



SUNDANCE RESOURCES LTD

LEVEL 27 ST. MARTINS TOWER
44 ST. GEORGES TERRACE, PERTH
WESTERN AUSTRALIA 6000
TELEPHONE: +618 9220 2300
FACSIMILE: +618 9220 2311
info@sundanceresources.com.au
www.sundanceresources.com.au
ABN 19 055 719 394

13th May 2009

Mr Wade Baggott
Adviser, Issuers (Perth)
Australian Stock Exchange Ltd
Level 8, Exchange Plaza
2 The Esplanade
PERTH WA 6000

Transmission by facsimile: 9221 2020 (2 pages)

Dear Wade

QUERY DATED 12 MAY 2009

In reference to your query today, the Company responds as follows:

1. No. The announcement reported total Indicated and Inferred Resource tonnages and grades that were not material for the purposes of Listing Rule 3.1 because a reasonable person would not expect the information released to have a material impact on the price or value of the Company's securities for the following reasons:
 - (a) the total tonnages and grades reported were not materially different to the previously announced total Inferred Resource tonnages and grades;
 - (b) the progression from Inferred to Indicated category is a normal step in the sequence of resource definition and is expected as a reasonable possibility in any project of this nature;
 - (c) whilst the upgrade in resource category gives confidence in resource definition and is a measure of project progress:
 - i. the updated tonnage of high grade hematite on Exploration Permit 92 was within 2.5% of the previously reported total tonnage;
 - ii. the updated tonnage of Itabirite hematite on Exploration Permit 92 was within 5% of the previously reported total tonnage; and
 - iii. the grades were generally consistent with previously reported grades.
2. Not applicable.
3. Not applicable.

For personal use only

For personal use only

4. We confirm that the company is in compliance with ASX Listing Rule 3.1.

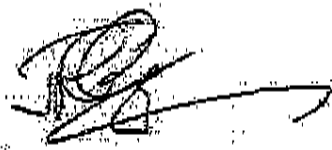
We also confirm that the resource upgrade was incomplete and confidential during the trading period referenced in your query (Wednesday 6 May and Thursday 7 May) and Listing Rule 3.1A applied because a reasonable person would not expect the Information in question to be released while it was incomplete and confidential.

We are also of the view that recent trading in the Company's securities needs to be considered in light of the recent very significant improvement in market sentiment, particularly in respect of junior iron companies. This reflects increasing confidence in the anticipated recovery of commodities markets and the international economy.

The increase in Sundance's securities price over this period had generally lagged its industry peers, however, the Company has significantly increased its marketing presence over the past weeks, having presented its Mbalam Project at two major conferences, one in China and one in Australia. In addition, the Company has also secured additional funding including a significant contribution from its major shareholder and participation of all eligible directors in the recently completed SPP. All of these events may have contributed to the recent increase in the price of Sundance securities.

If you have any further queries relating to this matter, please do not hesitate to contact me.

Yours sincerely
SUNDANCE RESOURCES LIMITED



JOHN CARR-GREGG
Company Secretary



ASX Limited
 ABN 98 008 624 691
 Level 8
 Exchange Plaza
 2 The Esplanade
 Perth WA 6000

GPO Box D187
 Perth WA 6840

Telephone 61 (08) 9224 0025
 Facsimile 61 (08) 9221 2020
 Internet <http://www.asx.com.au>

FAXED
 12 May 2009

Don Lewis
 Managing Director
 Sundance Resources Limited
 Level 27, St Martins Tower
 44 St Georges Terrace
 PERTH WA 6000

By facsimile: 08 9220 2311

Dear Don,

Sundance Resources Limited (the "Company")

We refer to the following:

- (i) The change in the price of the Company's securities from \$0.105 on Wednesday 6 May 2009 to an intra-day high of \$0.135 on Thursday 7 May 2009 and the increase in the volume of trading in the securities over this period.
- (ii) The trading halt entered into by the Company after the close of trading on Thursday 7 May 2009.
- (iii) The announcement lodged by Sundance Resources Limited ("the Company") on 11 May 2009 on the company announcement platform of ASX Limited ("ASX") at 7:37 AM (W.S.T) ("Announcement") announcing the upgrade from Inferred to Indicated Category of a substantial proportion of its Mineral Resources at the Company's Mbalam Iron Ore Project in Central West Africa ("the Resource Category Upgrade")

We wish to draw your attention to the definition of "aware" in chapter 19 of the listing rules which states that:

"an entity becomes aware of information if a director or executive director (in the case of a trust, director or executive officer of the responsible entity or management company) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity"

Further, we wish to draw your attention to listing rule 3.1 which requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A. Please note that for disclosure not to be required under this listing rule all of the exceptions must apply.

Having regard to the above definition, listing rule 3.1 and Guidance Note 8 - Continuous Disclosure, we ask that you answer the following questions in a format suitable for release to the market in accordance with listing rule 18.7A.

1. Does the Company believe that the Resource Category Upgrade is material to the Company pursuant to listing rule 3.1?
2. If the answer to any part of question 1 is "yes" and the Company became aware of the Resource Category Upgrade prior to the Announcement being lodged on 11 May 2009, please advise the following:
 - 2.1 The date and time the Company became aware of the Resource Category Upgrade.
 - 2.2 Why the information in the Announcement was not released to the market at that earlier time? Please comment specifically on the application of listing rule 3.1; and
 - 2.3 Why, if the Company was not able to announce the Resource Category Upgrade at that time, the Company did not request a trading halt at that time, pending the release of an announcement concerning the Resource Category Upgrade?
3. If the answer to question 1 is "no", please advise the basis on which the Company does not consider the Selection to be material.
4. Please confirm that the Company is in compliance with listing rule 3.1.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Please note the ASX reserves its right under listing rule 18.7 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.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately. Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **4:30pm W.S.T tomorrow, Wednesday 13 May 2009**.

Your response should be sent to ASX by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

If you have any queries regarding any of the above, please contact me on the number below.

Yours sincerely,



Wade Baggott
Adviser, Issuers (Perth)

Direct Line: (08) 9224 0023