SUNDANCE RESOURCES

Developing a global iron ore business

SUNDANCE RESOURCES LTD

ABN 19 055 719 394

(ASX: SDL)

December 2010 Quarterly Report

28 January 2011

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Developing a global iron ore business

Highly successful Quarter puts Sundance on track to become world-class iron ore producer

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 DECEMBER 2010

HIGHLIGHTS

- Mr Giulio Casello commenced in the role of Managing Director and Chief Executive Officer on 8 November 2010, thereby completing the reconstruction of Sundance Resources' Board of Directors.
- Sundance Resources, an ASX200 company, saw its market capitalisation increase significantly during the Quarter from ~A$800 million to just over $A1.3 billion, supported by re-evaluation of the project by several international analysts.
- Significant progress made in discussions with several of the world's leading steel mills to secure a Strategic Partner as well as with construction companies which are potential infrastructure providers.
- Sundance appointed China's largest investment bank, CITIC Securities Co Ltd, to assist in securing both debt and equity funding for the Mbalam Iron Ore Project and associated infrastructure.
- Substantial progress was made towards the completion of the Mbalam Project Definitive Feasibility Study ("DFS") with all resource drilling results submitted to an independent third-party for review prior to final sign off. At the same time, a Pre-Feasibility Study for the Project's stage two itabirite production is also expected to be completed in Q1 2011.
- Four drilling rigs currently on site at the Nabeba Deposit in the Republic of Congo to complete resource definition and geotechnical requirements for the DFS.
- Negotiations are progressing with Cameroon and Congo Governments to finalise the Mbalam Convention to underpin development of the Mbalam Project.
- The current objective is to achieve Mbalam Project Approval and commencement of works in the second half of 2011 following delivery of the DFS and completion of relevant foundation agreements, including a Strategic Partner during the first half of 2011.
- Cash reserves of ~A$43.5 million at end of December 2010.

OVERVIEW

The December 2010 Quarter brought closer a number of critical milestones for Sundance Resources Limited (ASX: SDL) ("Sundance" or "the Company") in order to move forward with the development of its flagship asset, the Mbalam Iron Ore Project, located in the Republic of Cameroon and Republic of Congo in central west Africa.

The Company's objective during the first half of this year is three fold:

(1) To complete the Definitive Feasibility Study by the end of Q1 of 2011[1];

(2) To continue to progress discussions and negotiations with the objective of having all foundation agreements and Government approvals required for development of the Mbalam Project in Cameroon in place by no later than the end of Q2 2011; and

(3) To progress discussions with Strategic Partners with a view to securing all required financing, infrastructure development and off-take agreements for Project development.

The new Board, led by Chairman Mr George Jones, has now been fully reconstructed with the formal commencement of highly experienced resources executive Mr Giulio Casello as the new Managing Director and Chief Executive Officer as of 8 November 2010.

Other key appointments during the Quarter included a Business Services Manager, Investor Relations Manager and appointments confirmed during the period include a new General Counsel with international and French law experience and a Health and Safety Manager. Additionally, new Country Managers have been appointed for the Congo and Cameroon offices to support the increase of activities anticipated in the coming months.

Over the reporting period the Company's market capitalisation has substantially increased from around $800 million to approximately $1.3 billion at the time of this report. This increase in market value has been further reinforced by the release of several positive independent stockbroking reports on the Company by notable stockbroking firms Bell Potter Securities Limited, Southern Cross Equities, GMP Securities Europe, and Resource Capital Research. The reports are available from Sundance's website.

PROJECT DEVELOPMENT ACTIVITIES

Sundance Mbalam Iron Ore Project is based on Exploration Permit 92 ("EP92"), located in the East Province of the Republic of Cameroon, and Mining Research Permits MRP362 and MRP363, located in the Sangha Province of the Republic of Congo (*see Figures 1 and 2*).

EP92 is owned by CamIron SA, a company incorporated in the Republic of Cameroon. CamIron SA is a 90%-owned subsidiary of Sundance. MRP362 and MRP363 are owned by Congo Iron SA, a company incorporated in the Republic of Congo. Congo Iron SA is an 85% owned subsidiary of Sundance.

Sundance commenced a Definitive Feasibility Study ("DFS") of the Mbalam Iron Ore Project in January 2010. While the DFS is well advanced, it is now expected to be completed at the end of Quarter 1 2011. This timeframe is due to delays in resource drilling following the stoppage in June/July 2010 and increased volumes of metallurgical test work required to complete the DFS.

[1] In this activity report Quarters refer to the calendar year (1 January – 31 December) 2011.

