manager of Congo Iron, employees immediately initiated an emergency response plan to assist those affected. This included employees donating blood and the provision of food, water and medication for the local hospitals which were overrun with patients. It is expected to take significant time to rehabilitate the city following the disaster and additional financial and in-kind corporate support to assist in the reclamation process is being established.



Congo Iron employees making donation of goods to local hospital in Brazzaville

CORPORATE

Shareholder Information

As at 31 March 2012, the Company had 22,396 shareholders and 2,933,534,505 ordinary fully paid shares on issue with 37,792,402 rights and options on issue. The top 20 shareholders held 60.6% of the total issued capital.

Cash Assets

The Company's cash balance at 31 March 2012 was A\$36.4 million.

Expenditure

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

GIULIO CASELLO

**Chief Executive Officer and Managing Director
Sundance Resources Limited**



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Competent Persons Statement

The information in this report 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 and Mr Widenbar are consultants to Sundance and have sufficient experience which is relevant to the style of mineralisation and type of Deposit and to the activity which they are 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". Messrs Longley and Widenbar consent to the inclusion in this report of the matters based on his information in the form and context in which it appears.

For more information including modelling parameters and details, the ASX announcements pertaining to Exploration Results, Mineral Resources and Ore Reserves are available from the Company's website: www.sundanceresources.com.au.

Itabirite Resources reported on Exploration Permit 92, Cameroon (Mbarqa Deposit)

The estimated quantity and grade of Itabirite-style mineralisation has been restricted to the area currently covered by drilling on a 100m x 50m pattern for the Indicated Resource at the Mbarqa Deposit and a spacing 200m x 100m drill pattern applies for the Inferred Resource. This is represented by an area approximately 3km (east-west) x 3km (north-south) on the Mbarqa Deposit. Grade has been estimated by Ordinary Kriging on composited sample results. 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) x 20m(Y) x 5m(Z) blocks in Itabirite 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. The Itabirite mineralisation has a very strong correlation of density to Fe grade and therefore a Fe regression formula has been applied to apply a density value. 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/m³ 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 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.

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.