

4<sup>th</sup> November 2008

ASX/MEDIA RELEASE

## SUNDANCE DELIVERS 2.2 BILLION TONNE ITABIRITE RESOURCE AT MBARGA

Total Inferred Resources of 2.45 Billion Tonnes of Itabirite and DSO Quality Hematite  
Strong Interest Shown by Potential Product Off-take and Financing Partners

International iron ore company Sundance Resources Limited (ASX: SDL – “Sundance”) is pleased to announce a very positive update on exploration and development activities at its 90%-owned Mbalam Iron Ore Project in Cameroon, West Africa.

The JORC-Code compliant Inferred Mineral Resource inventory of itabirite hematite at the Mbarga Deposit has been increased by 25% to **2.2 billion tonnes at 40% Fe**. This inventory of itabirite hematite is summarised in Table 1 and is based on assay data received from a total of 255 drill holes, including 23 diamond core holes, for a total of 56,459 metres drilled (refer Figure 1).

Table 1: Inferred Mineral Resource inventory of itabirite hematite at Mbarga Deposit

Mbarga Deposit	Million Tonnes	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	LOI (%)	Cut-Off (% Fe)
	1,050	44.1	33.1	1.3	0.04	1.1	+40%
	1,173	36.2	44.2	1.7	0.04	1.1	32% - 40%
<b>Total</b>	<b>2,223</b>	<b>39.9</b>	<b>39.0</b>	<b>1.5</b>	<b>0.04</b>	<b>1.1</b>	<b>+32%</b>

Sundance has now achieved its overall itabirite Exploration Target of 2.0 to 2.5 billion tonnes over Exploration Permit 92, solely from the Mbarga Deposit. Significantly, the itabirite resource includes **over 1.0 billion tonnes at 44% Fe**. This will have significant positive implications for mining and beneficiation costs.

The Company has defined JORC-Code compliant Inferred Resources totalling 2.45 billion tonnes of itabirite and DSO quality hematite (including the previously announced Inferred Mineral Resource of 223 million tonnes of DSO quality hematite). Mbarga is clearly a very large deposit and compares favourably in terms of scale and quality of iron ore mineralisation with the world class itabirite resources of the Minas Gerais region of Brazil operated by Vale, BHP Billiton and Anglo American / MMX.

Mbarga Deposit alone contains sufficient itabirite and DSO resources to underpin over +20 years of mine operations with the broader Mbalam Project area (including EP92 and EP143 in Cameroon and EP 2007-362 and EP2007-363 in the Republic of Congo) offering significant potential to expand this resource base (refer Figure 2).

Broader exploration will continue to target additional DSO resource potential at Metzimevin and other prospects on EP92. Mobilisation for aeromagnetic surveys over EP143 and the two Congo exploration permits has commenced, with this work to be completed in the December 2008 Quarter. The results of the aeromagnetic surveys will be used to prioritise further exploration targets.

Having established a world scale resource, the Company is now focusing on negotiations with strategic off-take and financing partners. The Company has invited selected international parties to participate in this process with discussions advancing over the past month. This has confirmed that the itabirite mineralisation at Mbalam is regarded by potential off-take partners as a key value driver for the Mbalam Project given the potential longevity and quality of supply of itabirite concentrate.

In parallel, the Company has reduced drilling expenditure given that its itabirite exploration target has now been achieved. Three drilling rigs ceased operations as at end of October 2008 with resource definition drilling to continue using the three larger rigs on site. These rigs will initially focus on in-fill drilling at the Mbarga Deposit to increase geological confidence and convert Inferred Resource to Indicated and Measured status. This will result in significant cost savings and ensures prudent management of the Company's cash resources. Sundance had cash reserves of \$32.7 million as at 30 September 2008.

Commenting on the announcement, Sundance's Managing Director, Mr Don Lewis, said: "We have very rapidly achieved our key resource target and confirmed Mbalam as a world-scale iron ore project. The Inferred Resource base at Mbarga is sufficient to support production at 35 million tonnes per annum for at least 20 years of mine operations with potential to increase both the scale and life of production. **Mbalam is now firmly established as a major potential iron ore producer with a number of potential off-take and financing parties.**"

"Interest from a number of international steel mills and potential off-take partners has been high. These parties recognise that the Mbalam Project is a potential long-term source of high-quality iron ore products and they have already provided valuable feedback on the development strategy for the Project. **Our view is that these strategic off-takers will continue to support the development of new independent producers to ensure diversity of future supply from major, new projects.**"

