



# 2016 AGM

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SUNDANCE  
RESOURCES LTD



CAMIRON SA



CONGOIRON SA

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- *Fluctuations in iron ore prices and exchange rates*
- *Business and operational risk management*
- *Changes in equipment life, capability or access to infrastructure*
- *Emergence of previously underestimated technical challenges*
- *Environmental or social factors which may affect a license to operate*

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*This presentation should be read in conjunction with the Sundance Annual Financial Report as at 30 June 2016, the half year financial statements, the quarterly reports along with any other ASX announcements made by Sundance in accordance with its continuous disclosure obligations arising under the Corporations Act 2001.*

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# Agenda

- The Project
- 2016 issues
- Moving forward



# The Project

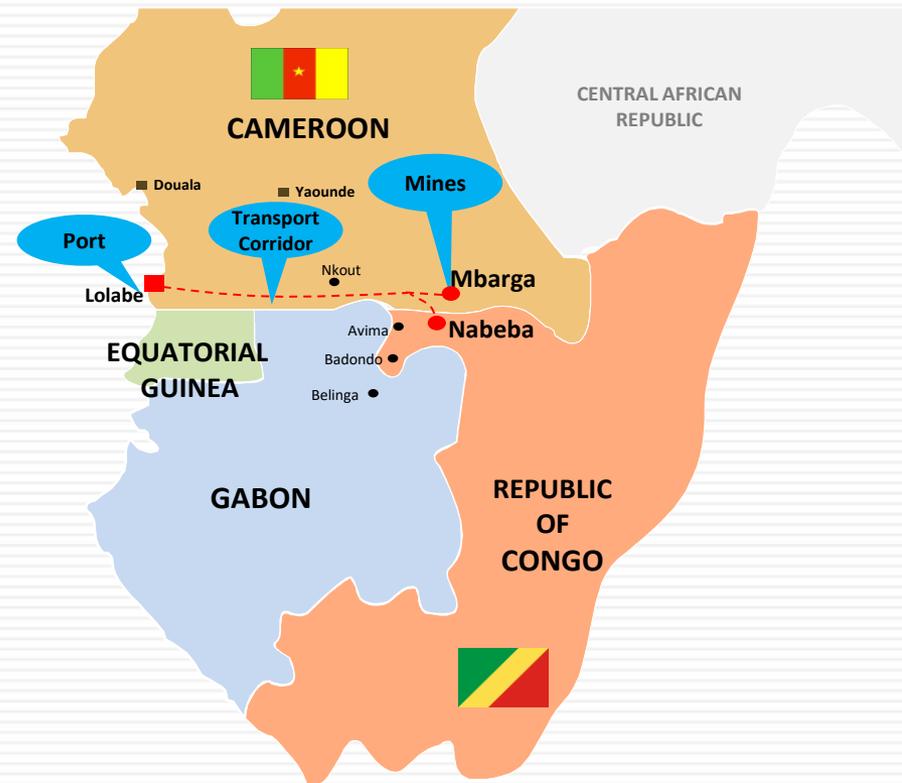


- The Mbalam-Nabeba Iron Ore Project consists of the:
  - Mbarga iron ore mine, processing plant and associated infrastructure in the Republic of Cameroon (**Cameroon**)
  - Nabeba iron ore mine, processing plant and associated infrastructure in the Republic of Congo (**Congo**)
- Mbalam-Nabeba is one of the only iron ore projects worldwide which is ready to finance and features:
  - Large Resources and Reserves
  - Large volumes of high quality iron ore for decades (40Mtpa at greater than 62% Fe)
  - Low mining and processing costs
  - Engineered and ready to build
  - Government approvals in place
  - Cameroon Government well advanced with CGGC regarding EPC contract for construction of port and rail
- Once in place, rail and port infrastructure owned by Sundance and the Cameroon Government can be upgraded to support regional production of up to 100Mtpa in the longer term
- No other project exists globally with comparable operating costs and capital efficiency