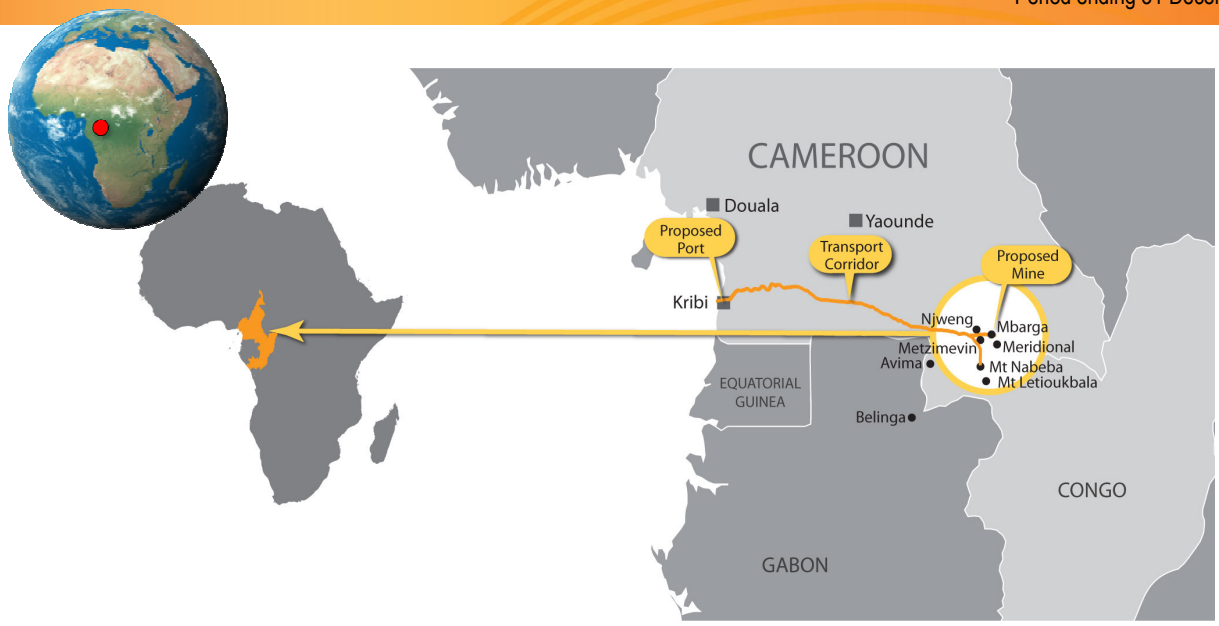

FIGURE 1: LOCATION OF THE MBALAM IRON ORE PROJECT

EXPLORATION AND RESOURCE DEFINITION

Exploration during the December 2010 Quarter concentrated on resource definition, geotech and metallurgical test work drilling in Cameroon and Congo. In-fill resource definition drilling was carried out at the Nabeba Deposit in the Republic of Congo, which was the priority activity carried out during the period.

Figure 2 below shows the location of the key deposits on the Company's landholdings in the Republic of Cameroon and the Republic of Congo:

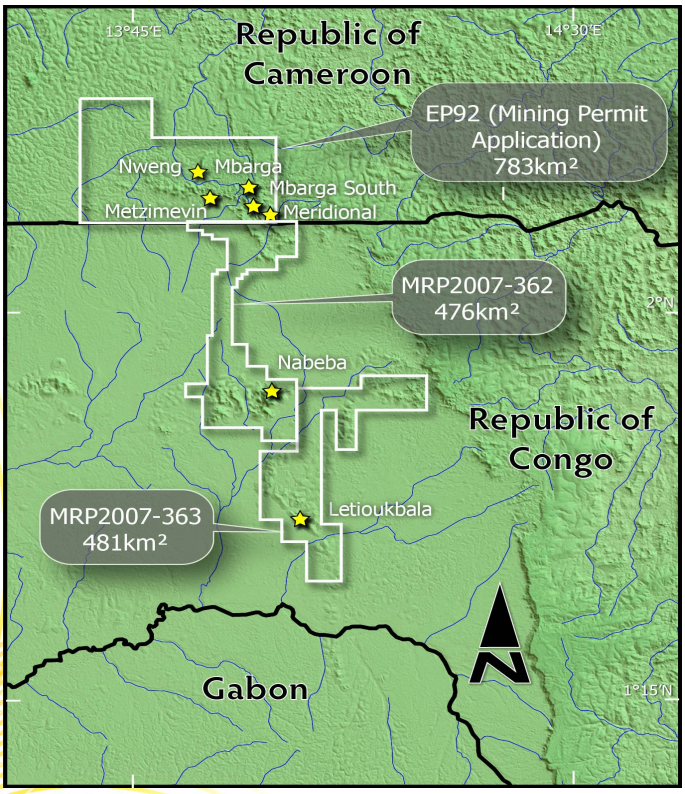

FIGURE 2: EXPLORATION PERMITS CONTROLLED BY SUNDANCE AND LOCATION OF KEY DEPOSITS

Deposit	Category	Tonnage (Million Tonnes)	Grade (Fe %)
Mbarga/South Mbarga/ Metzimevin	Indicated and Inferred Resource	215.2 Mt	60.2%

TABLE 1: REPORTED JORC-CODE COMPLIANT RESOURCES FOR HIGH GRADE HEMATITE

Nabeba Deposit	Inferred Resource	200.2 Mt	63.1%
TOTAL PROJECT	**Indicated and Inferred Resources**	**415 Mt**	**61.6%**

Following the Company's ASX Announcement on 2 June 2010 of the maiden high-grade JORC-Code compliant resource at Nabeba of 200.2Mt @ 63.1% Fe, the high-grade resource inventory for the Mbalam Project is now within the original target range.

The Company has commissioned four drill rigs on site – all of which are fully operational and focused on completing Feasibility Study objectives.

FIGURE 3: DRILLING AT THE NABEBA DEPOSIT DURING THE DECEMBER QUARTER

Results from Drilling on MRP362, Republic of Congo

Drilling results and geological modelling have upgraded the Nabeba Deposit from an Exploration Target to a maiden JORC-Code compliant Inferred Resource. Modelling has estimated an Inferred Resource of 200.2 million tonnes at 63.1% Fe over the Nabeba Ridge. The Company is currently reinterpreting and re-modelling the Nabeba data internally as results are received, with a view to releasing updated JORC-compliant resources in the Q1, 2011.