ENDS

Released by:

Nicholas Read

Telephone: (+61-8) 9388-1474 / +61-419 929 046

Read Corporate

On behalf of:

Don Lewis, Managing Director

(+61-8) 9220-2300 / +61-417 996 005

Web: [www.sundanceresources.com.au](http://www.sundanceresources.com.au)

## **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 studies on its 90%-owned Mbalam Iron Ore Project in Cameroon 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 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.*

*The estimated quantity and grade of near-surface DSO quality supergene mineralisation and underlying Itabirite-style mineralisation has been restricted to the area currently covered by drilling on a 200m x 100m pattern at Mbarga, with partial infill to 100m x 100m. This is represented by an area approximately 3km (east-west) x 3km (north-south) on the Mbarga Deposit and by an area approximately 1.5km (east-west) x 1.0km (north-south) on the Mbarga South Deposit. Grade interpolation has been carried out using Ordinary Kriging on composited sample results and a nominal 50% Fe cutoff value for DSO and Inverse Distance Squared methodology and 32% and 40% cutoff values for Itabirite. A digital terrain surface (based on highly accurate topographic data), has been used to limit extrapolation of the mineralisation to the topographic hill at Mbarga. An internal waste zone (schist) cross-cutting the supergene and Itabirite zones and surficial cover has been modeled and removed from the quantity estimated as DSO quality and Itabirite mineralisation. Densities of 4.0t/m<sup>3</sup> and 3.35t/m<sup>3</sup> have been applied for evaluation of the DSO and Itabirite mineralisation respectively.*

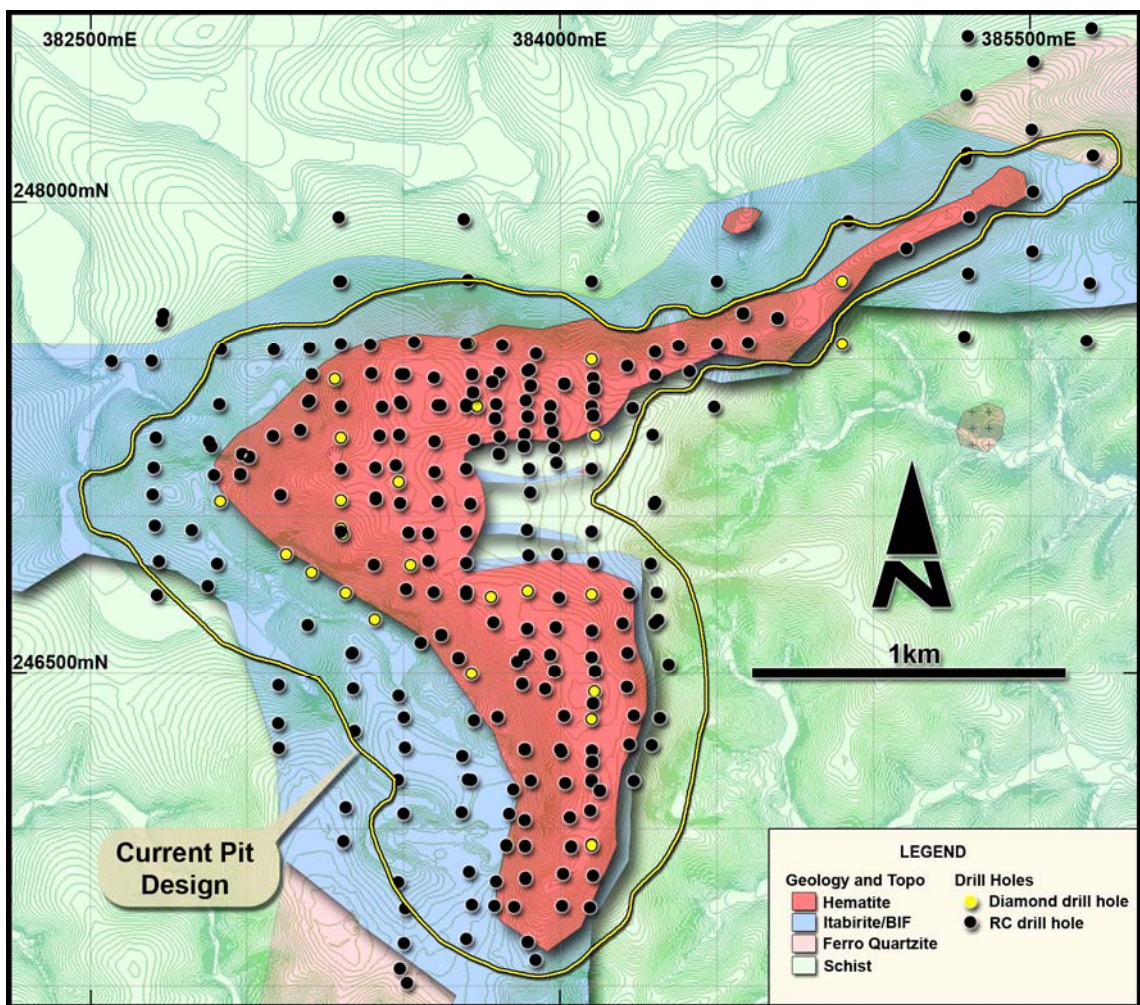
*While the Company is optimistic that it will report additional resources in the future, any discussion in relation to Exploration Targets, over and above the stated Inferred Resources of is only conceptual in nature. There has been insufficient exploration to define a Mineral Resource over and above the Inferred 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.*

