



ASX Announcement | Media Release
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December Quarterly Activities Report

SUNDANCE CLOSES-IN ON KEY AGREEMENTS FOR THE DEVELOPMENT OF THE MBALAM-NABEBA IRON ORE PROJECT

- The December Quarter leaves Sundance well advanced in executing its strategy to develop its Mbalam-Nabeba Iron Ore Project in Central Africa
- Strong response from Engineering, Procurement and Construction (EPC) contractors to Sundance's call for tenders for the port and rail infrastructure.
- Sundance now in detailed negotiations with these tender groups with a view to finalising an exclusivity agreement by the June Quarter, 2014.
- Tender documents have also been issued for financing and building the Mbarga and Nabeba mine plants and associated infrastructure.
- Negotiations are advancing for off-take contracts covering the full production capacity of 35Mtpa of high-grade iron ore.
- Discussions have commenced with mining contractors who will provide the mining services and equipment to mine the Mbarga and Nabeba deposits.
- Sundance's financial position has strengthened following \$40M raising through the issue of convertible notes and options to Noble Resources and an investor consortium made up of Blackstone, D. E. Shaw Group and Senrigan Capital.

Sundance Resources (ASX: SDL) is pleased to advise that it has made good progress in the December Quarter towards development of its Mbalam-Nabeba Iron Ore Project in Central Africa.

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As a result, the Company is now advancing the execution of all the key planks of its development strategy, including key agreements for the financing and construction of the port and rail as well as the mine plants and associated infrastructure.

Sundance Chairman George Jones said the December Quarter had been a pivotal period for Sundance and the Board was confident that its plan for bringing Mbalam-Nabeba into production was firmly on track.

“The strong response we have received to our tender process from highly-regarded international contractors and financiers means we are now moving into the next phase of the development strategy,” Mr Jones said.

“The interest shown by global companies wanting to be part of this Project has been outstanding. They fully appreciate the world-class quality of the resource, the low production costs and the first-mover advantage associated with Mbalam-Nabeba.

“In light of this, I have no doubt that the Project is well on the path to production.”

PROJECT DEVELOPMENT

Port and Rail

During the Quarter, Sundance made substantial progress on its project development strategy for the port and rail Engineering Procurement and Construction (EPC) tender process.

The tendering contractors travelled to Cameroon and Republic of Congo for site visits in October 2013. The site visits lasted for approximately one week and encompassed the entire project site, including inspection of the proposed mineral terminal facility location at Lolabe, the designated rail corridor in Cameroon, and each of the mine sites in Cameroon and Congo.

Tenders were received on 18 December 2013. Tenders received included proposals for contractor-facilitated financing in a number of structures ranging from Engineering, Procure and Construct (EPC) with facilitated debt finance through to a full Build-Own-Operate-Transfer (BOOT) solution.

The Company is very pleased with the quality and financial capacity of the tendering companies. Sundance is confident that the process will lead to the appointment of an EPC provider for the Project in the coming months.

The Company is now focused on engaging the two preferred parties; one being a State Owned Enterprise (SOE) from China, and the other an international construction company from Europe. Both companies have the skills, African experience and capabilities required to build the port and rail infrastructure.

The tender submissions for the port and rail infrastructure are now being assessed. The assessment has so far determined that the responses are encouraging and largely meets the requirements of the tender. The prices and contract durations included within the submissions fall within the range expected based on the cost estimates in the Mbalam-Nabeba Iron Ore Project Definitive Feasibility Study, which was completed in March 2011.

The responses also support the project development timeline, under which an exclusivity arrangement with the preferred bidder could be signed in the June Quarter of 2014.

Mine Plant

During the reporting period Sundance also completed the mine plant EPC tender pre-qualification process (including debt funding). Initial responses were favourable from the market and this resulted in the identification of a select group of international companies who have expressed interest in tendering. Importantly Sundance believes these parties have demonstrated the key skills and expertise required to successfully undertake these works and provide funding options.

Following the prequalification process the tender documentation for the mine plant infrastructure was finalised and an invitation to tender was issued to the prequalified tenderers on 18 December 2013.

Sundance is now responding to the tenderers' requests for technical information. The Company is confident that the EPC for the mine plant and associated infrastructure can be completed in a timeframe aligned with the finalisation of the port and rail EPC tender process.



Photos from site clearing preliminary works undertaken at the location of the Lolabe Mineral Terminal in December 2013

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Equity and Offtake

During the reporting period, Sundance has also undertaken negotiations with several groups concerning the sale of equity into the mine or total project and take-or-pay iron ore off-take agreements.