A total of 254 holes have now been completed at Nabeba since start of drilling in January 2010 for a total of 28,424 metres drilled (as of 31/12/2010), comprising 49 diamond core holes, 7 RC diamond holes and 198 RC holes. The drillhole locations are shown in Figure 4 below:

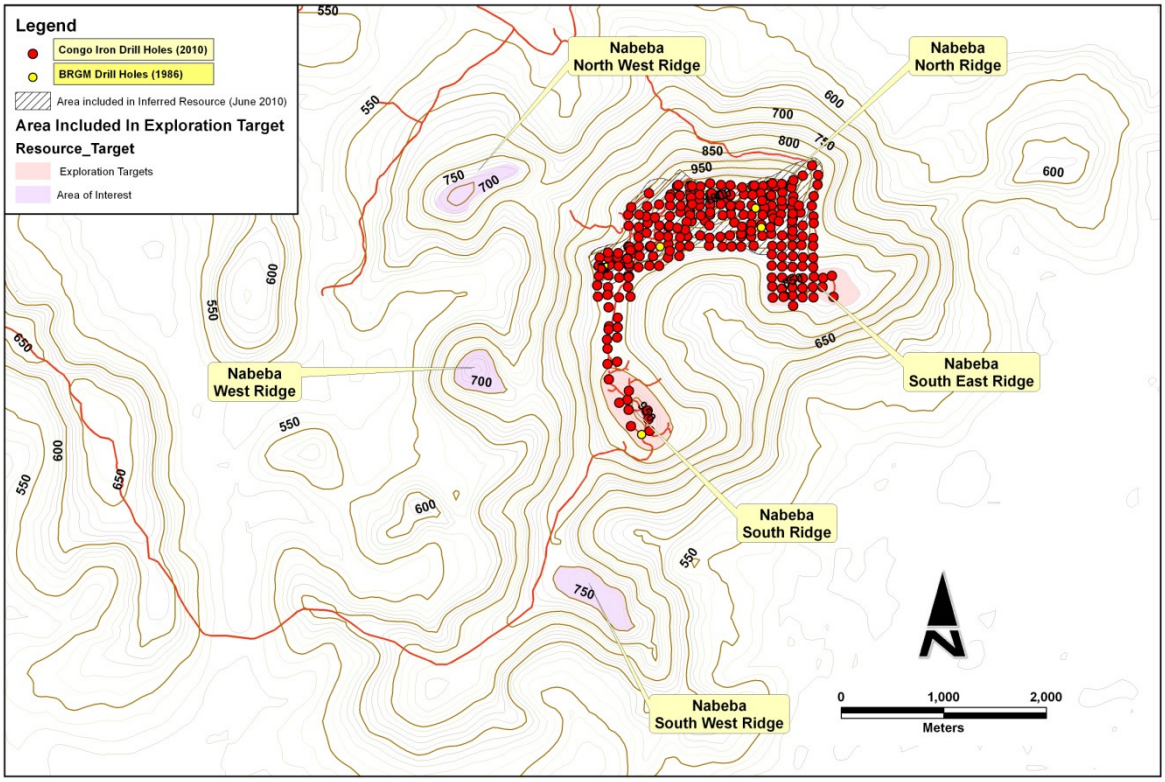

FIGURE 4: DRILLHOLE LOCATION PLAN, NABEBA DEPOSIT

Drilling results to date have revealed a significant depth of High Grade Hematite over a 3 km strike length on the Nabeba Deposit as shown in Figure 5. The Fe grades are in excess of 60% in most of the significant intersections (see Appendix 1).

Drilling has not yet tested the quality of the underlying Itabirite at Nabeba as the priority remains to deliver the High Grade resource and metallurgical samples at the earliest possible time to enable the DFS to be completed.

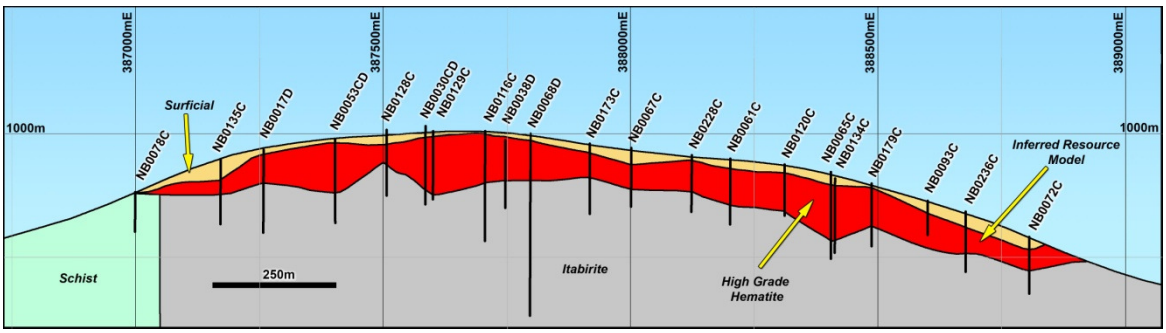

FIGURE 5: OBLIQUE SECTION THROUGH NABEBA LOOKING NORTH WEST SHOWING THICKNESS OF UP TO 144M OF HIGH GRADE HEMATITE)

Five diamond holes (a total of 666 m) were drilled for geotechnical purposes and selected material was transported to Australia for metallurgical test work. The remaining material from these specialist diamond drill holes was sampled on site for geochemical analysis.

Twenty three samples from Nabeba were sent to a mineralogy consultant for detailed mineralogical characterisation. The main aim of this work was to confirm the bulk mineralogy and characterise the dominant textures and associations. Samples were submitted to extensive examination using a binocular microscope using conventional reflected and transmitted light as well examination using a Scanning Electron Microscope (SEM) and X-Ray Diffraction (XRD). The results of this work determined that the bulk mineralogy of these samples which were essentially similar and consist of varying proportions of magnetite, martite, goethite and gibbsite.

