
SUNDANCE RESOURCES LIMITED
ACN 055 719 394

NOTICE OF ANNUAL GENERAL MEETING
PROXY FORM AND EXPLANATORY MEMORANDUM

DATE: 2nd November, 2009

TIME: 2:00pm WST

PLACE: Swan Room, Parmelia Hilton Hotel, 14 Mill Street, Perth, Western Australia

This Notice of Annual General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

If Shareholders are unable to attend the Annual General Meeting, please complete and return the enclosed Proxy Form in accordance with the specified directions.

In this document you will find:

1. A Notice of Meeting
2. An Explanatory Memorandum

A Proxy Form which has been customised with a bar code identifying your shareholding accompanies this document as a separate document together with a reply-paid return envelope.

SUNDANCE RESOURCES LIMITED
ACN 055 719 394

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Sundance Resources Limited ("Company") will be held in the Swan Room, Parmelia Hilton Hotel, 14 Mill Street, Perth, Western Australia on 2nd November 2009 commencing at 2:00pm WST.

An Explanatory Memorandum containing information in relation to the following Resolutions accompanies this Notice of Meeting.

Please note terms used in Resolutions 1 to 6 of this Notice of Meeting have the same meaning as set out in the Glossary contained in the Explanatory Memorandum accompanying this Notice.

AGENDA

BUSINESS

Financial Report for the Period ended 30 June 2009

To receive and consider the financial report of the Company, the Directors' Report and the Auditor's Report for the period ended 30 June 2009.

Resolution 1 – Adoption of Remuneration Report

To consider, and if thought fit, to pass the following Resolution as an **ordinary resolution**:

"That Shareholders adopt the Remuneration Report for the financial year ended 30 June 2009."

Note: The vote on this Resolution is advisory only and does not bind the Directors or the Company.

Resolution 2 – Re-election of Mr Geoffrey Lloyd Warburton Wedlock as a Director

To consider and, if thought fit, to pass the following Resolution as an **ordinary resolution**:

"That Mr Geoffrey Lloyd Warburton Wedlock, who ceases to hold office in accordance with clause 13.2 of the Company's Constitution and, being eligible for re-election, be elected a Director."

Resolution 3 – Ratification of Issue of 17,111,317 Shares to Ausdrill Limited

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, for the purpose of Listing Rule 7.4 and for all other purposes, the Company ratifies the allotment and issue of 17,111,317 Shares at a deemed issue price of \$0.094 per Share to Ausdrill Limited on 5 December 2008, on the terms and conditions set out in the Explanatory Memorandum."

<p>The Company will disregard any votes cast on this Resolution by any person who participated in the issue or any associate of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.</p>
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Resolution 4 – Ratification of Issue of 1,000,000 January 2012 Options to Ausdrill Limited

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.4 and for all other purposes, the Company ratifies the allotment and issue of 1,000,000 January 2012 Options, each having an exercise price of \$0.45 and expiring on 6 January 2012, to Ausdrill Limited on 27 May 2009 on the terms and conditions set out in the Explanatory Memorandum.”

The Company will disregard any votes cast on this Resolution by any person who participated in the issue or any associate of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 – Ratification of Issue of Shares to Congo Mining Investments SA

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.4 and for all other purposes, the Company ratifies the allotment and issue of 5,000,000 Shares at a deemed issue price of \$0.097 per Share to Congo Mining Investments SA on 23 January 2009 on the terms and conditions set out in the Explanatory Memorandum.”

The Company will disregard any votes cast on this Resolution by any person who participated in the issue or any associate of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 6 – Ratification of Issue of 2,000,000 June 2013 Options to Cambo Pty Limited

To consider and, if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, for the purpose of Listing Rule 7.4 and for all other purposes, the Company ratifies the allotment and issue of 2,000,000 June 2013 Options, each having an exercise price of \$0.35 and expiring on 1 June 2013, to Cambo Pty Limited on 3 September 2009 on the terms and conditions set out in the Explanatory Memorandum.”

