



ASX Announcement | Media Release

31 July 2017

QUARTERLY ACTIVITIES REPORT PERIOD ENDED 30 JUNE 2017

Sundance Resources Limited (ASX: SDL) ("**Sundance**" or "**Company**") provides the following information about activities for the quarter ended 30 June 2017:

CONVENTION EXTENSION

On 31 July 2017 Sundance announced that it had reached an agreement with the Government of Cameroon to initially extend the Mbalam Convention by 6 months to 26 January 2018. A further 6 month extension will be given if Sundance can show progress on funding the Mbalam Iron Ore Project ("**Project**") either by itself or with a credible partner.

This agreement was reached after cooperative discussions between Sundance and representatives of the Cameroon Government. Both parties were driven by the common desire to advance the Project in the shortest possible time while understanding the state of the current iron ore market.

Sundance's subsidiary Cam Iron SA ("**Cam Iron**") has a mining permit application over the land covered by Exploration Permit ("**EP92**"). In order for the Government of Cameroon to grant the mining permit application, the conditions precedent referred to in the Mbalam Convention need to be satisfied by the CP Long Stop Date. With the agreement of the Government of Cameroon to extend the Convention, Cam Iron now has an initial 6 months to satisfy these conditions precedent.

EP92 has expired as it has reached the maximum number of extensions possible under the Cameroon Mining Code. Cam Iron has completed all exploration work required to progress to a mining permit.

With the extension of the Mbalam Convention and with Cam Iron's mining permit application over the land area covered by the previous EP92, Cam Iron believes it has priority over that area for the purposes of having the mining permit granted to it.

DEVELOPMENT STRATEGY

Port and Rail infrastructure

As previously announced in early 2016, the signing of the agreed EPC contract between the selected Chinese EPC contractor and the Government of Cameroon was delayed due to the market conditions and the desire to advance financing further. Sundance and the Government of Cameroon have continued to have discussions with the contractor however, even though the contractor has continued to express confidence in Cameroon and the Mbalam-Nabeba Project, the EPC contract remains unsigned.

Discussions in China and Cameroon have occurred during the quarter with a number of alternative EPC contractors and infrastructure providers including both private Chinese companies and State Owned Enterprises. Discussions will now continue during the coming quarter.

Partner selection

The search for a partner to work with Sundance to develop the Project continued during the quarter.

A number of meetings occurred in China between representatives of Sundance and private and State Owned Enterprises (“SOE’s”), steel mills, traders and sovereign funds. The following observations were made:

- The Mbalam-Nabeba Project is held in very high regard especially due to the high quality ore and low operating costs;
- The steel industry in China continues to face a number of challenges related to consolidation of the industry; environmental issues, previous investment decisions and the political situation in China which is impacting decision making especially with SOE’s; and
- 2018 is seen as a year of improvement in investment potential.

The extension of the Mbalam Convention long stop date will assist these discussions during the coming quarter.

CORPORATE

Sundance further reduced its costs during the June 2017 Quarter. Total cash outflow from operating activities for the period was \$613,000 down from \$630,000 in the previous quarter. This cash flow included the annual insurance premium.

Sundance ended the June 2017 Quarter with \$794,000 in cash and deposits.

EXPENDITURE

The Pro-forma appendix 5B - Statement of Consolidated Cash Flows is provided in a separate report.

ASX ANNOUNCEMENTS

The Quarterly Report should be read in conjunction with all announcements made by the Company to ASX, including the financial statements for the year ended 30 June 2016 and Half Year ended 31 December 2016 which contain further details about Material Business Risks. These announcements can be found on the following link:

<http://www.sundanceresources.com.au/irm/content/asx-announcements.aspx>

SCHEDULE OF TENEMENTS

Tenements	Permit Holder	Location of Tenements	Beneficial Interest at End of Quarter	Change in Quarter
Exploration Permit 92	Cam Iron SA	Mbalam - Cameroon	90% ^(I,III,V,VII)	- *
Decree No.2013 - 45	Congo Iron SA	Nabeba-Bemgod Congo	85% ^(II,IV,V)	-
Decree No. 2013-405	Congo Iron SA	Ibanga - Congo	85% ^(II,IV.V.VI)	-

I. Cam Iron holds 100% interest; Cam Iron SA is a 90%-owned subsidiary of Sundance.

II. Congo Iron holds 100% interest; Congo Iron SA is an 85%-owned subsidiary of Sundance.

III. Under the key terms of the Mbalam Convention the Government of Cameroon has a right to a 10% free carry interest in the project companies pursuant to the Cameroon Mining Code and an additional 5% interest where the equity requirements can be loaned to the State and then repaid with interest out of dividends.

IV. The Government of Congo has a right to a 10% interest in Congo Iron SA pursuant to the Congo Mining Code

- V. *Should both Governments exercise their rights for an interest in Cam Iron SA and Congo Iron SA then Sundance's interest would reduce to 76.5%*
- VI. *This permit expired in August 2015. Congo Iron SA made application for a replacement permit covering only part of the Ibanga permit area containing the most prospective area in August 2015.*
- VII. *The Exploration Permit EP92 expired 24 July 2017.*

* Subsequent to the end of the Quarter, EP92 has expired (24 July 2017), a Mining Permit application now resides over the land covered by EP92.

ENDS

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About Sundance Resources

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 then 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.

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.