

SUNDANCE RESOURCES



**Developing a global iron ore business and a legacy to our past leaders**

Investor Presentation

July 2010

# Completing a project in memory of our past Directors



Geoff Wedlock



Craig Oliver



Ken Talbot



Don Lewis



John Jones



John Carr-Gregg

# Key Investment Themes



- World class Board and executive management team
- World Class resource with substantial upside
- First mover advantage for development of regional iron ore province
- Low cost high margin operation
- Capital payback of 4 years and Project IRR > 25%\*
- DFS on track for completion in 2010
- Strategic partner selection well advanced

\* Based on updated PFS results and forecast long term Iron Ore prices

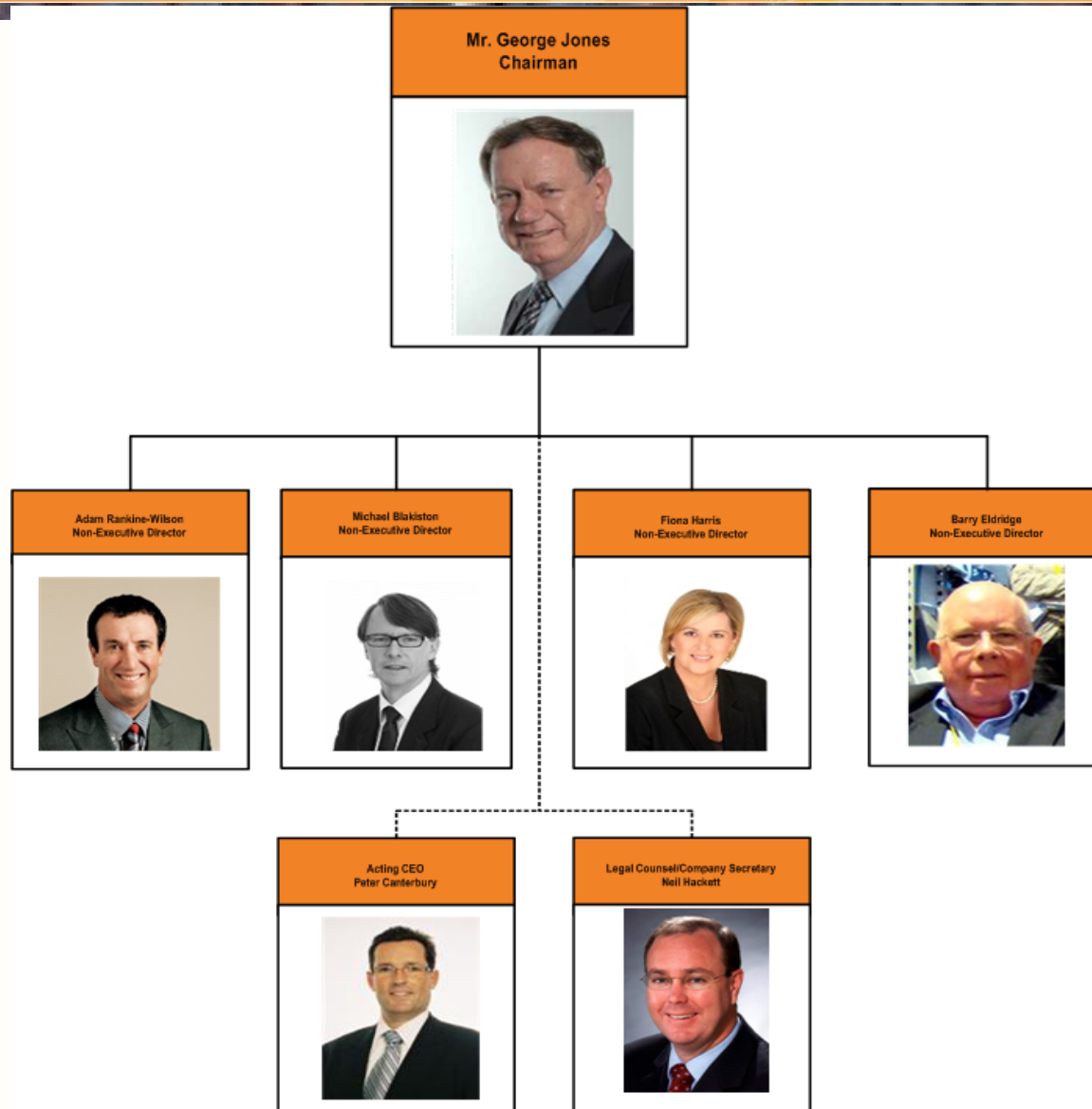




# Project Highlights

- Newly appointed highly experienced Board
- Consultation with major shareholders and support of these shareholders for the new board and the previously stated strategic direction
- Experienced project team in place and well developed project plan agreed at board level
- Sound financial position with cash reserves in excess of A\$75million and no debt
- Growing World Class JORC Code compliant resource with substantial upside
  - Low cost DSO production at 35Mtpa for at least first 10 years at high FOB cash operating margin of >US\$40/t
  - Pellet feed concentrate production at 35Mtpa for balance of mine life (15+ years)
- Advanced DFS with completion expected in 2010
- First mover advantage with integrated rail and port infrastructure allows for government sanctioned regional development of world class iron ore province
- Mbalam Convention submitted and government negotiation process commenced
- Selection of Strategic partner and 3<sup>rd</sup> party infrastructure provider selection advancing
- Capital payback of 4 years and Project IRR>25%

# New Board of Directors





- Immediate stability and continuity assured
- Substantial experience in all aspects of project delivery, financing and operations
- Significant previous exposure to Mbalam Iron ore project in legal, commercial, governmental and project delivery
- Proven capability of organisation to deliver this project

# Highly Experienced Executive Management Team

SUNDANCE RESOURCES



Mr. Peter Canterbury  
Acting CEO /CFO

Mr Peter Canterbury was appointed Acting CEO in June 2010, having joined Sundance as CFO in May 2007. Peter was previously employed as CFO of Dadco Europe, a privately-owned group based in the UK. Dadco operates an alumina refinery in Germany as well as holding bauxite investments in Guinea, West Africa. Prior to this, he spent 12 years working with Alcoa in various financial and commercial positions. Peter brings to SDL extensive international financial, contractual and management experience with a broad background in bulk mineral commodities. Peter has played a pivotal in the fiscal modelling and drafting of the government conventions for SDL as well as operations management in Cameroon and Congo.

Mr. Rob Longley  
General Manager Geology

Mr Rob Longley joined SDL in January 2007 from international iron ore explorer, Sphere Investments, where he very successfully managed resource definition activities at the El Aouj Magnetite Deposit in Mauritania, West Africa. He has over 20 years of industry experience focused on iron ore, including appointments at Rio Tinto and BHP. He worked on the commissioning and development of Rio Tinto's West Angelas Marra Mamba iron ore mine in the Pilbara and for BHP when it was operator of the High Grade Hematite mine at Koolan Island, Western Australia. Rob has a strong background in the management of major resource drilling programmes as well as extensive experience in data interpretation and modelling of iron ore geology. Rob was instrumental in SDL achieving its resource definition objectives at Mbalam and for identifying other geological opportunities for the Company. Mr Longley holds a First Class Honours degree in Geology from the University of Western Australia and is a Member of the Australian Institute of Geoscientists.

Mr. Paul De Nardi  
General Manager Finance  
& Commercial

Mr. Paul DeNardi joined Sundance Resources in January 2010. His qualifications include Master of Business Administration (Major in Finance) from University of Western Australia and has a Bachelor of Chemical Engineering degree from Curtin University. He is also a graduate of the Australian Institute of Company Directors. He has over 20 years experience in mining business development, project financing, corporate advisory and engineering construction. Prior to Sundance Resources Paul spent 9 years at Rio Tinto Iron Ore most recently as General Manager Global Development Iron Ore where he was responsible for the generation, financial and technical analysis, negotiation and execution of global iron ore project opportunities. Paul has also spent 11 years working in project and corporate finance within various investment banks (lastly as Senior Manager, Corporate Finance with JP Morgan) providing financial and structuring advice for corporations on resource, power and oil and gas project financings and as a chemical engineer on large oil and gas design and construction projects.