The negotiations covering take or pay agreements for the full production capacity of 35 million tonnes per annum of high-grade iron ore from the Mbarga and Nabeba mines have progressed significantly. The intention is for the offtake contracts to be bankable and therefore be used as security for funding the EPC infrastructure and mine plant contracts.

Other parties such as steel mills, EPC and mine plant groups will also have the opportunity to take an equity position in the mine or the total Project with associated offtake, at terms to be agreed.

Mining Contract

The development plan for the Project includes contract mining with the selected mining company providing all of the required equipment and services to mine the Mbarga and Nabeba deposits. Sundance is in discussion with a number of parties who have the capability and desire to provide these mining services.

Test Work

To facilitate the provision of finance for the Project, during the December Quarter Sundance continued its work on a sintering test work program in an independent facility. The first batch of test work on the sinter sample was completed and interim results indicate the results are positive with the Mbalam-Nabeba iron ore presenting, in general, as comparable or superior to the substitute products. Results will be released upon receipt of the formal completed report, which is expected next Quarter.

Government Relations - Cameroon

During the Quarter, the Sundance Project Team continued extensive technical input and dialogue with the Cameroon Government to further the condition precedent documentation required under the Mbalam Convention.

The Mbalam Convention was signed with the Cameroon Government on 29 November 2012 and outlines the fiscal and legal terms and the conditions to be satisfied by Cam Iron SA for the development and management of the Project. Sundance and its subsidiary company Cam Iron SA continue to work closely with the Cameroon Government on the Project development strategy and its associated timing.

The Company remains confident that it has the support of the Government of Cameroon to ensure the granting of the mining permit following the fulfillment of a number of conditions and the endorsement of the Cameroon National Assembly.

Government Relations - Congo

In the Republic of Congo, the Nabeba Mining Permit was awarded in February 2013 by Presidential Decree and is valid for 25 years. Sundance and Congo Iron SA are currently negotiating the Congo Convention, which sets out the legal and fiscal terms for the mining of the Nabeba deposit, with the Government of Congo.

During the December Quarter, the draft Convention was submitted by Sundance/Congo Iron SA and the Congo Government has commenced its review. By the end of the Quarter the technical review was completed and the review of fiscal and commercial terms is ongoing. Formal feedback from the Congo Government is expected in the coming months.

HEALTH, SAFETY, ENVIRONMENT, COMMUNITY & SECURITY (HSECS)

There were no lost work day injuries during the Quarter. It has now been 20 months since the last lost work day injury. The Sundance, Cam Iron SA and Congo Iron SA Health and Safety Committees convened during the Quarter to review and develop initiatives, policies and procedures to review and improve work health and safety outcomes.

The joint Health and Safety Committees were established to create and maintain active interest in health and safety, reduce incidents and to promote an awareness of health and safety issues.

An employee Health and Safety Champion Recognition Award has also been established to recognise Sundance, Cam Iron SA and Congo Iron SA employees that consistently demonstrate excellence in Health and Safety performance and to share best practice and innovation across the group of companies.

During the reporting period, Cam Iron SA collaborated with the World Wide Fund (WWF), The Ministry of Forest and Wildlife (MINFOF) and regional Security Forces to develop anti-poaching strategies. This collaboration provides important information to Field Patrols (poacher's tracks, traps presence, poacher's camps, GPS coordinates, etc.) and financial support to assist in detecting, deterring and eliminating poaching throughout the area.

Cam Iron SA, along with other Wildlife Conservation Groups, also delivered workshops to employees and communities on the risks associated with consuming bush meat and illegal hunting.



Cam Iron HSEC team members conducting the Land Disturbance Review for the Mineral Terminal Facility's Civil Works at Kribi

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A Land Disturbance Review (LDR) was completed for the Cam Iron Mineral Terminal Facility's Civil Works.

Public meetings were also convened in the Kribi and Lolabe Communities for the socialisation of the Nlende Dibe Quarry Environmental and Social Impact Assessment (ESIA).

The Company continues to put considerable effort into community relations activities to ensure it continues to enjoy good relationships with local stakeholders.

During the Quarter, Cam Iron SA donated school supplies to the Mbalam, Assoumindele and Ntam schools. Education Directors, Presidents of Parents Associations, teachers and students, all participated in the ceremonies.



Alain Owono Owono, Environment and Community Manager, CamIron, presents school supplies to the Ntam Public Primary School

In December 2013, Sundance Managing Director Giulio Casello attended the opening ceremony of the Ellen Community Market and Football Field in the Republic of Congo, accompanied by Congo Iron SA Country Manager Emmanuel Yoka, Souanke local and traditional authorities and community members and Sundance and Congo Iron SA employees.

Congo Iron SA contributed construction material, mobile equipment and labor to the development of the important community projects.