The Company will disregard any votes cast on this Resolution by any person who participated in the issue or any associate of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

By Order of the Board of Directors



Mr John Carr-Gregg
Company Secretary
Sundance Resources Limited
Dated: 21 September 2009

VOTING BY PROXY

Votes at the Annual General Meeting may be given personally or by proxy, attorney or representative.

A Shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies to attend and vote at the Annual General Meeting. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the Shareholder's voting rights. Fractions shall be disregarded.

A proxy may, but need not be a Shareholder of the Company.

The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorising in writing or, if such appointor is a corporation, either under seal or under hand of the officer of his attorney duly authorised.

The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and must reach the Company's share registry at least 48 hours prior to the Annual General Meeting. For the convenience of Shareholders a proxy form is enclosed.

For the purposes of regulation 7.11.37 of the Corporations Regulations, the Company determines that members holding Shares at 5.00 pm WST on Saturday 31 October 2009 will be entitled to attend and vote at the Annual General Meeting.

VOTING BY A CORPORATION

A corporation may elect to appoint a representative in accordance with the Corporations Act in which case the Company will require written proof of the representative's appointment which must be lodged with, or presented to the Company's share registry before the Annual General Meeting.

SUNDANCE RESOURCES LIMITED
ACN 055 719 394

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the Shareholders of Sundance Resources Limited (“**Company**”) in connection with the business to be conducted in the Swan Room at Parmelia Hilton Hotel, 14 Mill Street, Perth, Western Australia on 2 November 2009 commencing at 2:00pm WST, to provide Shareholders with information to permit them to assess the merits of the proposed Resolutions in the accompanying Notice of Annual General Meeting.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting. The Directors recommend that Shareholders read this Explanatory Memorandum in full before determining whether or not to support the Resolutions.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum

Financial Reports

This item of business calls for Shareholders to formally receive the Financial Report for the year ended 30 June 2009 (which includes all the financial statements and notes) and the Reports of the Directors and Auditor. While Shareholders are not required to vote on the Financial Reports, they will be given reasonable opportunity to ask questions and make comments on the Financial Reports and the Reports of the Directors and the Auditor and on the business, operations and management of the Company. The Auditor will be in attendance and can answer questions on the conduct of the audit, the preparation and contents of its Report, the accounting policies adopted in relation to the preparation of accounts and the independence of the Auditor in relation to the conduct of the audit.

Resolution 1 – Adoption of Remuneration Report

Section 298 of the Corporations Act requires that the annual Directors’ Report contain a Remuneration Report prepared in accordance with section 300A of the Corporations Act.

Shareholders are asked to adopt the Remuneration Report which:

- (a) discusses the Company’s policy and the process for determining the remuneration of its executive officers and Directors;
- (b) addresses the relationship between the remuneration of the Company’s executive officers and the performance of the Company;
- (c) sets out remuneration details for each Director and each of the executive officers of the Company named in the Remuneration Report for the financial year ended 30 June 2009;
- (d) sets out the remuneration details of any service agreements; and
- (e) sets out the details of any share based compensation.

Section 250R(2) of the Corporations Act requires companies to put a resolution to their members that the Remuneration Report be adopted. Pursuant to section 250R(3), the vote on this Resolution is advisory only and does not bind the Board or the Company. The Remuneration Report is set out in the Company’s 2009 Annual Financial Report and is also available on the Company’s website (www.sundanceresources.com.au).

The Directors recommend that Shareholders vote in favour of Resolution 1.

Resolution 2 – Re-election of Mr Geoffrey Lloyd Warburton Wedlock as a Director

Resolution 2 asks Shareholders to approve the re-election of Mr Geoffrey Lloyd Warburton Wedlock as a Director with effect from the end of the Meeting.

Clause 13.2 of the Company's Constitution provides that at every annual general meeting of the Company one-third of the Directors (other than alternate Directors and the Managing Director) for the time being, or, if their number is not a multiple of 3, then such number as is appropriate to ensure that no Director (other than alternate Directors and the Managing Director) holds office for more than 3 years, shall retire from office. The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots. A retiring Director is eligible for re-election. In compliance with clause 13.2 of the Company's Constitution, Mr Wedlock will be retiring at the Meeting and submits himself for re-election.

