



ASX Announcement

30 June 2015

MBALAM-NABEBA PROJECT FINANCING UPDATE

Highlights:

- Government of the Republic of Cameroon will seek funding for and own the rail and port infrastructure in Cameroon
- Sundance will develop the Mbarga and Nabeba mines and pay a tariff to use the infrastructure
- Maturity date of Exploration Permit EP92 to be extended to July 2017
- Mbalam Convention long stop date to be extended to July 2017

Sundance Resources Limited (ASX: SDL) ('**Sundance**' or '**Company**') is pleased to announce that significant progress has been made in seeking financing for the Mbalam-Nabeba Iron Ore Project located in the Republic of Cameroon and the Republic of Congo ('**Project**').

The Government of the Republic of Cameroon ('**Cameroon Government**') has agreed to seek to fund 100% of the capital requirement for the rail and port infrastructure in Cameroon via a loan from China and possibly other friendly countries. Sundance is confident that this funding for the infrastructure will be obtained by the Cameroon Government and this will allow the Company to concentrate on the funding and the development of the Mbarga and Nabeba mines.

A Transition Agreement with the Cameroon Government was signed on 30 June 2015 in Yaounde, Cameroon incorporating the following key items:

- Exploration Permit 92 ('**EP92**') will be extended to 24 July 2017;
- The Mbalam Convention Long Stop Date has been extended to 26 July 2015 and, subject to satisfaction of the conditions precedent to the Transition Agreement, will be extended to 24 July 2017;
- The Cameroon Government will own 98% of the rail and port infrastructure entities and in recognition of the capital invested to date by Sundance's subsidiary Cam Iron S.A. ('**Cam Iron**') and the ongoing support that Sundance will provide towards the development of the rail and port infrastructure, Cam Iron will obtain a 2% free carried interest in these entities until the date of first commercial production. Cam Iron will not be required to provide any equity or debt funding for the construction of the rail and port infrastructure;
- Sundance subsidiaries, Cam Iron and Congo Iron S.A., will enter into take or pay agreements incorporating a commercial tariff for each tonne transported and loaded using the infrastructure;
- Sundance is required to achieve a financing commitment for the mines no later than 9 months (or such later date as agreed) after the Cameroon Government achieves its financing commitment for the infrastructure. If this is not achieved within the timeline or any agreed extension, Cam Iron may, at the request of the Cameroon Government, be required to transfer EP92 to a nominee of the Cameroon Government for no consideration;
- Sundance will provide technical support to the Government Ministries as requested; and
- Sundance will conclude the work currently being undertaken on the DUP.

This Transition Agreement becomes effective on the satisfaction of conditions precedent. The only outstanding condition precedent is the consent of all of the convertible noteholders to Sundance entering into the Transition Agreement which is expected shortly.



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The Cameroon Government has commenced a process to select an EPC contractor for construction of the rail and port infrastructure to support its application for a loan from financial institutions. It is anticipated it will take 6-12 months for the Cameroon Government to secure their financing commitment.

Sundance CEO, Giulio Casello said: "The execution of the Transition Agreement will allow Sundance to focus on funding, constructing and operating the mines at Mbarga and Nabeba. We believe this is the best outcome for our shareholders as the mines will be globally competitive low cost producers of high quality iron ore. This will ensure the economic viability of the overall project through a broad range of iron ore prices."

The Cameroon Government has, following the recent visit by the Prime Minister to China in June, expressed its optimism that it will be successful in the financing of the infrastructure. The development of the infrastructure will create an internationally important hub of low cost high quality iron ore which will remain in demand for decades to come, providing on going benefits to Cameroon and the region.

Sundance will now progress the funding of the mines in parallel with the work being undertaken by the Cameroon Government.

ENDS

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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 13 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 scope involves the construction of a 510km rail line dedicated to the transport of iron ore through Cameroon and 70km rail spur line connecting the Nabeba mine in Congo. It also includes the building of 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 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.