# Executive Management



Mr. Terry Quaife  
Study Director

Mr. Terry Quaife has over 30 years experience in project development in mining and power generation industries in Australia, Africa and Indonesia. Terry is a qualified Mechanical Engineer with additional studies in Applied Finance and Investment.  
Recent positions prior to joining Sundance include:  
12 years with Minproc on design, construction and commissioning of minerals projects including 5 years as engineering manager  
3 years with Newmont completing studies and projects including the DFS for the Martabe project in Indonesia (Sumatra)  
3 years with Murchison Metals as project manager for iron ore port, rail and mine and then project director for the mine  
Terry has also held positions Newcrest as engineering manager on the \$1.5b Telfer project and with Calibre Projects/ FMG as project director for expansion projects.

Mr. Roger Bogne  
CEO, CamIron SA

Mr. Roger Bogne is a founding director and shareholder of CamIron SA. He is a Cameroonian national residing in Yaoundé, the capital of Cameroon. Roger was responsible for locating and securing Exploration Permit No. 92 held by CamIron SA. He established CamIron SA for the purpose of developing the iron ore deposits identified in previous exploration by the UNDF. Roger has recruited the Company's Cameroon based management team and is responsible for local operations, particularly in respect of Government and community relations, and support of all field Programmes.

Mr. Jim Tyler  
Manager, Environment and  
Community

Mr. Jim Tyler has joined SDL in January 2008. He has 28 years of site-based Environmental and Community Relations Management experience in the mining industry with Rio Tinto, BHP and Newmont, and was most recently Environmental Manager with Barrick at the Porgera Gold Mine in Papua New Guinea. He has taken many sites to ISO 14001 Certification with award winning environmental performance including a Prime Minister's Banksia Award for Tiwest's Cooljarloo operation in 2006. Mr Tyler is responsible for the Environmental and Social Impact Assessment of the Mbalam Project as well as for environmental management of SDL's development operations.

Mr. Ralf Kriege  
Exploration Manager

Mr. Ralf Kriege joined Sundance in November 2007 as Senior Geologist and is responsible for the regional exploration in Cameroon and Congo. Ralf is also General Manager, Congo Iron SA which is SDL's subsidiary in Congo and manages the corporate affairs in Congo with our partners. Ralf's qualifications include Bachelor of Science (Honours) in Geology, Master of Science (Geoscience Exploration) and Master of Business Administration.





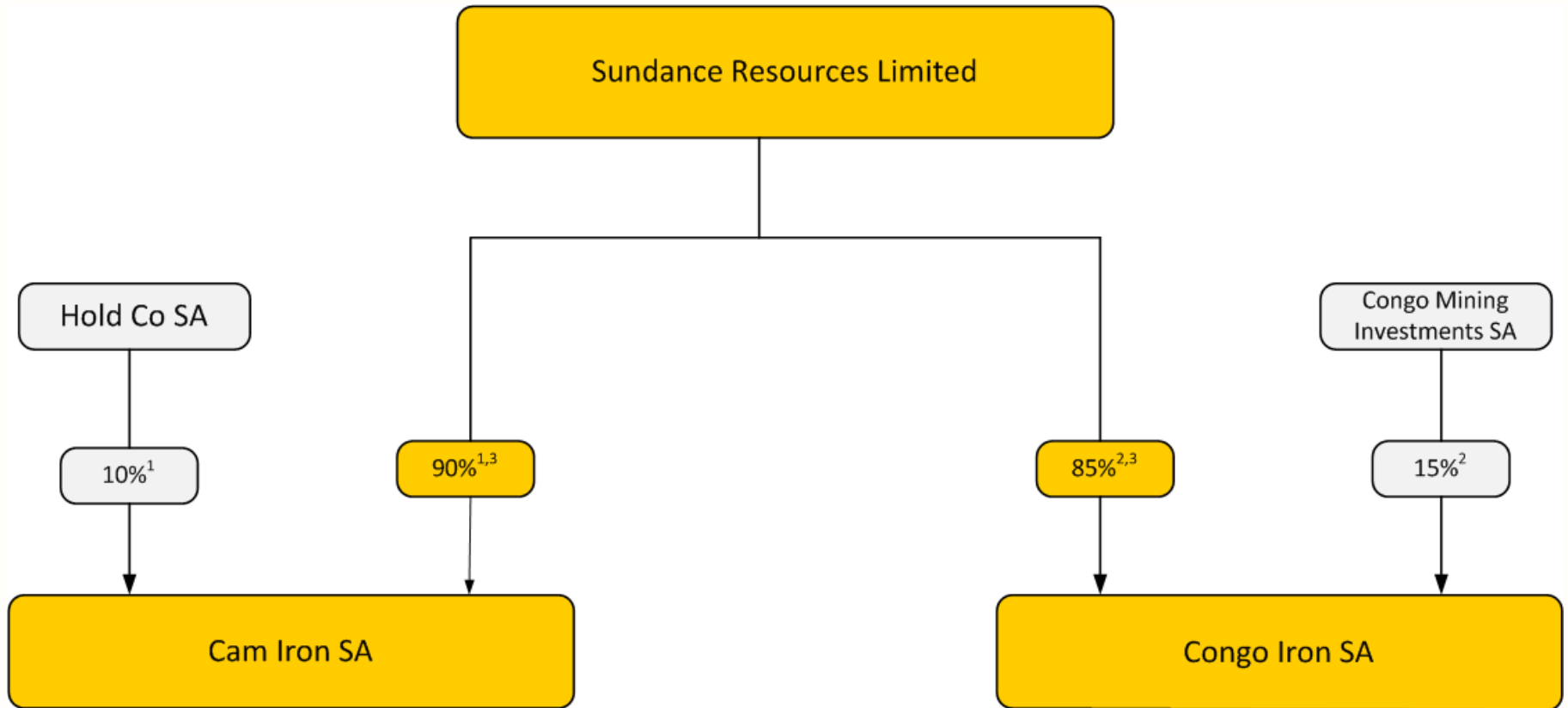
<p>Mr. David Morgan General Manager - Mining</p>	<p>Mr. David Morgan joined Sundance in 2007 as General Manager – Mining. David holds qualifications in both Mechanical and Mining Engineering with 27 years experience in the Australian Mining Industry. He commenced his mining career in 1980 with Western Collieries Ltd in Collie, Western Australia. David graduated in 1983 from the University of Western Australia with a Bachelor of Engineering with First Class Honours in Mechanical Engineering and obtained his Mining Engineering qualification in 1988 from the Western Australian School of Mines. David has worked in a variety of operational, management and project engineering roles with Gindalbie Metals Ltd, Equigold NL, Macmahon Contractors (WA), Rio Tinto Ltd – managing projects both in Queensland and WA, and Western Mining Corporation. Throughout his 27 year career, he has served on various committees for the Australasian Institute of Mining and Metallurgy and the WA Chamber of Minerals and Energy.</p>
<p>Mr. Sten Soderstrom General Manager – Process &amp; Plant</p>	<p>Mr. Sten Soderstrom has over 25 years of international project management, construction and development experience in the mining and mineral process industry covering iron ore, gold, polymetallic and base metal projects. His iron ore experience includes feasibility study management for the Aquila JV West Pilbara 30Mtpa Project, the Sinosteel Midwest DSO project and the UMC 'Railway Prospect' Project in the Pilbara. He has over ten years of site line management experience from Mining, Mineral Processing and Maintenance in Gold, Bauxite and Nickel. Sten was Managing Director of Morgardshammar Mills, Nordberg Mills and Metso Minerals Australia for ten years during which he initiated and managed the successful completion of over 25 substantial materials handling and comminution projects in Australia and West Africa.</p>
<p>Mr. Clinton Booth Manager – Project Controls</p>	<p>Mr. Clinton Booth joined Sundance in early 2010 as Project Controls Manager responsible for all commercial aspects of the Mbalam project ,including: estimating, planning, cost engineering, document control and contract management. Previous work experience includes work on various commodities including gold, nickel, uranium and iron ore from concept stage through to commissioning. Major projects have included Perseverance Deeps Feasibility and Early Works Execution (BHPB – approx \$900M); Wiluna Feasibility Study (Toro Energy – approx \$200M); Hope Downs South Feasibility and Execution (Rio Tinto/Hancock Prospecting – approx \$400M); Cape Lambert Upgrade Pre-Feasibility through to Early Works Execution (Rio Tinto – approx \$1.1B); Dampier Port Upgrade (Phases A &amp; B) Pre-Feasibility through to Execution (Rio Tinto – approx \$1B each phase).</p>

