

# Unlocking the Potential of a New World-Class Iron Ore Region



SUNDANCE  
RESOURCES LTD

Global Iron Ore Conference  
London  
27 June 2014



# Sundance Board of Directors



**Mr George Jones AM CITWA**  
Non-Executive Chairman



**Mr Wal King**  
Non-Executive Deputy  
Chairman



**Mr Giulio Casello**  
Managing Director &  
Chief Executive Officer



**Mr Michael Blakiston**  
Non-Executive Director



**Mr Barry Eldridge**  
Non-Executive Director



**Ms Fiona Harris**  
Non-Executive Director



**Mr Robin Marshall**  
Non-Executive Director



**Mr David Southam**  
Non-Executive Director

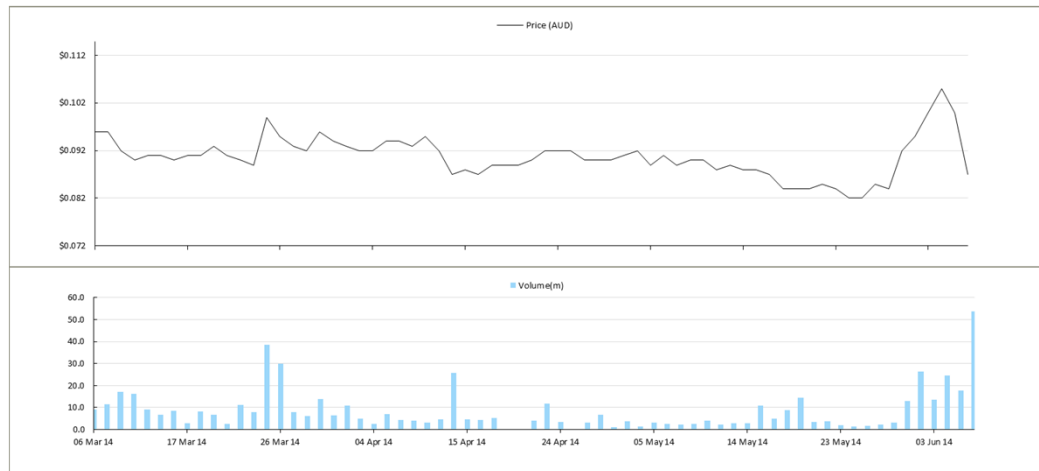


# Corporate Structure

ASX Code	SDL
Ordinary Shares on Issue	3,079,369,367*
Total No. Shareholders	22,012*
Unlisted Options	464,522,735
Performance Rights	21,866,176
Share Price	A\$0.087**
Market Cap	~A\$270M**

\*As at 31 May 2014

\*\*As at 10 June 2014

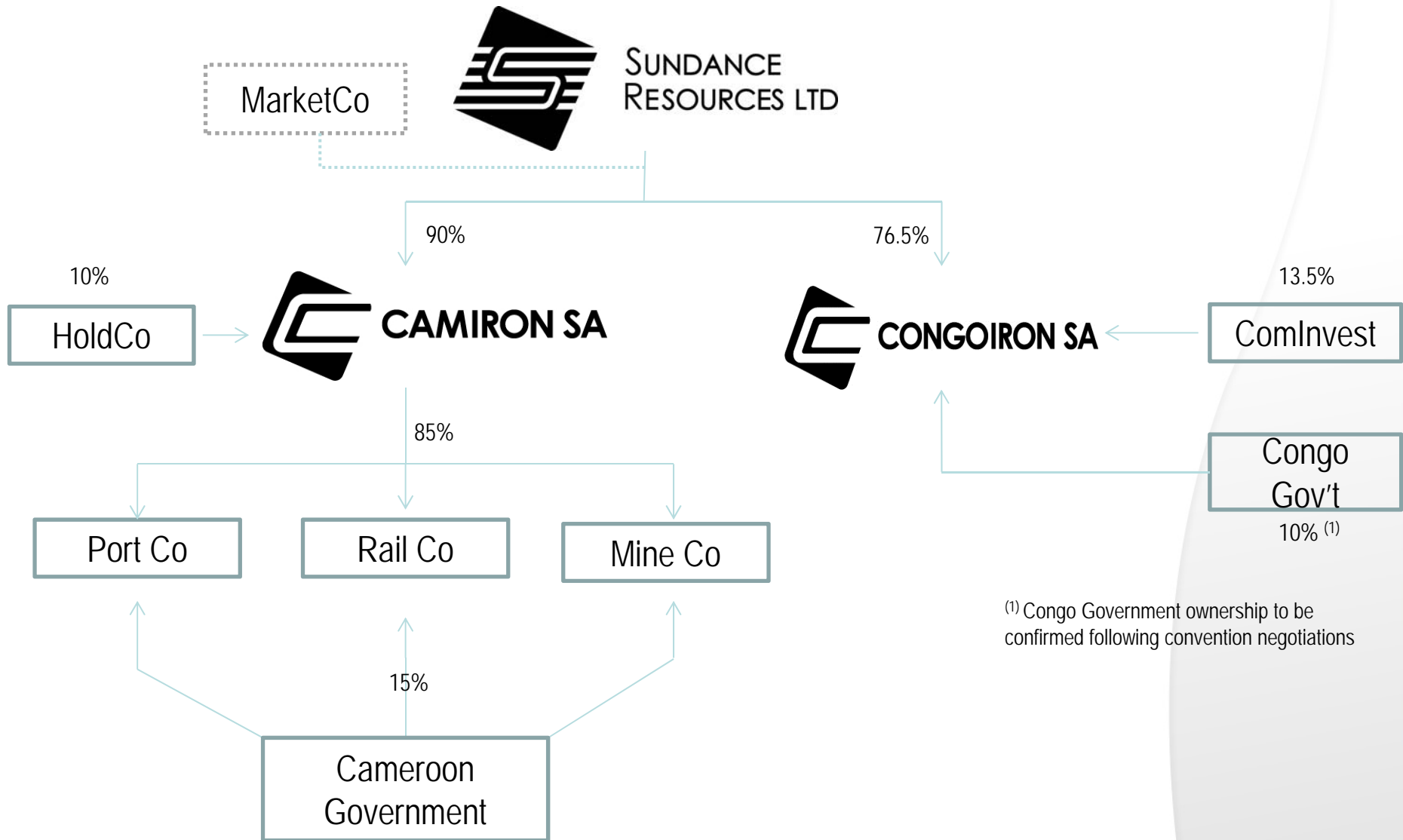


Share price & volume 06 Mar 2014 - 06 Jun 2014)