FIGURE 6: A PARTIALLY CROSS POLARS PHOTOMICROGRAPH FROM NB0048 SHOWING THE DIFFERENCE IN GRAINSIZE BETWEEN THE SPECULAR HEMATITE AND FINE GRAINED HEMATITE MATRIX. THE FIELD OF VIEW IS 3.6 MM.

Results from Drilling on EP92, Republic of Cameroon

A total of 75,435 metres have been drilled at Mbarga including 3,245 metres in 2010 (Figure 7). The drilling program is now complete. Selected core samples from these holes were transported to Australia for metallurgical testing. The remaining core has been sampled onsite for geochemical analysis.

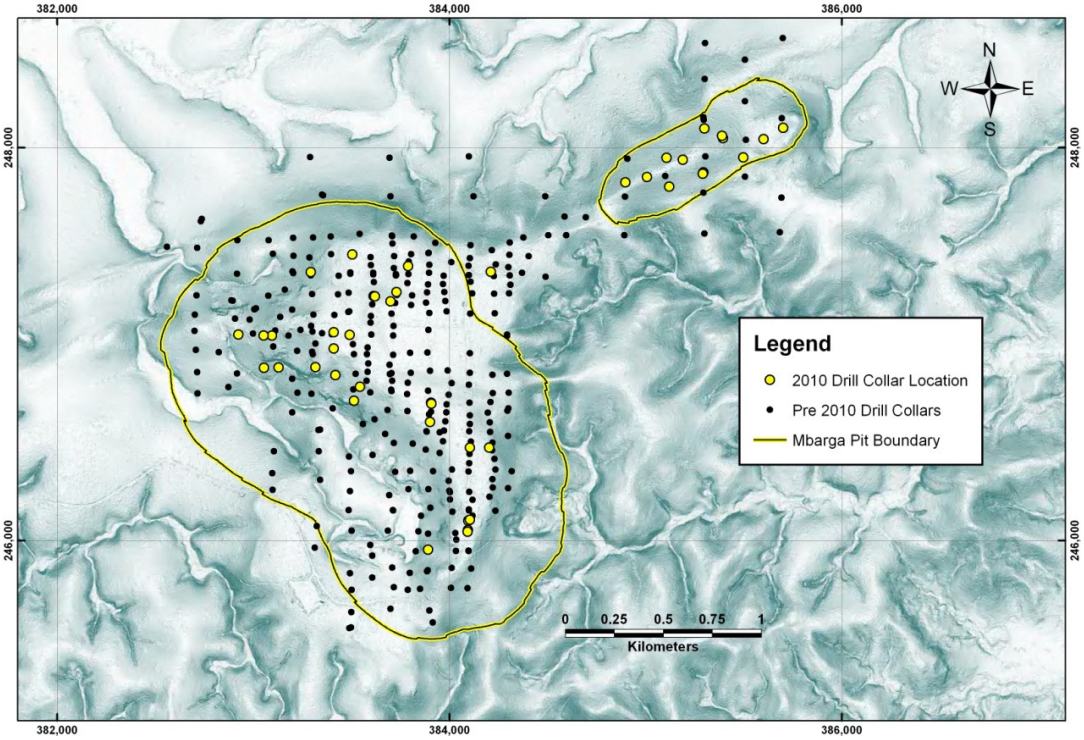

FIGURE 7: LOCATION OF HOLES DRILLED ON THE MBARGA DEPOSIT IN THE 2010 EXPLORATION PROGRAM, TOGETHER WITH THE LOCATION OF HOLES PREVIOUSLY DRILLED UP TO THE END OF 2009

The Company has re-interpreted the data from South Mbarga with the objective of converting the majority of the current Inferred Resource to Indicated status in Q1 2011 (Figure 8).