# Timeline to Final Investment Decision



<b>2010</b>	<ul style="list-style-type: none"> <li>➤ Commencement of DUP Land Acquisition process</li> <li>➤ Commencement of ESA public review process</li> <li>➤ Presentation of Mbalam Convention</li> <li>➤ Secure environment and other regulatory approvals</li> <li>➤ Issue of Mining Permit</li> <li>➤ Appropriation of land completed by Government</li> <li>➤ Complete definitive engineering and Reserve definition drilling</li> <li>➤ Signing of Mbalam Convention and ratification by Parliament</li> <li>➤ Finalise offtake contracts</li> <li>➤ Exclusive occupancy of Project land issued by Government</li> <li>➤ Secure Project financing terms</li> </ul>	<p>April 2010            April 2010            June 2010            June 2010            August 2010            October 2010            October 2010            November 2010            December 2010            December 2010            December 2010</p>
<b>2011</b>	<ul style="list-style-type: none"> <li>➤ Place long lead time orders</li> <li>➤ Commence early works construction</li> </ul>	<p>Q1 2011            Q2 2011</p>

# SDL Corporate Structure



1. The Cameroon Government has a right to a 10% interest in CamIron pursuant to the Cameroon Mining Code.
2. The Congo Government has a right to a 10% interest in Congo Iron pursuant to the Congo Mining Code
3. Should the Cameroon and Congo Governments exercise their option for a 10% interest in Cam Irons SA and Congo Iron SA then Sundance Resources Ltd interests in each will reduce to 81% and 76.5% respectively.



- Delivering in the range of exploration resource targets with additional upside potential – work continuing to convert JORC Resource to JORC Reserve status
- Mining Permit application submitted in December 2009
- Rail route optimisation on schedule with design and geotechnical investigations along the corridor from mine to port completed
- Port design refined with offshore geotechnical drilling program completed at Lolabè in March 2010
- Metallurgical Testwork underway for final product delineation
- Environmental approval received from Cameroon Ministry of Environment and Nature Protection (MENEP) on the 25<sup>th</sup> June, 2010
- Declaration of Public Utility (DUP) for multi-user port completed in April 2010 and CamIron is now negotiating with the Port Steering Committee to secure project land in Port area
- Discussions held with the President of the Republic of Cameroon and senior Congolese Ministers to endorse the Company's regional development strategy for deposits across the Cameroon-Congo iron ore province – These discussions are continuing.
- Mbalam Convention submitted June 2010 and reviewed by international legal firm with expertise in West African development conventions





# Corporate Overview

## Capital Structure

Market Cap	A\$352m*
Ordinary Shares	2,709,995,932
Unlisted Options	76,486,666
Cash	A\$75m*
Debt	NIL

\* As at 1<sup>st</sup> July, 2010

## Major Shareholders

Talbot Group	16.0%
Capital Group	5.4%
UBS Nominees	5.4%
Deutsche Bank	5.0%

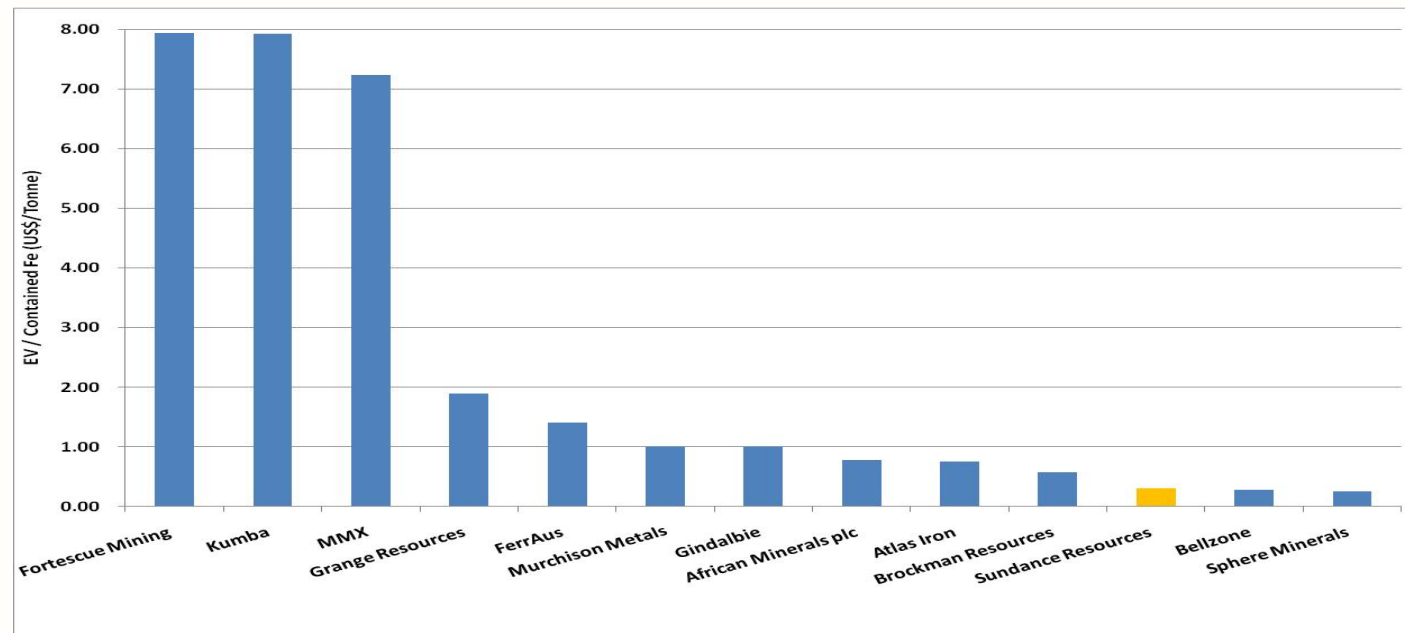
## Board

George Jones	Chairman
Barry Eldridge	Director
Adam Rankine-Wilson	Director
Michael Blakiston	Director
Fiona Harris	Director
Neil Hackett	Company Secretary



# Undervalued Resource

- Sundance is undervalued based on market comparables
- Substantial value to be realised
  - *A\$0.66 per share target based on StoneBridge research report*



- ❖ ***Enterprise value of A\$0.22 per Resource tonne when last traded***
- ❖ ***Project significantly undervalued at current resources - without regional development opportunities of future resource growth***