## Top 15 SDL Shareholders (as of 30 May 2014)

1	Hanlong (Africa) Mining Investment	14.1%
2	Credit Suisse	6.9%
3	Capital World Investors	1.9%
4	Dimensional Fund Advisors	1.9%
5	JPMorgan Asset Mgt	1.1%
6	VR Capital Group	0.9%
7	CQS Mgt	0.8%
8	Galaxy City	0.8%
9	Norges Bank Investment Mgt	0.7%
10	Vanguard Investments Australia	0.7%
11	Capital Research Global Investors	0.6%
12	Private Clients of UOB Kay Hian (Hong Kong)	0.6%
13	Mr George F Jones	0.5%
14	UBS Securities	0.5%
15	Vanguard Group	0.5%

# Corporate Structure



# A Pioneer Project for Central Africa



- Proposed mining 35Mtpa of Direct Shipping Ore (DSO) for minimum 10 years (Stage 1)
- Continued 35Mtpa concentrate product from Itabirite for further +15 years (Stage 2)
- Construction of a new 510km railway dedicated to transport of iron ore with 70km spur line
- Construction of a new Mineral Terminal Facility capable of taking "China Max" bulk iron ore carriers

(Refer Definitive Feasibility Study report released to the ASX on 6 April 2011)

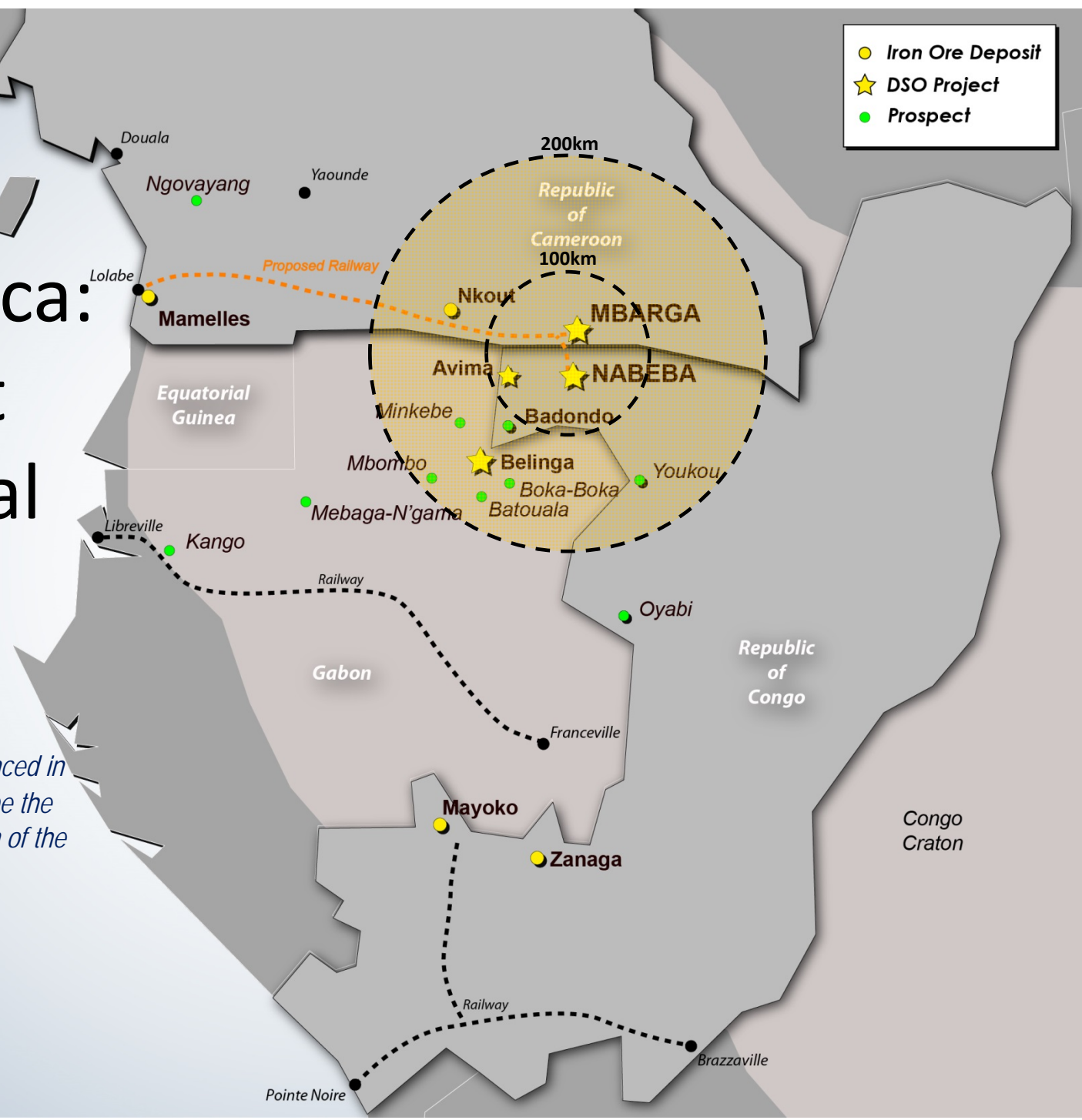




# Central Africa: The Next Substantial Iron Ore Province

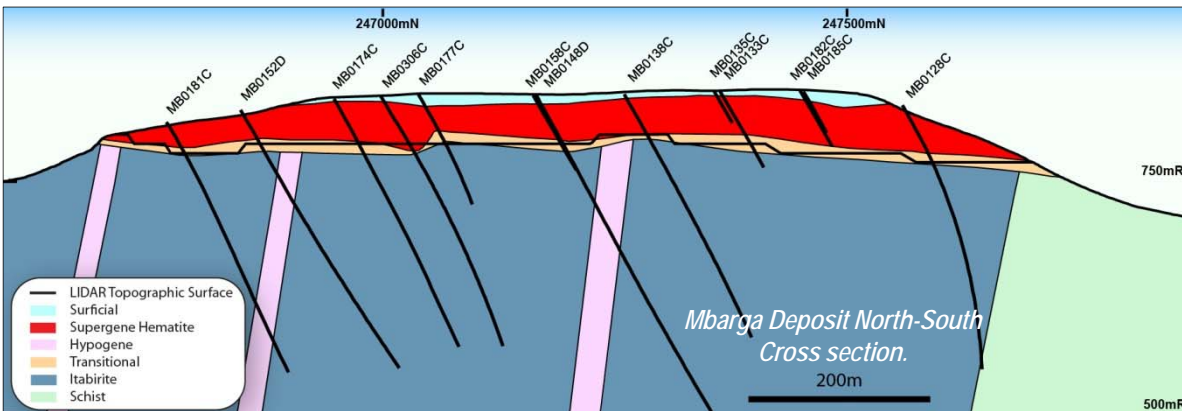
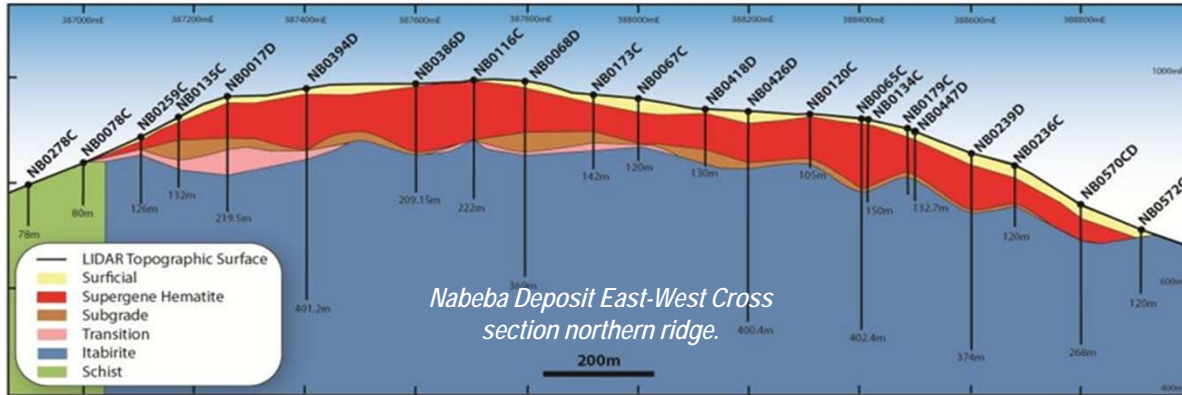
*"SDL's projects are the most advanced in the region and in our view, should be the nucleus around which consolidation of the region's projects would take place."  
Investec Securities 30/7/2013*

- Iron Ore Deposit
- ★ DSO Project
- Prospect





# High Grade Hematite Resources

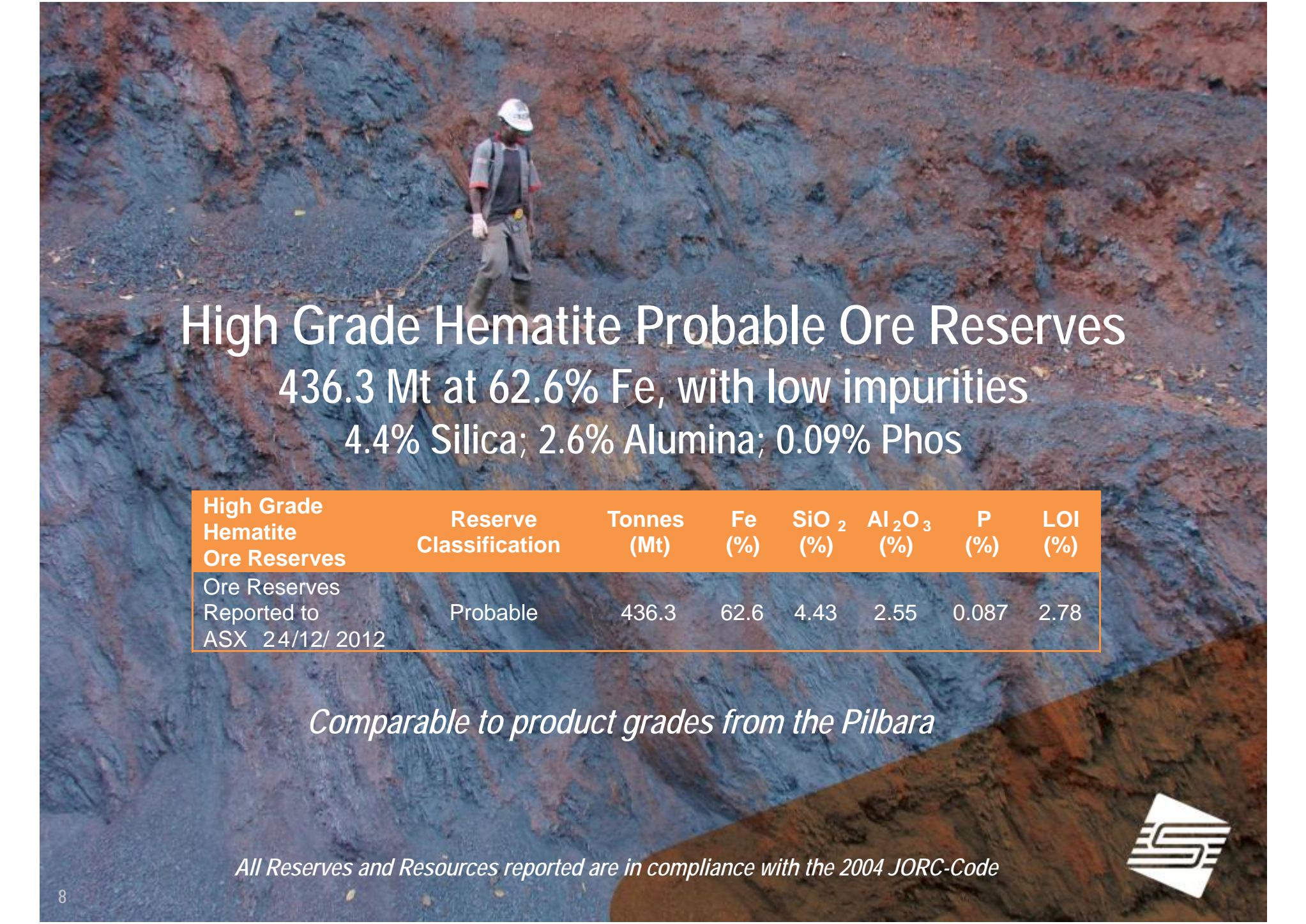


- High Grade Hematite Resources totalling 775.4Mt at a grade of 57.2% Fe
- Additional Exploration Target of approximately 90 - 150Mt at a grade of 55% to 65% Fe of High Grade Hematite on existing tenements\*