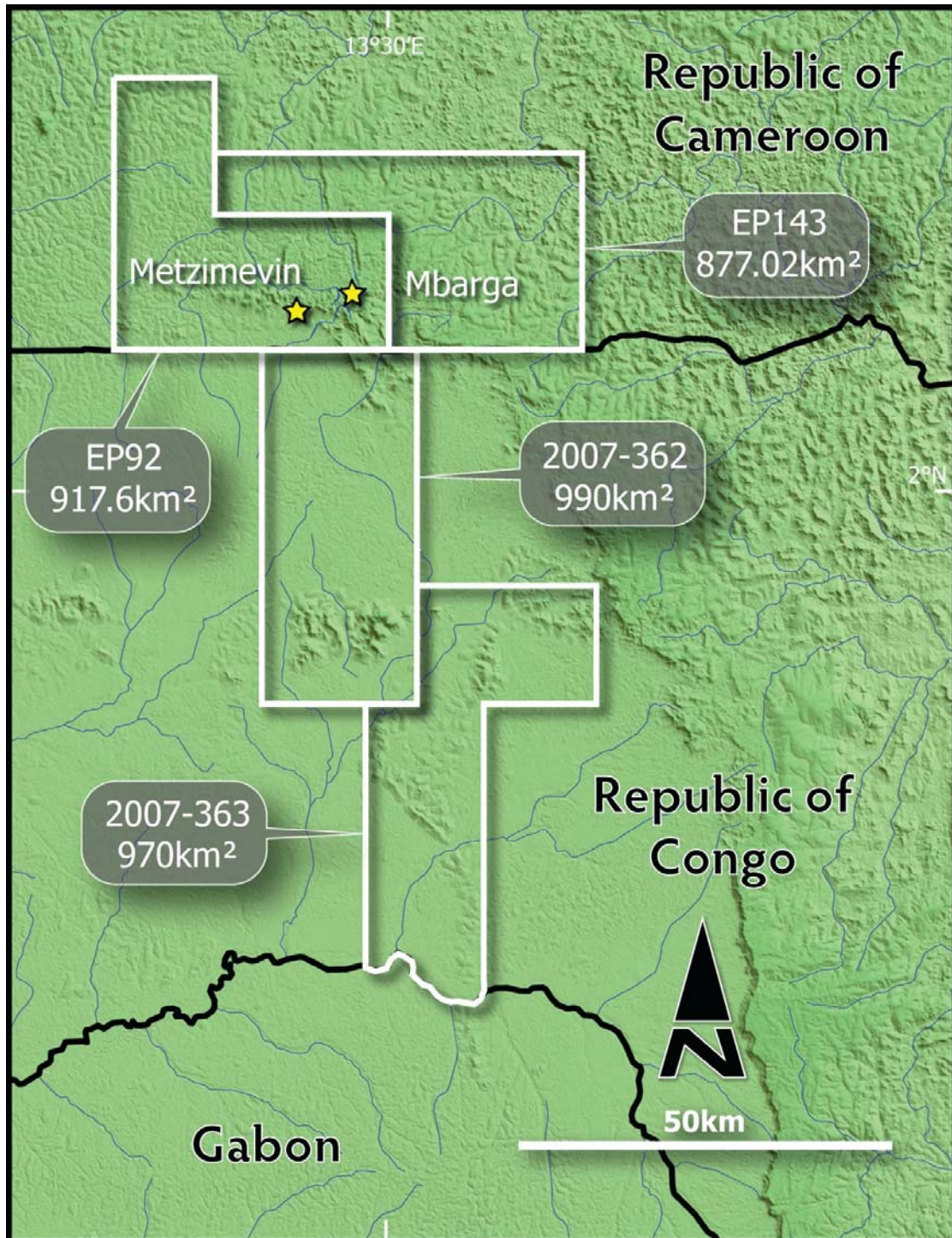


FIGURE 1: LOCATION OF DRILLHOLES ON MBARGA AND CURRENT MINE PIT OUTLINE





**FIGURE 2: EXPLORATION PERMITS CONTROLLED BY SUNDANCE IN REPUBLIC OF CAMEROON AND REPUBLIC OF CONGO**



**Sundance Resources Limited**  
**Mbalam Project - Mbarga & Mbarga South Deposits**

**IDENTIFIED MINERAL RESOURCE – PARAMETERS**

<b>Item</b>	<b>Details</b>	<b>Comments</b>
Surveying	Differential GPS	Established survey control by licensed surveyor.
Drilling Techniques	RC and Diamond	5¼" face sampling RC; NQ/HQ/PQ diamond.
Downhole Surveying	North Seeking Gyroscope	Sutron progressively logging all holes
Geological Logging	QC Logging Procedures	Field Marshall/acQuire logging system.
Geotechnical/Strutural	Diamond Core Orientated	Geotechnical/structure logging - Field Marshall/acQuire logging system.
Sampling	RC Sub-Sample and Half Core	Multi-tiered splitter; diamond sawing.
Assaying	Niton XRF and XRF	Niton on site; commercial lab in Australia.
Assay QA/QC	Duplicates, Lab Standards	Site specific standards being developed; routine duplicates and lab standards monitored in acQuire QA/QC reports.
Data Spacing	200m x 100m; 2m Sampling	Nominal drill hole spacing; infilling to 100m x 100m in progress.
Density	Site Measurements and Lab Confirmation	Conventional weighed suspended in air and water; down hole geophysical; metallurgical test work confirmation of densities; Supergene 3.35g/cm <sup>3</sup> and Itabirite 4.00g/cm <sup>3</sup> .
Database Integrity	acQuire Drill Hole Database	Fully validated drill hole database; independently audited.
Verification of Sampling and Assaying	Two (2) twinned RC/DD hole.	Two twinned holes, further twinned holes planned.
Auditing	Drilling, Assaying and Database	Independent technical auditors; monitored by internal auditor.
