



ASX Announcement / Media Release

22 January 2018

COMPANY UPDATE

- **MOU signed between Sundance and Tidfore to advance Project**
- **Cameroon Government reviewing extension of Convention**

Sundance Resources Limited (“**Sundance**” or “**Company**”) (ASX: **SDL**) is pleased to provide an update on the Mbalam-Nabeba Iron Ore Project (“**Project**”).

MOU signed between Sundance, Cam Iron and Tidfore

Sundance is pleased to announce that it has signed a binding Memorandum of Understanding (“**MOU**”) with Tidfore Heavy Equipment Group Co. Ltd (“**Tidfore**”) and Cam Iron S.A. (“**Cam Iron**” a subsidiary of Sundance which has a mining permit application over the previous EP92 in Cameroon (“**Parties**”). The purpose of the MOU is to provide a framework for cooperation between the Parties and their joint venture partners in order to establish the required consortium of expertise to fund or assist in sourcing the funding to construct the infrastructure and to bring the Project into operation.

Tidfore is a private Chinese company established under the laws of the Peoples Republic of China. Tidfore is involved in supplying, manufacturing and installing high-end material handling, port and offshore engineering equipment.

Tidfore has signed a Joint Venture Framework Agreement (“**JV**”) with China Civil Engineering Construction Corporation (“**CCECC**”). CCECC is a subsidiary of the state-owned enterprise China Railway Construction Corporation (“**CRCC**”). The JV defines the principle rights and obligations of both parties. In particular, Tidfore has responsibility for the port construction and CCECC for the railway construction and assisting Cam Iron and Congo Iron S.A. (“**Congo Iron**” a Sundance subsidiary which holds the Nabeba permit in Congo) and financial institutions to negotiate project loans and project financing.

Under the MOU, Sundance will sell 51% of its ownership in Cam Iron to Tidfore for a value to be agreed or independently valued once:

- Cam Iron obtains title to the tenure over the area covered by the previous EP92 for a minimum of three years. Currently, Cam Iron has a mining permit application lodged over this area;
- the Government of China approves the provision of Sinosure insurance in order to enable Chinese funders to consider funding the Project; and
- formal agreements have been agreed and executed.

Government reviewing extension of Convention

On 31 July 2017, the Company announced it had reached an agreement with the Government of Cameroon (“**Government**”) to initially extend the Mbalam Convention (“**Convention**”) by 6 months to 26 January 2018, with a further 6-month extension being available if Sundance could show substantial progress on funding the Project either by itself or with a credible partner.

Sundance, Tidfore and CCECC met last week with representatives of the Government in Cameroon to outline their proposal for the development of the Project. The Government is yet to determine whether it will grant Sundance the further extension of the Convention.

Sundance will advise the market as further information is obtained.

Sundance Chief Executive Officer and Managing Director Giulio Casello said:

“Sundance is pleased to have reached an agreement with substantial parties to progress the development of the Mbalam-Nabeba Iron Ore Project and now awaits the decision of the Government of Cameroon on whether it will grant a further extension.

“Even though there is still substantial work required to obtain the funding required, the high quality, low costs and large quantity of the Mbalam-Nabeba iron ore fits well into the needs of the future of the Chinese steel industry. Together with our current partners we have the basics required to bring this Project into production.”

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About Sundance

Sundance Resources is seeking to develop its flagship Mbalam-Nabeba Iron Ore Project, which straddles the border of Cameroon and the Republic of Congo in Central Africa. Stage One will be the production of a Direct Shipping Ore (“DSO”) quality sinter fines product averaging >62.0% Fe at a rate of 40Mtpa for approximately 14 years based on blending material sourced from the deposits in the neighbouring countries of Cameroon and Congo. Stage Two, which is currently at a Pre-Feasibility Stage, would extend the life of the operation by further 15-plus years producing high-grade Itabirite hematite concentrate. In April 2011, Sundance completed the Definitive Feasibility Study for Stage One and Pre-Feasibility Study for Stage Two of the Mbalam-Nabeba Iron Ore Project. The Project will utilise the rail and port infrastructure to be financed, built and owned by the Government of Cameroon, a 540km rail line dedicated to the transport of iron ore through Cameroon and a dedicated mineral export terminal designed for taking bulk iron ore carriers of up to 300,000 tonnes.

About Tidfore

Tidfore is an innovation-oriented integrated engineering enterprise group, whose business scope mainly covers equipment manufacturing, general contracting and supporting services. The Company is a leading supplier of material handling equipment, port equipment and offshore engineering equipment, and offers a comprehensive service delivering everything from design, research, development, fabrication, sales, installation, commissioning and after-markets to financial leasing.

As one of the leading private groups in the Chinese heavy industry, Tidfore has made successful contributions to several infrastructure projects including a port expansion project in Sierra Leone, deep sea port and super-highway project in Nigeria, and a steel and cement plant project in Liberia. Tidfore enjoys a good reputation in the African Market.

About CCECC

CCECC is a subsidiary of the China Railway Construction Group and has been listed among the world's top 100 international contractors for 17 consecutive years by the Engineering News Record "ENR". The business activities of CCECC have covered more than 50 countries and regions in Asia, Africa, America, Europe and Oceania. By undertaking numerous railways, bridges, buildings and municipal works in overseas markets and with its excellent performance and quality service, CCECC has won many national titles and honours.

Forward Looking Statements

Certain statements made during or in connection with this communication, including without limitation, those concerning the economic outlook for the iron ore mining industry, financing a large capital project, expectations regarding iron ore prices, production, cash costs and to the operating results, growth prospects and the outlook of Sundance's operations including the likely financing and commencement of commercial operations of the Mbalam-Nabeba Iron Ore Project and its liquidity and capital sources and expenditure, contain or comprise certain forward-looking statements regarding Sundance's operations, economic performance and financial condition.

Although Sundance 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, deterioration in the iron ore market, deterioration in debt and equity markets that lead to the Project not being able to be financed, success of business and operating initiatives, changes in the regulatory environment and other government action, 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.