Mr Wedlock was last elected as a Director by the General Meeting on 29 November 2007.

Mr Wedlock is an experienced Australian mining executive with more than 35 years experience in the mining sector, the majority at senior levels within the industry. Mr Wedlock's previous roles include managing director of successful mid-tier iron ore producer Portman Limited and 32 years with BHP Billiton Limited, including a period as chief executive officer of a major BHP business unit. Mr Wedlock has brought to Sundance extensive experience in resource project management and development, particularly in the international iron ore industry. He has had significant commercial experience with financiers, international partners, customers, and governments. Mr Wedlock is currently a director and non-executive chairman of Jupiter Mines Limited. Mr Wedlock is also a director of Gindalbie Metals Limited (where he assumed the role of non-executive chairman on 31 August 2009). Mr Wedlock assumed the role of non-executive chairman of the Company on 1 September 2009.

The Directors (with Mr Wedlock abstaining) recommend that Shareholders vote in favour of Resolution 2.

Resolution 3 – Ratification of Issue of 17,111,317 Shares to Ausdrill Limited

Background

On 10 March 2008, the Company entered into an agreement with Ausdrill Limited for the provision of drilling services to the Company in relation to the Mbalam Iron Ore Project ("**Mbalam Project**").

On 5 December 2008, the Company issued 17,111,317 Shares (at a deemed issue price of \$0.094 per Share) to Ausdrill Limited as part payment for drilling services provided by Ausdrill Limited to the Company. The Company placed these Shares under its 15% placement capacity under Listing Rule 7.1 and seeks, pursuant to Resolution 3, Shareholder approval to ratify, in accordance with Listing Rule 7.4, the prior issue of the 17,111,317 Shares.

It should be noted that the Company also agreed to compensate Ausdrill Limited for additional management resources that have and will be allocated to the Mbalam Project, in the form of an issue of 1,000,000 January 2012 Options to Ausdrill Limited. These January 2012 Options were issued on 27 May 2009. The ratification of the issue of these January 2012 Options is the subject of Resolution 4.

The Resolution

As noted above, on 5 December 2008, the Company issued 17,111,317 Shares (at a deemed issue price of \$0.094 per Share) to Ausdrill Limited under its 15% placement capacity under Listing Rule 7.1 and now seeks pursuant to this Resolution 3, Shareholder approval to ratify, in accordance with Listing Rule 7.4, the prior issue of the 17,111,317 Shares.

Listing Rule 7.4

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such ratification is to restore a company's maximum discretionary power to issue further securities up to 15% of the issued capital of the company without requiring shareholder approval at any time in the next 12 months.

Information Requirements

The following information in relation to the Shares issued is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) the number of Shares allotted and issued was 17,111,317;
- (b) the Shares were issued at a deemed issue price of \$0.094 each;
- (c) the Shares issued are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue;

- (d) the Shares were issued to Ausdrill Limited, a contractor to the Company. The allottee is not a related party of the Company; and
- (e) no funds were raised from the issue as the Shares were issued as part payment for drilling services.

The Board recommends that Shareholders vote in favour of Resolution 3.

Resolution 4 – Ratification of Issue of 1,000,000 January 2012 Options to Ausdrill Limited

As noted above, the Company agreed to compensate Ausdrill Limited for additional management resources that have been allocated to the Mbalam Project in the form of an issue of 1,000,000 January 2012 Options to Ausdrill Limited.

The Resolution

The Company issued the January 2012 Options on 27 May 2009 under its 15% placement capacity under Listing Rule 7.1 and seeks pursuant to Resolution 4, Shareholder approval to ratify, in accordance with Listing Rule 7.4, the prior issue of the 1,000,000 January 2012 Options.

Listing Rule 7.4

As noted above, Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such ratification is to restore a company's maximum discretionary power to issue further securities up to 15% of the issued capital of the company without requiring shareholder approval at any time in the next 12 months.