# DFS Completion in 2010

## Construction start 2011



- Completed DFS milestones

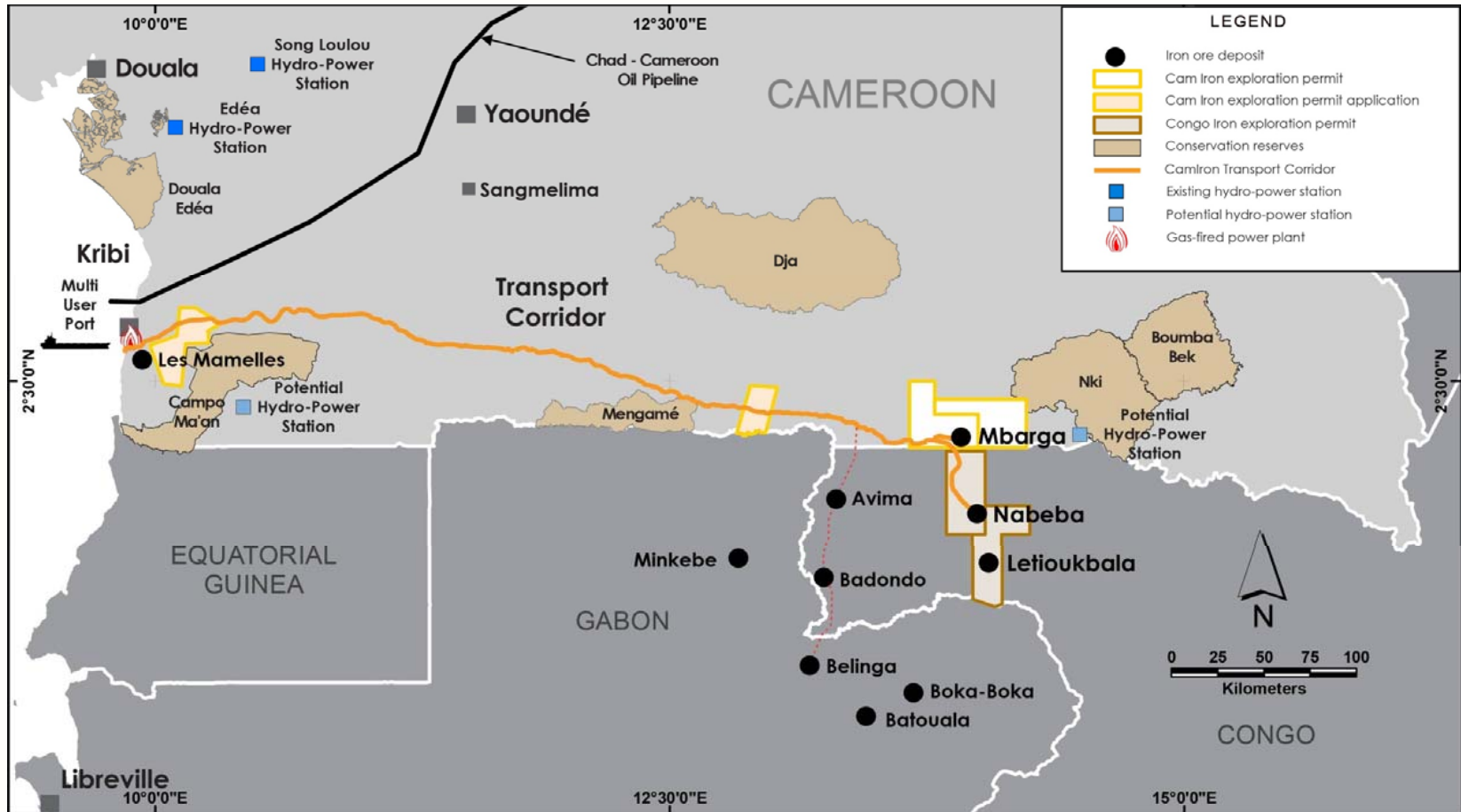
- Engaged all key engineering and mining consultants (AMC – Mining; Calibre Rail – Rail; Sogreah –Marine Structures; and Lycopodium – Process plant & Materials handling)
- Completed marine offshore and rail corridor geotechnical drilling campaign
- Draft DFS for the rail corridor between Mbarga to Lolabe port issued by Calibre Rail
- Submitted application for land acquisition (rail and mine)
- Submitted mining permit application
- Submitted Mbalam Convention and negotiations have commenced
- Achieved required resource definition to support 10 years plus mine life with DSO product
- 80,000 meters drilled in 2007/08; 25,000 meters drilling planned in 2009/10

- DFS work in progress

- Complete DFS engineering and mining studies
- Finalise negotiations and have the Mbalam Convention ratified by the Cameroonian Parliament
- Finalise the land acquisition process, including finalisation of lease agreements
- Obtain Cameroon mining permit
- Issue to the Congolese Government the Congo Mining Convention
- Finalise negotiations and have the Congo Mining Convention ratified by the Congolese Parliament
- Issue of Congo mining permit

# Leader in Regional Development

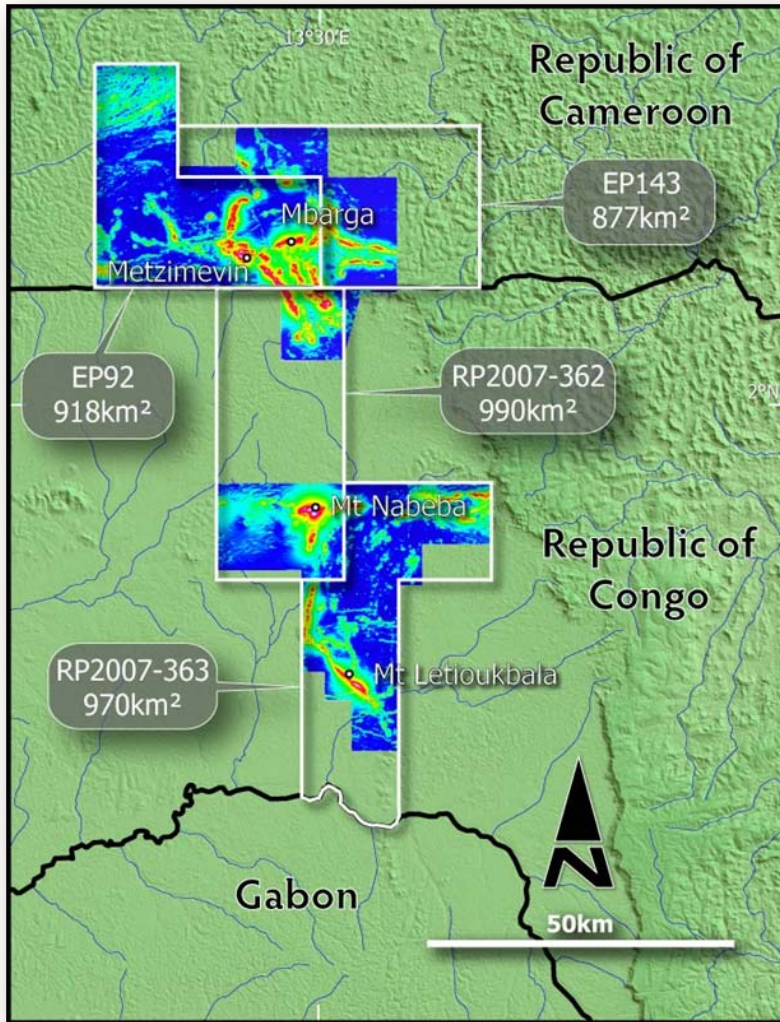
- First mover advantage for the regional development of Emerging Iron Ore Province
- Cameroon and Congo Government support confirmed



❖ ***Resources within regional iron ore province could support up to 100 Mtpa production on integrated rail and port infrastructure***



# World-Class Resource Portfolio



Project JORC Mineral Resources of High Grade (DSO) Hematite			
Deposit	Category	Tonnage (Mt)	Grade (% Fe)
Mbarga; South Mbarga & Metzimevin (EP92, Cameroon)	Indicated and Inferred Resource	215	60%
Nabeba North (RP362, Congo)	Inferred Resource	200	63%
<b>Total DSO Hematite Resource</b>		<b>415</b>	<b>62%</b>

Project JORC Mineral Resources of Itabirite Hematite			
Deposit	Category	Tonnage (Mt)	Grade (% Fe)
Mbarga	Indicated	1,431	38%
Mbarga	Inferred	894	38%
<b>Total Itabirite Hematite Resource</b>		<b>2,325</b>	<b>38%</b>