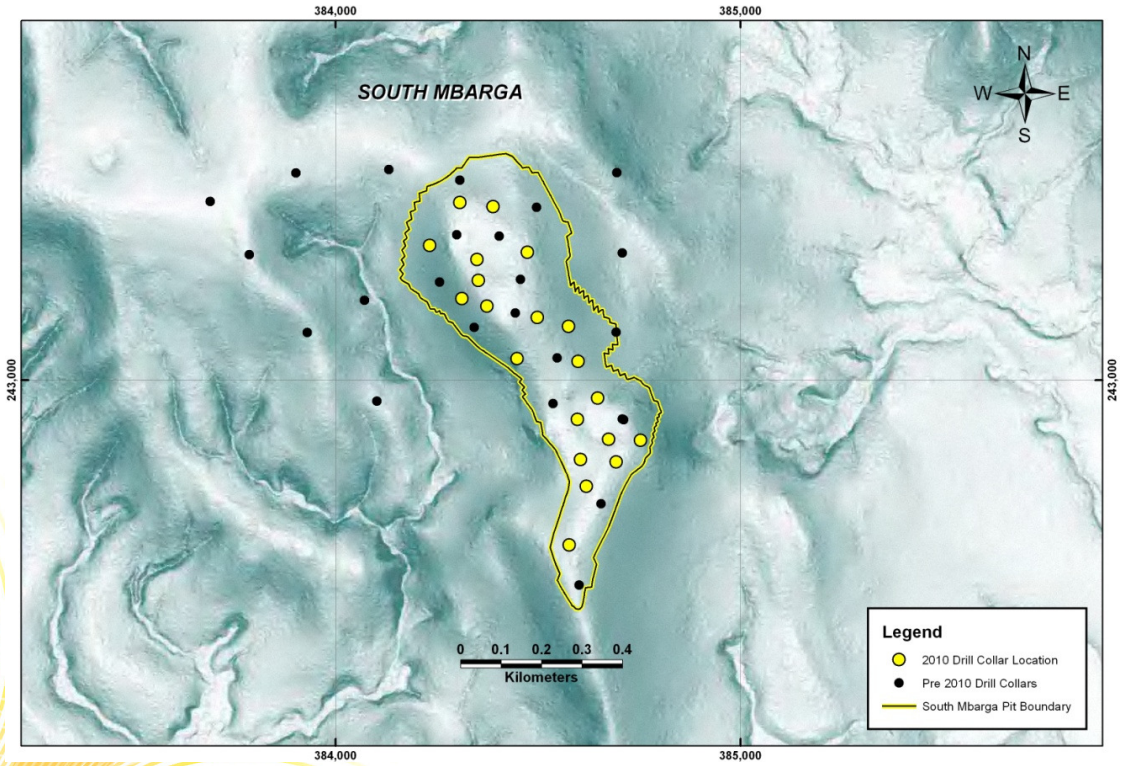

FIGURE 8: LOCATION OF DRILL HOLES COMPLETED ON THE SOUTH MBARGA DEPOSIT

Relinquishment of Exploration Permit EP143

Aeromagnetic surveys and further mapping and sampling expedition surveys completed over topographic features adjacent to mineralised areas of EP92 showed no evidence of significant high-grade mineralisation at any of the targeted areas of EP143. Subsequently, the Sundance Board approved the decision to relinquish EP143 when it reaches its three-year expiry in April 2011. An application for the relinquishment was submitted to the Cameroon Ministry of Mines on 25 August 2010. The Cameroon Government issued Arrette 00673 confirming the relinquishment on 19 October 2010. The permit was in its 3rd Permit Year at the time of relinquishment.

Current Resource Inventory

The JORC-Code compliant Indicated and Inferred Mineral Resources for the Project are currently under review for the purpose of updating, however remained unchanged during the reporting period. These Mineral Resources are summarised below in Tables 2 and 3.

High Grade Hematite Resource

The JORC-Code compliant near-surface High Grade Hematite resource is estimated to contain a total of 415.4 million tonnes hematite at 61.6% Fe (see Table 2).

The addition of the Nabeba Deposit Inferred Resource has delivered an additional 200.2 million tonnes of High Grade Hematite at 63.1% Fe.

Deposit	Resource Category	Tonnage (Mt)	Grade				
			Fe (%)	SiO2 (%)	Al2O3 (%)	P (%)	LOI (%)
Nabeba	Inferred	200.2	63.1	2.5	3.4	0.09	3.2
Mbarga	Indicated	168.7	60.5	9.5	2.1	0.08	1.4
	Inferred	10.4	57.5	13.0	2.7	0.06	1.6
Mbarga South	Inferred	21.8	58.8	9.4	3.0	0.06	2.9
Metzimevin	Inferred	14.3	61.8	10.3	3.6	0.09	1.8
Total Indicated & Inferred Resource		**415.4**	**61.6**	**6.3**	**2.8**	**0.08**	**2.4**

TABLE 2: SUMMARY OF INDICATED AND INFERRED RESOURCES OF HIGH GRADE HEMATITE

All resources at the Mbarga South and Metzimevin Deposits are classified as Inferred because of the density of drilling to date. Regional mapping and geophysical interpretation is continuing to generate potential High Grade Hematite targets for future drilling.

Itabirite Hematite Resource

The JORC-Code compliant Itabirite Hematite Resource at the Mbarga Deposit remains unchanged and is estimated to contain a total of 2,325 million tonnes of Itabirite at an average grade of 38.0% Fe (see Table 3).

Deposit	Resource Category	Tonnage (Mt)	Grade				
			Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	LOI (%)
Mbarga	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

TABLE 3: SUMMARY OF INDICATED AND INFERRED RESOURCES OF ITABIRITE HEMATITE

Total Indicated & Inferred Resource	**2,325**	**38.0**	**44.4**	**0.48**	**0.04**	**0.36**

The Indicated Resource of Itabirite Hematite at Mbarga is already sufficient to provide the beneficiation feed required for proposed production of high quality Direct Reduction grade and Blast Furnace grade iron concentrate during the first 25 years of Project operations (including initial production of High Grade DSO-quality product). No further exploration is planned in the short term to increase the Itabirite Resource tonnage.

DEFINITIVE FEASIBILITY STUDY

During the December Quarter, work continued on the DFS across all areas of the Mbalam Project including mine, process plant, rail and port. Work and highlights for the Quarter included:

- Continuation of the metallurgical test work program including transport and preparation of core samples from Cameroon;
- The rail consultant commenced the feasibility study for the Nabeba rail spur line portion of the Project;
- The port marine consultant delivered the draft feasibility study for the marine portion of the Project;
- The materials handling and process plant consultant substantially completed engineering design for the port and both mine facilities;
- Completed evaluation of blending and product quality strategies by mine consultants based on updated metallurgical testwork;
- Completed pilot scale works for classification element of process circuit;
- Completion of consultant work scopes for mine design, port design, shipping analysis and operations modelling;
- Engaged survey teams, ground and air, to complete the survey of Mt Nabeba. Ground survey crew mobilised to site;

- Commenced drafting of emergency management, security and medical strategies for the Project;
- Continued drafting of operating and implementation strategies for the Project;
- Site visits by engineering and mining consultants;
- Site visit by China Harbour Engineering Company; and
- Continued negotiations of EPC Contracts for delivery of port and rail infrastructure, including face to face meetings with both companies to progress the process.

