



ASX Announcement

2 July 2013

**SUNDANCE INITIATES DEVELOPMENT PROCESS FOR THE
MBALAM-NABEBA IRON ORE PROJECT**

Sundance Resources Limited (“Sundance” or “the Company”) (ASX: SDL) is pleased to advise that it is taking the next steps in the process to develop its Mbalam-Nabeba Iron Ore Project in Central Africa.

Sundance has now identified a number of potential interested parties and possible structures for the commercialisation of the Mbalam-Nabeba Iron Ore Project following constructive meetings with a number of interested parties, both Chinese and non-Chinese, over the course of the past few months.

Sundance CEO and Managing Director Giulio Casello said that following approval from the Sundance Board of Directors on the business strategy, Sundance is moving forward with a clear plan in place.

“We have spent the last few weeks in discussions with potential interested parties, including Steel Mills, iron ore traders and infrastructure providers, in order to test a range of commercial solutions and to determine which would provide the best outcomes in the current market.

“We have not only received encouraging support for these proposed structures out of China, but also from non-Chinese companies, all of whom believe Mbalam-Nabeba is one of the few and best development-ready iron ore greenfield projects currently on the market. We are now moving to building this project.” Mr Casello said.

As outlined in the African Mining Investment Conference presentation released to the ASX on 25 June 2013, specific commercial structures which could form the basis for funding the development of the Project have been identified. These include a joint venture for both the mines and transport infrastructure, as well as a separate joint venture for the mine and an independent infrastructure solution.

Sundance plans to run two concurrent processes - one at the mine level for a joint venture and/or secured take or pay iron ore offtake contracts - and another for the development of the deep water port and rail infrastructure through EPC contracts or an independent infrastructure consortium. To support this process, in the coming month Sundance will commence a process to elicit responses in these two areas.

Steel Mills, Traders and other iron ore users will be requested to confirm their interest in and provide commercial terms regarding:

- Purchased equity at the mine level
- Purchased equity at the project level (i.e. mine joint venture and infrastructure)
- Secured take or pay iron ore offtake contracts

Concurrently, Sundance will also commence a tender process for EPC and independent rail and port infrastructure, under which tender participants may respond along the following lines:

- EPC price for integrated port and rail (with finance and potential equity)
- Independent infrastructure solution (with take or pay tariff pricing for use of independent infrastructure)

“By the end of 2013, we aim to have agreements in place for the full production capacity of 35 million tonnes per annum and be in final negotiations for building the infrastructure with EPC contractors,” Mr Casello said.

Mbalam-Nabeba has total JORC-Code compliant global High Grade Hematite Resources of 775.4Mt at 57.2% Fe, of that 748.0Mt are classified as Indicated. These Mineral Resources are inclusive of Reserves currently standing at 436.3Mt at 62.6% Fe. The Project also boasts a further 4.05Bt of Itabirite Hematite Resources at 36.3% Fe, with 1.43 Bt at 38% Fe classified as Indicated. The Definitive Feasibility Study for stage one was completed in April 2011 and all environmental approvals are now awarded, including the Declaration of Land for Public Utility for the Rail infrastructure in Cameroon.

The Mbalam Convention was signed in November 2012 and the Congo Mining Permit was granted in February 2013. It is expected construction could commence on the rail and port immediately pending the confirmation of funding. At \$21.20 per tonne, the Mbalam-Nabeba Project Stage One cash only costs (as per the April 2011 Definitive Feasibility Study) would make the Mbalam-Nabeba Iron Ore Project one of the lowest-cost, high-grade iron ore projects in the world.

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High Grade Hematite Reserves & Resources (by table)

Global High Grade Hematite Ore Reserves	Reserve Classification	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Ore Reserves Reported to ASX – 24 December 2012	Probable	436.3	62.6	4.43	2.55	0.087	2.78

High Grade Hematite Resources	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Indicated	748.0	57.2	9.2	4.4	0.098	3.8
Inferred	27.4	57.4	15.1	3.0	0.090	1.5
Total High Grade Hematite Resource	775.4	57.2	9.4	4.3	0.098	3.8

Itabirite Hematite Resources (by table)

Of the total 4,047 Mt Itabirite resource, 1,431 Mt is at a grading of 38.0% and classified as Indicated. The remaining is Inferred Mineral Resources.

Global Itabirite Hematite Resource	Tonnes (Mt)	Fe (%)	SiO ₂ (%)	Al ₂ O ₃ (%)	P (%)	LOI (%)
Mbarga Deposit	2,325	38.0	44.4	0.5	0.04	0.4
Nabeba Deposit	1,722	33.9	42.5	2.7	0.05	2.6
Total Itabirite Hematite Resource	4,047	36.3	43.6	1.4	0.04	1.3

Competent Persons Statement

The information in this release that relates to Exploration Results and Mineral Resources 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 and Mr Widenbar are consultants to Sundance and have sufficient experience which is relevant to the style of mineralisation and type of Deposit and to the activity which they are 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".

The information in this release that relates to Mineral Ore Reserves is based on information compiled by Mr Bruce Gregory, a member of the Australasian Institute of Mining and Metallurgy. Mr Gregory is employed by AMC Consultants Pty Ltd and is a consultant to the Company. Mr Gregory 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".

Messrs Longley, Widenbar and Gregory consent to the inclusion in this release of the matters based on their information in the form and context in which it appears.

For more information including modelling parameters and details, the ASX announcements pertaining to Exploration Results, Mineral Resources and Ore Reserves are available from the Company's website: www.sundanceresources.com.au.