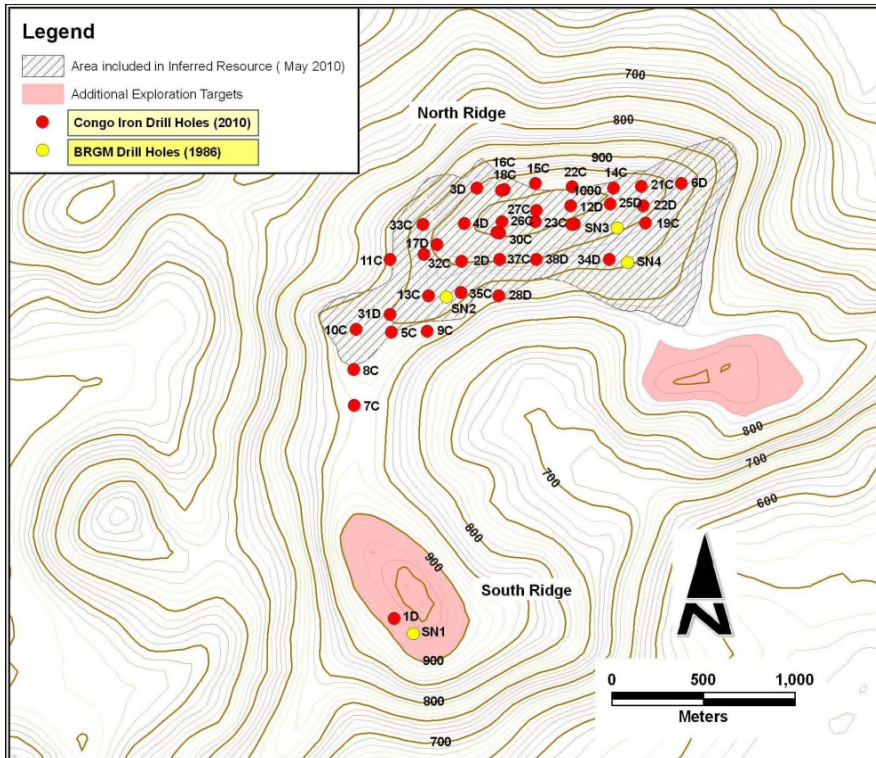
- ❖ *World-scale DSO and Itabirite Resource established with further upside potential*
- ❖ *Landholding of 3,755 km<sup>2</sup> with significant exploration targets*



# Maiden Resource Statement for Nabeba

## DSO Resource Grade – Nabeba North and Mbarga Deposits

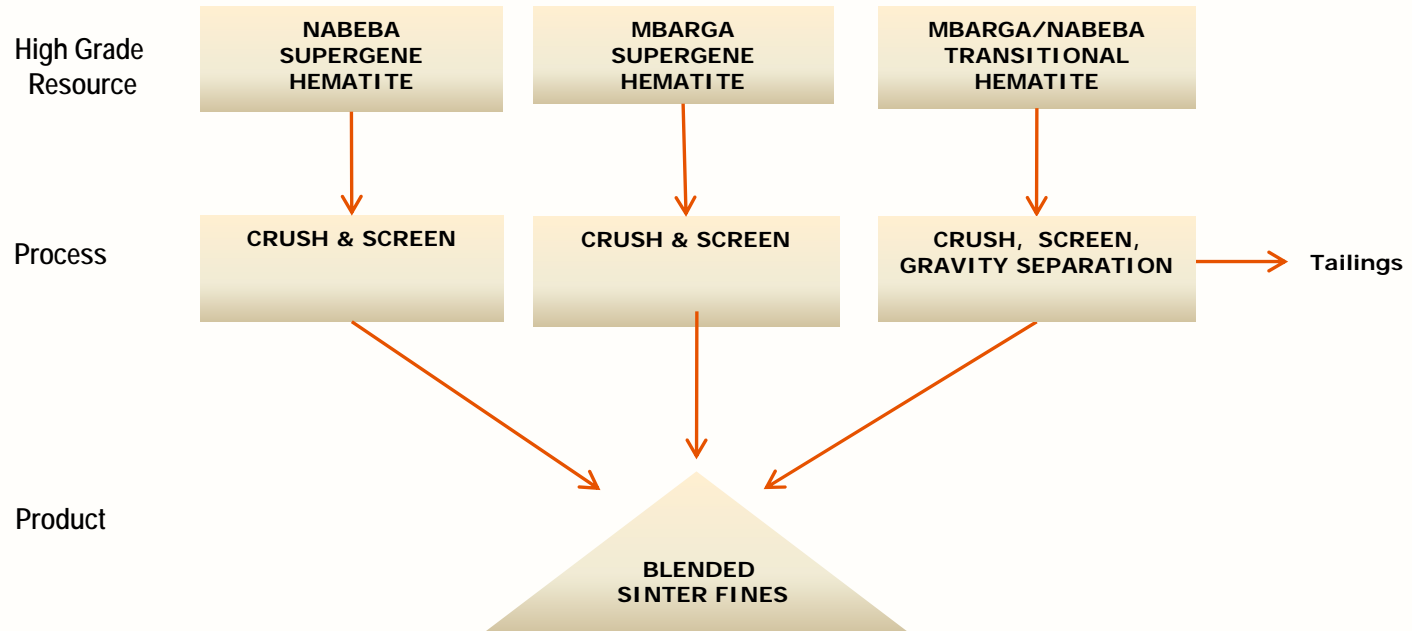
Deposit	Mt	Fe (%)	SiO2 (%)	Al2O3 (%)	P (%)	LOI (%)
Nabeba North	200.2	63.1	2.5	3.4	0.09	3.2
Mbarga; South Mbarga & Metzimevin	215.2	60.2	9.8	2.3	0.08	1.6
<b>Average Resource Grade</b>	<b>415.4</b>	<b>61.6</b>	<b>6.3</b>	<b>2.8</b>	<b>0.08</b>	<b>2.4</b>



- Additional exploration potential at Nabeba South and other prospects

❖ **Inferred Resource of 200 Mt at 63.1% Fe defined over North Ridge of Nabeba Deposit**

# Blending and Process Design to deliver Premium DSO Product

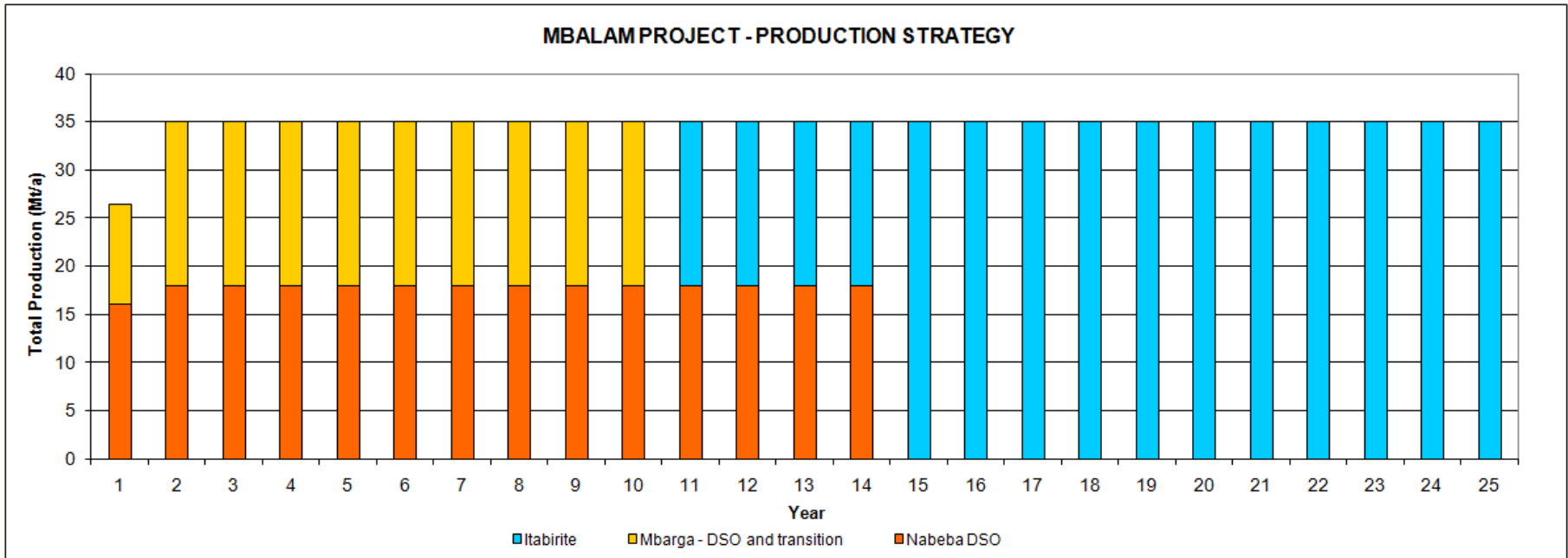


Target DSO Sinter Fines Product Specification					
Mtpa	Fe (%)	SiO2 (%)	Al2O3 (%)	P (%)	LOI (%)
35.0	62.5	<5.5	<2.5	0.08	2.4

