

**SUNDANCE
RESOURCES**

Developing a global iron ore business

18 July 2011

ASX / MEDIA RELEASE

**PROPOSAL TO ACQUIRE 100% OF SUNDANCE
RECEIVED FROM HANLONG MINING**

Sundance Resources Limited ('Sundance' or 'the Company') (ASX Code: SDL) advises that at 7pm AEST on Friday July 15, 2011 the Company received written advice from Hanlong Mining Investment Pty Limited ('Hanlong') of its intention to make a conditional cash offer for 100 per cent of Sundance at a price of A\$0.50 per Sundance share under a scheme of arrangement.

The proposal is conditional on, amongst other things, majority Sundance Board support and execution of a Scheme Implementation Agreement.

The Sundance Board of Directors advises shareholders to take no action at this stage.

The Board considers that the terms of the offer do not provide adequate value or certainty to Sundance shareholders and that it intends to engage in discussions with Hanlong about the terms of its proposal.

At the same time, Sundance will continue to progress its advanced negotiations with potential strategic partners in respect to possible joint venture, financing and offtake arrangements to develop its Mbalam Iron Ore Project in the Republics of Cameroon and Congo.

Sundance Chairman George Jones said, "The Company has the vision, passion and technical expertise to develop the Mbalam Project, which will produce 35 million tonnes per annum of high-grade hematite."

Hanlong is Sundance's major shareholder with a stake of 18.6 per cent in the Company. Following the acquisition of this stake, the two companies have developed a strong shareholder relationship.

Sundance is being advised by UBS AG, Clayton Utz and CITIC Securities.

Sundance will advise the market of any material developments.

ENDS

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The Mbalam Iron Ore Project

Sundance Resources Limited is an Australian-based ASX company which is included in the S&P/ASX 200 Index. The Mbalam Iron Ore Project ('the Project') is based around a group of large-scale iron ore deposits spanning the border between the Republic of Cameroon and the neighbouring Republic of Congo in central-west Africa.

The Project will consist of production of 35 Mtpa from primarily two mines, as well as the construction of 510km heavy haulage rail line dedicated to iron ore transport from Mbarga to the Cameroon coast (with a 70 kilometre rail spur from Nabeba), and a deep water port capable of taking bulk iron ore carriers of up to 300,000 Mt.

Sundance completed the Definitive Feasibility Study ('DFS') of the Mbalam Iron Ore Project in April 2011. The DFS covers all aspects including the geology, mining, infrastructure, engineering, construction and economics as they relate to development of the first stage of the Project. The DFS now forms the basis for capital appropriation and will provide the budget input for the Project to move towards Final Investment Decision.

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