\*It must be noted that this range is an Exploration Target only, and not to be misconstrued as an estimate of Mineral Resources. The potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

PROJECT HIGH GRADE HEMATITE RESOURCES	Tonnes (Mt)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	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
<b>Total High Grade Resource</b>	<b>775.4</b>	<b>57.2</b>	<b>9.4</b>	<b>4.3</b>	<b>0.098</b>	<b>3.8</b>





# High Grade Hematite Probable Ore Reserves

436.3 Mt at 62.6% Fe, with low impurities  
4.4% Silica; 2.6% Alumina; 0.09% Phos

High Grade Hematite Ore Reserves	Reserve Classification	Tonnes (Mt)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)	LOI (%)
Ore Reserves Reported to ASX 24/12/ 2012	Probable	436.3	62.6	4.43	2.55	0.087	2.78

*Comparable to product grades from the Pilbara*

*All Reserves and Resources reported are in compliance with the 2004 JORC-Code*

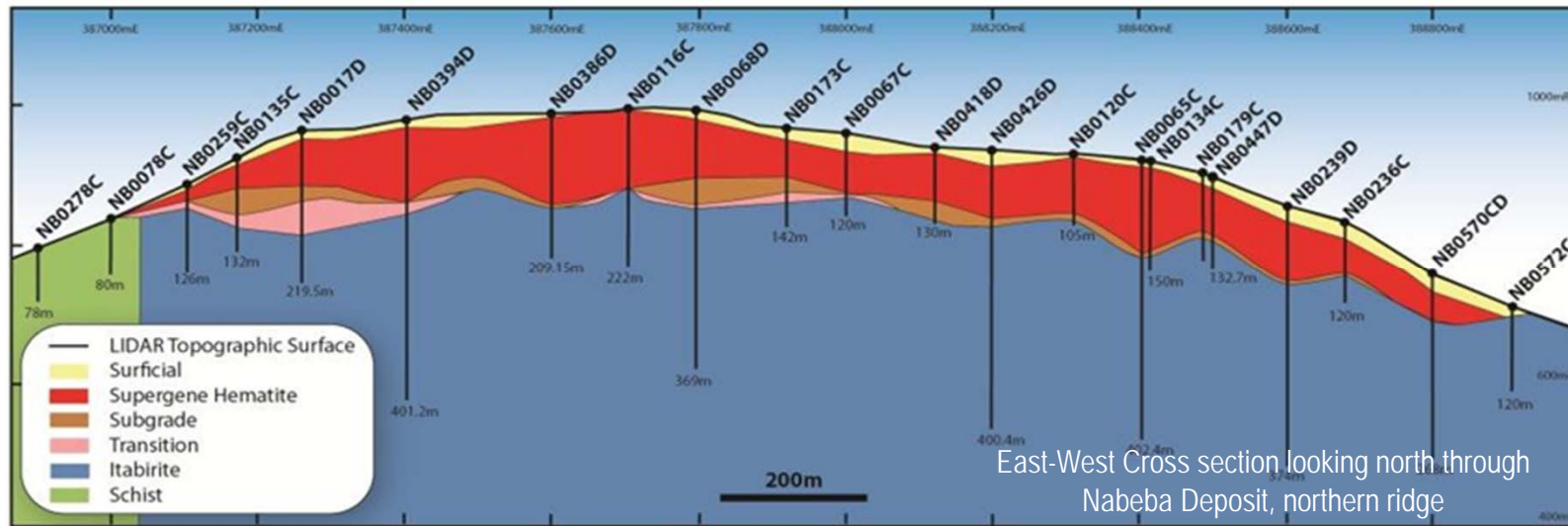




# Itabirite Hematite Resources



4.047 billion tonnes at 36.3% Fe



East-West Cross section looking north through Nabeba Deposit, northern ridge

Exploration Target of approximately 9.3 to 13.2 Bt Itabirite at a grade of 30% - 40% Fe on existing tenements\*

Global Itabirite Hematite Resources	Tonnes (Mt)	Fe (%)	SiO2 (%)	Al2O3 (%)	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
<b>Total Itabirite Hematite Resource</b>	<b>4,047<sup>(i)</sup></b>	<b>36.3</b>	<b>43.6</b>	<b>1.4</b>	<b>0.04</b>	<b>1.3</b>

\*It must be noted that this range is an Exploration Target only, and not to be misconstrued as an estimate of Mineral Resources. The potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a mineral resource and that it is uncertain if further exploration will result in the determination of a mineral resource.

<sup>(i)</sup> Of the total 4,047 Mt Itabirite Resource, 1,431 Mt is at a grade of 38.0% and classified as **Indicated**. The remaining Itabirite is **Inferred Mineral Resources**.