Geological Interpretation	Surface Mapping and Drill Holes	Surface mapping used for initial geological framework, progressively modified by drill hole data.
Geological Modelling	3D Surfaces (DTM) and Wireframes	Geological domains based on initial geological mapping and interpretation.
Block Size	20m (X) by 10m (Y) by 10m (Z)	Sub-celled to honour DTM and wireframe shapes.
Interpolation Method	Ordinary Kriging/IDS <sup>2</sup>	Supergene Domain - OK and validated by IDS <sup>2</sup> estimate. Itabirite Domain - IDS <sup>2</sup>
Search Parameters	Variable by Domain	Search radii and orientation variable, domain and spatially dependent.

Item	Details	Comments
Variables Interpolated	Fe, SiO <sub>2</sub> , Al <sub>2</sub> O <sub>3</sub> , P, LOI, MnO, CaO, MgO, K <sub>2</sub> O, Na <sub>2</sub> O, S, TiO <sub>2</sub> , Cr <sub>2</sub> O <sub>3</sub> , V <sub>2</sub> O <sub>5</sub> , Density	
Nominal Drill Hole Spacing	200m (E) by 100m (N)	Partial infill to 100m (E) x 100m (N).
Classification	Supergene/DSO – Fully constrained as material type using wireframe  Itabirite – Number of Samples > 6 or Number of Holes >1; Within 'Main Itabirite Domain'	Assessment criteria in addition to sampling, data and estimation criteria as above.
Metallurgical Data	Initial test work on core from geographically dispersed holes.	Results of average feed grade support resource grades. Flotation tests provide viable concentration grade.
Mining Factors	Scoping pit optimisation and scheduling scenarios.	Revenue and cost factors from Scoping Study; mining parameters for large pit.
Cut-Off Parameters	DSO – 50% iron (Fe).  Itabirite – 32% iron (Fe).	DSO – maintains 60% Fe head grade.  Itabirite – above break-even cut-off grade. Supports average feed grade for metallurgical test work and average resource grade.