Giulio Casello, Sundance CEO, and Emmanuel Yoka, Congo Iron Country Manager, with representatives of the Congolese Government and local Authorities, attend the inauguration of the Ellen Community Market and Football Field in Republic of Congo



Republic of Congo Minister of Tourism and Environment, Mr Josue Rodrigue Ngouonimba (far right), with Congo Iron Country Manager Emmanuel Yoka, Environment and Community Manager Raoul Ngueko and Public Relations Officer Sylvia Note

In Brazzaville, Congo Iron officials met with Mr Josue Rodrigue Ngouonimba, the Republic of Congo Minister of Tourism and Environment, to discuss Congo Iron SA's initiatives and plans associated with the Project's Environmental and Social Impact Assessment (ESIA).

During the Quarter, the Company had no reported environmental non-conformances in Cameroon or the Republic of Congo.

Congo Iron SA has successfully completed the second phase of the Road Awareness Program in the villages surrounding the Nabeba Project site. Logistical and educational support was provided to each of the villages' Road Awareness Committees to continue the sensitisation around the risks associated with driving, vehicle safety, road hazards and pedestrians.

The Community Road Awareness Committees were established to manage the road safety initiatives, such as the establishment of designated pedestrian crossings, speed restriction signage around school areas, reporting of unacceptable driving habits and education on working with other road users.

Sundance recognises its responsibilities to a large number of stakeholders, particularly those in the vicinity of the Mbalam-Nabeba Project. Sundance's Environmental and Social Policy commits the Project to sustainability and capacity building which aims to make a reality the vision of "leaving behind a better future for the next generations".

RESERVES AND RESOURCES

There were no changes to the Project Mineral Resource or Reserves during the Quarter.

SITE ACTIVITIES

Site activities at both Mbalam and Nabeba focused on supporting Community and Project EPC site visits. Sundance continues to conduct site visits and familiarization tours for interested groups, including institutional investors, EPC groups, in-country government and media representatives.

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Field work during the period involved geological mapping and environmental surveys of mine and rail loop infrastructure areas which are in planning for clearance and site preparation in 2014.

During mid-December, site personnel numbers were reduced to essential staff only to reduce costs and undertake maintenance of camp equipment and site vehicles while not heavily in use.

CORPORATE

On 22 October 2013, Sundance announced it had signed legally binding agreements to raise A\$40 million through the issue of convertible notes and options to Noble Resources International Pte Ltd (“Noble Resources”) and an investor consortium of Blackstone Alternative Solutions, L.L.C., the D. E. Shaw Group and Senrigan Capital (“Investor Consortium”).

This ensured Sundance would continue to have funds to meet its anticipated working capital requirements as it progresses the development strategy for the Mbalam-Nabeba Project.

Please refer to the previous Quarterly Report and/or ASX announcement lodged on 22 October 2013 for a full description of the details of the agreements between Sundance and the investors, including an outline of the Noble Deed, Noble Options, Consortium Deed and Consortium Options which are explained in detail in the accompanying Annexures A, B, C and D to the announcement.

On 29 November 2013 the Annual General Meeting (AGM) of Sundance shareholders was held in Perth, Western Australia. All the resolutions were passed by shareholders on the day by a show of hands. Results of the Meeting were released by way of an announcement lodged with the ASX on 29 November 2013.

Shareholding Structure

As at 31 December 2013, Sundance had 3,073,110,985 ordinary fully paid shares on issue held by 22,394 individual shareholders. There were 21,866,176 performance rights and 464,522,735 unlisted options on issue. The Top 20 shareholders held 49.9% of the total issued capital.

Cash Assets

The Company’s cash balance at 31 December 2013 was A\$34.3 million.

The Sundance Executives and Board have previously reviewed the timing of all discretionary expenditures, including exploration and development costs, and wherever necessary these costs have been minimised or deferred to match the Company’s cash flow forecast. A number of cost saving initiatives continue in an effort to maintain prudent management of existing funds with a view to maintain constrained spending while the Company completes its Project development negotiations.

Expenditure

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

Company Secretary

At the end of December 2013, Brian Conrick stood down as Company Secretary and the Board appointed Carol Marinkovich as Acting Company Secretary. Mrs Marinkovich has extensive corporate experience working with listed and unlisted mining companies both within Australia and internationally. She has worked with Sundance since July 2010 as Assistant Company Secretary.

Relocation of Perth Corporate Office

As of 2 December 2013, Sundance Resources corporate office relocated to Level 3, 24 Outram Street, West Perth WA, 6005.

ENDS

GIULIO CASELLO

Chief Executive Officer and Managing Director

Sundance Resources Limited

For more information please contact Jill Thomas, Sundance Investor Relations, 08 9220 2300 or jthomas@sundanceresources.com.au