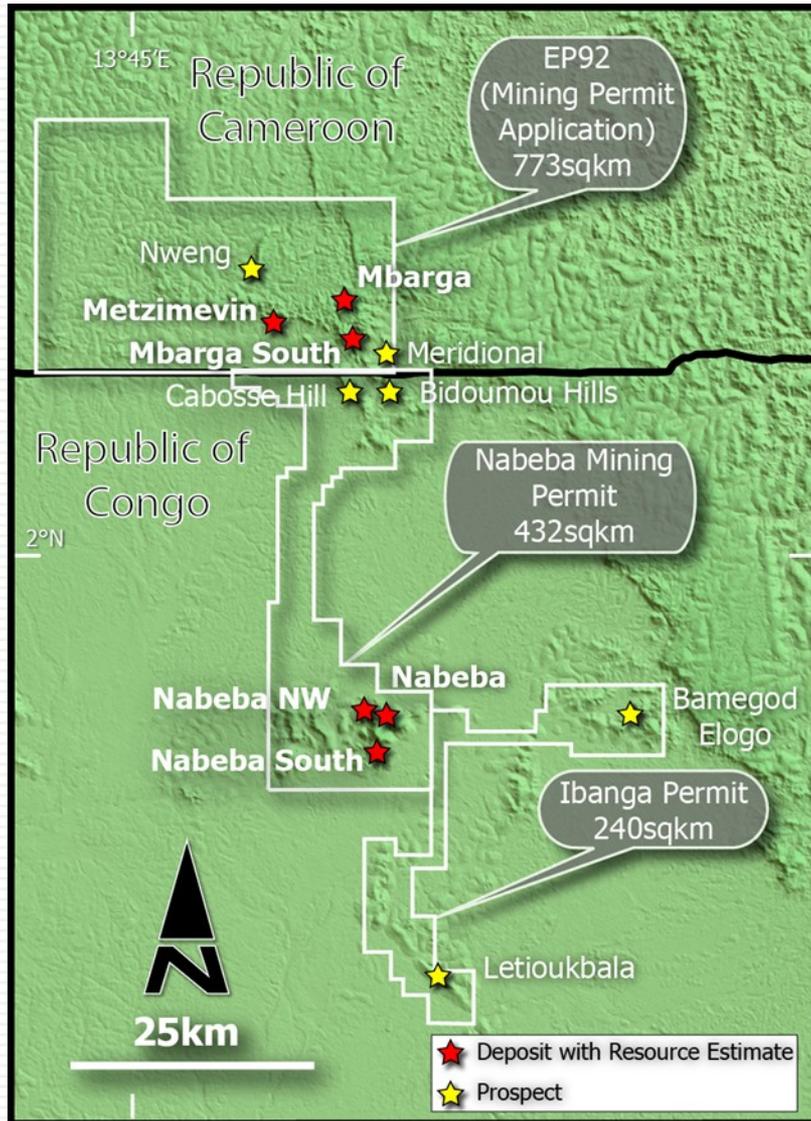
# A Pioneering Project for Central Africa



- The Project consists of the:
  - Mbarga and Nabeba iron ore mines, processing plants and associated infrastructure
- The Project will produce at least 40Mtpa from the two mines for 30+ years in two stages:
  - **Stage 1:** high-grade hematite direct shipping ore (DSO) for at least 13 years
  - **Stage 2:** 66-68% concentrate product from itabirite for further 20+ years
- The Project will utilise:
  - a new railway (to be constructed) from the Congo, through Cameroon, to the coast with:
    - 540km in Cameroon;
    - 40km spur line in Congo; and
  - a deep water iron ore mineral terminal (to be constructed) in Cameroon
- The infrastructure in Cameroon is to be funded by the Government of Cameroon and will be jointly owned by Cam Iron (2%) and the Government of Cameroon (98%)



