



ASX Announcement | Media Release
28 October 2016

QUARTERLY ACTIVITIES REPORT PERIOD ENDED 30 SEPTEMBER 2016

Summary:

- **Discussions around capital restructuring ongoing**
- **Meetings held with Chinese EPC firm and steel mills**
- **Independent legal firm to investigate media allegations**
- **\$1.384 million cash on hand at 30 September 2016**

Sundance Resources Limited (ASX: SDL) ("**Sundance**" or "**Company**") provides the following information about activities for the quarter ended 30 September 2016:

CAPITAL RESTRUCTURING UPDATE

On 6 June 2016 Sundance announced it had appointed specialist resources sector advisory firm RFC Ambrian Limited to assist with assessing capital restructuring proposals.

Constructive engagement has occurred with all the convertible noteholders, with the objective of extending the maturity dates of the existing convertible notes and securing additional cash funding to support Sundance's ongoing obligations into 2018.

MEETINGS IN CHINA

During September, Sundance CEO Giulio Casello, supported by representatives of some of the noteholders and RFC Ambrian's Mark Eames, held discussions in China with the proposed EPC contractor for the rail and port infrastructure for the Mbalam Nabeba Iron Ore Project ("**the Project**"). Meetings were also held with several Chinese steel mills regarding the Project and the status of the Chinese steel industry.

From the discussions with the proposed EPC contractor for the rail and port infrastructure, the Sundance party received further confirmation of strong support for the Project. The steel mills provided assurance that the industry continues to hold the Project in high regard and believes the need for high quality iron ore will not abate.

MEDIA ALLEGATIONS

Allegations relating to events that occurred between 2006 and 2008 in the Republic of Congo appeared in articles published by Fairfax Media in August and September 2016.

These allegations arose in evidence given during the Porter case heard in the Supreme Court of Western Australia in September 2015 but were not tested by the court and should not necessarily be considered an independent and accurate portrayal of events.

Early stage inquiries indicated a more thorough assessment is required to determine the exact nature of the events and an independent legal firm has been appointed by the Sundance Board to conduct a thorough investigation.

Sundance has also been contacted by the Australian Federal Police in regards to the allegations and is co-operating fully with its investigation, which is expected to take some time to conclude.

The Company will update the market when practicable.

CORPORATE

Sundance maintained good control of its costs during the quarter. Total cash outflow from operating activities for the period was \$1.377 million excluding interest and financing costs. Expenditure is expected to reduce further due to a reduction in office rental costs and a further review of overheads.

Sundance ended the September quarter with \$1.384 million in cash and deposits.

PATH FORWARD

Sundance remains fully committed to the development of the Mbalam-Nabeba Project and is focusing on ensuring that it is ready for financing as market conditions improve.

The Company, with the support of its noteholders and other stakeholders, will focus on a strategy to develop the required partnerships in China to progress the Project whilst also supporting the Cameroon and Congo Governments as required to advance the port and rail infrastructure funding.

EXPENDITURE

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

COMMENT FROM THE CEO

Sundance CEO Giulio Casello said: *“Sundance has continued to receive support from its stakeholders as we all believe our Project and the high-quality iron ore it will produce will be required by the global steel industry in the future.*

“We will continue to explore all avenues to advance the Project whilst minimising our costs to create value for our shareholders, note holders and the Governments and people of Cameroon and Congo.”

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 2016 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>

ENDS

GIULIO CASELLO

Chief Executive Officer and Managing Director

Sundance Resources Limited

Tel: +61 8 9220 2300

Luke Forrestal

Cannings Purple

Mobile: +61 411 479 144

Email: lforrestal@canningspurple.com.au

About Sundance Resources

Sundance Resources is seeking to develop its flagship Mbalam-Nabeba 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-Nabeba 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.