❖ *Premium quality product specification to maximise DSO sales revenue*

# Integrated Project Development Strategy

- High Margin DSO production for minimum of first 10 years from Mbarga and Nabeba Deposits
  - Mining costs estimated at <\$3.5/tonne
- Itabirite resource to produce high quality pellet feed concentrates for balance of mine life
  - Itabirite characterised by high feed grade (38% Fe) and mass recovery (~40%)
  - Staged development to allow funding from Project cashflow

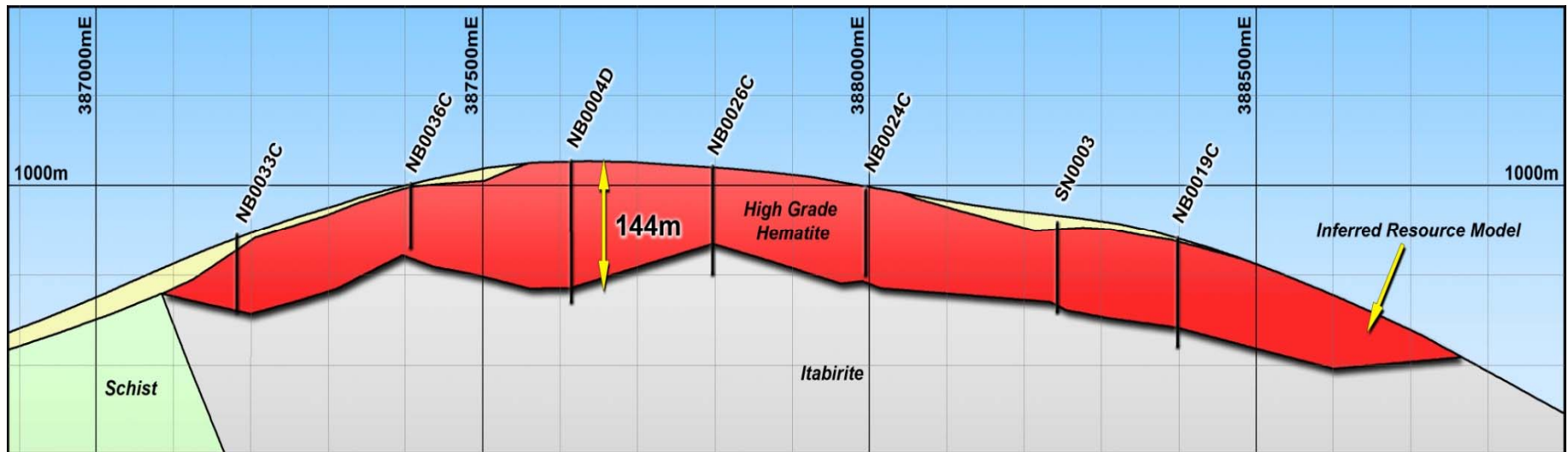


❖ ***Resources in place for +25 year mine life with potential to extend DSO operations***



# Low Cost Mine Operations

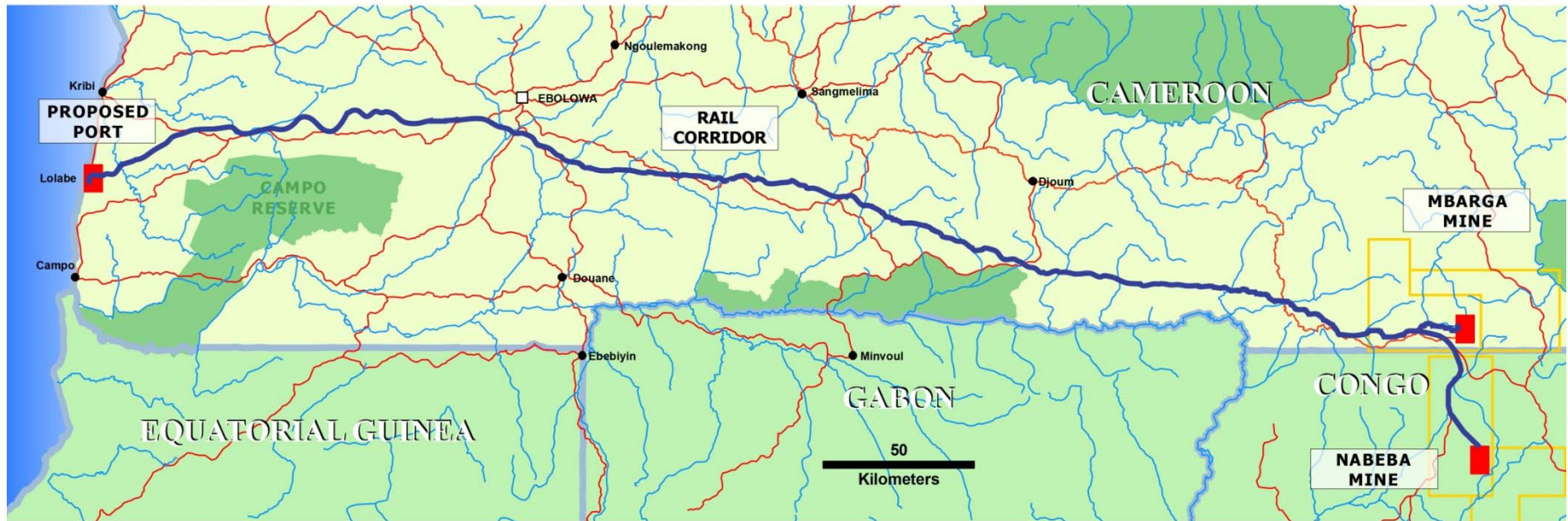
- Near –surface High Grade Hematite at both Mbarga and Nabeba Deposits
- Mbarga High Grade pit has <math><0.2 : 1</math> stripping ratio, Nabeba expected to be similar
- Nabeba located 42km south of Mbarga, readily interconnected by rail
- Mining scope being reviewed by AMC; process design being developed with Lycopodium



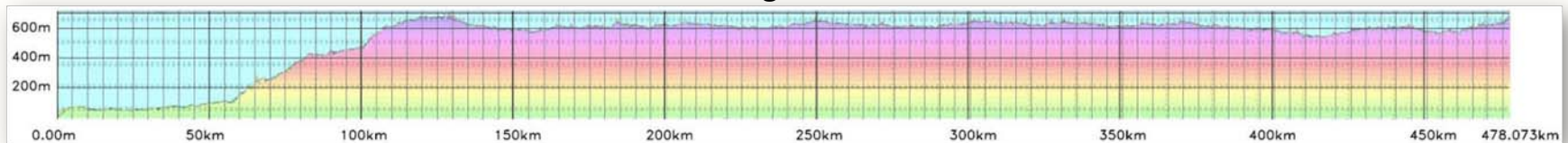
❖ *Near-surface DSO Resource will deliver low cost mining and processing*