# Stage 1 - High Grade Hematite Reserves and Resources

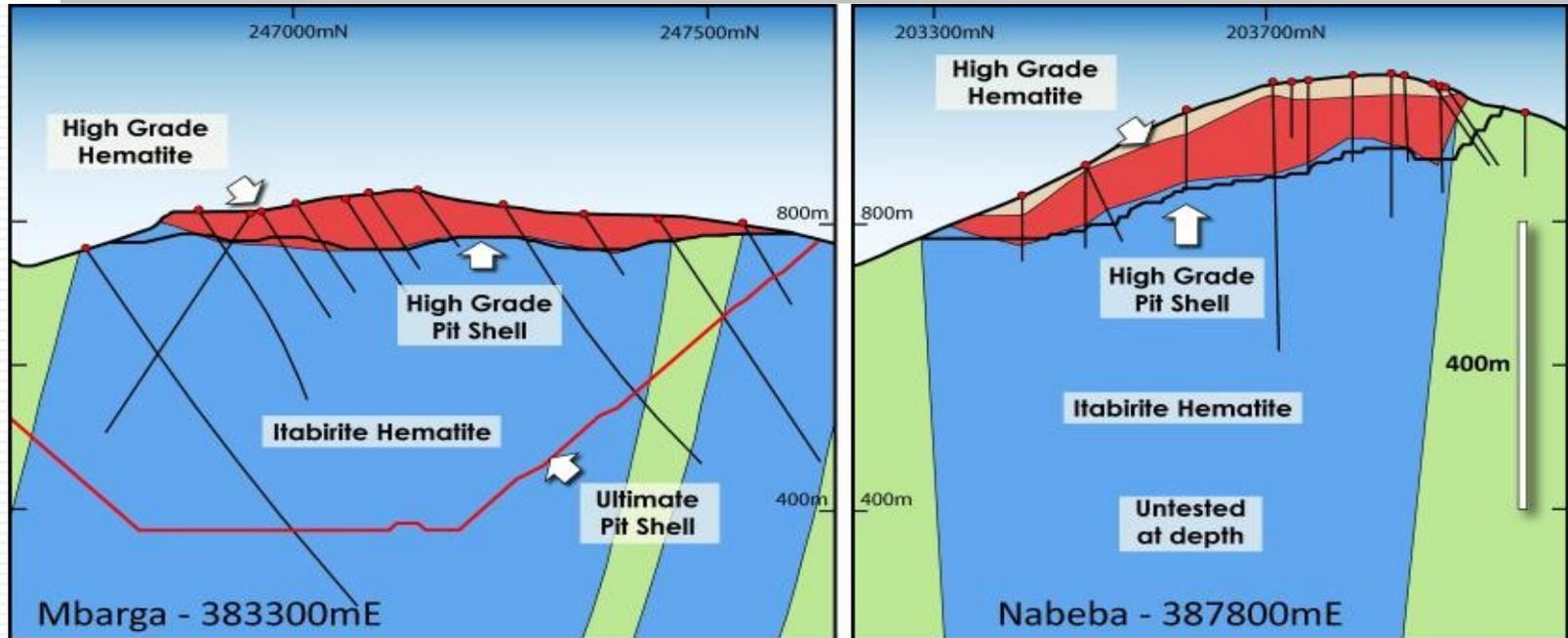


## High Grade Hematite

	Tonnes (Mt)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	LOI (%)
<b>Reserves</b>						
<b>Probable</b>	<b>517</b>	<b>62.2</b>	<b>4.46</b>	<b>2.80</b>	<b>0.09</b>	<b>3.3</b>
<b>Resources</b>						
<b>Indicated</b>	776.8	57.3	8.9	4.4	0.10	3.9
<b>Inferred</b>	28.8	56.6	16.4	2.9	0.08	1.3
<b>Total</b>	<b>805.7</b>	<b>57.3</b>	<b>9.2</b>	<b>4.3</b>	<b>0.10</b>	<b>3.8</b>

- ASX announcement of 20 May 2015:
  - High Grade Hematite Reserves totaling 517Mt at 62.2% Fe with low impurities; and
  - First 10 years of production average product grade 63.1%
- High Grade Hematite Resources totalling 775.4Mt at a grade of 57.2% Fe
- Additional Exploration Target of approximately 90 - 150Mt at a grade of 55% to 65% Fe of High Grade Hematite on existing tenements\*

# Stage 2 - Itabirite Resources



Exploration target of ~9.3-13.2Bt Itabirite at a grade of 30% - 40% Fe on existing tenements\*