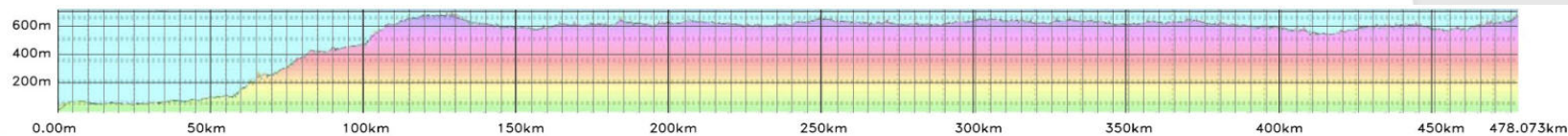
# Infrastructure is Key



- Construction of 510km rail line to Mbarga and 70km spur line to Nabeba
- Standard gauge 32 tonne axle load; 6 trains each comprising 3 locos & 190 wagons
- Built to 35Mtpa and expandable to ~100Mtpa
- Predominantly flat; only 640m of bridges
- Received all required environmental approvals for Port, Rail and Mines in Cameroon and Congo
- Deep water near shore (1km jetty)
- Port with single berth capacity for up to 45Mtpa
- Built for Cape Size 200,000 DWT; capable of 300,000 DWT China-max carriers
- Declaration of Land for Public Utility for Rail Corridor in 2011 and for Mineral Terminal Facility in 2010



*Section Along Preferred Route*





# Mota-Engil Africa



- Subsidiary of Mota-Engil SGPS - a multidisciplinary Portuguese construction company.
- Mota-Engil Group market capitalisation of €1.2B, with revenue in excess of €2.3B for FY2013.
- Established African operations in Angola in 1946; today operating in 9 different African countries.
- For FY2013, they earned revenue in excess of €1B from their African operations.
- Direct workforce of more than 14,000 people
- Currently building significant railway in Malawi that is part of the Nacala Corridor operated by Brazilian mining group Vale
- Plan to IPO on the London Stock Exchange mid-July 2014



## Mota-Engil Africa Railway Project in Malawi

- 146 km new build railway
- 210 km refurbish existing railway
- 7 million m3 fill / 6.9 million m3 cut
- Contract value \$1 billion
- Client is Vale / Client's Engineer is SRK
- Good Health, Safety and Environment track record



# Project Costs – Current Estimates



## *Capital Intensity \$134/t - Stage 1*

### Definitive Feasibility Study Figures

<b>CAPEX<sup>1</sup></b>		<b>US\$M</b>
Mining, Processing and Associated Infrastructure		1,237
Rail <sup>2</sup>		2,417
Port <sup>2</sup>		700
<b>Subtotal<sup>3</sup></b>		<b>4,354</b>
Project Management Costs		332
<b>Total (US\$M) Real 2010 pricing<sup>3</sup></b>		<b>4,686</b>

<b>OPEX<sup>1</sup></b>	
Estimated Operating Cost <sup>4</sup>	US\$21.20/t

1. CAPEX & OPEX estimates for High Grade Hematite production only
2. Rail and Port Capex confirmed by the Mota-Engil EPC signed 5 June 2014 for EPC price of US\$3.5B
3. Excludes financing costs and escalation
4. OPEX includes cash operating costs and contingency; excludes royalties
5. Refer Definitive Feasibility Study report released to the ASX on 6 April 2011



# Financing Strategy



## Total Project Debt Funding Structure

Sources	Expression of interest QUANTUM
Export Credit Agencies	\$1.5B
Development Funds	\$1.3B
Commercial Banks	\$0.7B
TOTAL indicative debt funding to-date	\$3.5B

- Mine plants and associated infrastructure EPC tenders under review - pricing within feasibility estimates.
- Debt funding supported by Mota-Engil Africa EPC, Standard Bank indicative funding plan, and the off-take agreement with Noble.
- Standard Bank have indicated they plan to use their balance sheet to support the debt raising that will be required for the project.
- The following sources of Project Equity funding (assumed at 70:30 debt to equity ratio) are being considered:
  - Partial mine equity sale;
  - Partial project-level port and/or rail equity sale;
  - Own Operate Transfer funding for infrastructure (decreases SDL equity requirement); and
  - Strategic investment
- The funding scenarios are estimates and therefore subject to variations from negotiations and final decisions.

