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ASX ANNOUNCEMENT

CLARIFICATION ON AFR ARTICLE RE : DFS COSTS

In response to recent media coverage, Sundance Resources Limited (ASX Code: SDL) ("the Company") confirms that the Definitive Feasibility Study (DFS) on its Mbalam Iron Ore Project in the Republics of Cameroon and Congo is well advanced and on track for completion by the end of March 2011.

The scope of the development of the Mbalam Project has expanded beyond the original Pre-Feasibility Study (PFS), which was completed in June 2008, to now include a second mine, 60km spur line, and processing facility at Nabeba in the Republic of Congo. The decision to expand this scope followed a successful exploration drilling campaign last year which resulted in further discovery of previously announced high grade hematite resources.

Sundance now proposes to mine this resource simultaneously with the existing high grade hematite resource at the Mbarga deposit in Cameroon. These two sources of ore are expected to underpin annual production of approximately 35Mt for 10 years at the Mbalam Project.

The Company believes it is reasonable to expect an increase of at least 20 per cent on the total capital expenditure requirements not included within the original PFS because of the expanded scope of the Project incorporating the additional resources discovered by Sundance since the PFS was initially completed. Upon finalisation of the DFS, final capital and operational expenditure estimates will be announced to the market.

Sundance also advises that discussions with potential strategic partners and financiers concerning the Mbalam Project are proceeding well. Final debt and equity components of the funding arrangements will be a function of the strategic partner ultimately involved. However, at present a ratio of 70 per cent debt and 30 per cent equity would appear reasonable for the Project.

ENDS

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About Sundance Resources Limited

Sundance Resources Ltd is an Australian exploration company focused on mining interests in the Republic of Cameroon and the Republic of Congo, on the central west coast of Africa. Sundance has commenced feasibility study on the 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 Iron Ore Project and the nearby Belinga Project in Gabon, under development by the China National Machinery and Equipment Import and Export Corporation. 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.