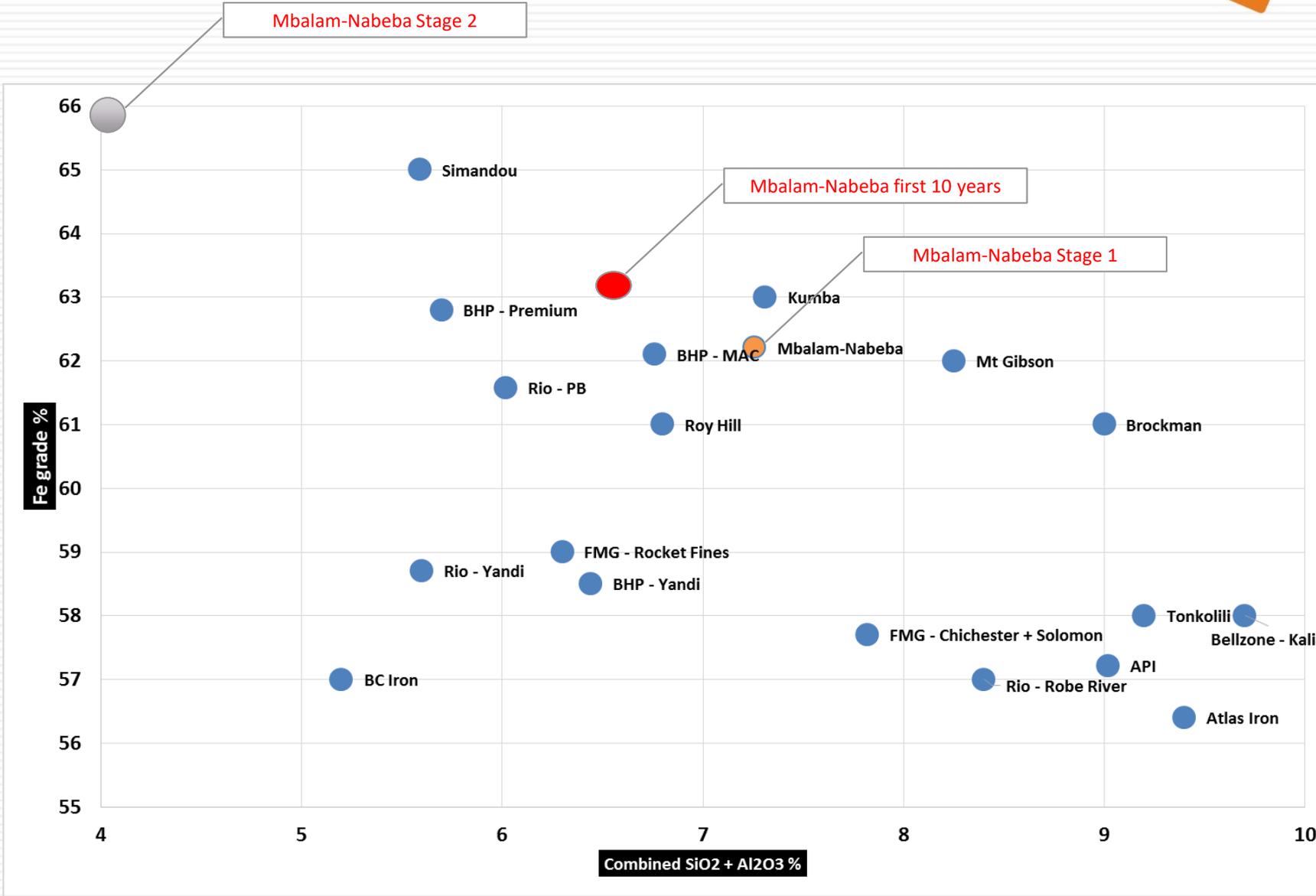
Deposit	Mineralisation	Resource Category	Tonnes (Mt)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	LOI (%)
Mbarga (All Deposits)	Itabirite Hematite	Indicated	1,846	34.6	47.7	1.5	0.04	0.6
		Inferred	2,078	31.8	48.6	2.9	0.05	1.3
Nabeba (All Deposits)	Itabirite Hematite	Inferred	1,714	34.1	42.3	2.7	0.05	2.6
<b>Total Itabirite Hematite Resources</b>		<b>Total</b>	<b>5,638</b>	<b>33.4</b>	<b>46.4</b>	<b>2.4</b>	<b>0.05</b>	<b>1.5</b>