# Off-Take Agreement with Noble

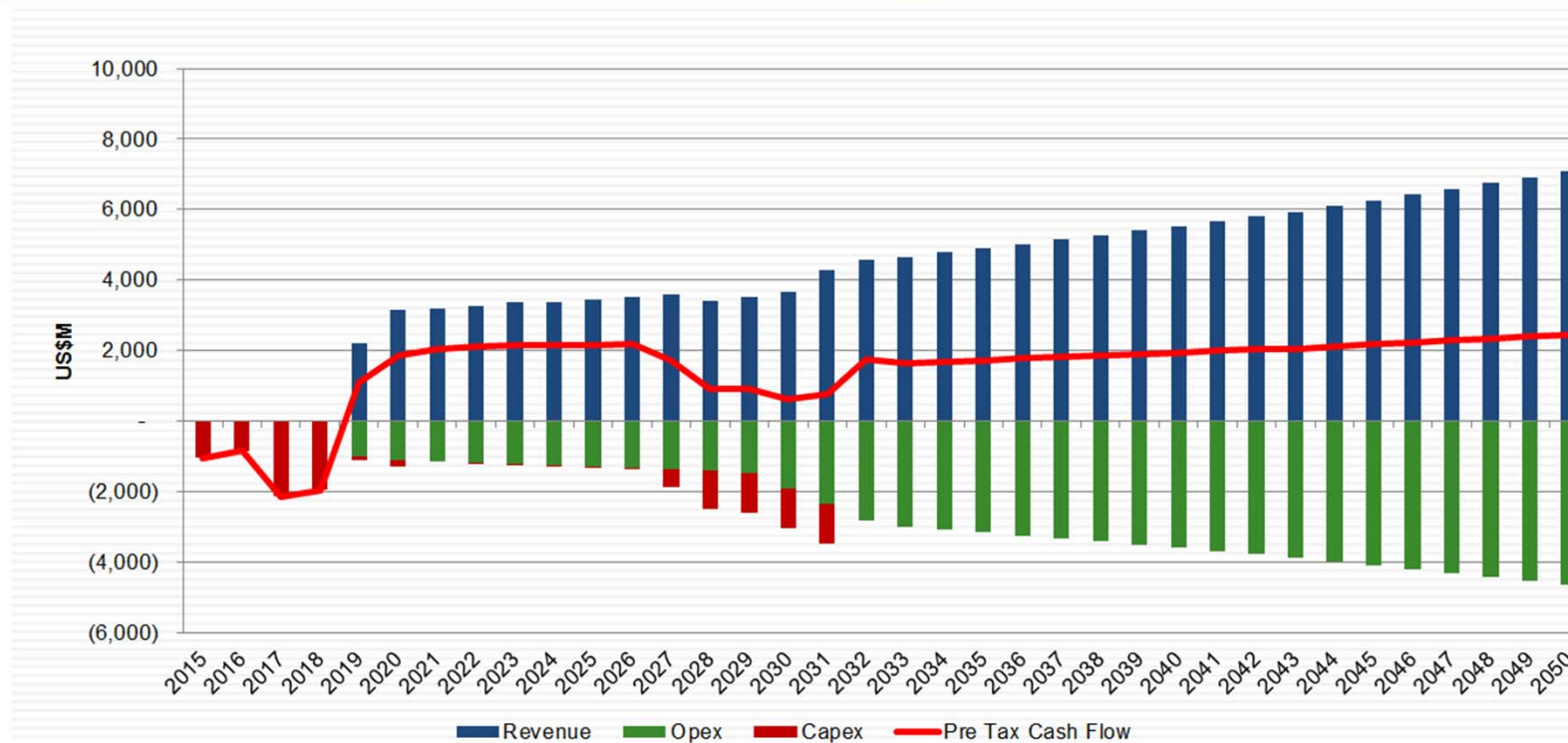


- Firm off-take contract signed with leading global commodities trader Noble Resources.
- Noble will off-take between 50% - 100% of the product produced from the Mbalam-Nabeba mines for 10 years.
- Clawback clause will allow project equity participants to buy up to 50% of the production.
- Sales will be based on international standard pricing benchmark (Platts IODEX 62% Fe CFR China less freight costs) Free on Board (FOB) Lolabe Cameroon.
- Contract will meet the requirements of financiers and therefore help support the debt funding process.
- Huge vote of confidence in Sundance and the future development of this world-class iron ore project (and region) by global trading giant Noble.





# Robust Cash Flows and High Returns



- Very strong cash generating ability, average operating margins of USD 2,076m p.a over Stage One
- Ungearing project NPV US\$3.4B and Internal Rate of Return of 21.3%<sup>1</sup>
- Stage One Capital expenditure pay back in 3.25 years post production <sup>2</sup>
- Stage Two construction to be funded from DSO cashflow <sup>2</sup>

<sup>1</sup> Assumptions: Discount rate 12.5%; Iron ore price US\$100/t CFR; Freight rate approximately US\$25/t to China

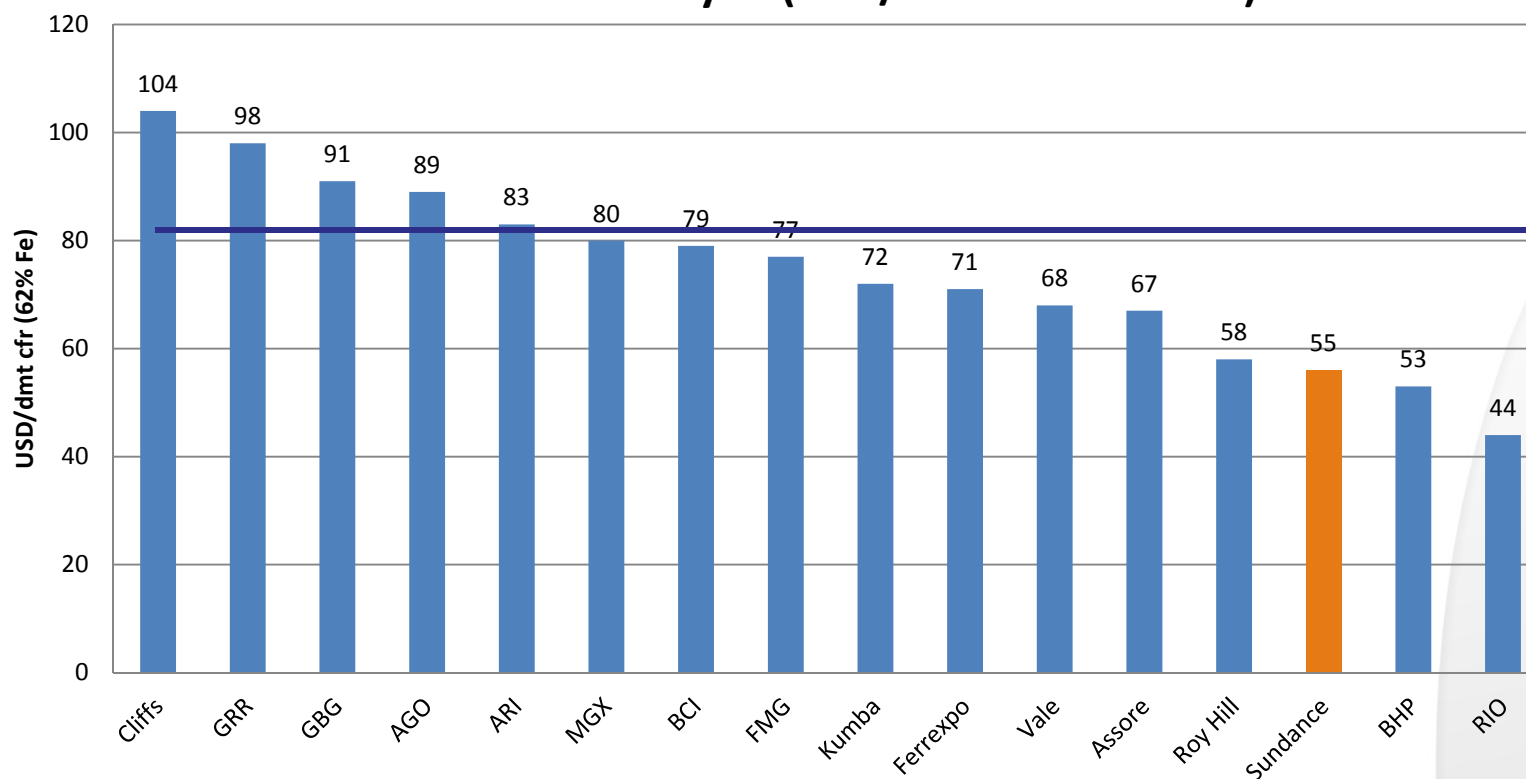
<sup>2</sup> Refer Definitive Feasibility Study report released to the ASX on 6 April 2011