Information Requirements

The following information in relation to the January 2012 Options issued is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) the number of January 2012 Options issued was 1,000,000;
- (b) the January 2012 Options were issued in consideration for Ausdrill Limited allocating additional management resources to the Mbalam Project;
- (c) the Company issued the January 2012 Options on 27 May 2009;
- (d) the January 2012 Options have an exercise price of \$0.45 each and will expire on 6 January 2012 and will otherwise have the terms and conditions set out in Annexure A to this Explanatory Memorandum;
- (e) the January 2012 Options were allotted to Ausdrill Limited, a contractor to the Company. The allottee is not a related party to the Company; and
- (f) no funds were raised by the issue of the January 2012 Options.

The Board recommends that Shareholders vote in favour of Resolution 4.

Resolution 5 – Ratification of Issue of Shares to Congo Mining Investments SA

Background

Resolution 5 seeks Shareholder ratification of the prior issue of 5,000,000 Shares to Congo Mining Investments SA ("**Cominvest**") for the purposes of Listing Rule 7.4.

The 5,000,000 Shares were issued to Cominvest on 23 January 2009 pursuant to an agreement that was announced to the market on 10 October 2008 and 21 January 2009. The issue of the 5,000,000 Shares represented part of the consideration payable by the Company to increase its interest in Congo Iron SA ("**Congo Iron**"), the holder of two prospective exploration permits in the Republic of Congo.

As announced, Sundance has reached agreement to acquire an 85% interest in Congo Iron through the purchase of 70% of Congo Iron held by Cam Iron SA and the purchase of 15% of Congo Iron held by Cominvest. The consideration for the acquisition is payable in three tranches through the issue of Shares as follows:

1. Tranche 1: the issue of 5,000,000 Shares to Cominvest;
2. Tranche 2: the issue of 14,000,000 Shares to Cominvest on the definition of 200 million tonnes of hematite reserves (as defined by the JORC Code) grading +60% Fe; and
3. Tranche 3: the issue of a further 14,000,000 Shares to Cominvest on the definition of 400 million tonnes of hematite reserves (as defined by the JORC Code) grading +60% Fe.

The Shares the subject of Resolution 5 represent the payment under the first tranche.

The 5,000,000 Shares were issued at a deemed price referable to the consideration received by the Company pursuant to its agreement with Cominvest. That consideration included the transfer of a 15% interest in Congo Iron SA from Cominvest to the Company subject to the terms of the agreement with Cominvest.

Listing Rule 7.4

As noted above, Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such ratification is to restore a company's maximum discretionary power to issue further securities up to 15% of the issued capital of the company without requiring shareholder approval at any time in the next 12 months.

Information Requirements

The following information in relation to the Shares issued is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) the number of Shares allotted and issued was 5,000,000;
- (b) the Shares were issued as part consideration for the Company to increase its interests in Exploration Permits 2007-362 and 2007-363 in the Republic of Congo;
- (c) the Shares issued are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary shares on issue;
- (d) the Shares were issued to Congo Mining Investments SA. The allottee is not a related party of the Company; and
- (e) no funds were raised from the issue.

The Board recommends that Shareholders vote in favour of Resolution 5.

Resolution 6 – Ratification of Issue of 2,000,000 June 2013 Options to Cambo Pty Limited

The Company agreed to compensate Cambo Pty Limited for corporate advisory work in the form of an issue of 2,000,000 June 2013 Options to Cambo Pty Limited.

The Resolution

The Company issued the June 2013 Options on 3 September 2009 under its 15% placement capacity under Listing Rule 7.1 and seeks pursuant to Resolution 6, Shareholder approval to ratify, in accordance with Listing Rule 7.4, the prior issue of the 2,000,000 June 2013 Options.

Listing Rule 7.4

As noted above, Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of such ratification is to restore a company's maximum discretionary power to issue further securities up to 15% of the issued capital of the company without requiring shareholder approval at any time in the next 12 months.