The Project development strategy provides for production of a DSO-quality sinter fines product for the first 10 years of Project operations based on blending of material sourced from the Mbarga, Mbarga South, Metzimevin and Nabeba deposits.

This strategy is aimed at achieving export of the highest margin product during the term of financing of Project infrastructure. Longer term production will then be based on beneficiation of the Itabirite from the Mbarga Deposit to produce either Blast Furnace or Direct Reduction grade pellet feed concentrates.

The DFS is well advanced and will be substantially completed in early 2011, with final reporting scheduled to occur at the end of the first Quarter of 2011.

ENVIRONMENTAL AND SOCIAL ASSESSMENT (ESA) AND LAND TENURE

Cameroon

CamIron received a Certificate of Environmental Conformity from the Ministry of Environment and Nature Protection (MINEP) on 25 June 2010. The issue of this Certificate constituted unconditional environmental approval for the Project allowing a Mining Permit Application to proceed but was accompanied by a request from MINEP to upgrade the Environmental and Social Assessment ('ESA') documentation prior to the commencement of operations.

The process of the ESA upgrade continued during the fourth Quarter with the collection of additional data including hydrobiology data, inclusion of final engineering design and inclusion of detailed Project implementation plans. The upgrade and submission to MINEP of the ESA documentation will be completed during Quarter 1 of 2011.

The Declaration of Public Utility allowing the acquisition of Project land did not occur during the Quarter as expected due to the approval process taking longer than expected. However, significant engagement with the Ministry of Lands took place during the Quarter and the Company now expects the Declaration to be awarded in Q1 2011, which will enable the land acquisition programme to commence.

The Declaration will authorise the compulsory acquisition of Project land into the private land of the State by the Lands Ministry following completion of a compensation and resettlement program. This land will then be leased to CamIron for the purposes of constructing and operating the infrastructure necessary for the Mbalam Project.

CamIron continued negotiations with the Steering Committee for the Government multi-user port for the allocation of required Project land at the port site and particularly with respect to the early works programme planned for the second Quarter of 2011.

The Republic of Congo

Conditional approval of the Terms of Reference for the Congo Environmental and Social Assessment submitted to the Congo Environment Ministry in August 2010 was received in October 2010 with formal approval of the resubmitted document expected in early 2011.

The baseline study programme is scheduled for completion by the middle of the first Quarter of 2011. This will enable the Environmental and Social Assessment document to be completed and submitted to the Congo Ministry of Environment by the end of the first Quarter 2011.

STRATEGIC ACTIVITIES

Strategic Partners

During the Quarter Sundance appointed China's largest investment bank, CITIC Securities Co Ltd, to assist them in securing both debt and equity funding in China for the Mbalam Project and associated infrastructure. As part of its mandate, CITIC Securities will take up discussions currently underway between Sundance and several Chinese parties which have expressed strong interest in investing in the Mbalam Project.

Due diligence on the Project continued by a number of prospective strategic partners, some of the world's largest steel mills, with geological, project and commercial delegations sent to a number of these steel mills. Site visits by prospective project partners also occurred during the reporting period with commercial negotiations currently underway.

Sundance is pleased with the progress that has been achieved in recent months and is confident of successfully concluding arrangements for the introduction of strategic partner(s) to the Project and confirmation of project financing and Final Investment Decision prior to the end of 2011.

EPC Contractors

Commercial discussions continue to advance with the Company's preferred engineering, procurement and construction (EPC) companies, namely, China Rail Construction Company (CRCC) and China Harbour Engineering Company Ltd (CHEC). Face to face meetings have occurred outlining draft term sheets as well as progressing technical requirements.

Following initial meetings with both CRCC and CHEC, the companies committed to site visits to progress their bids. CHEC attended site in December 2010, in conjunction with their meeting with the Cameroon Government and Kribi Port Authority. CRCC visited site in January 2011. Further it is expected pricing and commercial terms will be submitted by both companies during the first quarter of 2011.

Sundance was further encouraged regarding an expected successful outcome for the Project following the recent announcement that the EXIM Bank of China and Republic of Cameroon have signed a loan agreement which will help pay for the construction of a deepwater multi-user port in the coast town of Kribi, which is adjacent to the planned Sundance jetty, and is expected to be built by CHEC.

Government Relations

Cameroon

Following the submission of the Mbalam Convention to the Republic of Cameroon, negotiations commenced on 6 September 2010 with a negotiating team appointed by the Minister of Mines under direction from the Prime Minister. In support of these negotiations and given the developing nature of the resource the Company submitted to the Cameroonian Government an updated detailed project overview.

Negotiations with the Cameroonian Government are focused on the conclusion of the development terms for the project including fiscal, tax, land, labour, government equity and legal structure to cover the mining, rail, processing and shipment of 35 million tonnes per year.

During the reporting period the Government of Cameroon appointed international legal advisors Orrick Rambaud Martel to advise the Government's negotiating team. In January 2011, the Government also appointed a leading international bank as the financial advisor to the project.

With these key advisor appointments for the Government now complete, it is Sundance's current expectation that finalising negotiations of fiscal and development terms in the Q1 2011 can be achieved.

Republic of Congo

Following the submission of the Project Feasibility Study during the reporting period, engagement of senior Mines and Economic Ministry officials confirmed the process and requirements for agreement of project development terms. The Company's objective is to finalise commercial and development terms for the project in Congo by the end of Q2 2011.