# Breakeven Price Analysis



Sundance's Mbalam-Nabeba Project, with its breakeven cost in the lowest cost quartile, is well placed to weather any long term forecasted iron ore price downturn

## Breakeven Price Analysis (USD/dmt - 62% Fe CFR)<sup>1</sup>



— Platts 62% index iron ore price at ~92/dmt cfr Nth China

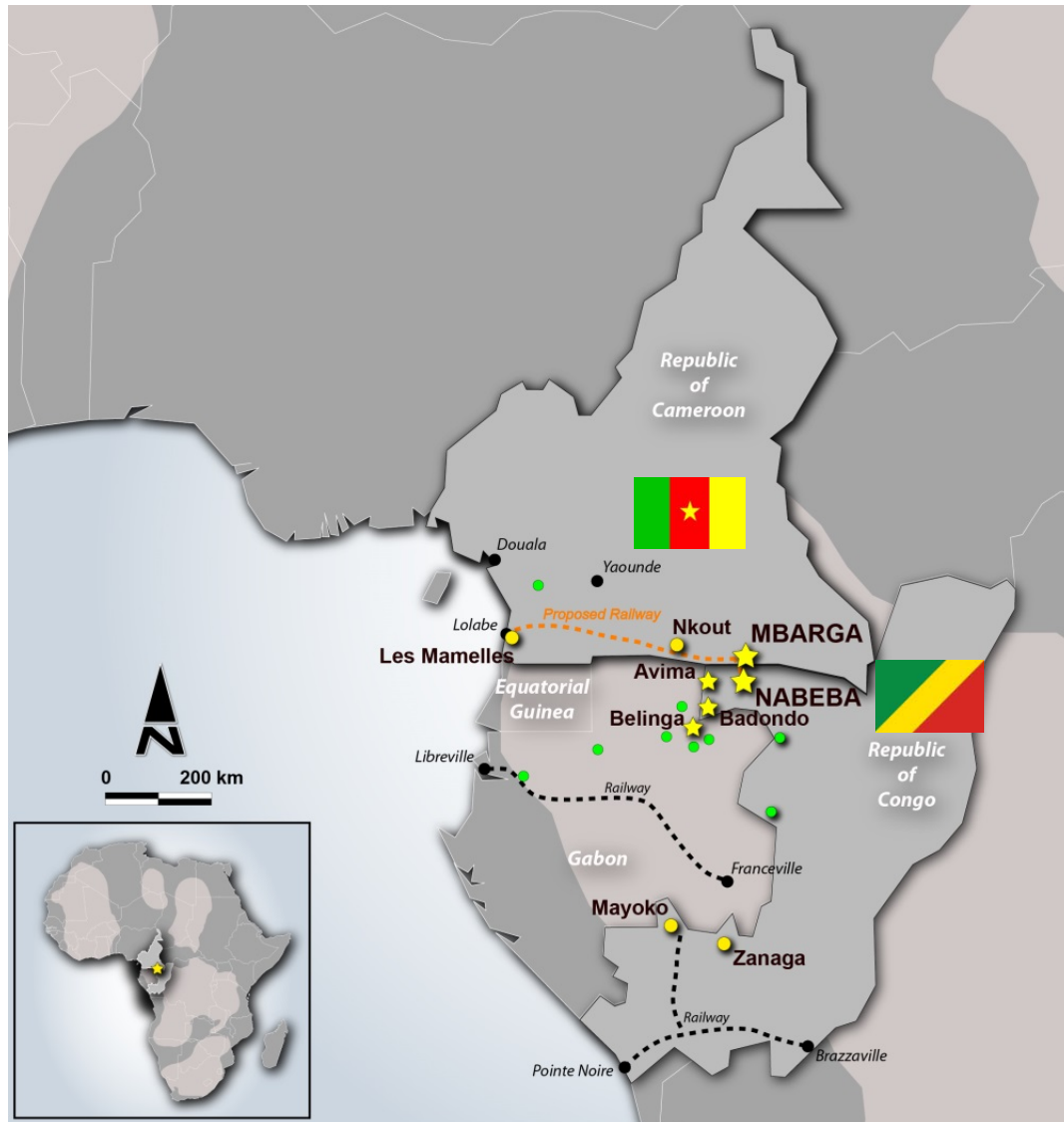
Source: UBS Research Note dated 4 June 2014, amended to include SDL data <sup>1</sup>

<sup>1</sup> UBS analysis assumes:

- The breakeven price is equal to C1 cash costs plus royalties, SG&A, exploration, interest and sustaining capital plus adjustments
- Exchange rate of 93.5 cents for A\$
- 12.5% discount on top of Fe adjustment for low grade 57-58% Fe product



# Republics of Cameroon and Congo



## Republic of Cameroon

- Bilingual (French & English)
- Population approx. 20 million
- Capital - Yaounde (2.5 million)
- 1995 - Member of Commonwealth
- 2006 - SDL arrived
- Member country of Economic and Monetary Community of Central Africa