Information Requirements

The following information in relation to the June 2013 Options issued is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) the number of June 2013 Options issued was 2,000,000;
- (b) the June 2013 Options were issued in consideration for corporate advisory services being provided to the Company;
- (c) the Company issued the June 2013 Options on 3 September 2009;
- (d) the June 2013 Options have an exercise price of \$0.35 each and will expire on 1 June 2013 and will otherwise have the terms and conditions set out in Annexure B to this Explanatory Memorandum;
- (e) the June 2013 Options were allotted to Cambo Pty Limited, an unrelated party to the Company; and
- (f) no funds were raised by the issue of the June 2013 Options.

The Board recommends that Shareholders vote in favour of Resolution 6.

GLOSSARY

In this Explanatory Memorandum and the Notice, the following terms have the following meanings unless the context otherwise requires:

ASX	means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Auditor	means Deloitte Touch Tohmatsu ABN 74 490 121 060.
Board	means the board of Directors of the Company.
Chairman	means the person chairing the Meeting.
Company or Sundance	means Sundance Resources Limited ACN 055 719 394.
Constitution	means the constitution of the Company.
Corporations Act	means Corporations Act 2001 (Cth).
Corporations Regulations	means Corporations Regulations 2001 (Cth).
Director	means a director of the Company.
January 2012 Option	means an Option the terms of which are set out in Annexure A to the Explanatory Memorandum.
June 2013 Option	means an Option the terms of which are set out in Annexure B to the Explanatory Memorandum.
Listing Rules	means the Listing Rules of the ASX.
Notice or Notice of Meeting	means the Notice of Annual General Meeting accompanying this Explanatory Memorandum.
Meeting or Annual General Meeting	means the Annual General Meeting to be held on 2 November 2009 at 2:00pm WST, in the Swan Room at Parmelia Hilton Hotel, 14 Mill Street, Perth, to which the Notice relates.
Option	means an option to acquire a Share.
Resolution	means a resolution contained in the Notice.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means an ordinary shareholder of the Company.
WST	means Australian Western Standard Time.

Annexure A

The terms of the options ("Options") issued to Ausdrill Limited pursuant to Resolution 4 are as follows:

- (a) each Option entitles the holder, when exercised, to one fully paid ordinary share in the capital of Sundance Resources Limited ACN 055 719 394 ("**Company**") ("**Share**");
- (b) the exercise price of the Options is 45 cents each;
- (c) the Options are exercisable on or before 6 January 2012 ("Expiry Date");
- (d) an Option does not confer the right to a change in the exercise price or a change in the number of underlying securities over which the Option can be exercised;
- (e) all shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares. The Company will apply for official quotation by the Australian Securities Exchange ("ASX") of all Shares issued upon exercise of the Options;
- (f) there is no current intention by the Company to apply for quotation of the Options on ASX;
- (g) subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and the Company's Constitution, the Options and the resulting Shares are tradeable;
- (h) there are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that the Option holders will be given at least seven (7) business days' notice before any applicable record date. This will give the option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue;
- (i) in the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of the Option holders will be varied in accordance with the ASX Listing Rules.

Annexure B

The terms of the options ("Options") issued to Cambo Pty. Limited pursuant to Resolution 6 are as follows:

- (a) each Option entitles the holder, when exercised, to one fully paid ordinary share in the capital of Sundance Resources Limited ACN 055 719 394 ("**Company**") ("**Share**");
- (b) the exercise price of the Options is 35 cents each;
- (c) the Options are exercisable on or before 1 June 2013 ("Expiry Date");
- (d) an Option does not confer the right to a change in the exercise price or a change in the number of underlying securities over which the Option can be exercised;
- (e) all shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares. The Company will apply for official quotation by the Australian Securities Exchange ("ASX") of all Shares issued upon exercise of the Options;
- (f) there is no current intention by the Company to apply for quotation of the Options on ASX;
- (g) subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and the Company's Constitution, the Options and the resulting Shares are tradeable;
- (h) there are no participating rights or entitlements inherent in the Options and Option holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that the Option holders will be given at least seven (7) business days' notice before any applicable record date. This will give the option holders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue;
- (i) in the event of any reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company prior to the Expiry Date, all rights of the Option holders will be varied in accordance with the ASX Listing Rules.