# High quality product by global comparison

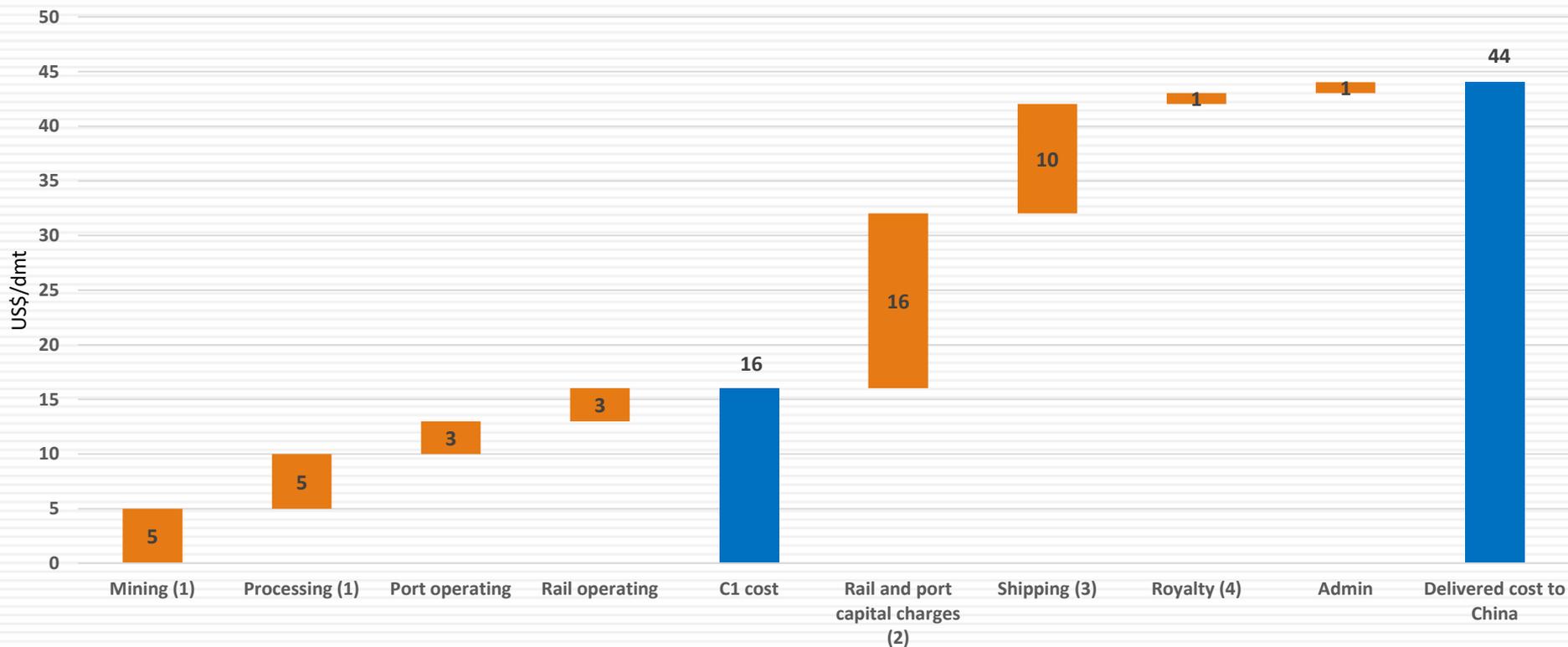


High quality comparable to the best Pilbara ore

Best quality ore outside of the Australian majors – BHP, RIO



# Stage 1 - Delivered cost to China



## Notes:

- (1) Includes 12.5% contingency
- (2) Based on repaying port and rail debt and interest in 13 years plus a 10% WACC. Tariff can be linked to iron ore price
- (3) Average freight cost from Jan 2015
- (4) Royalty based on \$US69/dmt CFR China