Billateral Agreement

Following consultation with senior representatives of the Presidencies in Cameroon and Congo, a draft Bilateral Agreement was submitted to the Republics of Congo and Cameroon. Ministry of Mines officials of both countries have been engaged in the review of this agreement which covers the movement of equipment, personnel and ore across the country border as part of the Project's development.

CORPORATE

On 8 November 2010 Mr Giulio Casello commenced in the position of Managing Director and Chief Executive Officer, effectively completing the reconstitution of the Board and senior management team following the tragic air-crash of June 2010. Mr Casello, a highly regarded executive joined Sundance from a senior position with Western Australian iron ore producer Sinosteel Midwest Corporation.

Other key appointments that commenced during the Quarter included a new Manager of Business Services and Manager of Investor Relations and Public Relations. Furthermore appointments confirmed during the period include a new General Counsel with international and French law experience, Health and Safety Manager, and two new Country Managers for the Congo and Cameroon offices, to support the increase of activities anticipated in the coming months.

Shareholder Information

As at 31 December 2010, the Company had 23,290 shareholders and 2,711,395,932 ordinary fully paid shares on issue and 96,031,666 rights and options on issue. The top 20 shareholders held 47.43% of the total issued capital.

Cash Assets

The Company's cash balance at 31 December 2010 was $43.5 million. These funds will be used to complete the Definitive Feasibility Study of the Mbalam Iron Ore Project and the finalisation of Government and Strategic Partner negotiations.

Expenditure

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

GIULIO CASELLO
Chief Executive Officer and Managing Director

About Sundance Resources Limited

Sundance Resources Ltd (ASX: SDL) is an Australian exploration company focused on mining interests in the Republic of Cameroon and the Republic of Congo in central west Africa. Sundance has commenced Definitive Feasibility Study on its Mbalam Iron Ore Project 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 Project and nearby projects in Congo and Gabon.

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.

APPENDIX 1

Summary of best intersections reported from results received during the December Quarter at Nabeba

	Metres			Percentage (%)				
Hole	From	To	Length	Fe (Niton)	SiO_2	AL_2O_3	P	LOI
NB0021CD	0m	30m	30m	64.9%	0.89	3.55	0.043	2.33
NB0024CD	40m	107m	69m	65.1%	1.89	1.95	0.094	2.74
NB0025D	19.4m	105.6m	86.2m	61.9%	2.06	3.88	0.101	4.88
NB0027C	36m	100m	64m	65.2%	1.97	2.13	0.094	2.80
NB0030CD	24m	128.9m	104.9m	64.5%	1.50	2.95	0.088	2.85
NB0034D	38m	90.3m	52.3m	61.9%	3.18	2.86	0.095	4.46
NB0035C	0m	36m	36m	62.3%	2.44	2.00	0.081	6.14
NB0035C	64m	86m	22m	65.0%	4.82	0.93	0.035	0.81
NB0036C	2m	42m	40m	65.1%	2.36	2.45	0.040	1.78
NB0038D	0m	106m	106m	64.4%	1.74	2.70	0.089	2.96
NB0039CD	30m	130.4m	100.4m	63.2%	1.71	2.84	0.095	4.16
NB0042C	6m	24m	18m	62.2%	4.76	3.92	0.035	1.58
NB0043C	1m	64m	63m	63.0%	4.87	3.15	0.042	1.46
NB0046C	16m	74m	74m	61.0%	6.46	3.52	0.086	2.28
NB0047CD	36m	78m	42m	59.4%	6.36	4.42	0.061	3.75
NB0051C	4m	46m	42m	63.6%	1.82	3.53	0.078	3.19
NB0052D	0m	43.4m	43.4m	60.2%	6.51	2.58	0.031	1.24
NB0053CD	0m	20m	20m	64.9%	1.61	2.93	0.051	2.22
NB0053CD	28m	82m	54m	65.7%	2.13	1.36	0.065	2.13
NB0056D	0m	32.3m	32.3m	67.6%	2.28	0.42	0.059	0.26
NB0061C	18m	112m	94m	62.1%	2.07	3.57	0.095	4.55
NB0063C	0m	90m	90m	63.5%	1.94	2.91	0.084	3.91
NB0065C	0m	142m	142m	64.5%	2.01	2.40	0.077	2.91
NB0066C	6m	42m	36m	62.8%	4.92	3.25	0.049	1.54

	Metres			Percentage (%)				
Hole	From	To	Length	Fe (Niton)	SiO_2	AL_2O_3	P	LOI
NB0068D	5.9m	52.7m	46.8m	63.3%	2.13	3.94	0.092	2.66
NB0068D	77.9m	136m	56.7m	59.1%	7.37	3.01	0.090	3.59
NB0072C	30m	70m	40m	63.7%	2.64	3.63	0.067	1.88
NB0073C	12m	36m	24m	62.7%	6.41	2.58	0.019	0.71
NB0079C	0m	126m	126m	62.5%	5.83	2.78	0.058	1.51
NB0081C	0m	92m	92m	65.7%	1.78	2.02	0.104	1.73
NB0083C	48m	126m	78m	58.8%	4.24	1.42	0.097	9.49
NB0091D	20.3m	44m	23.7m	66.6%	1.25	2.10	0.043	1.13
NB0097C	2m	36m	34m	64.9%	1.89	2.39	0.100	2.15
NB0098C	10m	112m	102m	63.6%	2.74	3.08	0.106	2.73
NB0100C	42m	116m	74m	63.4%	3.98	2.30	0.098	2.56
NB0102C	0m	126m	126m	65.9%	1.17	2.05	0.790	2.15
NB0103C	32m	52m	20m	63.3%	3.41	3.74	0.052	1.76
NB0103C	58m	94m	36m	64.5%	3.17	2.87	0.039	1.33
NB0106D	0m	76m	76m	61.6%	3.93	2.68	0.055	1.52
NB0110C	14m	66m	52m	66.3%	1.80	1.12	0.094	1.77
NB0112C	8m	108m	102m	64.0%	1.28	3.01	0.094	3.58
NB0116C	0m	114m	114m	66.0%	1.89	1.67	0.046	1.66
NB0119C	22m	120m	118m	66.2%	0.74	1.89	0.091	2.26
NB0121C	0m	19m	19m	66.4%	1.52	1.53	0.051	0.94
NB0122C	6m	102m	96m	64.2%	2.02	2.93	0.066	2.84
NB0125C	18m	78m	60m	63.9%	3.18	2.71	0.074	2.35
NB0128C	6m	60m	54m	65.9%	1.22	2.27	0.081	1.93
NB0129C	6m	90m	84m	66.5%	0.91	1.62	0.095	1.99
NB0130D	27.9m	123m	95.1m	62.7%	1.90	3.32	0.083	4.34
NB0131C	0m	102m	102m	66.2%	0.98	1.99	0.076	1.93