# Efficient Product Transport to Port

- Design and costings being finalised by Calibre Rail as part of DFS
  - 28 hour cycle time between mine and port
  - Selection of 32t axle loads (3 locos and 180 wagons)



*Selection Along Preferred Route*

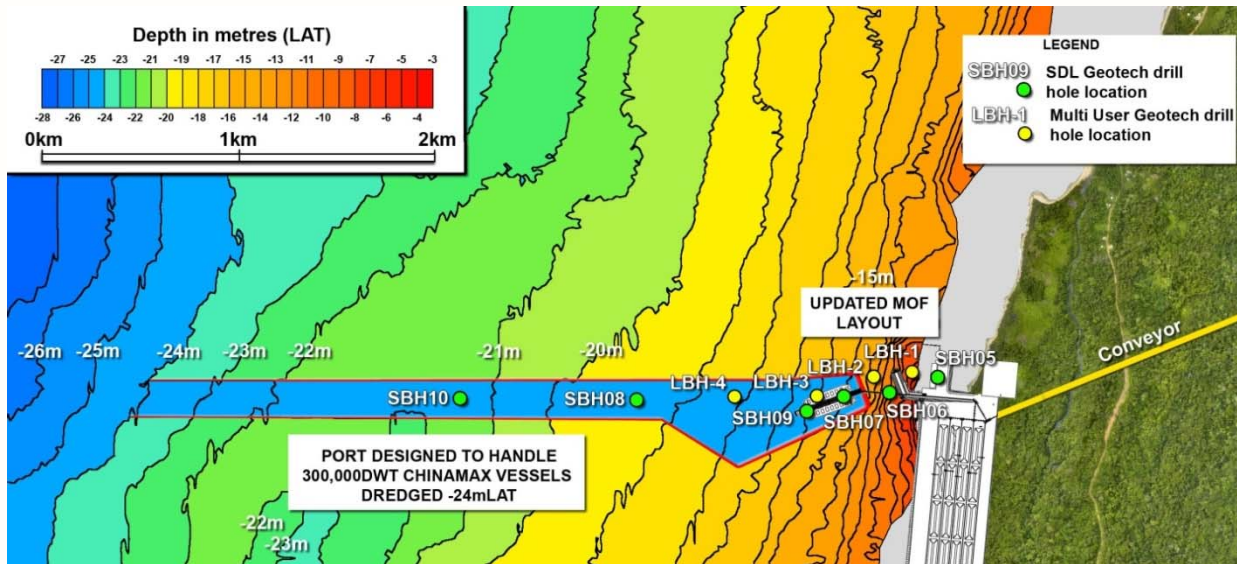


❖ *DFS engineering and site geotechnical investigations to be completed July 2010*



# World Class Deep Water Port

- Deep water near shore berth (25 metres)
- Open water jetty – no breakwater
- Marine geotechnical investigations completed
- Port DFS engineering commenced by Sogreah (France)
- Single berth capacity for 35 Mtpa
- Port being designed for 400,000 DWT “Brazil-max” bulk ore carriers
- Shipping cost to China ~US\$2.50/tonne less than from Brazil



❖ *Deepwater port design optimised to accommodate “Brazil-max” bulk carriers*



# Financials

- CAPEX & OPEX Estimates & Margin
  - Globally competitive capital intensity of US\$100/tonne of installed capacity
  - Start-up high grade production delivers >\$40/tonne margin and underpins payback of rail and port infrastructure CAPEX

## START-UP CAPEX <sup>1</sup>

Mine & Plant	US\$358m
Rail	US\$1,472m
Port	US\$505m
Indirects	US\$465m
Contingency	US\$560m
<b>TOTAL ESTIMATED CAPEX (PFS)<sup>3</sup></b>	<b>US\$3,360m</b>

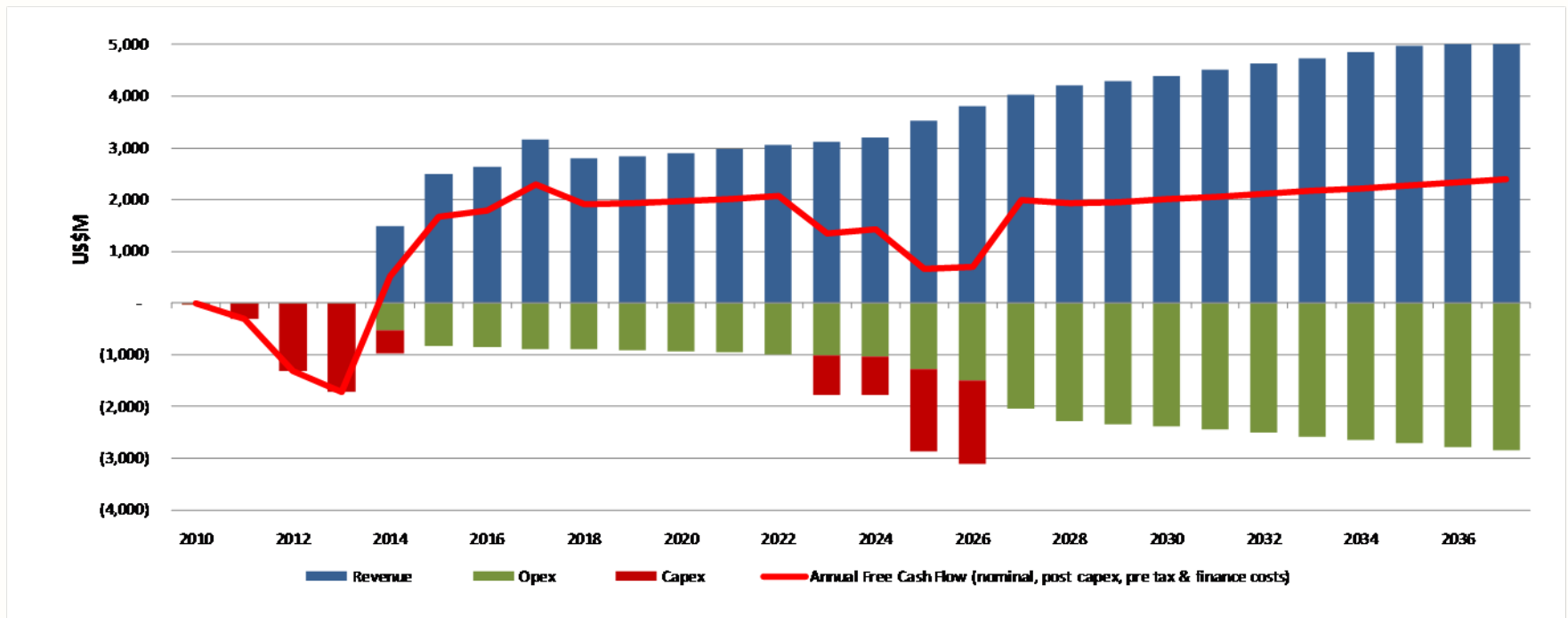
## OPEX <sup>1</sup>

<b>ESTIMATED PRODUCTION COST<sup>3</sup></b>	<b>US\$19.65/t</b>
<b>ESTIMATED OPERATING MARGIN (PFS)<sup>4</sup></b>	<b>US\$43.47/t</b>

1. CAPEX & OPEX estimates for DSO production only
2. Pricing based on long term FOB price of 102 US\$/dmu for sinter fines. Mbalam FOB price adjusted for Fe % and freight differential to markets
3. OPEX includes cash operating costs, royalty and contingency
4. Estimates based on PFS (Jan 2008), subject to review in DFS
5. Average Spot CFR price for 62% FE fines CFR china in Q2 2010 was US\$160/t

# Strong Project Cashflow

- Project returns increased by enhanced product quality and 10 years plus DSO production
- Phase 2 Itabirite CAPEX to be funded from project cashflow
- Pay back period < 4 years
- ***Project IRR >25% (nominal, post tax) based on proposed fiscal / tax terms***