# 2015 Achievements



- Increase in resources and reserves
- Reduced operating costs
- Transition agreement signed to move funding of the port and rail to the Cameroon Government
- EPC contract negotiated between Cameroon Government and Chinese EPC contractor to build port and rail

# Significant issues faced in 2016



- Iron ore price hits rock bottom at beginning of year with loss of confidence in iron ore fundamentals
- Delay in Cameroon Government signing rail and port EPC contract with Chinese contractor
- Impact of loss of Supreme Court case in December 2015
- Allegations regarding 2006 – 2008 activities



# Actions taken in 2016

- Reduced expenditure
  - 60% reduction in headcount at beginning of year
- Rights issue – March 2016
  - Raised \$2.15 million
  - Settled Supreme Court case by issue of shares to David Porter
- Stabilised business
  - Sustainable cost reductions
  - Nabeba convention passed into law
- Visits to Cameroon, Congo and China
  - Support for Sundance
  - Belief in the Project's value
  - Long-term belief in iron ore
- Independent legal review of allegations
  - Cooperation with the Australian Federal Police



# Going Forward

- Changing environment
  - Three years of reducing iron ore price
  - Bottom reached
  - Recent price improvement
- New funding
- Reinvigorated strategy to find a partner
  - Support from all noteholders
  - Noble full-time resource in China
  - Cameroon Government looking at all options
  - Congo Government support
  - Revisit all opportunities
- Extension of existing convertible notes
- Management agrees to substantial salary reductions
  - Everyone doing their bit



Source: FT

# Summary



- The Mbalam Nabeba Iron Ore Project is a unique opportunity that will be required to meet the world's long term need for high quality iron ore
- In an improving environment, the Company needs to seize the opportunity with all stakeholders

# Competent Persons Statement



*The information in this report that relates to 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 is a full time employee of Longley Mining Consultants Pty Ltd and Mr Widenbar is a full time employee of Widenbar and Associates. Both 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 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Longley is a shareholder in Sundance.*

*The information in this report that relates to Ore Reserves is based on information compiled by Mr Lee White and comprehensively reviewed by Mr Bruce Gregory. Mr Gregory is a full time employee of Australian Mining Consultants Pty Ltd and is engaged as an external independent consultant to Sundance. Mr White is a former employee of Sundance Resources and a Shareholder of the company. Both Mr White and Mr Gregory are members of the Australasian Institute of Mining and Metallurgy. Mr Gregory and Mr White 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 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”.*

## **Exploration Targets**

*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. Exploration Targets for all High Grade and Itabirite styles of mineralisation have been estimated based on extensive field mapping, surface sampling and evaluation of airborne magnetic geophysics. Extensive drilling at the main Deposits of Mbarga and Nabeba have provided analogue examples of anticipated depths, rock densities and continuity of mineralisation and these factors have been applied conservatively to the Exploration Target estimation process at all additional Prospects. Estimation of approximate Exploration Target ranges at the Mbarga, Metzimevin, Meridional and Nabeba Deposits have benefited from proximal RC and diamond drillholes. However, there has been no exploration drilling at the remainder of the Prospects named Mbarga Southwest, Cabose South, Bidoumou Hills, Cabose Hills, Njweng, Mount Letioukbalala, and Elogo. Therefore, approximate Exploration Target range estimations for these Prospects are of a lower confidence level at this stage of evaluation. Further activity on these Exploration Targets, including but not limited to, resource definition drilling is expected to be completed following financing of the Mbalam-Nabeba Iron Ore Project.*

*For more information pertaining to the Exploration Targets in line with Listing Rule 5.6 and Clause 17 of the 2012 JORC Code reporting requirements including modelling parameters and details, the ASX announcements pertaining to Exploration Results, Mineral Resources and Ore Reserves are all available on the Company’s website [www.sundanceresources.com.au](http://www.sundanceresources.com.au)*



***“...Sundance together with the Cameroon and Congo Governments are exceptionally well placed to realise our combined vision to become a leading global iron ore producer.”***

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