



ASX Announcement | Media Release
23 December 2016

FUNDING AND BOARD UPDATE

Highlights:

- **In-principle agreement reached for:**
 - **new A\$1.3M convertible notes; and**
 - **extension of maturity date of existing convertible notes to September 2019**
- **Hanlong to convert 2,332,500 Convertible Notes on 31 January 2017 with remaining notes and accrued interest payable extended to 31 December 2017**
- **David Porter joins the Sundance Board as non-executive Director**
- **Wallace King steps down as non-executive Director**
- **Shareholders to vote on issue of A\$1.3M convertible notes at EGM in mid-February 2017**

Sundance Resources Limited (ASX: SDL) ("**Sundance**" or "**Company**") refers to its ASX announcement dated 25 November 2016 and is pleased to announce it has reached an in principle agreement and is in the process of executing formal documentation for the:

- investment of A\$1.3 million into the Company through a subscription for new convertible notes ("**2016 Investor Group Notes**") by Noble Resources International Pte Ltd ("**Noble**"), an investment vehicle managed by Senrigan Capital Group ("**Senrigan**") and David Porter (together the "**2016 Investor Group**") to be used to assist in an enhanced strategy to find a partner for the Mbalam Nabeba Iron Ore Project; and
- extension of the maturity date of the convertible notes due on 23 September 2017 to 23 September 2019 ("**Existing Notes**") held by Noble, Wafin Limited, Senrigan and investment vehicles managed by D.E. Shaw and Blackstone Group L.P. There will be no change to the face value of the Existing Notes but an increase in the redemption amount by 20%.

Sundance also announces that:

- the maturity date for the existing 2,500,000 convertible notes held by Hanlong (Africa) Mining Investment Limited ("**Hanlong**") at an issue price of A\$1.00 per note with a total face value of A\$2.5 million ("**Hanlong Notes**") has been extended from 31 December 2016 to 31 December 2017. The arrangements also converts outstanding cash interest due, which had been agreed to be payable at the rate of 10% per annum on a quarterly basis on the remaining Hanlong Notes, to be capitalised and added to the value of the Hanlong Notes and converted under the same terms as the remaining Hanlong Notes; and
- pursuant to the terms of the Convertible Note Deed Poll entered into on 6 February 2013, Hanlong has issued a conversion notice to Sundance to convert 2,332,500 Hanlong Notes into fully paid ordinary shares in Sundance on 31 January 2017. Following the conversion, Hanlong will hold 167,500 Hanlong Notes at an issue price of A\$1.00 per note with a total face value of A\$167,500 and a maturity date of 31 December 2017.

In addition, Sundance announces that, with effect from today, Mr Wallace King has resigned as a non-executive Director of Sundance and Mr David Porter has been appointed a non-executive Director of Sundance.

As a consequence of Mr Porter being both a Director and an investor in the 2016 Investor Group, the issue of the 2016 Investor Group Notes is subject to, among other things, shareholder approval.

For personal use only

Sundance will seek approval from shareholders to issue the 2016 Investor Group Notes at an Extraordinary General Meeting (“EGM”) to be held in mid-February 2017.

Further details of the terms and conditions of the 2016 Investor Group Notes will be provided to shareholders in a Notice of EGM that is expected to be despatched to shareholders in mid-January 2017.

Mr Casello said *“On behalf of the current and previous Sundance Board members, I would like to thank Mr King for all of his hard work and guidance to the Sundance Board during a challenging period. The Company looks forward to 2017 and the opportunities a strengthening iron ore price brings.”*

ENDS

Further information:

GIULIO CASELLO

Chief Executive Officer and Managing Director

Sundance Resources Limited

Tel: +61 8 9220 2300

Email: info@sundanceresources.com.au

Media:

Warrick Hazeldine

Cannings Purple

Mobile: +61 417 944 616

Email: whazeldine@canningspurple.com.au

About Sundance Resources

Sundance Resources is seeking to develop its flagship Mbalam-Nabeba Iron Ore Project, which straddles the border of Cameroon and the Republic of Congo in Central Africa. Stage One will be the production of a Direct Shipping Ore (“DSO”)–quality sinter fines product averaging >62.0% Fe at a rate of 40Mtpa for approximately 14 years based on blending material sourced from the deposits in the neighbouring countries of Cameroon and Congo. Stage Two, which is currently at a Pre-Feasibility Stage, would then extend the life of the operation by further 15-plus years producing high-grade Itabirite hematite concentrate. In April 2011, Sundance completed the Definitive Feasibility Study for Stage One and Pre-Feasibility Study for Stage Two of the Mbalam-Nabeba Iron Ore Project. The Project will utilise the following rail and port infrastructure to be financed, built and owned by the Government of Cameroon, a 540km rail line dedicated to the transport of iron ore through Cameroon and a dedicated mineral export terminal designed for taking bulk iron ore carriers of up to 300,000 tonnes.

Forward Looking Statements

Certain statements made during or in connection with this communication, including without limitation, those concerning the economic outlook for the iron ore mining industry, financing a large capital project, 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 financing and commencement of commercial operations of the Nabeba-Mbalam-Nabeba Iron Ore Project and its liquidity and capital sources 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, deterioration in the iron ore market, deterioration in debt and equity markets that lead to the Project not being able to be financed, success of business and operating initiatives, changes in the regulatory environment and other government action, fluctuations in iron ore prices and exchange rates, business and operational risk management, changes in equipment life, capability or access to infrastructure, emergence of previously underestimated technical challenges, environmental or social factors which may affect a license to operate.