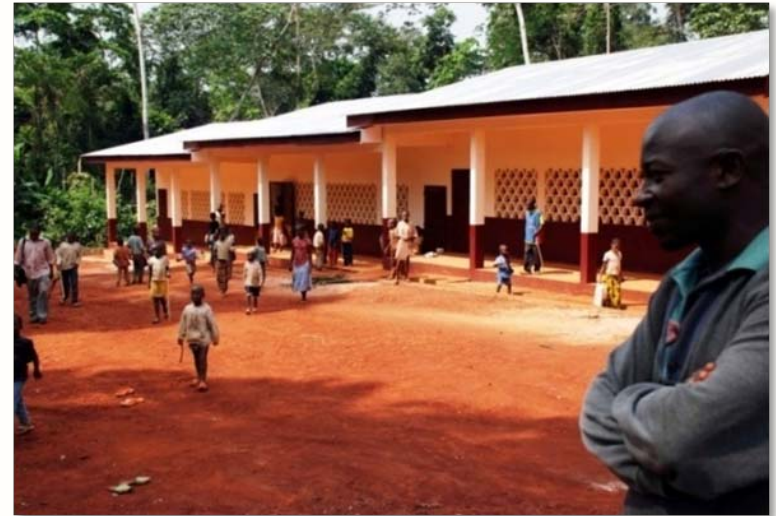
# Strategic Partners

- Strategic Partner selection focused on equity, construction and finance.
  
- Requirements
  - Significant offtake agreement for at least 10 years
  - Access to construction capability or delivery
  - Potential for 3<sup>rd</sup> party infrastructure Build and Operate or financing
  - Project financing capability
  - Equity Participation at Project and or entity level for the provision of funding and offtake agreements
  
- Securing Finance
  - Mbalam Convention designed to be globally competitive, provide security of tenure and be internationally financeable
  - International law firm Simmons & Simmons engaged to assist with negotiation of Mbalam Convention and project finance documentation
  - Mbalam Convention submitted and negotiations have commenced



# Strong Government & Community Support

- Framework Agreement signed in December 2008
  - *Government right to 10% carried interest in Cam Iron*
  - *Government option to purchase additional 15% contributing interest in Cam Iron at price equivalent to 50% of costs incurred up to time of purchase*
- Internationally competitive Mbalam Convention submitted and negotiations with Government commenced in June 2010
- Cam Iron selected as preferred developer of Iron Ore Terminal within Kribi Multi-User Port
- Feasibility Study submitted in October 2009 including proposed fiscal and tax terms
- Direct financial benefit of ~US\$5 billion to Cameroon/Congo over life of project
  - *Royalties*
  - *Corporate taxes*
  - *Dividends through equity participation*
  - *Workforce wages and salaries*
  - *Purchase of local goods and services*
- Environmental and social benefits
  - *0.5% NPAT to environmental & social fund*
  - *Significant direct and indirect employment*
  - *Social infrastructure support*
  - *NGO/community partnerships*
- Project of National Interest
- ❖ ***Cameroon Government committed to legislate fiscal/tax incentives necessary to ensure project is internationally competitive***





# 2010 Development Milestones

- Define JORC Resources at Nabeba Deposit and convert Project DSO Resources to Reserves
  - *80,000 metres drilled in 2007/08; 25,000 metre drilling planned in 2009/10*
  - *3 new drill rigs operating; 4<sup>th</sup> rig to commence drilling in July 2010*
  - *Project JORC Mineral Resources of High Grade (DSO) Hematite target achieved by the JORC compliant resource announcement at Nabeba in May 2010*
  
- Complete Definitive Feasibility Study by end 2010
  - *Process design being advanced on basis of blended DSO production*
  - *Transport and port scope defined with site investigations to be completed by Sept 2010*
  
- Secure Government Approvals and Convention
  - *Public review of Environmental and Social Assessment report completed and approved*
  - *Mining permit application and land acquisition documentation submitted*
  - *Framework Agreement signed and updated Convention submitted to Government*
  
- Secure financing terms in partnership with strategic partners
  - *Develop potential infrastructure build-operate-finance packages*
  - *Execute sales terms sheets and offtake contracts*
  - *Close equity and debt financing*

❖ ***Project on schedule for construction start in 2011***



## Disclaimer

*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.*

## 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.*

### **Resources reported on Exploration Permit 362, Coameroon (Mbarga, South Mbarga and Metzimevin Deposits)**

*The estimated quantity and grade of DSO quality Supergene mineralisation and underlying 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 Mbarga Deposit and 200m x 100m pattern for the Inferred Resource at the Mbarga, Mbarga South and Metzimevin Deposits. This is represented by an area approximately 3km (east-west) x 3km (north-south) on the Mbarga Deposit; by an area approximately 1.5km (east-west) and 1.0km (north-south) on the Mbarga South Deposit and 1.2km (east-west) x 0.3km (north-south) on the Metzimevin Deposit. Grade has been estimated by Ordinary Kriging on composited sample results. Cut-off grades for High Grade Hematite for the Mbarga Deposit are broken down as follows: Surficial: >50% Fe and <10% Al<sub>2</sub>O<sub>3</sub>; Supergene: No cut-off; Transitional: >51% Fe; Phosphorus: >53% Fe and <0.3% P; Hypogene: >52% Fe. Mbarga South is quoted at >50% Fe cut-off and Metzimevin is quoted at >56% Fe cut-off. A nominal 34% Fe cut-off value is used for the Mbarga Itabirite hematite.*

*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 20m x 10m x 10m blocks 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. 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/m<sup>3</sup> depending on the iron grade. A density of 3.6t/m<sup>3</sup> has been used for the majority of the near-surface High Grade Hematite and a value of 2.6 t/m<sup>3</sup> applied to the overlying Surficial Zone. The underlying Transitional Zone has density values assigned via the Itabirite Fe grade regression formula, with a nominal 10% reduction applied to the resultant value to ensure the value is conservative.*

*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 internal standards with comprehensive reporting on laboratory precision and accuracy. Three metallurgical test work programs have supported the assay grades and density values of the major mineral types.*

#### **Resources reported on Research Permit 362, Congo (Nabeba Deposit)**

*The estimated quantity and grade of near surface, high grade mineralisation for the Inferred Resource has been restricted to an area currently covered by drilling on predominately a 200m x 200m pattern on the northern ridge of the horseshoe-shaped Nabeba Deposit. Sundance to date has completed 38 holes at Nabeba for a total of 3,400m of which 40% has been PQ/HQ core and 60% RC (Reverse circulation) drilling with face-sampling hammers.*

*The geological model is represented by an area approximately 2.5km (east-west) x 1km (north-south). Grade has been estimated by IDS method (inverse-distance squared) on composited sample results. The mineralisation and grade interpolation of drill results has been constrained by a 3-D wireframe which encompasses all of the near-surface contiguous high grade material and as such, no cut-off grades for high grade have been required or applied. At the time of modelling, analytical results for 32 of the 38 holes had been received of which 62% were full XRF analyses from Ultratrace Laboratories (Perth, Western Australia) and the remaining 38% were Thermo Niton XRF (Fe only) results from the Sundance Site laboratory.*

*A digital terrain surface (based on a recent aeromagnetic survey), has been used to limit extrapolation of the mineralisation to the topography of the Nabeba hill. The resource modelling has used 25m x 25m x 5m blocks with sub-blocks to honour the constraining surfaces. Collar surveys used handheld GPS surveying. A global density of 2.65t/m<sup>3</sup> has been used for all of the near-surface High Grade Hematite based on results from an assessment of physical density measurements of current drill core.*

*At this stage of assessment 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.*

*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 for these Exploration Targets and it is uncertain if further exploration will result in determination of a Mineral Resource*



## SUNDANCE RESOURCES LTD

Level 35, Exchange Plaza

2 The Esplanade

Perth WA 6000

Tel: +61 8 9220 2300

Fax: +61 8 9220 2309

Email: [info@sundanceresources.com.au](mailto:info@sundanceresources.com.au)

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