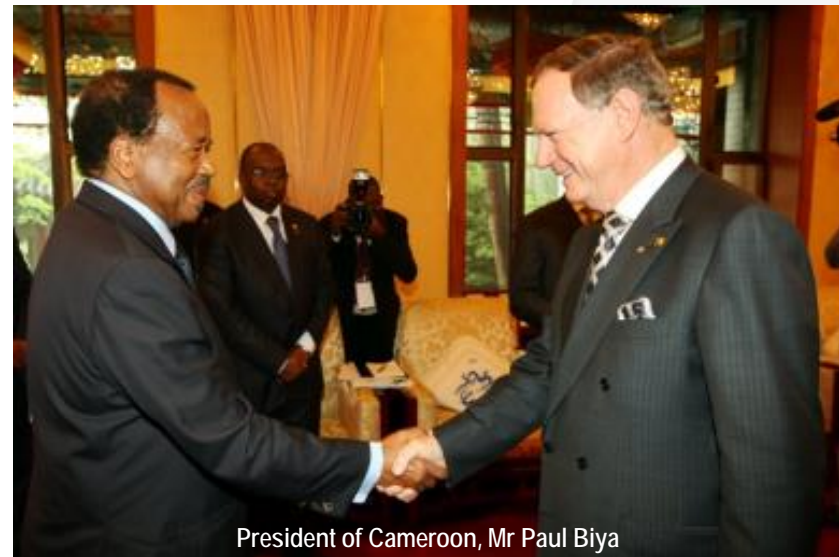
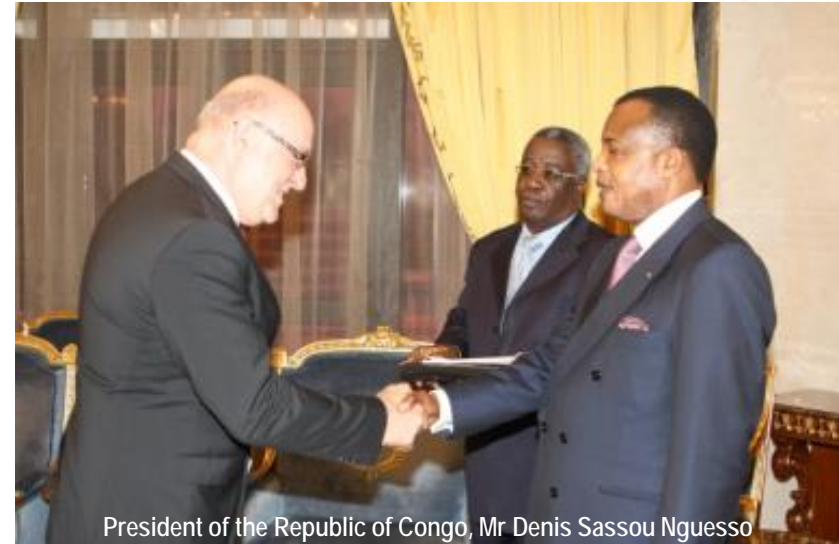
## Republic of Congo

- Francophone
- Population approx. 5 million
- Capital - Brazzville (1.4 million)
- 1960 - Independence
- 2009 - SDL arrived
- NOT the "DRC"
- Member country of Economic and Monetary Community of Central Africa

# Government Approvals in Place



- Mbalam Convention signed with Cameroon Government - November 2012.
- Rail and Port Concessions signed June 2014; paving way for the Convention to be ratified by Cameroon Parliament before year-end.
- Congo Mining Permit approved in December 2012; granted by Presidential Decree in February 2013.
- Congo Convention expected to be signed shortly.
- All required environmental approvals received for Cameroon and Congo.
- Declaration of Land for Public Utility (DUP) for rail corridor and port in Cameroon.





# Continuing to Tick the Boxes



- Bankable offtake agreement with Noble Resources
- EPC contract with Mota-Engil Africa for construction of project port and rail infrastructure
- Standard Bank appointed Financial Advisor and Lead Debt Arranger for the Project
- Export Credit Agencies, Development Funds and Commercial Banks already expressing interest in providing debt funding
- Tenders for mine plants EPC + Finance under review
- Potential mining contractors under review
- Cameroon Convention securely in place - port and rail concessions signed
- Nabeba Mining Permit issued and Congo Convention expected to be signed shortly
- Have received all required environmental approvals and DUP in Cameroon and in Congo
- Project is positioned as the most attractive large-scale, high grade iron ore projects in the world ready for development.



A close-up photograph of a person's hands holding a dark, rectangular object with a rough, textured surface. The object is held horizontally across the frame. The person is wearing a light-colored, button-down shirt. The background is slightly blurred, showing what appears to be a wooden structure or a rack. The word "APPENDIX" is overlaid in the center of the image in a bold, black, sans-serif font.

**APPENDIX**



## ECA – Export Credit Agency

- Private or government institutions that promote, facilitate and support the export of goods and services by the provision of finance and insurance.
- ECAs also remove the risk and uncertainty of payments to exporters when exporting outside their country.
- The export credit agency will:
  - Subsidize the domestic companies' exports by offering buyers below-market, fixed rate financing;
  - Provide insurance to the exporters or bankers; or
  - Provide direct guarantee of payment to the bank covering a loan to an overseas borrower to finance the supply of goods and services
- We have received strong indications of support from various ECAs and we believe that US Exim and China Exim, together with the other ECAs, will play a key role in the ECA tranche of the debt.





## DFI – Development Finance Institution

- The multi-lateral or bi-lateral quasi-government financial institutions providing the risk capital funds (debt and equity), technical assistance, and/or insurance that enable flows of foreign direct investment into less-developed or emerging markets.
- DFIs provide finance to the private sector for investments that promote development and help companies to invest, especially in countries with various restrictions on the market.
- DFIs are backed by states with developed economies.
- DFIs that have shown significant and ongoing interest in the Project include:
  - *International Finance Corporation (IFC)*
  - *African Development Bank (AfDB)*
  - *European Investment Bank (EIB)*
  - *Development Bank of Southern Africa (DBSA)*
  - *German Investment and Development Co. (DEG)*
  - *China Development Bank (CDB)*

# THANK YOU

Sundance Resources Ltd

[www.sundanceresources.com.au](http://www.sundanceresources.com.au)

ASX CODE 'SDL'



# Competent Persons Statement



The information in this report 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 both the 2004 and 2012 Editions of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”.

The information in this report 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 report of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

## 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).

Specific details pertaining to Exploration Targets at the Mbarga-Nabeba Iron Ore Project were most recently included in the Quarterly Activities Report for the period ending 31 March 2014 which was released to the ASX on 22 April 2014 and is available from the website. The current High Grade Hematite Exploration Target ranges were first announced on the ASX on 20 June 2012 and Itabirite Exploration Targets shortly thereafter on 26 October 2012.



# Disclaimer



Certain statements made during or in connection with this communication, including without limitation, those concerning the economic outlook for the iron ore mining industry, 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 commencement of commercial operations of the Mbalam-Nabeba Iron Ore Project and its liquidity and capital resources 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, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in iron ore prices and exchange rates and business and operational risk management.

This presentation should be read in conjunction with the Annual Financial Report as at 30 June 2013, the half year financial statements together with any announcements made by Sundance in accordance with its continuous disclosure obligations arising under the Corporations Act 2001.

Sundance undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

Sundance confirms that assumptions continue to apply have not changed since the release of the Definitive Feasibility Study on 6 April 2011.