	Metres			Percentage (%)				
Hole	From	To	Length	Fe (Niton)	SiO_2	AL_2O_3	P	LOI
NB0133C	0m	40m	40m	62.8%	3.80	3.15	0.061	2.82
NB0134C	0m	138m	138m	64.9%	1.46	2.10	0.099	3.10
NB0136D	18.5m	52.2m	33.7m	60.9%	5.63	3.99	0.088	2.54
NB0141C	0m	108m	108m	64.0%	2.00	3.08	0.099	2.97
NB0143C	0m	108m	108m	64.2%	3.60	2.35	0.064	1.91
NB0145C	8m	46m	38m	66.5%	2.23	1.23	0.090	1.12
NB0146C	12m	64m	52m	64.8%	2.11	2.66	0.096	2.06
NB0147C	0m	32m	32m	66.2%	0.79	2.23	0.780	1.95
NB0147C	54m	120m	66m	64.0%	1.52	2.31	0.103	4.15
NB0149C	0m	70m	70m	61.0%	5.35	3.74	0.073	3.06
NB0150C	34m	120m	86m	64.0%	1.72	3.68	0.087	2.54
NB0151C	14m	90m	76m	61.2%	4.48	4.21	0.054	2.20
NB0152C	2m	44m	42m	62.8%	3.7	4.03	0.042	2.05
NB0154C	6m	72m	66m	65.0%	1.71	2.53	0.099	2.29
NB0159D	76.8m	142m	65.2m	63.4%	3.22	2.55	0.070	2.96
NB0160C	8m	76m	68m	64.7%	1.6	3.48	0.053	2.00
NB0161C	44m	82m	38m	60.4%	7.57	2.38	0.096	3.10
NB0168C	18m	56m	38m	64.9%	0.94	3.07	0.093	2.72
NB0171C	50m	140m	90m	64.1%	4.51	2.15	0.043	1.23
NB0177C	12m	108m	96m	64.0%	3.01	3.26	0.038	1.76
NB0179C	10m	88m	78m	64.6%	1.75	2.21	0.093	3.16
NB0180C	0m	136m	136m	63.5%	3.24	3.14	0.098	2.24
NB0182C	8m	58m	50m	65.5%	1.12	2.54	0.099	2.21
NB0184C	0m	42m	42m	64.0%	3.64	3.00	0.041	1.59
NB0186C	32m	68m	36m	61.0%	6.23	3.53	0.065	2.28
NB0187D	0m	35.2m	35.2m	63.1%	1.41	3.27	0.060	3.85

	Metres			Percentage (%)				
Hole	From	To	Length	Fe (Niton)	SiO_2	AL_2O_3	P	LOI
NB0188C	0m	116m	116m	62.6%	1.69	3.72	0.088	4.37
NB0190D	0m	85.7m	85.7m	62.7%	3.68	1.96	0.080	4.23
NB0191C	22m	64m	42m	67.6%	1.53	1.00	0.031	0.58
NB0193C	18m	86m	68m	61.6%	5.58	3.54	0.055	2.10
NB0194C	24m	88m	64m	63.6%	4.65	2.69	0.030	1.19
NB0197C	0m	52m	52m	64.4%	2.73	3.28	0.034	1.65
NB0198C	26m	48m	22m	66.5%	2.04	1.07	0.038	1.49
NB0199C	34m	70m	36m	61.3%	4.4	2.82	0.098	4.17
NB0204C	26m	86m	60m	61.8%	1.53	1.10	0.095	6.90
NB0206C	40m	50m	10m	66.8%	3.07	0.79	0.027	0.41
NB0206C	64m	110m	46m	64.1%	6.55	1.12	0.032	0.46
NB0209C	20m	42m	22m	65.2%	3.71	1.81	0.038	0.87
NB0209C	50m	68m	18m	61.4%	6.77	3.38	0.049	1.44
NB0215C	2m	36m	34m	63.0%	4.56	3.07	0.041	1.60
NB0221C	32m	82m	50m	64.8%	1.55	2.29	0.079	2.97
NB0225C	54m	80m	26m	62.9%	3.16	3.11	0.097	3.06
NB0228C	0m	84m	84m	64.3%	1.39	1.71	0.077	2.43

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 92, Cameroon (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% Al203; 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/m3 depending on the iron grade. A density of 3.6t/m3 has been used for the majority of the near-surface High Grade Hematite and a value of 2.6 t/m3 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. 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 North Ridge 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 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/m3 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

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.