



9 October 2017

Jeremy Newman
Senior Adviser
ASX Listings Compliance
By Email: tradinghaltspert@asx.com.au

Dear Mr Newman

SUNDANCE RESOURCES LIMITED: ASX CHAPTER 12 QUERY

We refer to your letter dated 6 October 2017 regarding the Annual Financial Report and the Auditor's Qualified Opinion query of Sundance Resources Limited ("**Sundance**" or "**Company**").

Please find our responses below to the questions raised in your letter:

1. Is the Company able to confirm that, in the directors' opinion, the Annual Report:
(a) complies with the relevant Accounting Standards; and
(b) gives a true and fair view of the financial performance and financial position of the Company?

The Company is able to confirm that in the Directors' opinion the Annual Financial Report complies with the relevant Accounting Standards and gives a true and fair view of the financial performance and financial position of the Company as at the balance sheet date of the financial report.

2. Does the Company consider that the financial condition of the Company is sufficient to warrant the continued quotation of its securities and its continued listing on ASX in accordance with the requirements of Listing Rule 12.2? In answering this question, please also explain the basis for this conclusion.

Yes. Please refer to Note 1 of the 30 June 2017 Financial Statements for the basis on which the directors make this statement.

3. If the answer to question 2 is "No", please explain what steps the Company has taken, or proposes to take, to warrant its continued listing on ASX in accordance with the requirements of Listing Rule 12.2.

Not Applicable.

4. What steps does the Company intend to take to obtain an unqualified audit opinion in the future?

The basis for the Qualified Audit Opinion of the 2017 Annual Financial Report is in relation to the recoverability of the mine development assets. The Auditors do not disagree with the carrying value of these assets but they note that recoverability of the carrying value of these assets is dependent on the ability of the group to achieve certain matters which are disclosed in Note 6(c) of the 30 June 2017 Financial Statements. The Directors will endeavour to achieve these matters and therefore obtain an unqualified audit opinion in the future.

5. Please confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

We confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

6. Please confirm that the Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Entity with delegated authority from the board to respond to ASX on disclosure matters.

We confirm that the Company's responses have been authorised and approved in accordance with the Company's Continuous Disclosure Policy

Yours faithfully



CAROL MARINKOVICH
Company Secretary



6 October 2017

Ms Carol Marinkovich
Company Secretary
Sundance Resources Ltd

By email:

Dear Ms Marinkovich

SUNDANCE RESOURCES LTD (the “Company”)

ASX Limited (“ASX”) refers to the following.

1. The Company’s annual report for the year ended 30 June 2017, released to the market on 29 September 2017 (“Annual Report”).
2. The Independent Auditor’s Report on pages 70-74 of the Annual Report which includes the following Qualified Opinion (“Qualified Opinion”):

“Basis of Qualified Opinion

The Group has mine development assets related to the Mbalam-Nabeba iron ore project which have a carrying value of \$167.72 million. As set out in note 6 (c), the recoverability of the carrying value of these assets is dependent on the ability of the group to achieve certain matters. We have been unable to obtain sufficient appropriate evidence in relation to these matters as they relate to the recoverability of the mine development assets, and therefore we have been unable to determine whether the recoverable amount of these assets is at least equal to their carrying value. In the event that the carrying value of the assets exceed their recoverable amount, it would be necessary for the carrying value of these assets to be written down to their recoverable amount.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor’s report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.



Relevant Listing Rules and Guidance

- Listing Rule 12.2 – *An entity's financial condition (including operating results) must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.*
- Listing Rule 19.11A (b) – *If a listing rule requires an entity to give ASX accounts, the accounts must be prepared to Australian accounting standards. If the entity is a foreign entity the accounts may be prepared to other standards agreed by ASX.*

Questions for Response

In light of the Qualified Opinion, the information contained in the Annual Report, and the application of the Listing Rules stated above, please note the following and respond to the relevant questions.

1. Is the Company able to confirm that, in the directors' opinion, the Annual Report:
 - (a) complies with the relevant Accounting Standards; and
 - (b) gives a true and fair view of the financial performance and financial position of the Company?
2. Does the Company consider that the financial condition of the Company is sufficient to warrant the continued quotation of its securities and its continued listing on ASX in accordance with the requirements of Listing Rule 12.2? In answering this question, please also explain the basis for this conclusion.
3. If the answer to question 2 is "No", please explain what steps the Company has taken, or proposes to take, to warrant its continued listing on ASX in accordance with the requirements of Listing Rule 12.2.
4. What steps does the Company intend to take to obtain an unqualified audit opinion in the future?
5. Please confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that the Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Entity with delegated authority from the board to respond to ASX on disclosure matters.

Please note that ASX intends under Listing Rule 18.7A to release this letter and the Company's response to the market. Accordingly, the Company's response should address each question separately and be in a format suitable for release to the market.

Unless the information is required immediately under Listing Rule 3.1, a response is requested as soon as possible and, in any event by **no later than 9.00 am WST on Tuesday, 10 October 2017**. If the information is required immediately under Listing Rule 3.1, you should discuss with ASX whether it is appropriate to request a trading halt in the Company's securities under Listing Rule 17.1.

Any response should be sent to me by return email to jeremy.newman@asx.com.au and tradinghaltspert@asx.com.au. It should not be sent to the ASX Market Announcements Office.



If you have any questions in relation to the above, please do not hesitate to contact me if you have any enquiries on the above.

Yours sincerely,

[sent electronically without signature]

Jeremy Newman
Senior Adviser, Listings Compliance (Perth)